
Finance, Audit & Risk Subcommittee

OPEN MINUTES

Minutes of a meeting of the Finance, Audit & Risk Subcommittee held in the Council Chambers, Horowhenua District Council, Levin, on Wednesday 20 September 2017 at 4.00 pm.

PRESENT

Chairperson	Mr P Jones
Deputy Chairperson	Cr B F Judd
Members	Mayor M Feyen
	Cr W E R Bishop
	Cr R J Brannigan
	Cr N G Gimblett
	Cr V M Kaye-Simmons
	Cr C B Mitchell
	Cr P Tukapua
	Cr B P Wanden

IN ATTENDANCE

Reporting Officer	Mr D Law	(Chief Financial Officer)
	Mr D M Clapperton	(Chief Executive)
	Mr G Saidy	(Group Manager – Infrastructure Services)
	Mr M Lester	(Acting Group Manager – Corporate Services)
	Mr D McCorkindale	(Group Manager – Strategy & Development)
	Mrs N Brady	(Group Manager – Customer & Regulatory Services)
	Mrs S Grant	(Group Manager – Community Services)
	Mr J Paulin	(Finance Manager)
	Mrs D Weir	(People & Capability Manager)
	Mr K Peel	(Roading Manager)
	Mr D Gerrard	(Alliance Manager)
	Mrs C McCarthy	(Strategic Projects Manager)
	Mr S Wood	(HDC Legal Counsel)
	Mr A Chamberlain	(Financial Accountant)
	Mr I McLachlan	(Risk Management Lead)
	Mrs K J Corkill	(Meeting Secretary)

MEDIA IN ATTENDANCE

Ms M Schroeter (“Manawatu Standard”)

PUBLIC IN ATTENDANCE

There were six members of the public in attendance at the commencement of the meeting.

1 Apologies

MOVED by Cr Wanden, seconded Cr Tukapua:

THAT the apologies from Crs Campbell and Mason be accepted.

CARRIED

2 Public Participation

There had been no requests to speak.

3 Late Items

There were no late items.

4 Declarations of Interest

None declared.

5 Confirmation of Minutes – Open & In Committee - 9 August 2017

MOVED by Cr Brannigan, seconded Cr Wanden:

THAT the Open and In Committee minutes of the Finance, Audit & Risk Subcommittee held on Wednesday, 9 August 2017, be confirmed as a true and correct record.

CARRIED

6 Announcements

There were no announcements.

7 Reports

7.1 Annual Report for the year ended 30 June 2017

Purpose

To recommend the adoption of the Annual Report for the year ended 30 June 2017 to Council.

CFO Mr Law spoke to this report providing further comment on items in the report, and responding to queries. He also gave an explanation of derivative contracts as noted on page 9.

Mr Chamberlain gave an explanation in relation to the Insurance of Assets contained on page 53 of the Draft Annual Report saying the figures included things like reserves that Council did not insure for.

In terms of the on-going enhancements that were proposed to the presentation and format of the report, Mr Law said this was because the information was generally in a format that only accountants could interpret and his aim was to provide it in a way that was more understandable for all. It was also noted that there were very complicated and prescribed accounting standards, and some information and the way it was presented was required by legislation.

MOVED by Cr Kaye-Simmons, seconded Cr Judd:

THAT Report 17/452 Annual Report for the year ended 30 June 2017 is received.

THAT the Finance, Audit and Risk Subcommittee recommends to Council the adoption of the Annual Report ended 30 June 2017 at the Council meeting of 11 October 2017.

CARRIED

Mayor Feyen ABSTAINED from voting.

7.2 Financial Report for the two months to 31 August 2017

Purpose

To present to the Finance, Audit & Risk Subcommittee the financial report for the two months to 31 August 2017.

In terms of the information provided in the report, Mr Law noted it was always difficult at this time of year to see long term trends. However, Depreciation would be over budget for the rest of the year because of the asset revaluations that occurred as part of the Annual Report.

Referring to the difficulties that Council had in managing capital expenditure in terms of performance, Mr Jones requested that the CE and Officers look at coming up with a plan going into the LTP to better forecast capital expenditure.

MOVED by Cr Wanden, seconded Mr Jones:

THAT Report 17/370 Financial Report for the two months to 31 August 2017 be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

7.3 Infrastructure Projects Update

Purpose

To update the Finance, Audit & Risk Subcommittee on the projects being undertaken by the Projects' team.

Requesting that the report be taken as read, Mr Gerrard, Alliance Manager, took the opportunity in Mr O'Neill's absence to introduce himself. He gave a PowerPoint presentation on the Alliance, what it was, how it operated and the benefits that would accrue to both parties.

With the Subcommittee's role including risk, Mr Jones said he was pleased to see the Alliance's mandate included 'zero harm'. He queried how many near misses there had been so far.

In terms of zero harm, Mr Gerrard said they had had the first incident yesterday with a minor vehicle incident (ding) occurring at the Levin Wastewater Treatment Plant. Previously there had been nothing reported, but it had been stressed to the team that every incident needed to be reported so measures could be put in place for future prevention.

Noting page 35 and the Risk Register recording that there were no open risks, Mayor Feyen suggested one risk was that \$200,000 more had been spent on Te

Awahou Nieuwe Stroom than had been planned and perhaps that should be included.

Mr Saily gave an explanation of the Off Track status of two components of the Koputaroa Stream Improvements project, with this due to the consenting process that was being undertaken which could move the construction date further out, possibly beyond July 2018.

MOVED by Cr Brannigan, seconded Cr Gimblett:

THAT Report 17/438 Infrastructure Projects Update be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

Mrs McCartney joined the table to speak to the Te Awahou Nieuwe Stroom Project Update requesting that the report be taken as read.

Responding to the \$200,000 funding deficit that had been raised, Mrs McCartney said it was proposed to claw back money on the landscaping component of the project and further third party funding would be sought. She also provided further information on the Trespa cladding that had been used for the exterior walls saying that if it was washed down regularly (every six months) it should last for a long time, even in a salty environment. It had been chosen to reduce maintenance costs and was used in the Netherlands/Europe where it had worked really well.

7.4 Electronic Communications (E-mail Quarantine) Policy

Purpose

To present for the Finance Audit and Risk Subcommittee's (Committee) consideration a draft Electronic Communications (E-mail Quarantine) Policy as resolved during the confidential part of the Committee's meeting on 9 August 2017.

With Mr Wood, HDC's Legal Counsel, having been instrumental in formulating the policy, he joined Mr Lester at the table. With the report being taken as read Mr Lester gave a summary of the background to the Policy's drafting, with Mr Wood also explaining the process should an email be blocked by Mail Marshall, which did provide for a request for it to be released.

With it noted that comment/feedback had been sought from the Office of the Ombudsman, the Office of the Privacy Commissioner and Council's lawyers, it was queried if it would be sensible to wait for that feedback before the Policy was adopted.

Mr Jones said the Policy was needed now and that those agencies were not renowned for their speed in providing a response. As Chair, he suggested that the Policy, with suggested amendments, be recommended to Council for adoption. It could be tested and Council could change it at any stage if required.

With regard to the complaints procedure when it related to the Chief Executive, it was suggested (and it had been discussed prior to the meeting) that either the CE's Relationship Committee or the FARS Independent Chair would be more appropriate avenues for a complaint to be investigated. After further discussion it was AGREED that where a complaint against the CE escalated to requiring investigation, this should be undertaken by the Independent Chair of the FAR Subcommittee.

It was also AGREED that reporting to the FAR Subcommittee should be quarterly

not half yearly as provided in clause 11 of the Policy.

MOVED by Mr Jones, seconded Cr Wanden:

THAT Report 17/484 Electronic Communications (E-mail Quarantine) Policy be received.

THAT this decision is recognised as not significant in terms of S76 of the Local Government Act

THAT the draft Electronic Communications (E-mail Quarantine) Policy be recommended to Council for adoption, with the suggested amendments, noting that it is to be sent to the Office of the Ombudsman, the Office of the Privacy Commissioner, Netsafe and Council's legal advisors for comment/feedback.

CARRIED

Mayor Feyen ABSTAINED from voting.

Whilst saying that a Policy was needed for transparency and to avoid any reputational risk to Council, Mayor Feyen explained the reasons for his abstention from voting, which included transparency and the reputational risk for Council. He said he was totally unhappy with the entire process so far.

Points of Order were raised, firstly by Cr Judd as he said some of the comments made by the Mayor were incorrect; and then by Mr Jones as the Mayor's comments strayed from the adoption of the Policy, which was the subject of this report. The Points of Order were upheld by the Chair.

7.5 Mayoral Discretionary Fund

Purpose

To report to the Finance, Audit & Risk Subcommittee on the grants made from the Mayoral Discretionary Fund during the 2016/17 financial year.

It was noted that whilst the previous budget had been \$20,000 pa, it had been set at \$10,000 for the 2017/18 year. That did not stop the Mayor making an additional funding request during the year if required.

MOVED by Cr Gimblett, seconded Cr Mitchell:

THAT Report 17/451 Mayoral Discretionary Fund be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

7.6 Health & Safety - Quarterly Report

Purpose

To provide an update to Elected members on health and safety matters at Horowhenua District Council for the previous four months.

Council's People & Capability Manager, Mrs Weir spoke to this report noting particularly that the top eight risks, identification of which had been requested at the previous FARS meeting, were included in the report.

MOVED by Mayor Feyen, seconded Cr Brannigan:

THAT Report 17/450 on Health & Safety - Quarterly Report be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

7.7 Monitoring Report to 20 September 2017

Purpose

To present to the Finance, Audit & Risk Subcommittee Monitoring Reports covering requested actions from previous meetings of the Subcommittee.

MOVED by Cr Kaye-Simmons, seconded Mayor Feyen:

THAT Report 17/454 on Monitoring Report to 20 September 2017 be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

5.26 pm

There being no further business, the Chairperson declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF THE FINANCE, AUDIT & RISK
SUBCOMMITTEE HELD ON

DATE:.....

CHAIRPERSON:.....