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# Finance, Audit & Risk Subcommittee

## OPEN MINUTES

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Minutes of a meeting of the Finance, Audit & Risk Subcommittee held in the Council Chambers, Horowhenua District Council, Levin on Wednesday 22 February 2017 at 5.00 pm.

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### PRESENT

<b>Chairperson</b>	Cr W E R Bishop
<b>Members</b>	Mayor M Feyen
	Cr R J Brannigan
	Cr R H Campbell
	Cr N G Gimblett
	Cr V M Kaye-Simmons
	Cr J F G Mason
	Cr C B Mitchell
	Cr P Tukapua
	Cr B P Wanden

### IN ATTENDANCE

Mr D Law	(Chief Financial Officer)
Mr D M Clapperton	(Chief Executive)
Mrs M Davidson	(Group Manager - Customer & Regulatory Services)
Mr G Saily	(Group Manager – Infrastructure Services)
Mrs N Brady	(Senior Manager – Business Services)
Mr D McCorkindale	(Senior Manager – Strategic Planning)
Mr J Paulin	(Finance Manager)
Mr M Lepper	(Customer & Regulatory Services Manager)
Mr G O’Neill	(Projects Manager)
Mr A Chamberlain	(Financial Accountant)
Mrs D Weir	(People & Capability Manager)
Mrs K J Corkill	(Meeting Secretary)

### ALSO IN ATTENDANCE

Mr M O’Connor	(Bancorp Treasury Services)
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### PUBLIC IN ATTENDANCE

There was one member of the public in attendance at the commencement of the meeting.

#### 1 Apologies

An apology was recorded for Cr Judd.

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MOVED by Cr Wanden, seconded Cr Kaye-Simmons:

*THAT the apology from Councillor Judd be accepted.*

**CARRIED**

## 2 Public Participation

### 6.2 Financial Reports for December 2016 and January 2017

John Olifent

## 3 Late Items

There were no late items.

## 4 Declaration of Interest

None declared.

## 5 Announcements

### Treasury Report

Mr Miles O'Connor from Bancorp Treasury Services Limited, gave a PowerPoint presentation on the 'fairly unusual environment' existing at present with what was happening overseas. It was referred to as a period of geopolitical disruption, which Mr O'Connor went into in more detail during his presentation. A copy of Mr O'Connor's presentation is **attached** to the official minutes.

## 6 Reports

### 6.1 Treasury Report

#### **Purpose**

To present to the Finance, Audit & Risk Subcommittee the Bancorp Treasury Report for the December 2016 quarter.

MOVED by Cr Brannigan, seconded Cr Mitchell:

*THAT Report 17/63 Treasury Report be received.*

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

**CARRIED**

### 9.2 Financial Reports for December 2016 and January 2017

#### **Purpose**

To present to the Finance, Audit & Risk Subcommittee the financial reports for December 2016 and January 2017.

MOVED by Cr Campbell, seconded Mrs Kaye-Simmons:

*THAT Report 17/34 Financial Reports for December 2016 and January 2017 be received.*

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

**CARRIED**

Mr Olifent joined the table to raise some issues with regard to the legibility of some of the information in the Agenda, whether or not the reports had been prepared using accepted accounting standards, and saying as a ratepayer it was very difficult to make sense of any of the financial costs and benefits. Mr Olifent provided a copy of his notes to assist Officers to respond to his concerns.

Mr Law spoke to the report commenting on Council's financial performance to date, interest rates, and Mr O'Connor's presentation in which an objective view point had been provided on Council's debt portfolio and how that compared with Council's peers and the industry.

Officers responded to Members' questions and comments relating to:

- the level of capital expenditure to date;
- consistency with regard to graph colours in the Operational Summary;
- receipt of some grant funding not being available until the end of a project and how that affected the bottom line,
- assisting new Members by including a key to explain what the red dots, etc, were in the Operational Cost of Service Statement;
- revenue for Solid Waste Management being recorded as above budget due to increased charges with clarification to be sought from the operator as that was not something that Council controlled;
- loss on sale correction (page 33) with the CFO to send a spreadsheet setting out how that occurred with there being residual assets which were part of the sale which had been overstated;
- some projects recorded as having stalled because of insufficient budget and why that had occurred;
- decrease in revenue recorded under General Property with this primarily being related to the Levin Depot and a lessee having set up their own property;
- the higher level of water usage at Foxton Beach with this confirmed as being due to the flushing that was occurring;
- what was actually involved in terms of 'Safe disposal of wastewater – Actual Performance' (page 56), with it noted that Council did have to provide an annual report to HRC and that was based on the monitoring of all those discharges. Council did have a consent with conditions it had to meet, with those consent conditions being a national standard. More information on this would be provided to Council via a briefing;
- water quality standards (page 50) with it requested that the results be broken down to supply areas;
- rates penalties and rates arrears with it confirmed that there were a variety of options for ratepayers to pay their rates, including weekly, monthly and quarterly payments;
- drinking water consumption, with the target in the One Plan being 300 litres a day. Consumption presently was slightly higher in some areas. Council to be briefed on how Horowhenua compared to other councils.

### **9.3 Projects Update Report February 2017**

#### **Purpose**

To provide the Finance, Audit & Risk Subcommittee with an update on projects being undertaken by the Projects Team.

MOVED by Mrs Kaye-Simmons, seconded Cr Tukapua:

*THAT Report 17/41 Projects Update Report February 2017 be received.*

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

**CARRIED**

Mr O'Neill, Council's Project Manager, in speaking to this report said all projects were currently going well which was a position he was very pleased to be in at this time of the year. With regard to NE Levin Stormwater, because of the increase in the downstream discharge, a resource consent was required and that process had been commenced.

Mr Clapperton noted that this report was included in the Agenda because of the risk element to identify any risks and how they could be mitigated.

Cr Tukapua queried who would be doing the Cultural Impact Statement.

#### **9.4 Elected Member Remuneration**

##### **Purpose**

The purpose of this report is to seek agreement from Council to submit to the Remuneration Authority, Elected Members' Remuneration for the period 1 July 2016 to 30 June 2017.

MOVED by Cr Wanden, seconded Cr Mason:

*THAT Report 17/33 Elected Member Remuneration be received.*

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

**CARRIED**

An updated schedule of salary positions was tabled which reflected the fact that Cr Judd had assumed the Chair of the Community Wellbeing Committee replacing Cr Mason who would remain as Chair of the Hearings Committee but who, upon reflection, would have struggled to fit chairing both the Hearings and Committee Wellbeing Committees into her workload.

MOVED by Cr Campbell, seconded Cr Brannigan:

*THAT the Horowhenua District Council submits to the Remuneration Authority that the allocation of the reviewed 2016/2017 remuneration pool be as tabulated within this report.*

**CARRIED**

#### **9.5 Risk Management Project Update**

##### **Purpose**

To provide elected members with a progress update on an ongoing basis.

MOVED by Cr Campbell, seconded Cr Mason:

*THAT Report 17/60 on Risk Management Project 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 Brady spoke to this report, giving an update on progress of the Risk Management Project.

**11 Procedural motion to exclude the public**

MOVED by Cr Mitchell, seconded Cr Wanden:

*THAT the public be excluded from the following part(s) of the proceedings of this meeting.*

*The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.*

*This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:*

**C1 Declaration of Interest**

<i>Reason for passing this resolution in relation to each matter</i>	<i>Particular interest(s) protected (where applicable)</i>	<i>Ground(s) under section 48(1) for the passing of this resolution</i>
<i>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</i>	<i>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</i>	<i>s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</i>

*The text of these resolutions is made available to the public who are present at the meeting and form part of the minutes of the meeting.*

**CARRIED**

6.40pm The public were excluded.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available.

6.50 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:**.....