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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 5 April 2017 at 5.07 pm.

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### PRESENT

**Interim Chairperson** Cr B F Judd  
**Members** Cr W E R Bishop  
Cr R J Brannigan (from 5.15 pm)  
Cr R H Campbell  
Mayor M Feyen  
Cr N G Gimblett  
Cr V M Kaye-Simmons  
Cr J F G Mason  
Cr C B Mitchell  
Cr P Tukapua

### IN ATTENDANCE

Mr D Law	(Chief Financial Officer)
Mr D M Clapperton	(Chief Executive)
Mrs N Brady	(Senior Manager – Business Services)
Mr J Paulin	(Finance Manager)
Mrs M Davidson	(Group Manager – Customer & Community Services)
Mr G O'Neill	(Projects Manager)
Mrs D Weir	(People & Capability Manager)
Mrs K J Corkill	(Meeting Secretary)

### ALSO IN ATTENDANCE

Mrs D Perera (Audit Director, Audit New Zealand)

### PUBLIC IN ATTENDANCE

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

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## 1 Apologies

An apology was recorded for Cr Wanden and an apology for lateness was recorded for Cr Brannigan.

MOVED by Cr Tukapua, seconded Mayor Feyen:

*THAT the apologies from Crs Wanden and Brannigan be accepted.*

**CARRIED**

## 2 Public Participation

No requests to speak had been received.

## 3 Late Items

There were no late items.

## 4 Declaration of Interest

There were no declarations of interest.

## 5 Confirmation of Open & In Committee Minutes – 22 February 2017

MOVED by Cr Campbell, seconded Cr Bishop:

*THAT the Open and In Committee minutes of the meeting of the Finance, Audit & Risk Subcommittee held on Wednesday, 22 February 2017, be confirmed as a true and correct record.*

**CARRIED**

## 6 Announcements

### Audit New Zealand

The Chair noted the attendance at the meeting of Debbie Perera, Audit Director, with Councillors having had the opportunity to spend time with Ms Perera prior to the meeting.

## 7 Reports

### 7.1 Audit New Zealand - Final Management Report for the year ended 30 June 2016

#### **Purpose**

To present to the Finance Subcommittee the Audit New Zealand - Management Report for the year ended 30 June 2016.

MOVED by Cr Campbell, seconded Cr Bishop:

*THAT Report 17/116 on Audit New Zealand - Final Management Report for the year ended 30 June 2016 be received.*

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

**CARRIED**

Ms Perera was welcomed to the table. She apologised for not being able to attend the February 2016 Finance, Audit & Risk meeting, particularly as the Management Report was for the year ended 30 June 2016.

With regard to the Report, Ms Perera said the key messages were in the first two pages of the report, with Council having received an unmodified Audit Opinion on 5 October 2016. Audit New Zealand was satisfied that the financial statements and statement of service performance fairly reflected the Council's activity for the year and its financial position at the end of the year.

Ms Perera worked through the issues identified during the audit which included: performance measure rules, procurement review, rates strike, monitoring of swimming pool revenue, provision against rates debtors, work-in-progress (WIP) balance to be transferred and Annual Report Summary, together with the recommendations to address these, and their priority. Mrs Perera noted that Audit NZ would be issuing its interim management report shortly and would follow up on items in terms of where Council had got with regard to implementation.

Ms Perera then responded to queries in relation to contract management and having a good system to file and retrieve contracts and segregation of duties in the expenditure process. It was noted that there would be a Monitoring Report in place to follow progress on actions recommended by Audit NZ. Officers were also requested to expand on recommendations that had been 'noted' to say how these were progressing.

## 7.2 Financial Report for the eight months to 28 February 2017

### Purpose

To present to the Finance, Audit & Risk Subcommittee the financial report for the eight months to 28 February 2017.

MOVED by Cr Bishop, seconded Cr Mitchell:

*THAT Report 17/115 on Financial Report for the eight months to 28 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 Law spoke to this report noting this was the abbreviated version because it for eight months. The next report would be a quarterly report and would be brought to the April Council meeting rather the next Finance, Audit & Risk meeting as that was not scheduled until 28 June.

For the benefit of all around the table, Mr Law responded to a query from Cr Mitchell on the difference between net debt and gross debt. Mr Law explained that the difference was in effect what was in Council's bank account. When there were covenants with LGFA it was the loan balance less the bank account. Council's loans were down to \$71m at the end of March. Council had also secured a loan for \$3m for an interest rate of 3.72% until 2024, which was a very good rate.

Mr Saidy also responded to queries in relation to capital expenditure and the effect of the bad weather on budgeted works, with things picking up at present and most projects being on track.

Mr Clapperton noted that one item that would not be completed this year was the

Foxton Wastewater Treatment Plant at Matakarapa Island as this was going through the resource consent process. However overall renewals were on track, as was the Te Awahou Nieuwe Stroom Project.

### 7.3 Projects Update Report March 2017

#### Purpose

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

MOVED by Cr Campbell, seconded Cr Kaye-Simmons:

*THAT Report 17/124 Projects Update Report March 2017 be received.*

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

**CARRIED**

Council's Project's Manager, Mr O'Neill spoke to the various projects reported on and responded to Members' queries.

### 7.4 Health and Safety - Quarterly Report

#### Purpose

The purpose of this report is to provide an update to Elected Members on health and safety matters at Horowhenua District Council for the previous six months.

MOVED by Cr Gimblett, seconded Cr Mitchell:

*THAT Report 17/131 'Health and 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**

With the report being taken as read, Mrs Weir, Council's People & Capability Manager noted that one of the highlights was that Council had successfully achieved Tertiary Accreditation which entitled Council to receive a 20% discount on its ACC levy from 1 October 2016 to 30 September 2018. Responding to a query, Mrs Weir advised this discount did not extend to Councillors who were regarded as independent contractors and were responsible for their own taxation and ACC liabilities.

5.55 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:**.....