

Notice is hereby given that an ordinary meeting of the Finance, Audit & Risk Committee will be held on:

**Date:** Wednesday 24 November 2021  
**Time:** 4.00 pm  
**Meeting Room:** Council Chambers  
**Venue:** Horowhenua District Council  
Levin

---

## Finance, Audit & Risk Committee

### OPEN AGENDA

---

#### MEMBERSHIP

<b>Chairperson</b>	Mr Philip Jones	
<b>Deputy Chairperson</b>	Mrs Christine Mitchell	
<b>Members</b>	Mr David Allan	
	Mr Wayne Bishop	
	Mr Ross Brannigan	
	Mr Todd Isaacs	
	Mr Bryan Jackson	
	Mr Sam Jennings	
	Mrs Victoria Kaye-Simmons	
	Mr Robert Ketu	
	Mrs Jo Mason	
	Ms Piri-Hira Tukapua	
	HWTM Bernie Wanden	
<b>Reporting Officer</b>	Mrs Jacinta Straker	(Chief Financial Officer)
	Mr Grayson Rowse	
<b>Meeting Secretary</b>	Miss Jody Lygo	

Contact Telephone: 06 366 0999  
Postal Address: Private Bag 4002, Levin 5540  
Email: [enquiries@horowhenua.govt.nz](mailto:enquiries@horowhenua.govt.nz)  
Website: [www.horowhenua.govt.nz](http://www.horowhenua.govt.nz)

Full Agendas are available on Council's website  
[www.horowhenua.govt.nz](http://www.horowhenua.govt.nz)

Full Agendas are also available to be collected from:  
Horowhenua District Council Service Centre, 126 Oxford Street, Levin  
Te Awahou Nieuwe Stroom, Foxton,  
Shannon Service Centre/Library, Plimmer Terrace, Shannon  
and Te Takeretanga o Kura-hau-pō, Bath Street, Levin



---

<b>ITEM</b>	<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
<b>PROCEDURAL</b>		
1	Apologies	5
2	Public Participation	5
3	Late Items	5
4	Declarations of Interest	5
5	Confirmation of Minutes	5
6	Announcements	5
<b>REPORTS</b>		
6	Reports	
6.1	Draft Annual Report for the year ended 30 June 2021	7
6.2	Four Month Report 1 July 2021 - 31 October 2021	11
6.3	FAR Committee - Actions	13



**1 Apologies**

**2 Public Participation**

Due to COVID-19 Alert Level 2 restrictions, this meeting will be held in person; however, members of the public will not be able to attend. The meeting will be livestreamed on Council's Live Meetings page and a screen will be set up in the foyer area of Council's main office for members of the public who wish to watch the meeting, but do not have internet access at home. Guidelines for visiting Council's Customer Service Centres can be viewed on Council's website: <https://www.horowhenua.govt.nz/Council/Council-Meetings> .

Public Participation will be by way of written submission, which will be read out during the meeting. Written submissions will be required by 12 noon on the day of the meeting by email to [public.participation@horowhenua.govt.nz](mailto:public.participation@horowhenua.govt.nz)

**3 Late Items**

To consider, and if thought fit, to pass a resolution to permit the Council to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) The reason why the item was not on the Agenda, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

**4 Declarations of Interest**

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

**5 Confirmation of Minutes**

**5.1 Meeting minutes Finance, Audit & Risk Committee, 27 October 2021**

**6 Announcements**



File No.: 21/488

## Draft Annual Report for the year ended 30 June 2021

### 1. Purpose

For the Finance, Audit & Risk Committee to review the Draft Annual Report for the year ended 30 June 2021 to Council.

### 2. Executive Summary

- 2.1 This report presents a draft copy (under separate cover) of Council's Annual Report for the year ended 30 June 2021.
- 2.2 The report is still in the process of being audited and has yet to achieve audit clearance due to resourcing issues with Audit NZ. The report is due to be signed off by Council on December 8th.
- 2.3 However, the report is substantially complete and unlikely to change in any material way. The issues relating to financial performance have been highlighted and discussed with Councillors at the Finance Audit and Risk Committee meetings throughout the financial year.

### 3. Recommendation

- 3.1. That Report Draft Annual Report for the year ended 30 June 2021 is received.
- 3.2. That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

### 4. Background / Previous Council Decisions

Council is required under s98 of the Local Government Act (reproduced below) to produce and adopt an Annual Report within 4 months of the end of the financial year (i.e. by 31 October 2021) although this year the deadline has been extended to 31 December 2021 due to the effects of the Covid-19 pandemic and due to resourcing shortages within Audit new Zealand. Due to the lateness of the audit field work this year it is anticipated that Council will adopt the final audited report in December 2021:

#### **98 Annual Report**

- (1) *A local authority must prepare and adopt in respect of each financial year an annual report containing in respect of that year the information required by Part 3 of Schedule 10.*
- (2) *The purposes of an annual report are –*
  - (a) *to compare the actual activities and the actual performance of the local authority in the year with the intended activities and the intended level of performance as set out in respect of the year in the long-term plan and the annual plan; and*
  - (b) *to promote the local authority's accountability to the community for the decisions made throughout the year by the local authority.*
- (3) *Each annual report must be completed and adopted, by resolution, within 4 months after the end of the financial year to which it relates.*

The Draft Annual Report is being brought to the Committee to enable Councillors to understand the report and ask any questions of Officers prior to the end of the final audit field work from the 26<sup>th</sup> October through to 26 October 2021. It is likely the Report will be adopted by Council at its meeting of 8 December 2021.

## 5. Options

There is no option but to adopt the Annual Report with or without an unqualified audit opinion.

### 5.1. Cost

The significant cost for the annual report is the external Audit which has been confirmed at \$174,100.

#### 5.1.1. Rate Impact

There is no rating impact other than the annual cost of producing and auditing the Annual Report, both of which have been budgeted for.

## 5.2. Community Well Being

There is no impact on the Community Wellbeing of adopting the Annual Report.

## 5.3. Consenting Issues

There are no consenting issues related to the adoption of an Annual Report.

## 5.4. LTP Integration

The cost of the Annual Report is budgeted for in the LTP and Annual Plan.

## 6. Consultation

No consultation has been conducted or is required in relation to the adoption of the Annual Report.

## 7. Legal Considerations

Legal considerations are that Council has to adopt the audited Annual Report within six months of the balance date of 30 June 2021.

## 8. Financial Considerations

The Annual Report was produced in-house, with no external input other than from Audit New Zealand and minimal valuation, treasury and legal costs. The cost of the Annual Report is funded from the General Rate and is costed to the Representation and Governance activity.

## 9. Other Considerations

10.1 These accounts have been prepared under the Public Benefit Entity (PBE) accounting standards. Some of these requirements add to the already complex nature and length of the annual report.

10.2 Most of the complexity and size of the document are caused by compliance with and complexity of the legislation, regulations and accounting standards that must be met.

## 10. Next Steps

The Annual Report will need to be adopted by Council before 31 December 2021 to meet the extended statutory deadline. A full Annual Report and audited Summary Annual Report



need to be completed and made available to the public within one month of adoption. This will include posting to our website and an article in "Community Connection".

## 11. Supporting Information

### Strategic Fit/Strategic Outcome

There are no implications on Community Outcomes on adopting an Annual Report.

### Decision Making

The adoption of an Annual Report does not require consultation prior to its adoption and can only be adopted by a full Council meeting; it cannot be delegated to a Committee.

### Consistency with Existing Policy


There is no policy on the adoption of an Annual Report.

### Funding

Funding is through the General Rate.

## 12. Appendices

No.	Title	Page
A	Annual Report 20/21 ( <i>Under Separate Cover</i> )	

Author(s)	Jacinta Straker <b>Chief Financial Officer</b>	
-----------	---	---

Approved by	Nicki Brady <b>Deputy Chief Executive</b>	
-------------	--	---



# Four Month Report 1 July 2021 - 31 October 2021

File No.: 21/489

## 1. Purpose

To present to the Finance, Audit & Risk Committee the financial report for the four months to 31 October 2021.

## 2. Recommendation

- 2.1 That Report Four Month Report 1 July 2021 - 31 October 2021 be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

## 3. Issues for Consideration

As included in the **attached** report.

## Attachments


No.	Title	Page
A	Financial Reporting - Monthly Report - 31 October 2021 ( <i>Under Separate Cover</i> )	

### Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

## Signatories

Author(s)	Jacinta Straker <b>Chief Financial Officer</b>	
-----------	---	---

Approved by	Nicki Brady <b>Deputy Chief Executive</b>	
-------------	--	---



## FAR Committee - Actions

File No.: 21/485

### 1. Purpose

To report back to the Finance, Audit & Risk Committee on requested actions.

### 2. Recommendation

- 2.1 That Report FAR Committee - Actions be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

### 3. Issues for Consideration

As attached.

### Attachments


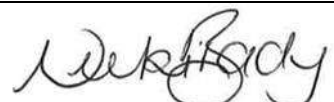
No.	Title	Page
A	Finance, Audit & Risk Committee - Officer Actions 2020/2021	14

#### Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

### Signatories

Author(s)	Jacinta Straker <b>Chief Financial Officer</b>	
Approved by	Nicki Brady <b>Deputy Chief Executive</b>	

<b>HOROWHENUA DISTRICT COUNCIL</b> <b>FINANCE, AUDIT &amp; RISK COMMITTEE</b> <b>OFFICER ACTIONS</b> <b>Queries from meeting to be addressed</b>							
Date	Item/Report No.	Item/Report Description	Query/Action	Responsible Officer	Date to Action by	Progress Status	Officer Comment
25/11/20	20/465	<u>Customer &amp; Strategy – Activity Update</u>	To provide further information with regard to current and future consenting activity – trends to be identified in the growth dashboard	Megan Leyland		In progress	Awaiting changes to reports and processes
31/03/21		<u>Infrastructure Operations – Activity Update</u>	Levin Wastewater Treatment Plant digesters – one digester had failed and replacement options being looked at - report to come to Council, including any risks to Council	David Clapperton	Feb 2022	Ongoing	Several assessments have been carried out including condition assessment of digester and associated mechanical equipment. A cost/benefit evaluation and associated risks with each option have been performed on the available options to determine the appropriate way forward. It has been concluded that a repair has to be done in the short term to increase the life of digester. It is very risky to operate the plant with one digester only.
25/08/21	21/337	Health & Safety Report	Enhanced risk management reporting,	Tanya Glavas		In progress	Enhanced risk management reporting to

D20/154360

<b>HOROWHENUA DISTRICT COUNCIL</b> <b>FINANCE, AUDIT &amp; RISK COMMITTEE</b> <b>OFFICER ACTIONS</b> <b>Queries from meeting to be addressed</b>							
Date	Item/Report No.	Item/Report Description	Query/Action	Responsible Officer	Date to Action by	Progress Status	Officer Comment
			over time, in response to the SafePlus comment <i>"some risk controls were being monitored but effectiveness of controls were not being verified"</i> .				include verification of controls, under development with support from HR Dev Ltd.
27/10/2021	21/392	Finance, Audit & Risk Committee Work Programme	Council's Risk Register – what should be added in terms of risk due to the proposed reforms – Local Government, RMA, and Three Waters to be considered. Also what was learned during the recent CouncilMARK process to be included	Ashley Huria		In progress	A risk management session has been scheduled for January to review the Policy, Framework, and Appetite.
	21/433	Three Month Report 1 July 2021 – 30 September 2021	Provide a summary of the potential changes in the timing to the capital programme & what it is currently looking like.	Jacinta Straker			
	21/433	Three Month Report 1 July 2021 – 30 September 2021	Reprogramme the borrowing profile.	Jacinta Straker			

D20/154360