
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 30 January 2019 at 4.00 pm.

PRESENT

Chairperson Mr Philip Jones
Members Mr Wayne Bishop
Mr Ross Brannigan
Mr Ross Campbell
Mayor Michael Feyen
Mr Neville Gimblett
Mrs Victoria Kaye-Simmons
Mrs Christine Mitchell
Ms Piri-Hira Tukapua
Mr Bernie Wanden

IN ATTENDANCE

| | |
|-------------------|--|
| Mr D Law | (Chief Financial Officer) |
| Mr D M Clapperton | (Chief Executive) |
| Mr I McLachlan | (Group Manager – Customer & Regulatory Services) |
| Ms S Grant | (Group Manager – People & Community) |
| Mr R Green | (Acting Group Manager – Infrastructure Services) |
| Mr D Haigh | (Growth Response Manager) |
| Mr D O'Regan | (Acting Communications Manager) |
| Mr J Paulin | (Finance Manager) |
| Mr A Chamberlain | (Financial Accountant) |
| Ms J Dallinger | (Senior Health & Safety Advisor) |
| Mrs K J Corkill | (Meeting Secretary) |
| Mr D McCorkindale | (Group Manager – Strategy & Development)(from 4.40 pm) |
| Mrs N Brady | (General Manager Horowhenua 2040)(from 4.40 pm) |

PUBLIC IN ATTENDANCE

There were no public in attendance.

1 Apologies

Apologies were recorded for Crs Mason and Judd.

MOVED by Cr Feyen, seconded Cr Bishop:

That the apologies from Councillors Mason and Judd be accepted.

CARRIED

2 Public Participation

None requested.

3 Late Items

Whilst not a later item, there was a correction tabled to the Performance Measure Graphs in the Sixth Month Financial Report.

4 Declarations of Interest

None declared.

5 Confirmation of Minutes – 12 December 2018

MOVED by Mayor Feyen, seconded Cr Kaye-Simmons:

THAT the minutes of the meeting of the Finance, Audit & Risk Subcommittee held on Wednesday, 12 December 2018, be confirmed as a true and correct record.

CARRIED

6 Announcements

There were no announcements.

7 Reports

7.1 Health & Safety - Quarterly Report

Purpose

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

Speaking to the report, Ms Dallinger noted the new format and also focussed on the main points in the report which included:

- moving forward with the Worker Participation procedures approved by the Leadership Team;
- HDC, together with six other participating MWLASS Councils, agreeing to participate in a health and safety gap analysis. A recommendation had been received back and this was currently being worked through. The outcome would be reported back to the MWLASS Board of Directors in February and there would be feedback to the FARS meeting on 23 February.

Ms Dallinger then responded to queries in relation to threatening behaviour, how often that occurred and what that constituted; who elected members should report to should they experience threatening behaviour; and the MWLASS exercise being undertaken.

MOVED by Mayor Feyen, seconded Cr Wanden:

THAT Report 19/3 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

7.2 Six Month Report 1 July - 31 December 2018

Purpose

To present to the Finance, Audit & Risk Subcommittee the financial report for the Six months to 31 December 2018.

Speaking to the report, Mr Law noted particularly the issue of Council being under in terms of its income, which had created a deficit instead of a budgeted surplus, providing an explanation for that circumstance.

The fact that Capital Expenditure was lower than budget was raised and it was noted that was not an unusual situation and had occurred for a number of years. It was something that had been identified by Standard & Poors as one of its perceived risks. It was queried if there was any intention for Council to cut back on the budget for capital expenditure to reflect reality.

Mr Clapperton explained that Council would seldom spend 100% of its annual Capital Expenditure budget; if it was spending 85% of the total capital budget it would be doing quite well. However, Council was currently at about 70%, this was due to key projects that had not happened such as the Foxton Wastewater Treatment Plant upgrade which had not gone ahead because the new consent had not been granted.

Also commenting on this and directing attention to the items in the report that covered this matter, Mr Jones suggested how this could be recorded to better reflect the reality. He also noted that it was about having the conversation and Elected Members, who approved the budget, could instruct the CE in terms of getting this addressed.

Also raised and discussed:

- rates debtors and how the percentage shown compared with last year;
- the make-up of the \$525 for Growth Response projects; and also where any anticipated savings might be coming from;
- the increase in cost for the new recycling contract;
- the rise in the amount for Economic Development, with it explained the figures came out of the LTP which was a decision of Council;
- the non-achievement of the CRM performance measure for responses relating to roads and footpaths, with it noted the measure was set by Council and any amendment would need to be done through the LTP;
- why the water use for Shannon and Mangaore seemed to be so high comparatively;
- the effect on water usage when it came to water being trucked out to Waitarere Beach, with it explained that any water sourced in Levin was charged back to the carrier and then became part of the income stream for the Water Supply activity;
- referencing the Statement of Sundry Debtors, how doubtful debts should be treated and whether or not debtors should be named. One view expressed was that this was an operational matter and Elected Members only needed to know that work was being done to reduce the debtor numbers. The Chair suggested

that separating out water and trade waste debtors could enhance the report and also active repayment and recovery as a \$ amount. He requested the CE to think about how to report to elected members on which debts were difficult to collect and why.

Commenting on the end of year projected surplus of \$421k as opposed to that of the Annual Plan of \$1.643m, the Chair queried what would be the consequence for Council's balance sheet and how was the difference going to be funded and what cash impact that may have. He request that Mr Law respond to that for the next meeting.

MOVED by Cr Tukapua, seconded Cr Brannigan:

THAT Report 18/711 Six Month Report 1 July - 31 December 2018 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 Treasury Report

Purpose

To present to the Finance, Audit & Risk Subcommittee the Bancorp Treasury Report for the December 2018 quarter.

Mr Law reiterated the main points that were highlighted in the report.

The good job done in terms of Council's cost of funds remaining noticeably lower than the large of majority of its peers in the local government sector was acknowledged.

MOVED by Mr Jones, seconded Deputy Mayor Bishop:

THAT Report 19/4 Treasury Report be received, noting the correction of the previous technical breach of the Borrowing Management Policy.

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

CARRIED

5.00 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:.....