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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 24 October 2018 at 4.30 pm.

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### PRESENT

<b>Chairperson</b>	Mr P Jones
<b>Deputy Chairperson</b>	Cr B F Judd
<b>Members</b>	Deputy Mayor W E R Bishop
	Cr R J Brannigan
	Cr R H Campbell
	Mayor M Feyen
	Cr N G Gimblett
	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)
Mr D McCorkindale	(Group Manager – Strategy & Development)
Mr A Grant	(Group Manager – Infrastructure Services)
Mr I McLachlan	(Group Manager – Customer & Regulatory Services))
Mrs N Brady	(General Manager Horowhenua 2040)
Mr G O'Neill	(Projects Manager)
Mr D Haigh	(Growth Response Manager)
Mr D O'Regan	(Acting Communications Manager)
Mr J Paulin	(Finance Manager)
Ms T Magi	(People & Capability Manager)
Ms J Dallinger	(Senior Health & Safety Advisor)
Mrs K J Corkill	(Meeting Secretary)

### MEDIA IN ATTENDANCE

Mr G Heagney	("Manawatū Standard")
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### PUBLIC IN ATTENDANCE

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

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## 1 Apologies

An apology was recorded for Cr Kaye-Simmons.

MOVED by Cr Judd, seconded Cr Tukapua:

*THAT the apology from Councillor Kaye-Simmons be accepted.*

**CARRIED**

## 2 Public Participation

A request from Mr Ten Have to film the meeting was considered, with it

MOVED by Mayor Feyen, seconded Cr Campbell:

*THAT Mr Ten Have's request to film the meeting be approved.*

On a show of hands, there were three for and six against the motion. The motion was therefore LOST.

Mrs Paton commented on the following:

### 7.2 Projects Update

On page 16, a correction was requested with the addition of 'Beach' to the Flagstaff Street, Foxton, reference.

Mr Clapperton extended his apologies for the error.

### 7.3 Three Month Report 1 July – 30 September 2018

Mrs Paton noted the omission of a 'k' following some of the figures on page 27.

Responding to a concern expressed by Mrs Paton about the way the information in the various statements in the Report was presented which could be hard for the general public to interpret in terms of the amount involved, the Chair explained that this was dictated by Government regulation, including the three '0's across the top of the page. Mrs Paton suggested that an explanatory note be included at the beginning of the report.

## 3 Late Items

There were no late items.

## 4 Declarations of Interest

There were no declarations of interest.

## 5 Confirmation of Minutes – 19 September 2018

In relation to 7.6, Project Reporting, the Chief Executive said there had been an understanding that he would bring back to the FAR Subcommittee further projects that were not necessarily LTP related but which could include non-financial projects that it was felt should be reported on going forward. That work had not yet been completed; however Mr Clapperton said he had discussed with the CE Relationship Committee what non-capital projects might be included in the report with it not just being about dollar value, it might be about community interest, political interest, or it might be around risk.

Mr Jones said it had been suggested at the pre-meeting discussion that a workshop be held, once the list of projects was determined, to decide what information should be included in

that report and queried when might be an appropriate time for that to happen if the Subcommittee felt that was a good idea.

Mr Clapperton said his preference would be for it to be included as part of Council's on-going briefings prior to the next FARS meeting and to be scheduled so the FARS Chair could attend.

A correction was noted in 7.5 Risk Update, fourth paragraph – Gladstone 'Green' should in fact be Gladstone 'Road'.

MOVED by Cr Judd, seconded Cr Brannigan:

*THAT the minutes of the meeting of the Finance, Audit & Risk Subcommittee held on Wednesday, 19 September 2018, as corrected, 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.

Ms Dallinger spoke to the report saying that in terms of areas of concern, there was nothing that sprang to mind that was significant.

Responding to a query with regard to how asbestos disposal was managed and the procedures that were involved, Ms Dallinger said Council could not manage work over which it had no control. Any issues of concern should be directed to Compliance Officers to deal with.

Mr Lester added that there were policies and procedures around the removal and appropriate disposal of asbestos. When it was aware of a demolition consent that involved asbestos, Council would ensure that it was disposed of in an environmentally, as well as Health & Safety, appropriate manner. Responding to a further query about disposal location, Mr Lester said to his knowledge Council did not receive asbestos into the local landfill; it went to Bonny Glen.

In relation to the expected rise in the number of reported incidents/accidents following an internal education campaign and at what stage there would be cause for concern, Ms Dallinger said a trend analysis was done on the type of incident, where it occurred and the seriousness of the event. Anything out of the ordinary was being constantly reviewed and monitored. At this stage it was expected the trend would rise slightly as processes and knowledge of employees improved; which should plateau in 12–18 months.

MOVED by Cr Campbell, seconded Cr Judd:

*THAT Report 18/599 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 Projects Update

### Purpose

To provide the Finance, Audit and Risk Subcommittee with an update on projects being managed by the Horowhenua Alliance.

Joined at the table by Mr Grant, Mr O'Neill gave a PowerPoint presentation covering the items in his report and responding to queries.

Responding to a query in relation to the what happened to the dried sludge from the Foxton WWTP, Mr O'Neill said that had not yet been decided. It could go to the landfill or be mixed with other soil. Other options to geobags had been considered but they were more expensive. He further said that he did not think the delay in the project would impact on the operational efficiency of the plant.

With regard to any risk arising from the reduced scope of the Waste Water Pumps Project Phase: Scoping, Mr O'Neill said it was not expected to make a big difference. The work still needed to go ahead. The priority work would be focussed on and the rest would be done later.

Mr O'Neill gave an explanation as to the satisfaction ratings of 7 on pages 12 and 13, adding that the reason that the Waste Water Reticulation Renewals had not started was because contractors did not like to work in drains full of water; preferring to do that in the drier months.

An explanation was also provided as to the additional cost required to de-sludge the Foxton WWTP.

MOVED by Cr Brannigan, seconded Cr Judd:

*THAT Report 18/601 on 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**

## 7.3 Three Month Report 1 July - 30 September 2018

### Purpose

To present to the Finance, Audit & Risk Subcommittee the financial report for the three months to 30 September 2018.

Mr Law provided further comment to items in his report saying that despite it being so early in the financial year, there were some trends noted with most of the variances being positive.

Having recently returned from Alaska, Cr Tukapua reported on the half day she had spent at the Council in the capital, Juneau. She had had time with the CE, had asked a lot of questions and had also been on site visits, which included their landfill.

One thing from the visit that Cr Tukapua said she thought was a good idea was that they graphed their loan repayments over a 10 year period. It helped the public understand and provided reassurance that debt was being repaid over time rather than forever climbing.

Mr Law responded that the information on debt was included in the usual quarterly Treasury Report from Bancorp which had not happened for this meeting as the information had not arrived in time to be included in the Agenda. However, it was something that could be included in the quarterly report if that was something that Elected Members wanted.

Mr Jones suggested including that as part of the workshop on reporting that was proposed, as well as looking at whether there was too much information provided in the report.

Responding to a request for clarification on which assets were included in the Gross proceeds from sale of assets (page 42), Mr Law said those were assets identified at the time of the LTP as being surplus, with Mr Lester confirming that they were not core property assets.

MOVED by Cr Campbell, seconded Deputy Mayor Bishop:

*THAT Report 18/596 Three Month Report 1 July - 30 September 2018 be received.*

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

**CARRIED**

#### 7.4 Risk Update

##### **Purpose**

To update Finance Audit and Risk Sub-committee on additions and deletions to the Summated Risk Register.

The following updates were provided on the information in the report:

Update 1 – Mr Grant said this had been looked at and there would be a workshop held to assist the Finance Department with forecasting what money was needed to complete projects to provide assurance that the capital projects to fulfil this portion of the LTP would be addressed.

Update 2 – Mr Paulin advised that as of this morning there had been confirmation from Council's financial accounting system provider that the one up system of invoice approval was now able to be implemented and the functionality would work. A project plan was being developed, though there was not as yet a timeframe for implementation.

Update 3 – Mr McLachlan advised this had now been downgraded to GREEN.

MOVED by Cr Judd, seconded Cr Mitchell:

*THAT Report 18/598 on Risk Update be received.*

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

**CARRIED**

5.40 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:**.....