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# Finance, Audit & Risk Committee

## OPEN MINUTES

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Minutes of a meeting of the Finance, Audit & Risk Committee held in the Council Chambers, Horowhenua District Council, Levin, on Wednesday 30 September 2020 at 4.00 pm.

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### PRESENT

<b>Chairperson</b>	Mr P Jones	
<b>Deputy Chairperson</b>	Mrs C B Mitchell	
<b>Members</b>	Mr W E R Bishop	
	Mr R J Brannigan	
	Mr B J Jackson	
	Mr S J R Jennings	(from 4.05 pm)
	Mrs V M Kaye-Simmons	
	Mrs J F G Mason	
	Ms P Tukapua	
	HWTM B P Wanden	

### IN ATTENDANCE

<b>Reporting Officer</b>	Mr D Law	(Chief Financial Officer)
	Mr D M Clapperton	(Chief Executive)
	Mr B Maguire	(Group Manager – Infrastructure Development)
	Mr K Peel	(Group Manager – Infrastructure Operations)
	Mrs L Slade	(Group Manager – People & Culture)
	Mr B Harvey	(Community Facilities & Events Manager)
	Mr J Paulin	(Finance Manager)
	Mr D Haigh	(Principal Project Manager)
	Ms M Leyland	(Consents Manager)
	Mrs V Miller	(Compliance Manager)
	Mr S Magi	(Information Services Manager)
	Mr A Chamberlain	(Financial Accountant)
	Mr D O'Regan	(Strategic Communications Lead)
	Mrs K J Corkill	(Meeting Secretary)

### ALSO IN ATTENDANCE

Mr A Young	(Chair, Horowhenua New Zealand Trust)
Mr R Turk	(Trustee, Horowhenua New Zealand Trust)

### PUBLIC IN ATTENDANCE

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

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## 1 Apologies

Apologies were recorded for Councillors Allan, Isaacs and Ketu and Councillor Jennings had recorded an apology for lateness.

MOVED by Cr Jones, seconded Cr Wanden:

*THAT the apologies from Councillors Allan, Isaacs, Ketu, and from Councillor Jennings for lateness, be accepted.*

**CARRIED**

## 2 Public Participation

The Chair advised that there had been several requests for public participation but these had been declined in line with Council's Standing Orders; however he was allowing Mrs Paton the opportunity to speak to the Infrastructure Operations – Activity Update – Foxton Beach Surf Club Upgrade project, as her comments could have financial implications.

Speaking to the Foxton Beach Surf Club Seismic Strengthening and Upgrade Phase 1, Mrs Christina Paton urged Council to revisit the Tonkin & Taylor report that had been prepared when the resource consent process was being undertaken as it raised issues about the location of the building and the car park and she suggested that needed to be taken into consideration before progressing with what was currently being proposed

## 3 Late Items

There were no late items.

## 4 Declarations of Interest

None declared.

## 5 Confirmation of Minutes

MOVED by Cr Brannigan, seconded Cr Mitchell:

*THAT the minutes of the meeting of the Finance, Audit & Risk Committee held on Wednesday, 26 August 2020, be confirmed as a true and correct record.*

**CARRIED**

## 6 Announcements

There were no announcements.

## 7 Reports

### 7.1 Horowhenua New Zealand Trust - Annual Report 1 October 2019 to 30 September 2020

#### Purpose

For the Horowhenua District Council to receive the Annual Report 1 October 2019 to 30 September 2020 from the Horowhenua New Zealand Trust.

Chair of the Horowhenua New Zealand Trust, Antony Young, and Trustee Ron Turk, joined the table to speak to the report on the services the Trust provided as part of its contract with Council and to respond to any queries.

To provide context to their presentation, Mr Young played a short video which he

said summed up what the Trust was trying to achieve, as well giving a PowerPoint presentation “Moving Horowhenua forward” which showed some of the initiatives being undertaken to meet the Trust’s mission of Economic and Social Improvement, such as the Horowhenua Business Park, the regular Business After 5 events; with the most recent one being “Get-Go” - promoting employment and providing an avenue between employers and employees. An app for this would be launched in 2021.

Mr Young said what made the Trust effective was that the Trustees and the Trust’s employees were driven to make things happen and were very excited by the possibilities for this district and how they could contribute. He thanked Mr Clapperton for the supporting the Trust and the work it was doing as they saw the relationship as a partnership.

Responding to queries:

- In terms of how local businesses had been affected by COVID-19, Mr Turk said the region had been lucky as it had a lot of agriculture which meant they had been able to carry on. There had been challenges in terms of how business could be conducted, but Zoom meetings were held within the industry to address these and there had been enough resources to overcome any obstacles.
- In relation to the internal goals set for the Trust, Mr Young said these were evolving and would be shared at a follow-up meeting.
- Mr Young said Get-Go was a very new initiative. An Executive Manager had been employed, who would start in January. HLC was on their radar, but they initially wanted to start with the schools as it was important to get their engagement and support. The Trust had received funding for three years and they were under pressure to make it self-funding and sustainable.

In expressing his thanks for the presentation, Mayor Wanden acknowledged those who had originally been involved in the formation of the Trust. Although it was still in its infancy, it was heartening to see the original vision for the Trust flourish and he looked forward to the challenges and opportunities for the district that were ahead.

MOVED by Mayor Wanden, seconded Deputy Mayor Mason:

*THAT Report 20/421 Horowhenua New Zealand Trust - Annual Report 1 October 2019 to 30 September 2020 be received.*

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

*THAT the Horowhenua New Zealand Trust’s Annual Report 1 October 2019 to 30 September 2020 to the Horowhenua District Council be received.*

**CARRIED**

## 7.2 Community Facilities - Activity Update

### Purpose

To provide the Finance, Audit and Risk (FAR) Committee with an update on the projects and activities being undertaken within Community Facilities which form part of the Communities, Partnerships and Business Group.

Speaking to the report, Brent Harvey provided the following updates:

- the high wind last week had caused further delays for the Hydroslide project;
- the Mahi Space was progressing well and Elected Members would have received an invitation to the opening next Wednesday;
- there had been a closure of the Foxton Pool due to an electrical problem.

MOVED by Cr Kaye-Simmons, seconded Cr Tukapua:

*THAT Report 20/360 Community Facilities - Activity Update be received.*

*THAT these matters or decisions are recognised as not significant in terms of S76 of the Local Government Act.*

**CARRIED**

### 7.3 Infrastructure Development - Activity Update

#### Purpose

To provide the Finance, Audit and Risk (FAR) Committee with an update on the projects being undertaken by the Infrastructure Development Group.

Brent Maguire and Daniel Haigh joined the table to speak to the report and respond to queries.

#### 3.1 Foxton River Loop Regeneration – Stage 1

- a video showing the work being done to move eels was played.
- it was confirmed that there were various options for the use of the excavated material when it was taken off site and all were being explored.

#### 3.2 Horowhenua Alliance Review

- both Infrastructure Group Managers had together been undertaking a review of the Alliance Operations over the past few months.
- this report provided the highlights, with the theme being improvements in the team and, in particular, to get to grips with how the Alliance model really worked and the way it reported.
- the final audit report was being finalised now, and the combined response would come to the FAR Committee.

MOVED by Mr Jackson, seconded Deputy Mayor Mason:

*THAT Report 20/361 Infrastructure Development - Activity Update be received.*

*THAT these matters or decisions are recognised as not significant in terms of s76 of the Local Government Act 2002.*

**CARRIED**

### 7.4 Infrastructure Operations - Activity Update

#### Purpose

To provide the Finance, Audit and Risk (FAR) Committee with an update on the projects being undertaken by the Infrastructure Operations Group.

Speaking to the report and responding to queries, Kevin Peel commented:

- the Tiro Tiro Road roundabout was close to completion, with a break in the weather awaited to do the paving.
- he had located the report Mrs Paton had commented on and would check through it and report back to the Committee on his findings.
- he would arrange a site visit for Elected Members to the Foxton Wastewater Treatment plant.

Mayor Wanden advised that he had had the privilege of walking the Minister of Finance around Foxton and the Minister had been impressed that the Government's investment in the district was being well spent.

Responding to a comment from the Chair on the helpful graphs in the report, Mr Peel said it was the intention to include them for all the projects; it was a work in progress. The inclusion of the risks for each of the projects was also suggested. Explaining the reason for the risk identified with regard to OPEX Financials, Mr Peel said in the past some items had been coded incorrectly and they were looking at

addressing that going forward.

MOVED by Mr Jones, seconded Cr Brannigan:

*THAT Report 20/362 Infrastructure Operations - Activity Update be received.*

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

**CARRIED**

## 7.5 Customer and Strategy - Activity Update

### Purpose

To provide the Finance, Audit and Risk (FAR) Committee with an update on the projects and activities being undertaken within the Customer and Strategy portfolio of Council.

Noting the new format, Mrs Miller and Ms Leyland had nothing further to add to the report.

MOVED by Mr Jackson, seconded Cr Tukapua:

*THAT Report 20/366 Customer and Strategy - Activity Update be received.*

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

**CARRIED**

## 7.6 Two Month Report 1 July 2020 - 31 August 2020

### Purpose

To present to the Finance, Audit & Risk Subcommittee the financial report for the two months to 31 August 2020.

Saying that this year was going to be unusual, Mr Law provided some examples, with one being the Capital Grants and Subsidy Income which was abnormally high because of the amount of Government funding received. Whilst at this stage things were tracking well against budgets, Mr Law said it was difficult this early in the year to identify any trends.

The Chair suggested it would be helpful to have some graphs which showed business as usual projects and special projects as Council was receiving an influx of Government funding which posed some risk and tracking of that would provide some assurance.

In terms of how officer time and resources were tracked for PGF-funded work, Mr Law said any staff working on projects provided timesheets so hourly rates were costed and tracked, and that could also be done for Crown infrastructure as well as Annual Plan projects. Mr Maguire also confirmed monthly tracking of projects and that information was readily available.

Formatting of the information provided in the report was discussed, with it suggested that members bring back ideas, other than colour coding and 'smiley faces', to make the information clearer.

MOVED by Mr Jones, seconded Cr Bishop:

*THAT Report 20/409 Two Month Report 1 July 2020 - 31 August 2020 be received.*

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

**CARRIED**

## 7.7 Draft Annual Report for the year ended 30 June 2020

### Purpose

For the Finance, Audit & Risk Committee to review the Draft Annual Report for the year ended 30 June 2020.

Mr Law noted:

- at the time the Agenda was published the Draft Annual Report was still very much a work in progress. Since then the draft report had been completed and it had gone to Audit NZ yesterday morning.
- Audit NZ representatives were due to be at Council for the next three weeks.
- Officers were now working on the LTP, which was somewhat of a struggle with everything that had happened this year.
- Audit had required Council to do a rather large questionnaire on the effects of COVID-19 on its books, which had taken some time to complete. The Audit directors would look at that and see if there was anything to be added to the audit; however, nothing had been reported back as yet.
- he believed the risks in the Horowhenua were lower than places like Auckland and Queenstown.
- by the next FAR meeting there should be some indication from Audit as to their position, though that may not include issuing their opinion.
- this year the deadline for reporting had been extended. Normally the Annual Report was required to be adopted by the end of October; but this had been extended and Council's meeting on 11 November 2020 would be the target date for the Annual Report's adoption.
- in terms of the cost of the Audit, these had gone up slightly since last year.

Responding to a query about the quality of the commentary in the Draft Annual Report which had been raised previously as an issue, Mr Law said Audit would look at those commentaries and decide whether they were adequate or not, or whether they thought they needed to be redone. If Elected Members had any observations to make on the quality of the commentaries, Mr Law said to please let him know.

MOVED by Mr Jones, seconded Mr Jackson:

*THAT Report 19/363 Draft Annual Report for the year ended 30 June 2020 is received.*

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

**CARRIED**

## 7.8 FAR Committee - Actions

### Purpose

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

Page 73 20/332 – Infrastructure Development – Activity Update – Horowhenua Alliance Review

With a further report to come, it was requested that the Progress Status be amended from 'Completed' to 'Work in Progress'.

20/116 - Delegations Register Update

This item from the Council Monitoring Report – “to refer the delegated authority provided to the CE in terms of Authorisation of Operating and Capital Expenditure within Approved Budgets to the FAR Committee for further discussion – was raised and it was requested it be included in this Action Report as it was still to be progressed.

Page 72 20/291 – Monitoring Report – Audit Recommendations

Whilst it had been anticipated that this report would have come to this or the previous FAR Committee meeting, the updated interim audit letter which would have identified items that had or had not been completed had not yet been received. This would be followed up so there would be a reasonable programme to report against.

MOVED by Mr Jones, seconded Cr Jennings:

*THAT Report 20/425 FAR Committee – Actions, as amended, be received.*

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

**CARRIED**

5.30 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  
COMMITTEE HELD ON

**DATE:**.....

**CHAIRPERSON:**.....