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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 27 January 2021 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 D A Allan
	Mr W E R Bishop
	Mr R J Brannigan
	Mr T N Isaacs
	Mr B J Jackson
	Mr S J R Jennings
	Mrs V M Kaye-Simmons
	Mrs J F G Mason
	Mayor B P Wanden

### IN ATTENDANCE

Mr D Law	(Chief Financial Officer)
Mr D M Clapperton	(Chief Executive)
Mrs J Straker	(Chief Financial Officer)
Mr B Maguire	(Group Manager – Infrastructure Development)
Mr K Peel	(Group Manager – Infrastructure Operations)
Mr D McCorkindale	(Group Manager – Customer and Strategy)
Mrs L Slade	(Group Manager – People and Culture)
Mr B Harvey	(Community Facilities & Events Manager)
Mr J Paulin	(Financial Accountant)
Mr S Magi	(Information Services Manager)
Mrs T Glavas	(Health & Safety Advisor)
Mrs K J Corkill	(Meeting Secretary)

### MEDIA IN ATTENDANCE

Mr P Williams	(“Chronicle”)
Ms V Harrod	

### PUBLIC IN ATTENDANCE

There were five members of the public in attendance at the commencement of the meeting, with four more joining the gallery at the early stage of the meeting.

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## 1 Apologies

Apologies were recorded for Cr Ketu and also for Cr Tukapua (on Parental Leave).

MOVED by Cr Wanden, seconded Cr Allan:

*That the apologies from Councillors Ketu and Tukapua be accepted.*

**CARRIED**

## 2 Public Participation

### 7.3 Infrastructure Development – Activity Update

#### 3.2 Crown Infrastructure Partners Enabling Infrastructure for Tara-Ika

Mr Charles Rudd reiterated points he had made to Council on two previous occasions in relation to the naming of the proposed development area and also raised an issue of concern in relation to groundwater from the development which he suggested could add to the contamination and pollution going into Lake Horowhenua.

Mrs Christina Paton recommended that Council include in the enabling infrastructure the requirement for universal water metering, compulsory roof water collections systems and a rates reduction for all dwellings and businesses that included composting toilets, saying that Tara-Ika was a wonderful opportunity to demonstrate that Council was thinking positively with regard to environmental welfare.

### 7.5 Six Month Report 1 July 2020 – 31 December 2020

Mr Olaf Eady queried two items in the Six Month Report, one being the Loss on Disposal of Assets and the other being the total amount of arrears showing in the Statement of Rates Debtors. With regard to the Loss on the Disposal of Assets, Mr Law said this related to the sale of a property in Roe Street to the Horowhenua NZ Trust. It was noted that the sale price was set by resolution of Council and, because of accounting standards, may have involved the transaction being concluded in the following financial year which could show as a technical loss on sale, but it may not necessarily have been a cash loss.

With regard to Rates Debtors, it was stressed Council was in a better position than it had been last year, and Council did take an active role in the recovery of all sundry debtors. HDC was part of MWLASS Debt Management Central, which pursued outstanding debt, particularly in the rates area using a range of options, including what was available through the Courts.

## 3 Late Items

There were no late items.

## 4 Declarations of Interest

There were no declarations of interest.

## 5 Confirmation of Minutes

MOVED by Cr Allan, seconded Mr Jones:

*THAT the minutes of the meeting of the Finance, Audit & Risk Committee held on Wednesday, 25 November 2020, be confirmed as a true and correct record.*

**CARRIED**

## 6 Announcements

There were no announcements.

## 7 Reports

### 7.1 Health & Safety Report

#### Purpose

To provide an update to the Finance Audit and Risk (FAR) Committee on health and safety matters at Horowhenua District Council for the three-month period October to December 2020.

Health & Safety Advisor, Tanya Glavas, and Group Manager – People & Culture, Lisa Slade, joined the table to speak to the report, which was taken as read. Mrs Glavas said that the only update was there had been a review as to where Council sat as an organisation in terms of its preparedness for a pandemic, and what Council needed to keep operating had been kept up-to-date.

Mrs Glavas responded to queries with regard to:

- defibrillators. Council had four; one at the Council building, one at Te Takeretanga o Kura-hau-pō, one at the Aquatic Centre, and one was shared between Te Awahou Nieuwe Stroom and the Foxton Pool. Aquatic Centre staff were trained in their operation, and training had also been offered to other staff who were interested.
- the MWLASS SafePlus Audit. This was done every two years to check health and safety compliance.
- the level of near miss reporting. There were discussions currently being undertaken as to how to improve that part of the culture, with Mrs Glavas saying she would report back further on this in the next Health & Safety report.

MOVED by Cr Brannigan, seconded Mr Jackson:

*THAT Report 20/584 Health & Safety 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 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, Community Facilities & Events Manager, Brent Harvey, said they were confident that the scheduled mid-February completion date for the Hydroslide work would be met.

MOVED by Cr Isaacs, seconded Cr Bishop:

*THAT Report 20/562 Community Facilities - 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**

### 7.3 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.

Group Manager – Infrastructure Development, Brent Maguire, showed a 48 second video which gave an overview of five months' worth of work at the Manawatū River Loop, with work having commenced in mid-August and it was now a month away from the opening ceremony.

He noted that currently the renovation of the three Churches - Free Church of Tonga, the Samoan Methodist Church and the Congregational Church of Samoa, was being undertaken. This would be reported on further in the next activity update.

Mr Maguire then responded to queries in relation to:

- the Manawatū River Loop funding;
- the installation of larger three-waters pipes under the roundabout to cater for the new Tara-Ika residential area;
- where Council was at with the contingency for the Foxton project. This would be reported on;
- the working relationship with Horizons Regional Council in terms of the odour issue. The team was taking this issue seriously and would report back on how it could be done better in future.

MOVED by Cr Brannigan, seconded Cr Allan:

*THAT Report 20/496 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.

With the report taken as read, Kevin Peel, Group Manager – Infrastructure Operations, spoke to the report and responded to queries.

Appreciation was expressed at the very good recommendations included in the Roading – Post Project Review, and it was queried how these would be captured so they were not lost. Mr Peel said they would be discussed with the teams on how to put them into practice to ensure a better standard in terms of operating procedures. With regard to the recommendation to consider complete road closures, this would be considered as often as possible as it was safer for traffic, the general public and workers. It was suggested that it would be helpful for the community to understand that the shorter length of time to complete construction could offset the disruption and translate into cost savings, although it was noted there could be an impact on some people who may have to travel further during construction. So the process was clear and transparent, the Chair suggested some criteria would be helpful as having the process available for scrutiny prior to work being undertaken would be useful.

With regard to the colours in the Zero Harm graph, Mr Peel said these had been developed by the Downer counterparts in the Alliance. It was suggested that an explanation of the colour coding would add extra value to the report, as would an explanation of any abbreviations.

MOVED by Mr Jackson, seconded Deputy Mayor Mason:

*THAT Report 20/564 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 Six Month Report 1 July 2020 - 31 December 2020

### Purpose

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

Responding to a query in relation how the extra operational grants were dealt with in Council's books, Mr Law said some of the costs would be operational in nature and some would be capital. Reporting on this had been discussed and it was proposed to cover this in future reports.

MOVED by Mayor Wanden, seconded Cr Brannigan:

*THAT Report 20/566 Six Month Report 1 July 2020 - 31 December 2020 be received.*

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

**CARRIED**

## 7.6 Treasury Report

### Purpose

To present to the Finance, Audit & Risk (FAR) Committee the Bancorp Treasury Report for the December 2020 quarter.

In terms of interest rates, Mr Law noted that Council was actually showing a surplus from derivatives which would suggest that the market was starting to go up. Council had managed to reduce its cost of funds by a couple of basis points when refinancing short term loans.

The 3 Waters reforms and how that should be factored in to Council's borrowing was raised and the Chair said that was worthy of discussion as the reforms were going to happen, but the information around the actual transfer of assets and liabilities was somewhat vague with huge uncertainty as to the detail.

Mr Clapperton agreed that while clear direction would not come through until the 2024-25 year, the decisions Council made today needed to take into account the proposed 3 Waters reforms.

MOVED by Cr Bishop, seconded Cr Jennings:

*THAT Report 20/567 Treasury Report be received.*

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

**CARRIED**

## 7.7 FAR Committee - Actions

### Purpose

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

20/291 Monitoring Report – Audit Recommendations

Mr Law noted there were a number of items on that report that had been resolved but sign off had not yet been received from Audit. This was being pursued so it could be brought back to Council.

Council had also been endeavouring to get sign off on the Internal Audit and this should be available to bring to the next FAR Committee meeting.

The Chair also noted that he had had discussions with the Deputy Chief Executive in relation to the entire work programme for the FAR Committee for each month, including the Internal Audit work programme. It was proposed to bring this to the February FAR Committee meeting.

Mr Jones also noted he had emailed the Audit Director in relation to the awaited information, but had not received a response. He would follow up with a further email.

MOVED by Mr Jones, seconded Deputy Mayor Mason:

*THAT Report 20/568 FAR Committee - Actions be received.*

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

**CARRIED**

5.18 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:**.....