
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 31 July 2019 at 4.00 pm.

PRESENT

Chairperson
Members

Mr P Jones
Deputy Mayor W E R Bishop
Cr R J Brannigan
Cr R H Campbell
Mayor M Feyen
Cr N G Gimblett
Cr B F Judd
Cr V M Kaye-Simmons
Cr J F G Mason
Cr C B Mitchell
Cr P Tukapua
Cr B P Wanden

IN ATTENDANCE

Reporting Officer

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| Mr D Law | (Chief Financial Officer) |
| Mr D M Clapperton | (Chief Executive) |
| Mr M J Lester | (Group Manager – Corporate Services) |
| Mr D McCorkindale | (Group Manager – Strategy & Development) |
| Mr I McLachlan | (Group Manager – Customer & Regulatory Services) |
| Mr K Peel | (Acting Group Manager – Infrastructure Services) |
| Mrs N Brady | (Group Manager – H2040 & Partnership Development) |
| Mr G O'Neill | (Planning Manager) |
| Mr J Paulin | (Finance Manager) |
| Mr A Chamberlain | (Financial Accountant) |
| Mrs L Winiata | (Community Engagement Manager) |
| Mrs J Dallinger | (Senior Health & Safety Advisor) |
| Mr D O'Regan | (Executive Assistant) |
| Ms S Hori Te Pa | (Governance & Executive Team Leader) |
| Ms A Parker | (Executive Assistant to the Mayor) |
| Mrs K J Corkill | (Meeting Secretary) |

PUBLIC IN ATTENDANCE

There were eight members of the public in attendance at the commencement of the meeting

1 Apologies

There were no apologies.

2 Public Participation

Speaking to the 7.2 Projects Update - Levin Stormwater Consent, Mrs Anne Hunt raised a number of issues including iwi consultation; the legal matters currently in train affecting the Lake and the Lake Trust; the fact that the Muaūpoko Tribal Authority was not the Lake's owner; the status of the iwi members on the Horowhenua Lake Domain Board; historical matters with regard to the Lake and stormwater; and the risk assessment which she suggested should be extreme.

In relation to 7.2 Projects Update – Shannon Water Supply, Mr Olaf Eady queried why under the Cultural Health Indicator report, Ngati Whakatere need to build a relationship with King Country Energy and Trustpower. Then speaking in relation to 7.7 Monitoring Report – Audit Recommendations 2018/2019 – Funding agreement with third parties, Mr Eady wanted to know what stage this was at and who was the party concerned.

Mr Clapperton suggested, if members of the public had questions with regard to anything on an Agenda, it would be helpful if they were sent through to Council prior to the meeting so there was an opportunity for Officers to provide an informed response.

Referring to the final item in the recommendations, Review of Land and Buildings Fixed Asset Register, Mr Eady queried if the assets pertaining to the Foxton Beach Freeholding Account (FBFA) were valued.

Mr Law responded that the assets were valued and were presented to the Foxton Community Board. The Foxton Beach Freeholding Account was also included in Council's audit. Each time a section was sold or a property was freeholded it was identified as being part of the FBFA so there was a lot of transparency.

Mr Clapperton added, with his comment supported by the Chair, that the FBFA assets were Council assets and were reviewed, revalued and audited in the same way as other Council assets.

Mr Kelvin Lane, Chairperson of the Manawatu Estuary Trust, spoke to 7.2 Projects Update – Foxton Beach Stormwater Consent – outlining in some detail the impact of stormwater on the mudflats that made up about one third of the Trust's area and the affect that had occurred overtime on the mudflats as Foxton Beach had changed and now become a residential area and the possible future affects in terms of the RAMSAR site. As an affected party, he requested that the Estuary Trust be included as a key stakeholder and be part of the consultation and monitoring being undertaken.

Responding to Mr Lane's request, Mr Clapperton said that from both a consultation and stakeholder perspective, the Manawatu Estuary Trust was a key party and he would ensure that the consultants working on this were advised that the Trust would be included both from a monitoring and consultation perspective. This would be captured in the next Projects Report update.

Speaking to 7.7 – Monitoring Report – Audit Recommendations 2018/2019 - Funding agreement with third parties – Mrs Christina Paton noted the status was overdue and being an audit recommendation she said it should not be ignored. Noting the significant sums of public money (including funding from the FBFA) that had gone into building and maintaining Te Awahou Nieuwe Stroom she made some suggestions to address the issue.

Mr Clapperton responded that as he had highlighted at the last meeting, there were negotiations being undertake with two parties with regard to Deeds of Acknowledgement of Debt; one party had signed and a draft deed would be submitted to Te Taitoa Maori for finalising shortly.

3 Late Items

There were no late items; however a hard copy of the updated Projects Report had been circulated.

4 Declarations of Interest

There were no declarations of interest.

5 Confirmation of Minutes – 26 June 2019

MOVED by Mayor Feyen, seconded Cr Campbell:

THAT the minutes of the meeting of the Finance, Audit & Risk Subcommittee held on Wednesday, 26 June 2019, 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.

Council's Senior Health & Safety Advisor, Mrs Dallinger, joined the table to speak to the report and respond to any queries, reiterating the key updates for the quarter.

Mrs Dallinger explained the strategies being undertaken to improve incident and accident reporting which had dropped for the last quarter. With regard to the Act and the processes and reporting that Council had traditionally had in place, Mrs Dallinger noted that the new legislation was no longer about compliance but was more about a health and safety culture.

MOVED by Mayor Feyen, seconded Cr Wanden:

THAT Report 19/232 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

At the Chair's suggestion, Reports 19/261 and 19/256 were addressed concurrently.

7.2 Projects Update

Purpose

To provide the Finance, Audit and Risk Subcommittee with an update of the projects being undertaken by the Infrastructure Projects Team.

7.3 Capital Projects Undertaken by Alliance

Purpose

To provide the Finance, Audit & Risk Subcommittee with an update on the Capital Projects being undertaken by the Horowhenua Alliance.

Mr Clapperton and Mr O'Neill joined the table to speak to the reports, with Mr O'Neill giving a PowerPoint presentation on the four projects updates covered in report 19/526 and he and Mr Clapperton responded to a number of queries from Elected Members on salient points in the various Project updates.

MOVED by Cr Campbell, seconded Mayor Feyen:

THAT Reports 19/261 Projects Update and 19/256 Capital Projects Undertaken by Alliance be received.

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

CARRIED

7.4 Twelve Month Report 1 July 2018 - 30 June 2019

Purpose

To provide a placeholder for the financial report for the twelve months to 30 June 2019.

Apologising for the lateness of the report, Mr Law said it was an interim report in the normal format; it was not the Annual Report as such. A draft of the Annual Report would be available for the next FARS meeting, with Audit NZ commencing its audit of the document on 12 August. The final version of the Report would be presented to the FARS September meeting, for adoption by Council at its 2 October 2019 meeting. He then gave a PowerPoint presentation that provided an explanation for the major changes from the deficit originally predicted.

Commenting on the issue, Mr Jones said he thought the CE and the Finance staff should be congratulated for producing such a report for the previous financial year in July as normally it would not be available until August. However, Mr Jones said he did have some concerns, which he articulated. Saying he proposed to send a number of questions to the CE and staff, he suggested the report be received as an interim financial result for the period to allow time for a more detailed analysis of the impact on how the deficit would be funded to be available for the August FARS meeting.

MOVED by Mr Jones, seconded Cr Kaye-Simmons:

THAT Report 19/270 Interim Twelve Month Report 1 July 2018 - 30 June 2019 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 Treasury Report

Purpose

To present to the Finance, Audit & Risk Subcommittee the Bancorp Treasury Report for the June 2019 quarter.

Speaking to the report, Mr Law commented on the graph which suggested that the current interest rates in 5,000 years with a lot of that being caused by the world's economy slowing and the geopolitical risk.

Also Bancorp had been given permission to use HDC as a case study because HDC was seen as a Council that had historical debt and new debts and was doing relatively well with that.

MOVED by Cr Kaye-Simmons, seconded Cr Brannigan:

THAT Report 19/266 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

7.6 Audit Plan

Purpose

To deliver to the Subcommittee the Audit Plan for the audit of the 2018/19 Annual Report.

MOVED by Cr Campbell, seconded Deputy Mayor Bishop:

THAT Report 19/267 Audit Plan 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 Monitoring Report - Audit Recommendations 2018/2019 - June 2019

Purpose

To present to the Finance, Audit & Risk Subcommittee the Monitoring Report covering Audit recommendations 2018/19.

With the Chair noting that there had been a meeting with the Auditor, it was:

MOVED by Mayor Feyen, seconded Cr Kaye-Simmons:

That Report 19/263 Monitoring Report - Audit Recommendations 2018/2019 - June 2019 be received.

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

CARRIED

5.48 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:.....