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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 20 June 2018 at 4.00 pm.

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### PRESENT

**Chairperson**  
**Members**

Mr P Jones  
Cr W E R Bishop  
Cr R J Brannigan  
Cr R H Campbell  
Cr V M Kaye-Simmons  
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)                        |
| Ms S Grant        | (Group Manager – People & Community)     |
| Mr D McCorkindale | (Group Manager – Strategy & Development) |
| Mr G O'Neill      | (Projects Manager)                       |
| Mr S Wood         | (Legal Advisor)                          |
| Mrs K J Corkill   | (Meeting Secretary)                      |

### MEDIA IN ATTENDANCE

|             |                       |
|-------------|-----------------------|
| Ms K Tuckey | ("Manawatu Standard") |
|-------------|-----------------------|

### PUBLIC IN ATTENDANCE

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

#### 1 Apologies

Apologies were recorded for Mayor Feyen, and Crs Gimblett and Judd.

MOVED by Cr Campbell, seconded Cr Wanden:

*THAT the apologies from Mayor Feyen and Councillors Gimblett and Judd be accepted.*

**CARRIED**

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## 2 Public Participation

- Olaf Eady 7.1 Eleven Month Report  
Rates debtors with arrears (page 13)  
7.2 Statutory Rates Write Off

Christina Paton 7.3 Projects Update

Referencing comments made by the Chief Executive as recorded in the previous FARS minutes in relation to people paying their rates, Mr Eady queried Council's approach when it came to pursuing Rates Debtors as he said those who did pay their rates should not be supporting those who did not.

Mr Clapperton and Mr Law outlined the robust process that Council followed when it came to the collection of outstanding rates. The Chair supported that explanation and Mr Eady was directed to approach the Chief Executive if he required further information.

Speaking to Report 7.3, Project Status Report No 3 in relation to the Foxton Wastewater Treatment Plan Desludging and having previously been involved in the resource consent process, Mrs Paton said it was rather disappointing to see there was still a delay in completing the work that was required especially as there had been a very dry summer and it would have been an optimum time to do the work. She requested an update, with Mr Clapperton suggesting that be left to Projects Manager, Mr O'Neill to address when he spoke to the Projects Update Report.

## 3 Late Items

There were no late items.

## 4 Declarations of Interest

None declared.

## 5 Confirmation of Minutes

MOVED by Cr Campbell, seconded Deputy Mayor Bishop:

*THAT the minutes of the meeting of the Extraordinary Meeting of the Finance, Audit & Risk Subcommittee held on Wednesday, 16 May 2018, be confirmed as a true and correct record.*

**CARRIED**

## 6. Announcements

The Chair announced that he proposed providing a report to the Chief Executive in three to four weeks' time on the performance of the Subcommittee and how it was meeting its objectives in terms of its framework and delegations from Council. The impetus for this had come from Audit and Risk forums he had recently been involved with running. The CE could then bring it back to the Subcommittee or Council for consideration. With the next elections to occur in 12 months, Mr Jones said now was a good time to look at what and how the Subcommittee was doing.

Mr Clapperton sought the Subcommittee's leave to change the date of the September 2018 Finance, Audit & Risk Subcommittee meeting from the 12th to 19th. The additional week would allow a little more time for the preparation of the Annual Report which could then be considered by the Subcommittee. The Chair had indicated he was able to accommodate the change.

## 7 Reports

### 7.1 Eleven Month Report 1 July 2017 - 31 May 2018

#### Purpose

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

Mr Law and Mr Clapperton highlighted the salient points in the report and responded to queries.

A correction on page 11 was noted. The Operating surplus/(deficit) before tax figure should read \$2,658.00 not \$792.00.

MOVED by Cr Kaye-Simmons, seconded Cr Brannigan:

*THAT Report 18/298 Eleven Month Report 1 July 2017 - 31 May 2018 be received.*

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

**CARRIED**

### 7.2 Statutory Rates Write Off

#### Purpose

To approve the write off of rates and penalties that are no longer collectable under the Local Government (Rating) Act 2002.

The Chair clarified that the write off figure included penalties and GST, with the GST portion being able to be claimed back.

It was stressed that this was a formality and the amount should be less over time as Council had stopped applying penalties. It was also noted that this amount was not excessive in terms of the total rates take and Council did make provision for doubtful debts so it was taken into account in the Funding Impact Statement.

An additional resolution was proposed so that there was reporting back annually on the total statutory rates and penalties that were written off for Maori Freehold Land.

MOVED by Mr Jones, seconded Deputy Mayor Bishop:

*THAT Report 18/321 on Statutory Rates Write Off 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 District Council approves the write off of rates and penalties that are no longer collectable under the Local Government (rating) Act 2002 totalling \$308,892.71.*

*THAT future Statutory Rates write offs be delegated to the Chief Financial Officer, Group Manager - Corporate Services, and Finance Manager.*

*THAT the Chief Executive report on an annual basis on the total statutory rates and penalties that have been written off for Māori Freehold Land.*

**CARRIED**

### 7.3 Projects Update

#### Purpose

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

Mr O'Neill made a PowerPoint presentation on the current status of the various projects being undertaken and responded to questions raised.

Responding to Mrs Paton's query, Mr O'Neill said that the Foxton Wastewater Treatment Plan Desludging project had not taken place over the summer as it had gone through a procurement process. The contractor that had been engaged had been busy on another project so it did not progress straight away.

MOVED by Cr Wanden, seconded Cr Campbell:

*THAT Report 18/314 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**

### 7.4 Monitoring Report - Issues Identified during the 30 June 2017 Audit

#### Purpose

To present to the Finance, Audit & Risk Subcommittee the Monitoring Report covering issues identified during the 30 June 2017 Audit.

Responding to a query as to whether Council should have a Policy on Deposits and Bonds, Mr Jones said, no, that would be like having a policy for policy's sake. When the Audit Management letter was received it was something that could be raised with Audit.

Mr Clapperton explained how Council was addressing Project Management Improvements (page 56) with the status changed to green as Council was working to develop capability in this area.

MOVED by Cr Brannigan, seconded Cr Mitchell:

*THAT Report 18/276 on Monitoring Report - Issues Identified during the 30 June 2017 Audit be received.*

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

**CARRIED**

5.13 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:**.....