

FINANCE, AUDIT AND RISK COMMITTEE MEETING HELD AT 2.04PM ON MONDAY 14 MARCH 2016 AT COUNCIL OFFICES, 34 ESPLANADE, KAIKOURA.

PRESENT: Councillor J Howden (Chair), Mayor W Gray, Councillors G Harmon, D Millton.

IN ATTENDANCE: A Oosthuizen (Chief Executive Officer), S Poulsen (Finance Manager), S Syme (Committee Secretary).

1. FINANCE REPORTS

Cash was at a similar level to the previous month. A loan had been raised to match payments made to the Canterbury District Health Board. The current operating deficit was \$1.3million the bulk of which was Council's contribution to the Hospital which was at \$2,030,445. The final payment for the hospital had been made. An enquiry was made regarding whether or not money would come back to Council if the Trust raised more. Mayor Gray advised the money would come to Council if additional funding was raised. It was generally felt this should be clarified. It was suggested further fundraising should be encouraged. It was noted the Op Shop was not linked to the Hospital fundraising Trust. It was generally felt it would be beneficial if it was explained to the community that the money to the hospital was a grant and not a contribution and that donations would still be gratefully received.

The current borrowing rate was 4.68%. It was felt that a lower rate should be able to be attained given the low level of the official cash rate.

Water metre revenue was up because Council was now invoicing itself. Metering Councils own water usage helped with its own water management. Small amounts of revenue were still being received from Marlborough Regional Forestry on a regular basis. A discussion was held regarding funding of the Civic Centre from forestry reserves. It was felt that any money accumulated in the fund since the resolution was made to use the fund in December should remain in the fund.

The operating deficit was \$500,000 better than had been budgeted for February and expenses were less than budgeted overall. Being under budget was attributed to a lesser amount being donated to the Hospital.

Working capital was once again positive and liquidity was 3:1. A discussion was held regarding the format of the capital expenditure report. It was felt it would be more beneficial to include a projection rather than a percentage complete. Concern was expressed regarding the amount of work which needed to be undertaken before the end of the financial year. It was noted pavement rehabilitation was not going to be undertaken within the financial year because there was a need to accumulate funds because it was more cost effective to undertake larger quantities of work. It was suggested the working capital report be reported in spreadsheet form which also included funding sources.

A discussion was held regarding depreciation being included within expenditure items. This would be separated out in future.

2. FINANCE, AUDIT AND RISK PUBLIC EXCLUDED SESSION

Moved by Councillor Howden, seconded by Councillor Millton and resolved that the public be excluded from the following parts of the proceedings of this meeting namely;

- a) Audit Management Report***
- b) Debt Recovery Report.***

There being no further business the meeting closed at 3.45pm.