

# REPORT OF THE FINANCE, AUDIT AND RISK COMMITTEE MEETING HELD AT 2.02PM ON MONDAY 20 JUNE 2016 AT MEMORIAL HALL SUPPER ROOM, ESPLANADE, KAIKOURA.

**PRESENT:** Councillor J Howden (Chair), Mayor W Gray.

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

**APOLOGIES:** Councillors G Harmon, D Millton  
***Moved by Mayor Gray, seconded by Councillor Howden and resolved that apologies be accepted.***

## **1. MATTERS OF IMPORTANCE TO BE RAISED AS URGENT BUSINESS**

There was discussion about the Finance, Audit and Risk meetings going forward. The Chief Executive Officer felt 'risk' should be separated from 'finance and audit'. She advised that at Buller District Council a 'risk' meeting was held quarterly and a report compiled every 6 months. The Finance Manager felt it made sense to hold the Finance and Audit meeting as part of the full Council meeting. Councillor Howden felt finance and audit should be full Council, with a pre-meeting for clarity. The Finance, Audit and Risk meeting format would be reviewed following the local body elections.

## **2. FINANCE REPORTS**

The operating deficit had reduced to \$1,229,431. The deficit included the payments to the Canterbury District Health Board of \$2,030,445. Expenses were within budget and personnel expenses were less than budget. Revenue was tracking \$278,000 better than had been budgeted. Roading revenue was up because Council could now claim subsidies for a portion of administrative time (previously a flat 2.5% of road costs regardless of time spent).

The final settlement figure for the Civic Centre insurance claim was still unknown. The alterations to the sewer and stormwater systems outside the building would be funded from the maintenance budget not the Civic Centre budget, as these had needed to be upgraded regardless of the new building.

The Operations and Maintenance Manager had reprioritised work in the district. It was suggested a more detailed description of what work was planned would be beneficial. Budget allocations which had not been spent on the Memorial Hall (particularly fire-proofing the curtains) would be carried over.

***Moved by Councillor Howden, seconded by Mayor Gray and resolved that the Finance Reports and the Summary Finance Report be received.***

## **3. RISK MANAGEMENT REPORT**

The advantage of having 'Risk Management' meant that big issues were identified. Once risks were identified they could be evaluated and subsequently mitigated. A Risk Register would allow issues to be expanded

out, analysed and then allowances could be made for those which were deemed high risk. Further information would be brought to the next meeting once input from Council staff had been sought.

***Moved by Mayor Gray, seconded by Councillor Howden and resolved that the Risk Management Report be received.***

***Moved by Councillor Howden, seconded by Mayor Gray and resolved that the Finance, Audit and Risk Committee;***

***1. Approve the adoption of the Risk Management Framework and Policy as an initial template,***

***2. Endorse that staff work through and populate a Risk Register and analyse and evaluate the gross and residual risks (June through to July 2016),***

***3. Review and amend the preliminary draft Risk Register (July 2016).***

#### **4. INTERNAL AUDIT WORK PROGRAMME**

Risk Management could be applied across an entire organisation, to its many levels, as well as to specific functions, projects and activities. The risk management process was a systemic application of management policies, procedures and practises to address and manage risks which could prevent Council from achieving its objectives. The Finance Manager advised that internal audits were carried out regularly to provide assurance Council was operating correctly. She further advised that she was looking to strengthen the purchase order process to ensure cross-checks and transparency.

#### **5. MINUTES ACTION LIST**

1. South Bay Forest would be discussed in the public excluded session.
2. The Chief Executive Officer would circulate a copy of the IWK Health and Safety report to the Committee.

#### **6. CONFIRMATION OF MINUTES**

***Moved by Councillor Howden, seconded by Mayor Gray and resolved that the report of the Finance, Audit and Risk Committee meeting held on 16 May 2016 be confirmed a true and accurate record.***

#### **7. FINANCE, AUDIT AND RISK PUBLIC EXCLUDED**

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

- a) Debt Recovery Report***
- b) Audit New Zealand Management Report 2015 – Progress Report***
- c) Confirmation of Minutes 16/05/2016***
- d) South Bay Forest.***

***There being no further business the meeting closed at 2.44pm.***

