

**MINUTES OF THE FINANCE AUDIT AND RISK COMMITTEE MEETING HELD AT
1.00PM ON TUESDAY 26 OCTOBER 2021 AT TOTARA, COUNCIL CHAMBERS, 96
WEST END, KAIKOURA**

PRESENT: Councillor N Pablecheque (Chair), Mayor C Mackle, D Brandish
(Independent Member)

IN ATTENDANCE: W Doughty (Chief Executive Officer), M Dickson (Senior Manager
Corporate Services), C Kaa (Management Accountant), Cr V Gulleford, B
Makin (Minutes)

1. KARAKIA

2. APOLOGIES

Apologies were received for Deputy Mayor J Howden.

Moved: Mayor C Mackle

Seconded: D Brandish

CARRIED UNANIMOUSLY

3. DECLARATIONS OF INTEREST: Nil

4. CONFIRMATION OF MINUTES

RESOLUTION

THAT the Committee:

a) Confirms as a true and correct record, the circulated minutes of a meeting of the Committee held on 31 August 2021.

Moved: Mayor C Mackle

Seconded: Cr N Pablecheque

CARRIED UNANIMOUSLY

5. MATTERS ARISING AND ACTIONS

The Matters Arising and Action list was reviewed by the Committee. The following updates were noted:

- Natural Hazards – A summary will be provided at the next meeting which is scheduled for 22 February 2022
- Harbour User Invoice – The Chief Executive will arrange a meeting with the harbour user prior to issuing the invoice
- Shared Pathway Sealing – An update has been provided in the Works & Services BAU report. It was noted that Waka Kotahi (NZTA) are not going to fund the shared pathway along beach road due to health & safety issues. They have agreed to widen and improve the footpath along the beach front but the technical specifications may be more than we require

6. MATTERS OF IMPORTANCE TO BE RAISED AS URGENT BUSINESS Nil

7. FINANCE REPORT TO 30 SEPTEMBER 2021

Shared service IT costs with the Hurunui District Council have accumulated due to invoices not being issued. The costs will be included in the Annual Report 2020/2021 as the Council has budgeted for the services. The result being that the overall surplus will be less than anticipated. A payment process is being arranged between the Council's to ensure shared service costs are more frequently met.

Audit New Zealand are expected mid-November 2021, they have provided materiality details for Council staff to clarify. It was noted that the Council had two qualifications from the Annual Report 2019/2020 relating to performance measure monitoring (mainly three waters) which has since been resolved for this financial year and repairs following the revaluation. A full valuation of the Council's assets would cost approximately \$20,000 and take four weeks to complete. If unable to complete, a qualification or emphasis of matter may be included in the auditor's report.

The Finance Report to 30 September 2021 was presented by C Kaa.

The net surplus of \$1.397 million is up on the budgeted net surplus of \$1.413 million primarily due to revenue being higher than budgeted for the Wakatu Quay project. Council staff explained that due to the nature of the project, the forecasted expenditure in the Long-Term Plan has seen setbacks, which has an effect throughout the financials. Council staff have suggested that they separate out the narrative relating to the Wakatu Quay project in the next finance report.

It was noted that 50% of ratepayers are now on direct debits. No requests for rent rebates have been received by the Council as a result of the latest Covid-19 lockdown.

90% of resource consents are currently being outsourced by the Council whilst the vacant planning position remains unfilled. A nationwide shortage of planners was noted. The risks identified were not having local knowledge by using outsourced companies, not meeting statutory timeframes and additional costs of consultants. A cost comparison of the outsourced resource consents vs employee costs (and savings) was requested.

Staff retention was discussed, and it was noted that roles within the Council have recently been reviewed against the Local Government Strategic Pay remuneration bands as part of the overall remuneration review process.

A query was raised if the roading contractor covers the cost to fill / patch potholes (as a temporary measure). Council staff would follow up and confirm at the Works & Services Committee meeting.

The capex report was reviewed by the Committee. The main concerns for unspent budget relate to the Waiiau Toa and Wakatu Quay projects. Materials have been ordered for East Coast and Fernleigh water supplies, however due to Covid-19 delays these will not arrive until February 2022. A Covid 19 related risk for the capital programme delivery has been added to the register.

RESOLUTION

That the Committee recommends that Council receives the Finance Report to 30 September 2021.

Moved: D Brandish

Seconded: Mayor C Mackle

CARRIED UNANIMOUSLY

8. QUARTERLY REPORTS TO 30 SEPTEMBER 2021

It was noted that the investment report will be reviewed in Q1 2022 by Council staff.

RESOLUTION

That the Committee recommends that Council receives the cover report and the listed attachments outlined in section 3 Summary of the cover report.

Moved: Mayor C Mackle

Seconded: D Brandish

CARRIED UNANIMOUSLY

9. RESERVES AND SPECIAL FUNDS AS AT 30 SEPTEMBER 2021

Six monthly reports will be provided to the Committee for the periods ended 31 December and 30 June.

RESOLUTION

That the Committee recommends that Council receives this report.

Moved: Cr N Pablecheque

Seconded: Mayor C Mackle

CARRIED UNANIMOUSLY

10. RISK MANAGEMENT REPORT

The Risk Register is reviewed on a monthly basis by the Management Team. The main changes were highlighted on page 47 of the Agenda.

RESOLUTION

That the Committee recommends that Council:

- a) Receives the Reserves and Special Funds report*
- b) Receives the Risk Management report*
- c) Notes the contents of the Risk Management Report (including Risk Register)*
- d) Provides any feedback for staff consideration.*

Moved: D Brandish

Seconded: Mayor C Mackle

CARRIED UNANIMOUSLY

There being no further business, the meeting closed at 1.41 pm.

CONFIRMED _____ Chairperson

_____ Date

**FINANCE AUDIT AND RISK
ACTION LIST AS AT 02 NOVEMBER 2021**

	ACTION ITEM	ASSIGNED TO	DUE	STATUS
1	Natural Hazard Project Figures Fully depleted. Summary to be provided.	M Dickson / S Poulsen	24 Aug 21	Staff are working on an analysis of the costings. Recent priority given to Annual Report and set up of 2021/2022 budgets post the LTP. Will be provided at next meeting – 22 February 2022.
2	Resource Consents - Cost Comparison vs employee costs (and savings)	M Dickson	22 Feb 22	

CLOSED ITEMS

	ACTION ITEM	ASSIGNED TO	DUE	STATUS
	Mayoral Fund and Mayoral Earthquake Fund	M Dickson/ S Poulsen	28 Sep 21 / 26 Oct 21	Included in Council Agenda
	Wakatu Quay project to be included in risk register	M Dickson	October 21	Included in risk register
	Pothole costs Council staff to follow up and revert if contractor or the Council bears the costs	M Dickson	22 Feb 22	Confirmed by S Murphy at Works & Services Meeting 27/10/2021
	Mayoral Fund and Mayoral Earthquake Fund	M Dickson/ S Poulsen	28 Sep 21 / 26 Oct 21	Included in Council Agenda for October meeting
	Shared Pathway – Sealing	W Doughty	24 Aug 21	Confirmed not proceeding on Beach rd.