

FINANCE, AUDIT AND RISK COMMITTEE

Agenda

NOTICE OF MEETING

Due to COVID-19 restrictions this meeting will be held via video conference and live-streamed to our [YouTube channel](#). All members participating via video conference will count for the purpose of the meeting quorum in accordance with clause 25B of Schedule 7 to the Local Government Act 2002. The meeting will be held on Wednesday 1 December 2021 at 10:00am and will be public except for any items specifically noted in the agenda as being for public exclusion.

MEMBERSHIP OF THE COMMITTEE

Councillors Leigh Hay (Chair), Pam Colenso, Garrick Emms, Brian Jephson, Brenda West, and Mayor Alex Beijen. Independent member: Kit Nixon

Open Section

Health and Safety Procedures

- A1.** Apologies
- A2.** Conflicts of interest
- A3.** Public participation
As per standing order 14.17 no debate or decisions will be made at the meeting on issues raised during the forum unless related to items already on the agenda.
- A4.** Actions from public participation
- A5.** Extraordinary business
- A6.** Minutes for Confirmation: Finance, Audit and Risk Committee
Minutes of 6 October 2021
Proposed Resolution: *That the minutes of the Finance, Audit and Risk Committee meeting held on 6 October 2021 are confirmed as a true and correct record.*

Pages 1-4

B. Information and Verbal Reports from Chief Executive and Staff

- | | | |
|------------|------------------------------|-------------|
| B1. | Policy and Governance Report | Pages 5-6 |
| B2. | Corporate Services Report | Pages 7-15 |
| B3. | Action Items Reports | Pages 16-19 |

C. Public Excluded Business

- | | | |
|------------|---|------------------------------|
| C1. | Mid-Year Pulse Survey on Staff Engagement | <i>(attached separately)</i> |
| C2. | Confirmation of Public Excluded Minutes from 6 October 2021 | <i>(attached separately)</i> |

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

| Report/General Subject Matter | Reason for passing this resolution in relation to the matter | Ground(s) under Section 48(1) for the passing of this Resolution |
|---|--|--|
| Mid Year Pulse Survey on Staff Engagement | Good reason to withhold exists under section 9(2)(a)(c)(f) | Section 48(1)(a) |
| Confirmation of Public Excluded Minutes from 6 October 2021 | Good reason to withhold exists under section 7(2)(c)(i)(ii) | Section 48(1)(a) |

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

| Reason for passing this resolution in relation to the matter | Ground(s) under Section 48(1) for the passing of this Resolution |
|--|--|
| The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons. | Section 7(2)(a) |
| The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source and is in the public interest that such information should continue to be supplied. | Section 7(2)(c)(i) |
| The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest. | Section 7(2)(c)(ii) |
| The withholding of the information is necessary to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to members or officers or | Section 7(2)(f)(i) |

| | |
|---|---------------------|
| employees of any local authority, or any person to whom section 2(5) applies, in the course of their duty. | |
| The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees, and persons from improper pressure or harassment. | Section 7(2)(f)(ii) |
| The withholding of the information is necessary to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any person to whom section 2(5) applies, in the course of their duty. | Section 7(2)(f)(i) |



FINANCE, AUDIT AND RISK COMMITTEE

Minutes from 6 October 2021

| | |
|-----------------------------|--|
| Present: | Councillors Leigh Hay (Chair), Garrick Emms, Brenda West, Mayor Alex Beijen, and independent member Kit Nixon. |
| In Attendance: | Katrina Neems (Chief Financial Officer), Harry Wilson (Chief Executive), Sheil Priest (Communications Manager), and Suzanne Clark (Committee Advisor). |
| Conduct of Business: | <p>Due to COVID-19 restrictions this meeting was held via video conference and live streamed to Council's YouTube channel. All members participating via video conference count for the purpose of the meeting quorum in accordance with clause 25B of Schedule 7 to the Local Government Act 2002.</p> <p>The meeting was held in public under the above provisions from 10:00am to 11:45am except where expressly noted.</p> |

Open Section

A1. Apologies

FINANCE, AUDIT AND RISK RESOLVED (FAR2021/32) to accept apologies from Cr Vickery.

(Moved Cr Emms/Seconded Mayor Beijen)

Carried

FINANCE, AUDIT AND RISK RESOLVED (FAR2021/33) to accept apologies from Cr Jephson.

(Moved Cr Colenso/Seconded Mayor Beijen)

Carried

A2. Conflicts of Interest

There were no conflicts of interest declared.

A3. Public Participation

There was no public participation.

A4. Actions from Public Participation

There were no actions from public participation.

DISCLAIMER

Until confirmed as a true and correct record, at a subsequent meeting, the minutes of this meeting should not be relied on as to their correctness

A5. Extraordinary Business

There was no extraordinary business.

A6. Minutes for Confirmation

FINANCE, AUDIT AND RISK RESOLVED (FAR2021/34) that the Finance, Audit and Risk Committee minutes from the meeting held on 11 August 2021 are a true and a correct record subject to a correction to show that the correct date for the communication allowance to be paid from is July 2021.

(Moved Cr Hay/Seconded Cr West)

Carried

Secretary note: The new determination is effective from 1 July 2021 (as outlined in the report), however as the first elected member payment is not until August, the minutes are correct and no change to the 11 August 2021 minutes is required.

FINANCE, AUDIT AND RISK RESOLVED (FAR2021/35) that the public excluded Finance, Audit and Risk Committee minutes from the meeting held on 11 August 2021 are a true and correct record.

(Moved Mayor Beijen/Seconded Cr Emms)

Carried

B Information and Verbal Reports from Chief Executive and Staff

B1. Corporate Services Report

Mrs Neems explained that the budget figures had not been loaded to the system due to potential changes and the time involved in undertaking this work.

Mrs Neems advised that it was likely that the adoption of the Annual Report would be delayed until early November and that this met legislative timelines of 31 December.

Members discussed rates arrears, the miscellaneous income amount and offset expenditure item, the forestry valuation, accounting for carbon credits, the high level of developer contributions, internal loans and interest rates and reserve fund transactions, commitments and balances.

FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2021/36):

1. To receive the Corporate Services Report.

(Moved Cr West/Seconded Cr Colenso)

Carried

2. Action 479: Send FAR members an email update on what income sources are making up the 'Miscellaneous Income' line item; K Neems
3. Action 480: Share accounting decisions on carbon credits with FAR members; K Neems
4. Action 481: Provide the FAR Committee with a breakdown of all the reserve fund balances and transactions as at 30 June 2021, as well as fund commitments; K Neems

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Page 2

B2. Policy and Governance Report

Members discussed the nature and number of media enquiries with Ms Priest.

Mr Wilson answered member questions regarding the strategic risk register on risk category assessment, and discussed the governance failure and communications risks and possible mitigations with members.

Members requested that the communications failure risk level be lifted and consideration be given to adding reputational risk to the strategic register.

FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2021/37):

1. To receive the Policy and Governance Report.
(Moved Cr Colenso/Seconded Mayor Beijen) Carried
2. Action 482: Review the Communications Failure risk with a view to raising the risk level and consider adding reputation risk to the Strategic Risk Register; S Priest

B3. Action Items Report

Members discussed the action items and updates were made.

Mayor Beijen undertook to liaise with Destination Wairarapa to determine what additional statistical information might be useful in order to determine if we have those datasets available.

The Committee asked that an action be created for the Assets and Services Committee regarding waste management and minimisation.

FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2021/38):

1. To receive the Action Items Report.
(Moved Cr Hay/Seconded Mayor Beijen) Carried
2. Action 483: Include a list of all policies, their expiry dates, their proposed review dates and an officer comment column with the Policy and Governance Report; K Yates
3. Action 484: (for A&S) Enable waste minimisation measures that encourage ratepayers to deal with their waste responsibly, thereby reducing the waste sent to landfill as well as the cost to Council and ratepayers of landfill disposal; S Corbett

C. Public Excluded Business

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

| Report/General Subject Matter | Reason for passing this resolution in relation to the matter | Ground(s) under Section 48(1) for the passing of this Resolution |
|---|--|--|
| Confirmation of Minutes from 16 June 2021 | Good reason to withhold exists under section 7(2)(a)(c)(f) | Section 48(1)(a) |

This resolution (FAR2021/39) is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which

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would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

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| The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest. | Section 7(2)(c)(ii) |
| The withholding of the information is necessary to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any person to whom section 2(5) applies, in the course of their duty. | Section 7(2)(f)(i) |
| The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees, and persons from improper pressure or harassment. | Section 7(2)(f)(ii) |

(Moved Cr Emms/Seconded Mayor Beijen)

Carried

Confirmed as a true and correct record

.....(Chair)

.....(Date)

DISCLAIMER

Until confirmed as a true and correct record, at a subsequent meeting, the minutes of this meeting should not be relied on as to their correctness

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FINANCE, AUDIT AND RISK COMMITTEE

1 DECEMBER 2021

AGENDA ITEM B1

POLICY AND GOVERNANCE REPORT

Purpose of Report

To present the Policy and Governance Report for December 2021.

Recommendations

Officers recommend that the Committee:

1. *Receive the Policy and Governance Report.*

1. Executive Summary

Officers present the following updates for consideration by the Finance, Audit and Risk Committee:

- Policy Review
- Official Information, and Privacy Act Responses

2. Policy Review

2.1 Wairarapa Local Alcohol Policy

The Wairarapa Local Alcohol Policy (LAP) was adopted by the Masterton, Carterton and South Wairarapa District Councils in 2018. While the Sale and Supply of Alcohol Act 2012 specifies a minimum six-yearly review period, the Wairarapa LAP provides for a review after three years, and is therefore now due for review. We are currently in the initial planning stages and have formed a project team with staff from Masterton and Carterton Wairarapa District Councils. Discussions on the project approach and timeframes will commence with councillors in the New Year.

2.2 Policy Review Programme

At its last meeting the Committee requested a list of all policies, their expiry dates, their proposed review dates and an officer comment column be included with the Policy and Governance Report. A policy review schedule is currently under development and will be presented to the next Committee meeting. Our recently appointed Policy and Governance Advisor will assist in delivering this programme.

3. Official Information and Privacy Act Responses

3.1 Local Government Official Information and Meetings Act 1987 Requests

The following requests have been received and actioned since the start of this financial year.

| Period | Requests | Decision / information provided within 20 working days | Extension of time limit past 20 days | Extensions actioned | Extensions being processed |
|-----------------|----------|--|--------------------------------------|---------------------|----------------------------|
| 1/7/21—31/10/21 | 110 | 89 | 21 | 17 | 4 |

3.2 Privacy Act 2020 Complaints

There has been one complaint received by Council during the period 1 July 2021 and 31 October 2021 regarding the release of private information without consent, contrary to the Privacy Act 2020. The complaint was investigated with the conclusion that no breach of the Privacy Act 2020 had occurred. The individual was advised of this outcome and the request closed.

Contact Officers: Steph Frischknecht, Policy and Governance Advisor
Zoya Huxford, Information Officer

Reviewed by: Harry Wilson, Chief Executive

FINANCE, AUDIT AND RISK COMMITTEE

1 DECEMBER 2021

AGENDA ITEM B2

FINANCE AUDIT RISK REPORT

Purpose of Report

To present the Finance Report for September 2021.

Recommendations

Officers recommend that the Committee:

1. *Receive the Corporate Services Report.*

1. Executive Summary

Officers present the following Reports for review by the Finance, Audit and Risk Committee:

- Financial Report to 30 September 2021
- Treasury Report
- Rates arrears report to 30 September 2021

2. Financial and Other Reports

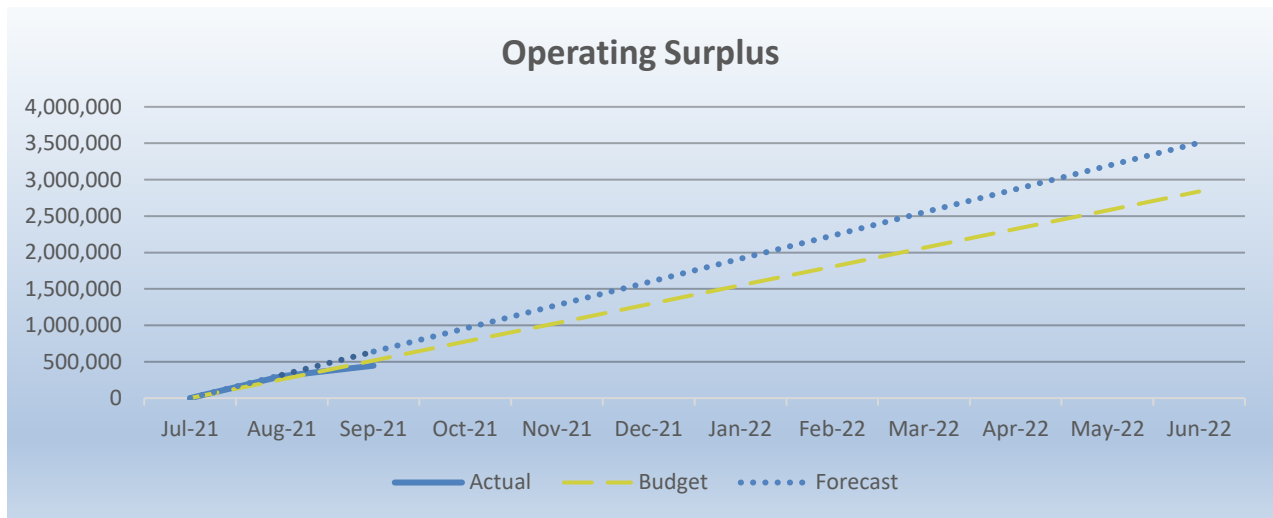
2.1 Financial Report

2.1.1. Purpose

The purpose of this report is to provide Council with a commentary on:

- Year to date budget vs actual financial results.
- Commentary on material variances.
- Full year risks (if any) for each significant activity.

2.1.2. Overall Performance



| Operating Surplus | | |
|-------------------|-----------|----------|
| Actual | Budget | Variance |
| 445,859 | (132,284) | 578,143 |
| 337% | | |

| Operating Income | | |
|------------------|-----------|----------|
| Actual | Budget | Variance |
| 6,861,145 | 6,345,772 | 515,373 |
| 108% | | |

| Operating Expenditure | | |
|-----------------------|-----------|----------|
| Actual | Budget | Variance |
| 6,415,286 | 6,478,056 | 62,769 |
| 99% | | |

Operating surplus for the first quarter is \$578K against a forecast deficit of \$132K.

2.1.3. Operating Income

Operating income is overbudget \$515K.

This included \$323K of stimulus funding and \$300K Provincial Growth Fund (PGF) income.

Building consenting fee income is higher than expected with 40% of budgeted income received/invoiced.

An additional \$78k in miscellaneous income is for the on-charge of costs to the NZ Library Partnership Programme (NZLPP) for libraries.

NZTA operating subsidies underbudget by \$86K due to phasing of the budget.

2.1.4. Operating Expenditure

Operating expenditure is underbudget by \$63KK.

Economic Development expenditure includes \$300k of expenditure for PGF which offsets the income.

Expenditure in Land Transport is underbudget due to phasing of the budget and is reflected in the reduced NZTA subsidy income.

Professional services include the cost of the WWL seconded staff member to assist in the transition of the Partnership and Operations Manager.

Interest cost 3.2% of rates revenue, SWDC maximum 12%.

Budgets have been phased based on last year's actual spend. Some variances are due to actual spending patterns being different between years.

2.2 Treasury

2.2.1. Working Capital

Working Capital, which expresses the ability of council to meet its short-term obligations, is strong with a ratio of 4.7 times (June 2021 2.7 times), and a total value of \$12,809k (June 2021 \$9,178k).

2.2.2. Investments

SWDC's investment policy provides that financial investments should be spread around a number of financial institutions to reduce the risk of loss to Council.

Clause 2 of the Investment policy covers the 50% rule:

- *The maximum amount to be invested with any one approved institution is 50% of Council's total investments.*
- *Occasional and short-term exceedances of the 50% rule are allowed, such exceedances are to be reported to the Audit and Risk Working Party [Finance, Audit and Risk Committee].*

| Date | Exceedances | Percent if exceeded |
|----------------|----------------|---------------------|
| July 2021 | No exceedances | |
| August 2021 | No exceedances | |
| September 2021 | No exceedances | |

2.2.3. Public Debt

Current debt \$24,400k, at 2.48% average borrowing rate.

No changes to debt have occurred between 1 July 2021 and 30 September 2021.

2.3 Reserves

On 15th September 2021 council resolved to approve unbudgeted expenditure of \$226,000 for a new footpath to connect 5 Rivers Medical Centre in Greytown to the town network. This is to be funded from the Infrastructure Reserve.

COUNCIL RESOLVED (DC2021/71):

1. To receive the Recommendations from Assets and Services Committee.
(Moved Cr Jephson/Seconded Cr Emms) Carried
2. That the scheme design shown on Plan C01 Bidwills Cutting Road Improvements Pedestrian Access and Safety Improvements to Five Rivers Hospital be approved and developed through engagement with the community prior to being presented to Council for final approval.
3. That a budget of \$226,000.00 of works as identified on Plan C01 be approved and funded from the Infrastructure Reserve Fund. (Moved Cr Colenso/Seconded Cr Jephson)

The balance in the Infrastructure Reserve is estimated to be \$2,940,000 at the end of this financial year, 30th June 2022. The unbudgeted expenditure will reduce the balance to an estimated \$2,714,000.

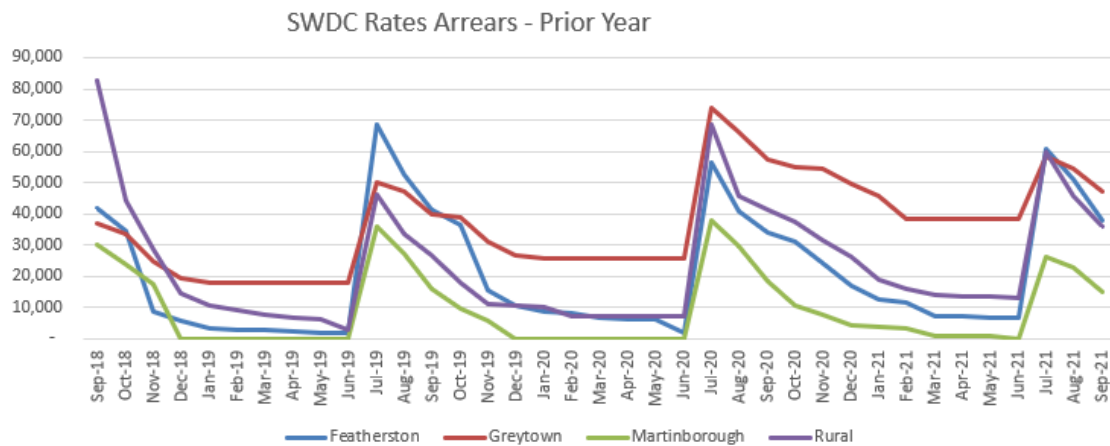
2.4 Capital Expenditure

A summary of project and infrastructure capital expenditure shows most activities are tracking below target. There are increasing delays due to supply chain constraints and contractor availability. The Q2 result will give a better understanding of project forecasts.

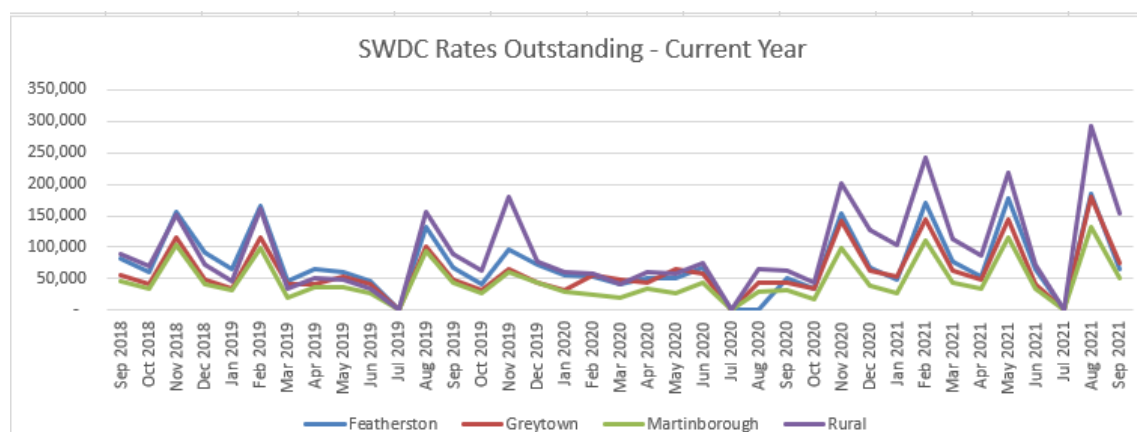
| | | Actual YTD | Full Year Budget | % Spent |
|--------------------|----------------------------------|------------|------------------|---------|
| Public Protection | Dog Pound | - | 340,000 | 0% |
| Parks and Reserves | Greytown Sports facility upgrade | - | 1,000,000 | 0% |
| Parks and Reserves | Greytown Play Space | - | 333,333 | 0% |
| Water Supply | Various projects | 848,590 | 2,334,400 | 36% |
| Wastewater | Various projects | 168,185 | 2,879,300 | 6% |
| Roading | Various projects | 111,869 | 3,865,585 | 3% |
| Corportate | Vehicle Fleet | - | 140,000 | 0% |

2.5 Rates Arrears

The rates arrears graphs below shows an increase in amount of unpaid rates carried forward from the previous year (2019/20).



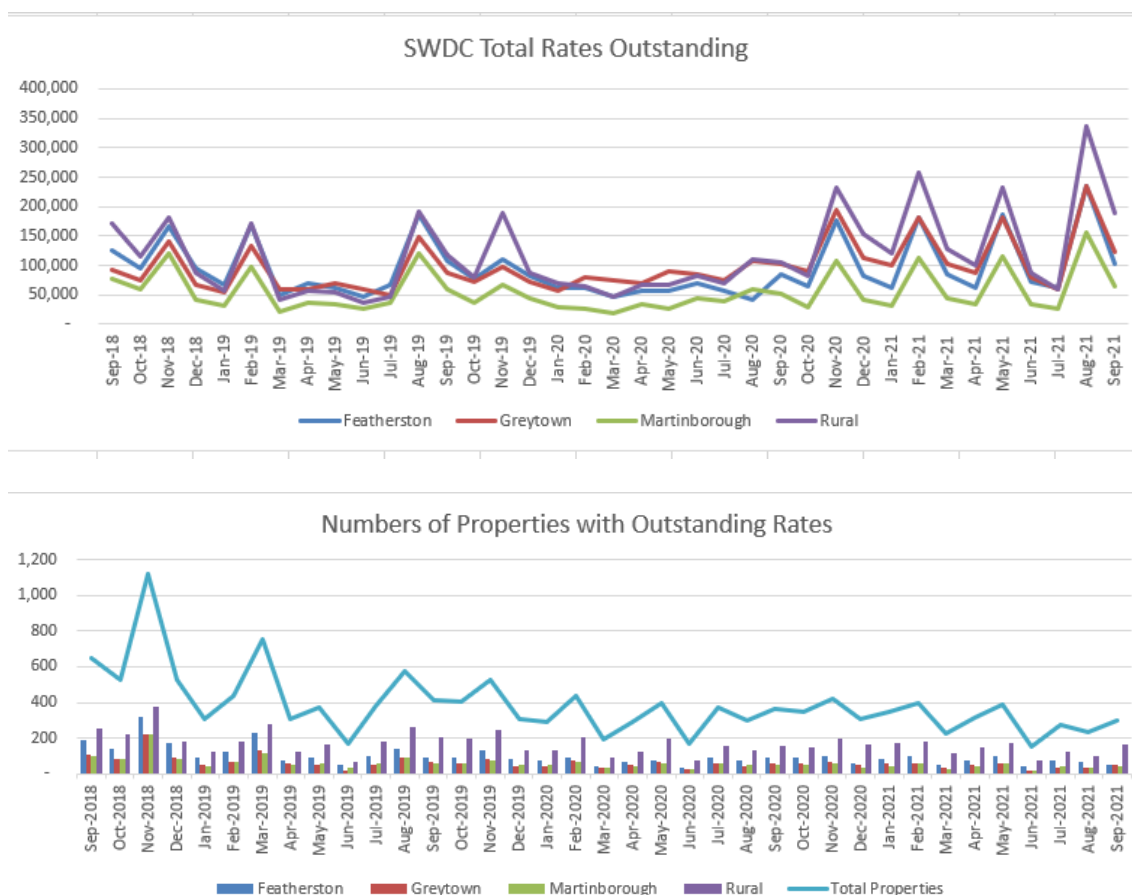
Prior years arrears have decreased \$14.6k (10%) from the same time last year.



At the end of September 2021, the current years amount was \$345K, 80% higher than the same time last year.

Total rates outstanding have increased by \$138K (40%) from the same month last year.

Outstanding rates were \$482K in September 2021 to \$343K September 2020.



The total number of properties with outstanding rates has decreased by 60 in September 2021 (301). We have received payment on 1 October 2021 for \$35K for full payment of arrears and 2021/22 rates for the Greytown property – this will be reflected in the next report.

In August, arrears notifications were sent to Mortgage providers for 2019/20 rates arrears - 52 properties for \$71K arrears. Payment is expected November/December for these if not paid prior.

Total number of Repayment plans at 30 September 2021 were 19 compared to 22 as at 30 June 2021 and 9 as at 30 September 2020. The repayment plans tend to be because of COVID rather than the 2021/22 rates increase.

3. Appendices

Appendix 1 – Financial Statements for the quarter ended 30th September 2021

Contact Officers: Katrina Neems, Chief Financial Officer
Charly Clarke, Finance Manager

Reviewed by: Harry Wilson, Chief Executive Officer

Appendix 1 – Financial Statements for the period ended 30th September 2021

South Wairarapa District Council

Statement of Financial Performance

For the Period End 30 September 2021

| Last Year <i>Actual</i> | | Year to Date | | | Full Year | | Full Year | |
|----------------------------|---|------------------|------------------|------------------|------------------|------------|------------------|-------------|
| | | <i>Actual</i> | <i>Budget</i> | <i>Variance</i> | <i>Budget</i> | % | <i>Forecast</i> | % |
| | <u>Operating Income</u> | | | | | | | |
| 3,875,175 | Rates | 4,938,379 | 4,980,193 | (41,814) | 19,920,770 | 25% | 19,878,956 | 100% |
| 34,733 | Rates Penalty | 39,618 | 50,000 | (10,382) | 120,000 | 33% | 109,618 | 91% |
| 553,899 | Fees & Licences | 709,819 | 500,632 | 209,187 | 1,528,000 | 46% | 1,737,187 | 114% |
| 147,448 | User Levies | 171,090 | 190,473 | (19,383) | 764,950 | 22% | 745,567 | 97% |
| 19,458 | Commissions | 19,387 | 19,422 | (35) | 78,000 | 25% | 77,965 | 100% |
| 133,945 | Grants Subsidies & Donations | 620,093 | 385,431 | 234,662 | 3,814,421 | 16% | 4,049,083 | 106% |
| 73,038 | Interest | 52,781 | 27,192 | 25,589 | 109,205 | 48% | 134,794 | 123% |
| | Recoveries | 6,624 | 14,517 | (7,893) | 58,300 | 11% | 50,407 | 86% |
| 182,077 | Rental/Hire | 213,024 | 169,944 | 43,080 | 682,500 | 31% | 725,580 | 106% |
| 264,286 | Miscellaneous | 90,329 | 7,968 | 82,361 | 32,000 | 282% | 114,361 | 357% |
| 5,284,058 | | 6,861,145 | 6,345,772 | 515,373 | 27,108,146 | 25% | 27,623,519 | 102% |
| | <u>Operating Expenditure</u> | | | | | | | |
| 710,195 | Corporate Services | 810,639 | 783,080 | (27,559) | 2,802,878 | 29% | 2,830,437 | 101% |
| 220,613 | Professional Services | 89,809 | 38,118 | (51,691) | 147,835 | 61% | 199,526 | 135% |
| 194,259 | Governance, Leadership & Advocacy | 273,700 | 325,441 | 51,741 | 1,316,348 | 21% | 1,224,607 | 93% |
| 461,823 | Public Protection | 499,194 | 465,869 | (33,325) | 1,854,863 | 27% | 1,888,188 | 102% |
| 202,731 | Resource Management | 164,286 | 224,790 | 60,504 | 903,724 | 18% | 843,220 | 93% |
| 174,144 | Economic and Comm. Dev. | 343,561 | 168,891 | (174,670) | 678,288 | 51% | 842,958 | 124% |
| 903,712 | Amenities | 1,097,133 | 1,126,076 | 28,942 | 3,671,754 | 30% | 3,642,812 | 99% |
| 1,443,052 | Land Transport | 1,257,935 | 1,392,702 | 134,767 | 5,593,152 | 22% | 5,458,385 | 98% |
| 807,009 | Water Supply | 753,504 | 873,229 | 119,725 | 3,201,721 | 24% | 3,081,996 | 96% |
| 394,139 | Solid Waste Management | 428,835 | 439,069 | 10,234 | 1,723,125 | 25% | 1,672,891 | 97% |
| 541,259 | Wastewater | 558,305 | 541,622 | (16,683) | 1,998,479 | 28% | 2,015,162 | 101% |
| 122,710 | Stormwater Drainage | 133,026 | 94,169 | (38,857) | 358,114 | 37% | 396,971 | 111% |
| 5,344 | Rates Debtors Written Off | 5,359 | 5,000 | (359) | 20,000 | 27% | 20,359 | 102% |
| 6,180,990 | | 6,415,286 | 6,478,056 | 62,769 | 24,270,281 | 26% | 24,117,512 | 99% |
| (896,932) | <i>Operating Surplus/(Deficit)</i> | 445,859 | (132,284) | 578,143 | 2,837,865 | 16% | 3,506,008 | 124% |
| | <u>Other Income</u> | | | | | | | |
| 1,020,986 | Financial Contributions | 1,496,180 | 322,953 | 1,173,227 | 1,297,000 | 115% | 2,470,227 | 190% |
| 31,151 | Capex Subsidies | 186,346 | 564,360 | (378,014) | 2,266,500 | 8% | 1,888,486 | 83% |
| 1,739 | Assets Vesting in Council | 1,838 | - | 1,838 | 417,327 | 0% | 419,165 | 100% |
| 1,053,876 | | 1,684,365 | 887,313 | 797,052 | 3,980,827 | 42% | 4,777,879 | 374% |
| 156,945 | Total Surplus/(Deficit) | 2,130,223 | 755,029 | 1,375,194 | 6,818,692 | 31% | 8,283,886 | 121% |

South Wairarapa District Council

Statement of Financial Position

As at 30 September 2021

| | September 2021 (\$) | June 2021 (\$) | Movement (\$) |
|---------------------------------------|---------------------------|---------------------------|-------------------------|
| <u>Assets</u> | | | |
| <i>Current Assets</i> | | | |
| Cash and Bank | 1,897,561 | 1,425,297 | 472,265 |
| Short Term Deposits | 9,790,501 | 9,615,548 | 174,953 |
| Prepayments and Receivables | 2,466,112 | 3,510,400 | (1,044,288) |
| Inventories | 59,785 | 46,284 | 13,501 |
| | <u>14,213,959</u> | <u>14,597,528</u> | <u>(383,569)</u> |
| <i>Non-Current Assets</i> | | | |
| Intangible Assets | 191,071 | 192,320 | (1,249) |
| Investment Properties | 14,322,000 | 14,322,000 | - |
| Investments | 606,098 | 606,098 | - |
| Property Plant and Equipment | 508,488,482 | 507,812,469 | 676,013 |
| | <u>523,607,651</u> | <u>522,932,887</u> | <u>674,764</u> |
| Total Assets | <u><u>537,821,610</u></u> | <u><u>537,530,415</u></u> | <u><u>291,195</u></u> |
| <u>Liabilities</u> | | | |
| <i>Current Liabilities</i> | | | |
| Payables and Accruals | 2,367,056 | 4,922,855 | 2,555,798 |
| Employee Entitlements | 634,431 | 467,661 | (166,770) |
| Provisions - Current Portion | 34,220 | 34,220 | - |
| | <u>3,035,707</u> | <u>5,424,736</u> | <u>2,389,029</u> |
| <i>Non-Current Liabilities</i> | | | |
| Public Debt - Non Current Portion | 24,400,000 | 24,400,000 | - |
| Provisions - Non Current Portion | 381,267 | 381,267 | - |
| | <u>24,781,267</u> | <u>24,781,267</u> | <u>-</u> |
| <i>Equity</i> | | | |
| Public Equity | 160,869,177 | 158,188,954 | (2,680,223) |
| Special Separate and Trust Funds | 28,057,825 | 28,057,825 | - |
| Asset Revaluation Reserve | 321,077,389 | 321,077,389 | - |
| Other Reserves | 245 | 245 | - |
| | <u>510,004,636</u> | <u>507,324,413</u> | <u>(2,680,223)</u> |
| Total Liabilities & Equity | <u><u>537,821,610</u></u> | <u><u>537,530,415</u></u> | <u><u>(291,195)</u></u> |

SUMMARY OF INVESTMENTS AS AT 30 SEPTEMBER 2021

| ORGANISATION | INTEREST RATE | INVESTED DATE | MATURITY DATE | Term | TOTAL INVESTED | INVESTED FUNDS % | AUTHORISED FUNDS % |
|---------------------------------------|---------------|---------------|---------------|----------|------------------------|------------------|--------------------|
| SHORT TERM FUNDS | | | | | | | |
| ASB Bank | | | | | | | |
| ASB Call account | 0.50% | N/A | On Call | On Call | \$1,201,235.74 | | |
| Term Deposit | 0.60% | 9-Sep-21 | 28-Nov-21 | 80 days | \$1,000,000.00 | | |
| | | | | | \$2,201,235.74 | 18% | 50% |
| ANZ Bank | | | | | | | |
| ANZ Call Account | 0.50% | N/A | On Call | On Call | \$86.61 | | |
| Term Deposit | 1.45% | 9-Sep-21 | 9-Sep-22 | 365 days | \$3,000,000.00 | | |
| Term Deposit | 0.75% | 9-Sep-21 | 6-Feb-22 | 150 days | \$1,000,000.00 | | |
| Term Deposit | 0.90% | 26-May-21 | 22-Nov-21 | 180 days | \$2,000,000.00 | | |
| | | | | | \$6,000,086.61 | 50% | 50% |
| BNZ Bank | | | | | | | |
| BNZ Call Account | 0.10% | N/A | On Call | On Call | \$230,314.84 | | |
| BNZ Call Account | 0.85% | 23-Nov-20 | 25-Nov-21 | 367 days | \$1,028,253.97 | | |
| Term Deposit | 1.30% | 9-Sep-21 | 6-Jun-22 | 270 days | \$2,000,000.00 | | |
| | | | | | \$3,258,568.81 | 27% | 50% |
| Wairarapa Building Society | | | | | | | |
| WBS Call Account | Call | N/A | On Call | On Call | \$1.32 | | |
| Term Deposit | 1.25% | 22-Nov-20 | 22-Nov-21 | 365 days | \$203,581.63 | | |
| Term Deposit | 1.25% | 25-Nov-20 | 25-Nov-21 | 365 days | \$197,277.23 | | |
| Term Deposit | 1.10% | 21-Dec-20 | 21-Dec-21 | 365 days | \$160,049.82 | | |
| | | | | | \$560,910.00 | 5% | 10% |
| Westpac Bank | | | | | | | |
| Westpac Call Account | 0.10% | 1-May-21 | On Call | On Call | \$14.61 | | |
| | | | | | \$14.61 | 0% | 50% |
| TOTAL | | | | | \$12,020,815.77 | 100% | |
| INVESTMENTS | | | | | | | |
| LGFA Borrower Bonds | 3.01% | 20-Jun-16 | 15-Apr-23 | | \$28,800.00 | | |
| LGFA Borrower Bonds | 2.81% | 20-Jun-16 | 15-May-21 | | \$0.00 | | |
| LGFA Borrower Bonds | 1.29% | 15-Apr-20 | 15-Apr-25 | | \$80,000.00 | | |
| LGFA Borrower Bonds | 2.03% | 15-Mar-19 | 15-Nov-21 | | \$22,400.00 | | |
| LGFA Borrower Bonds | 2.07% | 15-Mar-19 | 14-Apr-22 | | \$32,000.00 | | |
| LGFA Borrower Bonds | 2.98% | 21-Aug-17 | 15-May-22 | | \$40,000.00 | | |
| LGFA Borrower Bonds | 3.08% | 19-Feb-18 | 15-Apr-23 | | \$24,000.00 | | |
| LGFA Borrower Bonds | 1.09% | 15-Apr-20 | 15-Apr-24 | | \$32,000.00 | | |
| LGFA Borrower Bonds | 1.38% | 17-May-21 | 15-Apr-26 | | \$37,500.00 | | |
| LGFA Borrower Bonds | 2.32% | 17-May-21 | 15-May-31 | | \$167,500.00 | | |
| | | | | | \$464,200.00 | | |
| FORESTRY | | | | | | | |
| Plantation - Hurupi Stock | | | | | \$9,305.00 | | |
| | | | | | \$9,305.00 | | |
| SHARES | | | | | | | |
| Farmlands | | | | | \$1,159.00 | | |
| NZ Local Government Insurance Company | | | | | \$81,434.30 | | |
| Wellington Water Limited | | | | | \$50,000.00 | | |
| | | | | | \$132,593.30 | | |
| TOTAL INVESTMENTS | | | | | \$12,626,914.07 | | |

FINANCE AUDIT AND RISK COMMITTEE

1 DECEMBER 2021

AGENDA ITEM B3

ACTION ITEMS REPORT

Purpose of Report

To present the Committee with updates on actions and resolutions.

Recommendations

Officers recommend that the Committee:

1. *Receive the Finance Audit and Risk Action Items Report.*

1. Executive Summary

Action items from recent meetings are presented to the Committee for information. The Chair may ask the Chief Financial Officer for comment and all members may ask the Chief Financial Officer for clarification and information through the Chair.

If the action has been completed between meetings it will be shown as 'actioned' for one meeting and then will remain in a master register but no longer reported on. Procedural resolutions are not reported on.

2. Appendices

Appendix 1 – Action items to 1 December 2021

Contact Officer: Suzanne Clark, Committee Advisor

Reviewed By: Katrina Neems, Finance Manager

Appendix 1 – Action Items to 1 December 2021

| Number | Meeting | Raised Date | Action Type | Responsible Manager | Action or Task details | Open | Notes |
|--------|---------|-------------|-------------|---------------------|---|----------|---|
| 248 | FAR | 11-Dec-19 | Action | Stefan | Find out the background to the Bonny Glen landfill risk and update FAR Committee members Assess the risk to Council of central government mandated increases to solid waste levies and the ability of Council to change processes to manage landfill contracts, expenditure and revenue alongside promotion of waste minimisation | Open | 14/8/20 Bonnie Glen is owned by Waste Management and Environmental Services and charges are climbing outside of regular pricing for waste disposal due to a monopoly and limited future capacity at the site. We have a contract for service to use Bonnie Glen which ends shortly. Alternative avenues to dispose of refuse will be researched prior to the contract ending. 24/2/20: Action updated by FAR 01/10/2021 We have a 20 year contract for service to use Bonnie Glen landfill. There are no capacity issues. |
| 249 | FAR | 11-Dec-19 | Action | Harry | Review the Sensitive Expenditure Policy in March 2020 to ensure best practice guidelines are followed | Open | 16/4/21: Will be considered as part of policy review programme 23/11/21: Timeline to be reported to the next FAR meeting once the policy review programme is finalised (part of the Procurement and Contract Management Policy) |
| 250 | FAR | 11-Dec-19 | Action | Harry | Review the Procurement and Contract Management Policy in March 2020 to ensure it covers all procurement and management activities | Open | 16/4/21: Will be considered as part of policy review programme following review of CDC's policy for sustainability matters 23/11/21: Timeline to be reported to the next FAR meeting once the policy review programme is finalised |
| 191 | FAR | 21-May-20 | Action | Katrina | Work towards revising the financial accounts to include a rolling forecast alongside the full year budget. | Actioned | 22/06/2020 changes to financial reporting are ongoing 14/8/20 Aiming to progress towards the end of the financial year 6/8/21: We are planning to move to the Cloud version of Magiq within the next six months. At this time we will be reviewing all of our reporting utilising the inbuilt publisher tool. On hold until Cloud reporting implemented. 26/11/21: FAR report from this meeting onwards includes a forecast column. Action closed. |

| Number | Meeting | Raised Date | Action Type | Responsible Manager | Action or Task details | Open | Notes |
|--------|---------|-------------|-------------|---------------------|---|----------|---|
| 259 | FAR | 16-Jun-21 | Action | Harry | To review what data, sourced from subscription databases, could be made available to Destination Wairarapa for the purposes of tourism planning | Open | 6/8/21: To be completed as time allows |
| 479 | FAR | 6-Oct-21 | Action | Katrina | Send FAR members an email update on what income sources are making up the 'Miscellaneous Income' line item | Actioned | 26/11/21: Information has been provided to members. |
| 480 | FAR | 6-Oct-21 | Action | Katrina | Share accounting decisions on carbon credits with FAR members | Actioned | 26/11/21: Is part of the Annual Report, officers happy to provide a verbal explanation at the meeting. |
| 481 | FAR | 6-Oct-21 | Action | Katrina | Provide the FAR Committee with a breakdown of all the reserve fund balances and transactions as at 30 June 2021, as well as fund commitments | Actioned | 26/11/21: Balances at 30 June are in the Annual Report. Commitments are in the LTP but only as a whole ten year movement (page 114). Attached is the detail of yearly movements behind the same table |
| 482 | FAR | 6-Oct-21 | Action | Sheil | Review the Communications Failure risk with a view to raising the risk level and consider adding reputation risk to the Strategic Risk Register | Open | 24/11/21: Will be considered by ELT on 30 Nov |
| 483 | FAR | 6-Oct-21 | Action | Harry | Include a list of all policies, their expiry dates, their proposed review dates and an officer comment column with the Policy and Governance Report | Open | 23/11/21: To be reported to the next FAR meeting once the policy review programme is finalised. |