



## **FINANCE, AUDIT AND RISK COMMITTEE**

### **Minutes from 21 May 2020**

---

- Members Present:** Councillors Leigh Hay (Chair), Councillors Pam Colenso, Garrick Emms, Brian Jephson, Ross Vickery (until 12:15pm), Brenda West, for part only Mayor Alex Beijen (10:35am – 11:20am) and appointed member Kit Nixon.
- In Attendance:** Katrina Neems (Finance Manager), Charly Clarke (Finance Manager), Karen Yates (Policy and Governance Manager), Suzanne Clark (Committee Advisor) and for part only Harry Wilson (Chief Executive Officer) and Euan Stitt (Group Manager Partnerships and Operations).
- Conduct of Business:** Due to current COVID-19 restrictions the Committee held this meeting via video conference as elected members and members of the public could not be physically present. This meeting was held in accordance with clause 25B of Schedule 7 to the Local Government Act 2002 and in accordance with clause 47A of the Local Government Official Information and Meetings Act 1987. The meeting was held between 10:00am and 12:50pm.
- 

#### **Open Section**

**A1. Health and Safety Procedures**

Cr Hay outlined the COVID-19 restrictions for meeting in venue.

**A2. Apologies**

There were no apologies, but members noted that Mayor Alex Beijen and Chief Executive Harry Wilson had been delayed.

**A3. Conflicts of Interest**

There were no conflicts of interest declared.

**A4. Public Participation**

There was no public participation.

**A5. 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*

**A6. Extraordinary Business**

There was no extraordinary business.

**A7. Minutes for Receipt**

*FINANCE, AUDIT AND RISK RESOLVED (FAR2020/01)* that the minutes of the Finance, Audit and Risk Committee meeting held 11 December 2019 are confirmed as a true and correct record.

*(Moved Cr Colenso/Seconded Cr Jephson)*

Carried

**A8. Notices of Motion**

There were no notices of motion.

**B Decision Reports from Chief Executive and Staff**

**B1. Amendments to Financial Delegations Policy O200**

Mrs Neems advised that an amendment was required so that the Policy matched the reorganisation of office roles. Elected members discussed the unplanned expenditure delegation and agreed that a mechanism for approving this expenditure did need to be available. Elected members requested further clarity be provided in the wording of delegations for unplanned and unbudgeted expenditure and deferred a decision until the next meeting. Officers undertook to make Policy amendments as discussed.

*FINANCE, AUDIT AND RISK RESOLVED (FAR2020/02):*

1. To receive the Amendment to Financial Delegations Policy O200 Report.

*(Moved Cr West/Seconded Cr Vickery)*

Carried

2. Action 186: Ensure the organisational roles in the Delegations Policy match the delegations descriptions and that all roles are described; K Neems
3. Action 187: Insert (Ruamāhanga) after Roading Manager in the roles descriptions of the Delegations Policy; K Neems
4. Action 188: Review the Common Seal section of the Delegations Policy and consider whether additional wording or reference to the Common Seal Policy needs to be included for clarity of use; K Neems
5. Action 189: Review other Councils' delegation's policies wording and dollar amounts for unplanned and unbudgeted expenditure with a view to clarifying the meaning and practical application wording in SWDC's Delegation Policy; K Neems
6. Action 190: Review whether the delegation for unplanned expenditure is for an entire job or whether this could be split into smaller jobs; K Neems

**B2. Grant Policy Review**

Ms Yates outlined the nature of the proposed changes noting some urgency in making a recommendation to approve the Policy so the grant funding process could be started. Elected members discussed the change in process, provision for making

**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*

an emergency funding application, permitting applicants to present their application to the subcommittee, membership of the subcommittee, and a future review of criteria.

The following changes were discussed and agreed:

Membership to be amended to 'selected from members of the Finance, Audit and Risk Committee in the first instance with other councillors appointed in order to achieve balance.'

Applicants would be invited to speak to their application at the Subcommittee meeting in person and could only be contacted before the meeting through Council officers.

*FINANCE, AUDIT AND RISK RESOLVED (FAR2020/03):*

1. To receive the Grant Policy Report.  
(Moved Cr Jephson/Seconded Cr Vickery) Carried
2. To recommend to Council to endorse the amendments to the Grant Policy with changes as agreed by the Committee.  
(Moved Cr West/Seconded Cr Jephson) Carried
3. To recommend to Council that the Grant Policy is reviewed and consultation is undertaken as part of the 2021/2031 Long Term Plan.  
(Moved Cr West/Seconded Cr Jephson) Carried

### **B3. Customer Satisfaction Survey 2020**

Elected members discussed the proposed customer satisfaction survey and agreed to recommend that it not proceed in the current format for the following reasons:

- The NRB methodology did not achieve target rates across younger age groups.
- Survey data could potentially be skewed due to COVID-19.
- The proposed survey questions were no longer considered meaningful, therefore data collected would not provide useful information.
- An alternate satisfaction survey solution was being recommended to Council.
- The Auditor General and Audit NZ were neutral.
- Due to the above, expenditure of \$18,000 was deemed unjustifiable.

*FINANCE, AUDIT AND RISK RESOLVED (FAR2020/04):*

1. To receive the tabled Customer Survey Report.  
(Moved Cr Vickery/Seconded Cr Emms) Carried
2. To recommend to Council not to proceed with the proposed NRB survey in the current format for the current financial reporting year of June 2020.  
(Moved Cr Vickery/Seconded Cr West) Carried
3. To recommend to Council to look at other market research companies with a view to completing a satisfaction survey by 31 December 2020.  
(Moved Cr West/Seconded Cr Emms) Carried

#### **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*

**C Chairperson Report**

**C1. Finance, Audit and Risk Committee Meeting Frequency**

*FINANCE, AUDIT AND RISK RESOLVED (FAR2020/05):*

1. To receive the Chairperson’s Report.  
*(Moved Cr Colenso/Seconded Cr Jephson)* Carried
2. To recommend to Council to change the frequency of meetings of the Finance, Audit and Risk Committee from quarterly to bi-monthly (six times per year).
3. To recommend to Council that members of the Finance, Audit and Risk Committee receive monthly financial statements for review and should the need arise to hold extraordinary meetings.  
*(Moved Cr Colenso/Seconded Cr Vickery)* Carried

**D Information and Verbal Reports from Chief Executive and Staff**

**D1. Finance Report**

Ms Neems with support from Mr Stitt discussed areas where Council was over budget in operating expenditure, how over expenditure is funded, adequacy of the proposed water and wastewater budgets for 2021, rates payments via automatic payments, notes on restructure and alignment, processes for ensuring work undertaken but not billed at the end of a contract is accounted for, and levels of borrowing with elected members.

Members noted that the Wellington Water overruns were significant. The situation needed to be recognised as a risk, and required officers to put control and reporting processes in place to improve visibility.

Council requested additional information be provided in the financial accounts.

*FINANCE, AUDIT AND RISK RESOLVED (FAR2020/06):*

1. To receive the Finance Report.  
*(Moved Cr Jephson/Seconded Cr Emms)* Carried
2. Action 191: Work towards revising the financial accounts to include a rolling forecast alongside the full year budget; K Neems

**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*