

Waitaki District Council

Finance, Audit and Risk Committee

**CONFIRMED MINUTES of a meeting of the
Finance, Audit and Risk Committee of the Waitaki District Council
held in the Council Chamber, Waitaki District Council Headquarters,
20 Thames Street, Oamaru
on Tuesday 10 July 2018 at 9.02am**

Present:	Cr Colin Wollstein (Chair), Cr Craig Dawson (Deputy Chair), Cr Peter Garvan (from 10.10am), Cr Jim Hopkins, Cr Jan Wheeler; and Mayor Gary Kircher (ex officio)
Apology:	Cr Peter Garvan (for lateness)
In Attendance:	Deputy Mayor Melanie Tavendale Cr Jeremy Holding Cr Bill Kingan Cr Guy Percival Cr Hugh Perkins (from 9.10am) Paul Hope (Finance and Corporate Development Group Manager) Bill Chou (Information Systems Group Manager) Ian Wells (Accounting Manager) Richard Maher (Programme Manager) Ainslee Hooper (Governance Advisor)

The Chair declared the meeting open at 9.02am, and welcomed everyone present.

1. Apologies

RESOLVED
FAR 2018/052

Cr Craig Dawson / Cr Jim Hopkins
That the Finance, Audit and Risk Committee accepts an apology for
lateness from Cr Peter Garvan.

CARRIED

2. Declarations of Interest

There were no declarations of interest.

3. Confirmation of Minutes

RESOLVED
FAR 2018/053

Cr Jim Hopkins / Cr Jan Wheeler
That the Finance, Audit and Risk Committee confirms public minutes
of its previous meeting held on 12 June 2018, as circulated, as a true
and correct record, with the addition of Cr Bill Kingan as being present
at the meeting.

CARRIED

4. Treasury Strategy, First Quarter, 2018-19 Financial Year

The report, as circulated, provided information on Council's proposed Treasury Strategy for the first quarter of the 2018-19 financial year.

There was general discussion about the following items:

- The Observatory Hill and North Otago Irrigation Company loan draw-downs have decreased available cash reserves
- The Investment Strategy and whether it was time to review it – it was noted that this work had been requested previously, and a report would be coming to the Committee at a future meeting
- Using alternative banks as an investment option (eg Kiwibank) – Council has previously delegated authority to officers to invest up to \$1m in an alternate set of four banks and Kiwibank is one of those. However, cash reserves are not high enough (given the loan draw-downs by Observatory Hill and NOIC) to activate that option.
- The orange-coloured bars in the "Term deposits" graph on page 11 of the agenda report indicate that funds have not yet been allocated, which was a matter of timing.

With regard to the report's statement (page 10, third last bulletpoint from the bottom of the page) that "Deposits over \$1,000,000, or for over one year, will only be considered if rates far exceed the target ranges ...", it was suggested that having a figure to clarify what "far exceed" actually meant would be useful.

It was AGREED that officer recommendations on that would be included in the future report coming to the Committee on other finance-related matters (eg the Investment Strategy, as noted above).

ACTION: Group Manager Paul Hope and Accounting Manager Ian Wells

RESOLVED

FAR 2018/054

Cr Jim Hopkins / Cr Jan Wheeler

The Finance, Audit and Risk Committee recommends:

That Council adopts the proposed Treasury Strategy to cover the first quarter of the 2018-19 financial year, by:

- continuing the use of term deposit facilities for terms between 7 days and 12 months, and
- continuing to make minimal use of the call account, but always dependent on consideration of short-term operational cash requirements and on achieving target interest rates.

CARRIED

5. Monthly Financial Report – 2018, Period 11 – May 2018

The report, as circulated, reviewed results for the eleven months to 31 May 2018.

The following points were clarified and/or noted during the discussion on the report:

- This report now had a revised format aimed at reporting variances and providing accompany commentary, but that the commentary only covered the key variances, not all of them.
- The colour coding in Appendix (a) – Year To Date (YTD) Financial Reports at May 2018 – was that GREEN meant a positive event, and ORANGE was potentially an adverse event.
- A comment was made that the reference – under the "Implementation of the Preferred Option" section of the report (paragraph 1) – to the "purchase of 24 Thames Street" was the first time Council had been informed that this action had been completed.
- With regard to Waters Issues in Appendix (b) under Assets Group, activity in this budget line was doing much better. However, because capital projects are funded quarterly, the project would show a growing gap for two months before showing full funding on the third month. In the next report (for period 12), all budgets for everything will be at zero. Timing was the key driver behind the gaps between the quarterly project funding.

- A carry-forward report is expected to be included in the agenda for the next Finance, Audit and Risk Committee Meeting scheduled for 14 August 2018. There will be an opportunity then for the Committee to discuss and agree whether some items (eg the RSA budget) should be carried forward or transferred.

RESOLVED
FAR 2018/055

Mayor Gary Kircher / Cr Craig Dawson
That the Finance, Audit and Risk Committee receives and notes the information.

CARRIED

Mayor Gary Kircher left the meeting at 9.26am.

6. Information Services Group Activity Report for the period 1 June to 30 June 2018

The memorandum, as circulated, provided an update to the Finance, Audit and Risk Committee on Information Services Group activities during the reporting period.

The following points were highlighted / clarified during discussion on the report:

- The upgrade to Authority 6.11 was expected to occur around end September / mid-October.
- Additional staff being recruited now were expected to create opportunities for more progress to be made in the risk management area in the next reporting period.
- A very good result had been achieved with the Phishing training exercise.
- Digital Assets Management System referred to a cloud-based business software programme that could store high quality images and videos, glossy marketing materials etc. It would also enable Tourism Waitaki and Council to work together to develop and maintain such materials.
- With regard to the reference in Appendix Two to the Web Presence and Community App, a suggestion was made that Councillors may want to have a voice in that function. In response, Programme Manager Richard Maher noted that the App was at this stage just an idea rather than a definitive project. Group Manager Bill Chou added that the aim of considering having such an App would be about providing the best service to ratepayers.

Mayor Gary Kircher returned to the meeting at 9.41am.

The Chair noted that risk was an important component of the Committee's role, and that the report did not contain much information about how risk management activities were progressing. In response, Group Manager Bill Chou advised that two of the five risk objectives had been reported previously as completed, and the aim was to complete the full five by the end of the current financial year. Every effort would be made to achieve that outcome earlier, but there were a lot of IT-related projects underway and the department was also carrying staffing shortages which were contributing to the level of progress able to be achieved.

In response to a question about when the results of the impact of Skype for Business may be available, Mr Chou advised that every IT project had a benefit realisation component. That included looking at what was expected and what was actually achieved, and monitoring results and progress for other departments.

RESOLVED
FAR 2018/056

Cr Craig Dawson / Cr Jim Hopkins
That the Finance, Audit and Risk Committee receives and notes the information.

CARRIED

7. Finance and Corporate Development Group Activity Report for the period 1 June to 30 June 2018

The memorandum, as circulated, provided an update to the Finance, Audit and Risk Committee on various finance, business development, policy, and health and safety matters during the reporting period.

The following points were highlighted / clarified during discussion on the report:

- Several Committee members said they appreciated the report's explanation about this being the most critical time of the year for the Rates team. Group Manager Paul Hope added that rates were required to be as close as possible to the beginning of July. Concern was expressed by the Chair that staff were working outside of normal working hours to achieve this. Mr Hope explained that the team had found it was easier to do it that way, as there was less demand on the Authority system after hours and the work required happened a lot faster as a result.
- Asked about the potential effect on the Committee of the Policy and Strategy Manager's attendance at the debrief of the LTP process, Mr Hope advised that it would not impact the Committee as such, but rather would be important for him to find out about how engagement with the community had occurred on a national basis (especially given the emphasis on it now by the current government), how valuable the Audit participation had been, and what areas had worked well and what had not for continuous improvement purposes.
- Mr Hope advised that the Finance and Corporate Development Group was now contemplating life post-LTP. The Policy and Strategy Manager had already identified other workstreams to concentrate on (eg bylaws etc), but any ideas from the Committee about their suggestions for discretionary work would be welcome. He noted the suggestions already received – Cr Hopkins had asked for a review of the investment strategy, and more advance and progress had been requested on the risk side. He advised that there would be an opportunity for a more structured discussion at the next Committee meeting about what members would like to see reported and advanced in policy and risk frameworks.

RESOLVED
FAR 2018/057

Cr Jim Hopkins / Cr Jan Wheeler
That the Finance, Audit and Risk Committee receives and notes the information.

CARRIED

The Chair advised his intention to move the meeting into public excluded.
The media representative left the meeting.

8. Resolution to Exclude the Public

RESOLVED
FAR 2018/058

Cr Jim Hopkins / Cr Craig Dawson
That the public be excluded from the following part of the proceedings of this meeting, namely:

- Confirmation of Public Excluded Meeting Minutes
12 June 2018 PE
- Debtors' Report – 2018, Period 12 Fourth Quarter PE

The general subject of each matter to be considered while the public is excluded; the reasons 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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter – Section 48(1)
Public Excluded: 9. Confirmation of Public Excluded Meeting Minutes 12 June 2018 PE	To protect the privacy of natural persons. Section 48(1)(a) (The disclosure of the information would cause unnecessary personal embarrassment to the persons concerned.)
10. Debtors' Report – 2018, Period 12 Fourth Quarter PE	To enable the Council to carry out commercial negotiations without prejudice or disadvantage. Section 48(1)(a) (Premature disclosure of the information would detrimentally affect the Council's position in the negotiations.)

These resolutions are 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 the Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above (in brackets) with respect to each item."

CARRIED

Refer to Public Excluded Minutes

Resolution to Return to the Public Meeting

RESOLVED
FAR 2018/064

Cr Craig Dawson / Cr Jan Wheeler
That the Finance, Audit and Risk Committee resumes in open meeting and decisions made in the public excluded session are confirmed and made public as and when required.

CARRIED

11. Release of Public Excluded Information

In accordance with Waitaki District Council Standing Orders 2016 to 2019, Clause 17.5, and pursuant to Resolution FAR 2018/011 of this meeting, the Committee APPROVED the release of previously public excluded information as set out below because there is no longer a need for continued protection under section 48(1) of the Local Government Official Information and Meetings Act 1987.

Agenda Item 9 – Confirmation of Previous Meeting Public Excluded Minutes PE

RESOLVED
FAR 2018/059

Cr Jim Hopkins / Cr Craig Dawson
That the Finance, Audit and Risk Committee confirms public excluded meeting minutes of 12 June 2018, as circulated, as a true and correct record of that meeting.

CARRIED

There being no further business, the Chair declared the meeting closed at 10.19am.

CONFIRMED at the Finance, Audit and Risk Committee Meeting held on the 14th day of August 2018 in the Council Chamber, Waitaki District Council Headquarters, 20 Thames Street, Oamaru.

[signed]

Chairman