



# **A G E N D A**

## **Finance, Audit and Risk Committee**

**Council Chambers  
36 Weld Street  
Hokitika**

**Thursday 28 June 2018  
commencing at 8.00 am**

Deputy Mayor L.J. Martin – Chairperson  
His Worship the Mayor R.B. Smith  
Deputy Mayor Cr H.M. Lash  
Crs D.L. Carruthers, R.W. Eatwell, D.M.J. Havill ONZM,  
J.A. Neale, G.L. Olson, D.C. Routhan.



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

**AGENDA FOR A MEETING OF THE FINANCE, AUDIT AND RISK COMMITTEE, TO BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 28 JUNE 2018 COMMENCING AT 8.00 AM**

### **COUNCIL VISION**

We work with the people of Westland to grow and protect our Communities, our Economy and our unique natural environment.

#### **Purpose:**

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
- (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

#### **1. MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:**

##### **1.1 Apologies & Leave of Absence**

##### **1.2 Interest Register**

#### **2. CONFIRMATION OF MINUTES:**

##### **2.1 Finance, Audit and Risk Committee Meeting Minutes – 24 May 2018**

**3. REPORTS FOR INFORMATION:**

**3.1 Financial Performance - May 2018**

**4. ITEMS FOR DISCUSSION:**

**4.1 Health and Safety – Verbal Update**

**4.2 Audit Management Report – Verbal Update**

**4.3 Finance, Audit and Risk Committee Rolling Workplan**

**5. MATTERS TO BE CONSIDERED IN THE ‘PUBLIC EXCLUDED SECTION’**

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

**5.1 Confidential Minutes – 24 May 2018**

**5.2 Risk Register**

The general subject of the matters to be considered while the public are 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 the resolution are as follows:

<b>Item No.</b>	<b>Minutes/ Report of</b>	<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
5.1	Confidential Minutes – 24 May 2018	Confidential Minutes	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)
5.2	Risk Register	Confidential Risk Register	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)



# Finance, Audit and Risk Committee Minutes

MINUTES OF A MEETING OF THE FINANCE, AUDIT AND RISK COMMITTEE, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 24 MAY 2018 COMMENCING AT 9.30AM

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## 1. MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:

### 1.2 Members Present

Deputy Mayor Cr L.J. Martin (Chair)  
His Worship the Mayor R.B. Smith  
Deputy Mayor Cr H.M Lash  
Crs R.W. Eatwell, D.M.J. Havill (ONZM), J.A. Neale, G.L. Olson,  
D.L Carruthers.

### Apologies & Leave of Absence

Cr D.C Routhan

Moved Deputy Mayor Lash, seconded Cr Olson and **Resolved** that the apology from Cr Routhan for the Finance Audit and Risk Committee Meeting for the 24 May 2018 be received and accepted.

### Staff in Attendance:

S.R. Bastion, Chief Executive; L.A. Crichton, Group Manager: Corporate Services; E. Bencich, Acting Group Manager: District Assets; F. Scadden; Acting Group Manager: Planning, Community and Environment; V.M Watson Business Support/Committee Secretary.

### 1.2 Interest Register

The Chair circulated the Interest Register and no amendments were noted.

## 2. CONFIRMATION OF MINUTES:

### 2.1 Confirmation of Minutes – Finance, Audit and Risk Committee Meeting - 26 April 2018

Moved Deputy Mayor Lash, seconded Cr Havill and **Resolved** that the Minutes of the Finance, Audit and Risk Committee Meeting held on the 26 April 2018 be confirmed as a true and correct record, subject to the following amendment:

#### Page 4 – Interest Register

Amendment – noted by Cr Neale a request for Councillors to complete the financial or non-financial pecuniary interest column.

## 3. REPORTS FOT INFORMATION

### 3.1 Financial Report April 2018

The Finance Manager spoke to this report.

The purpose of this report is to provide an indication of Council's financial performance for one month to 30 April 2018.

The report concluded by recommending that Council receive the financial performance report to 28 April 2018, attached as **Appendix 1** to the agenda.

- There is a noted variance forecast of the NZTA subsidy.
- There is high expenditure on water asset maintenance and the cost implication of water cartage costs over summer.
- Parks and Reserves carry forward project, from 2015 and 2016 the initial Laser Park project was carried out with community consultation resulting in a cost and recommendation to improve drainage and the community garden. Hokitika Lions Club have reported to Council the plan and have offered to complete this project for the allocated budget amount. Clarification is to be sought on the property and building.

Moved His Worship the Mayor, seconded Cr Havill **Resolved** that the capital budget for Laser Park to the amount of \$45,000 be made available to Hokitika Lions Club, subject to an agreement approved by the Chief Executive which protects the council with an agreed scope and agreement of outcome.

*Cr Neale recorded her vote against the motion.*

Moved Deputy Mayor Lash, seconded Cr Eatwell and **Resolved** that the Financial Report for April 2018 attached as appendix 1 to the Agenda be received.

#### **4. FINANCE AUDIT AND RISK COMMITTEE ROLLING WORKPLAN**

The Group Manager: Corporate Services spoke to the May Workplan.

Audit New Zealand is currently carrying out the scheduled audit with operational systems and procedures as per the approved agreement schedule.

Moved Cr Eatwell, seconded Cr Olson and **Resolved** that the Finance Audit and Risk Rolling Workplan be received.

#### **5. MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'**

Moved His Worship the Mayor, seconded Cr Eatwell and **Resolved** that Council confirm that the public were excluded from the meeting in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 9:55am.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

##### **5.1 Confidential Minutes – 26 April 2018**

##### **5.2 Westroads Quarterly Consolidated Financial Summary**

The general subject of the matters to be considered while the public are 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 the resolution are as follows:

<b>Item No.</b>	<b>Minutes/ Report of</b>	<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
5.1	Confidential Minutes – 26 April 2018	Confidential Minutes – Finance, Audit and Risk Committee	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)
5.2	Westroads Limited Quarterly Financial Report	Westroads Quarterly Financial Report for Information	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)

This resolution is made in reliance on Section 48(1)(a) and (d) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or 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:

No.	Item	Section
5.1	Protect the privacy of natural persons, including that of deceased natural persons.  Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 7(2)(a)  Section 7(2)(i)
5.2	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 7(2)(i)

Moved Cr Neale, seconded Cr Olson and **Resolved** that the business conducted in the “Public Excluded Section” be confirmed and accordingly the meeting went back to the open part of the meeting at 10:43am

**MEETING CLOSED AT 10.43 AM**

**At the conclusion of the Finance, Audit and Risk Committee a presentation was made to Olivia Anderson for representing New Zealand internationally at the under 19 Open European Korfball Championships in Netherlands 2018. The certificate recognised inspiration and commitment to Olivia’s chosen sport and for being a respected role model in the Westland District.**

Confirmed by:

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**Deputy Mayor Latham Martin**  
**Chair – Finance, Audit and Risk Committee**

\_\_\_\_\_  
**Date**

# Report



**DATE:** 28 June 2018  
**TO:** Mayor and Councillors  
**FROM:** Finance Manager

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## FINANCIAL PERFORMANCE: MAY 2018

### 1 SUMMARY

- 1.1 The purpose of this report is to provide an indication of Council's financial performance for one month to 31 May 2018.
- 1.2 This issue arises from a requirement for sound financial governance and stewardship with regards to the financial performance and sustainability of a local authority.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council receive the financial performance report to 31 May 2018, attached as **Appendix 1**.

### 2 BACKGROUND

- 2.1 Council receives monthly financial reporting so that it has current knowledge of its financial performance and position against targets and objectives adopted in the Long Term Plan 2015-25.

### 3 CURRENT SITUATION

- 3.1 Council now receives a monthly financial summary report in a consistent format.



3.2 The Financial Performance Report to 31 May 2018, is attached as **Appendix 1** and contains the following elements:

- 3.2.1 Segmental graphs for net cost of services, operating revenue and expenditure with the addition of the actual amounts.
- 3.2.2 Update on Rates Debtors.
- 3.2.3 Whole of Council Cost of Service Statement.
- 3.2.4 Variance analysis
- 3.2.5 Council approved unbudgeted expenditure
- 3.2.6 Debt report including budgeted debt, forecast debt and actual debt.
- 3.2.7 Capital Expenditure 2017-18
- 3.2.8 Carryover Schedule 2017-18
- 3.2.9 Balance Sheet

#### **4 OPTIONS**

4.1 Council can decide to receive or not receive the report.

#### **5 SIGNIFICANCE AND CONSULTATION**

5.1 This report is for information only and, while feedback is invited from Council in order for staff to continuously improve the quality of information provided, no assessment of significance or consultation and no options analysis is required.

#### **6 RECOMMENDATION**

A) **THAT** Council receives the Financial Performance Report to 31 May 2018

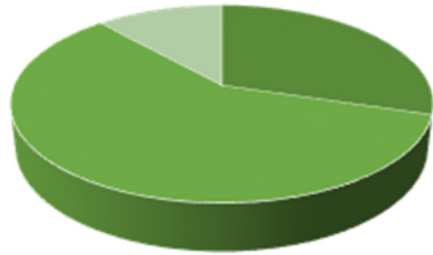
**Lavinia Hamilton**  
**Finance Manager**

**Appendix 1:** Financial Performance May 2018



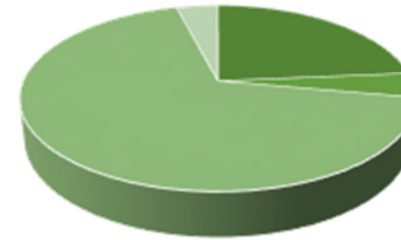
## Financial Performance May 2018

**Operating revenue  
Actual year to May**



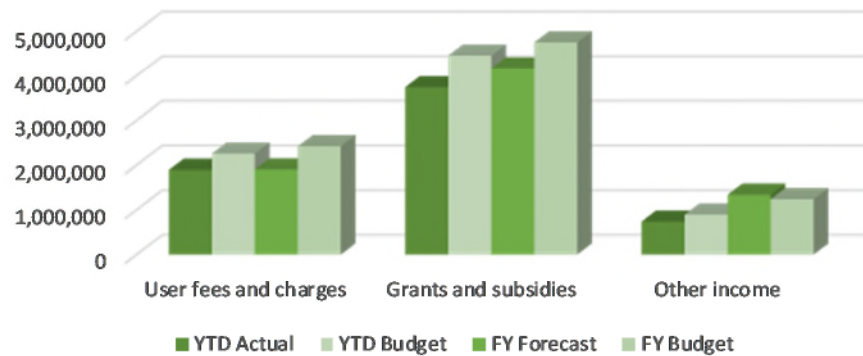
■ User fees and charges ■ Grants and subsidies ■ Other income

**Operating expenditure  
Actual year to May**

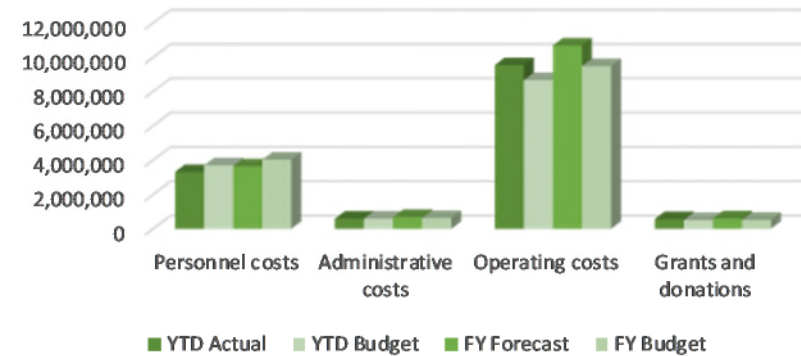


■ Personnel costs ■ Administrative costs ■ Operating costs ■ Grants and donations

**Operating revenue**



**Operating expenditure**



Column1	User fees & Charges	Grants & Subsidies	Other Income
Actual YTD	1,892,759	3,743,380	738,651
Budget YTD	2,256,917	4,452,315	889,990
Variance	(364,159)	(708,935)	(151,339)
FY Forecast	1,902,557	4,166,303	1,337,439
FY Budget	2,418,583	4,746,309	1,238,334

Column1	Personnel	Administration	Operating	Grants & donations
Actual YTD	3,307,541	594,131	9,547,373	567,707
Budget YTD	3,693,546	593,009	8,649,292	513,674
Variance	(386,005)	1,122	898,081	54,033
FY Forecast	3,633,514	683,848	10,693,657	611,405
FY Budget	4,023,177	638,727	9,484,130	521,300





















