

Audit, Risk & Finance Committee

AGENDA

Notice of Meeting:

A meeting of the Audit, Risk & Finance Committee will be held on:

Date: Thursday 3 September 2020
Time: 1.30pm
Venue: Council Chamber
137 Havelock Street, Ashburton

Membership

Chairperson	Leen Braam
Deputy Chairperson	John Falloon
Members	Carolyn Cameron Liz McMillan Stuart Wilson Murray Harrington (external appointee) Mayor Neil Brown (ex-officio)

Audit, Risk & Finance Committee

Timetable	
1.30pm	Meeting commences

ORDER OF BUSINESS

- 1 Apologies**
- 2 Extraordinary Business**
- 3 Declarations of Interest**

Minutes

- | | | |
|----------|---|----------|
| 4 | Audit, Risk & Finance Committee – 9/07/20 | 3 |
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Reports

- | | | |
|-----------|---|-----------------|
| 5 | Insurance 2020/21 | |
| 6 | Development contribution postponement request – SCMT Holdings Ltd | |
| 7 | Development contribution postponement request – Sheppard/Spittal | |
| 8 | End of Year Performance Report | |
| 9 | Carry-over of funding from 2019/20 to 2020/21 | |
| 10 | Financial Variance Reports – (draft) June 2020 | <i>Attached</i> |

Business transacted with the public excluded

- | | | |
|-----------|--|-----------|
| 11 | Audit, Risk & Finance Committee – 9/07/20
Section 7(2)(h) Commercial activities | 42 |
| 12 | Cyber Security
Section 7(2)(h) Commercial activities | 44 |
| 13 | Health & Safety
Section 7(2)(a) Protection of privacy of natural persons | 47 |
| 14 | Eastfields Precinct Joint Venture
Section 7(2)(h) Commercial activities | 57 |

28 August 2020

4. Audit Risk & Finance Committee – 9/07/20

Minutes of the Audit, Risk & Finance Committee meeting held on Thursday 9 July 2020, commencing at 11.35am, in the Council Chamber, 137 Havelock Street, Ashburton.

Present

His Worship the Mayor, Neil Brown; Councillors Leen Braam (Chair), John Falloon, Carolyn Cameron, Liz McMillan and Stuart Wilson; Murray Harrington (external appointee via Zoom).

Also present:

Councillors Rodger Letham, Lynette Lovett, Angus McKay and Diane Rawlinson.

In attendance

Hamish Riach (Chief Executive), Paul Brake (GM Business Support), Sarah Mosley (Manager People & Capability), Jane Donaldson (GM Strategy & Compliance), Neil McCann (GM Infrastructure Services), Toni Durham (Strategy & Policy Manager), Rachel Sparks (Finance Manager), Ruben Garcia (Communications Manager), Tania Paddock (In-house Counsel), James Lamb (Emergency Management Officer) and Carol McAtamney (Governance Support Officer).

Presentations:

GCH Aviation: 11.30am – 12.08pm

1 Apologies

Nil.

2 Extraordinary Business

Nil.

3 Declarations of Interest

Nil.

4 Confirmation of Minutes 19/03/20

That the minutes of the Audit, Risk & Finance Committee meeting held on 19 March 2020, be taken as read and confirmed.

Falloon/Cameron

Carried

5 Committee Updates

• Rates resolution – 25/06/20

The Committee noted that the resolution will need to be amended as a result of the additional UAGC Methven rate. The existing resolution will be revoked and a new rates resolution passed by Council at an extraordinary meeting on 30 July.

Murray Harrington joined the meeting via zoom at 11:40am.

• Breach of hedging and policy compliance

The breach will happen in 2025.

That Council notes the breach of the debt hedging compliance at 30 June 2020.

McMillan/Falloon

Carried

- **Audit Arrangement Letters**

A query was made as to whether this topic (Audit engagement, Audit proposal and Audit plan) could be moved from public excluded and discussed in open meeting.

The Group Manager Business Support advised that the documents are not finalised and advance notification would need to be advised to the Audit NZ Director of the change as he is of the opinion that this is to be discussed in public excluded.

The request was withdrawn.

6 Ashburton Hospital Helipad

Matthew Boulcott –GCH Aviation/James Lamb (11.44am to 12.02pm)

There were concerns raised around the restrictions the new status of the heli-pad would have on drone activity and non-emergency flight landings within the approved zone. Clarification was also sought on the management of the pad.

Recommendation to Council

That Council:

1. Grants approval for GCH Aviation and Helicopters Otago to implement IFR approach operations to Ashburton Hospital Helipad; and
2. Authorises the helipad be published in the New Zealand AIP as an established pad.

Falloon/McMillan

Carried

Post meeting note: the Emergency Management Officer will meet with GCH Aviation and representatives from Ashburton and Christchurch hospitals to address the safety management arrangements for the helipad. This matter was adjourned at the Council meeting (13/08/20) pending a supplementary report, to be uplifted for discussion at the extraordinary Council meeting on 27/08/20.

7 2020-21 Rates – Rates Remission Policy

Recommendation to Council

1. **That** Council undertakes targeted consultation with the community to propose relaxing the criteria and process in the Rates Remission Policy for 2020-21 only, for penalty write-offs for instalments 1-4 of the 2020-21 rates, specifically;
 - a. **That** Council waives the restriction to allow for penalty waivers to be applied if applicants have already received a waiver in the past 24 months, with the maximum number of write-offs available being for the rates instalments 1-4 in the 2020-21 rating year.
 - b. **That** Council allows applicants to apply for a penalty waiver in writing, via an online form or over the phone.
2. **That** officers undertake consultation in line with Section 82 of the LGA and report back findings to Council on 13 August 2020.

Wilson/Mayor

Carried

Finance Variance Report

- A query was made as to what 'other revenue' includes – in response, the Committee heard this includes any Council revenue that is not rate related ie: property rental, lease revenue, commission on rates from Environment Canterbury etc.

Business transacted with the public excluded – 12.40pm

That the public be excluded from the following parts of the proceedings of this meeting, namely – 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:

Item No	General subject of each matter to be considered:	In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:	
9	Minutes 19/03/20	Section 7(2)(h)	Commercial activities
10	Audit NZ	Section 7(2)(h)	Commercial activities
11	Development contribution postponement	Section 7(2)(h)	Commercial activities
12	Internal borrowing	Section 7(2)(h)	Commercial activities
13	Health & Safety	Section 7(2)(a)	Protection of privacy of natural persons

McMillan/Brown

Carried

Art Gallery and Heritage Centre

The Committee received a brief update following investigations of the roofing area where the buffer tanks are located and water is leaking under the roofing material. The intention is to install replacement buffer tanks and equipment on the ground at the Domain end of the building. The equipment can be installed by connecting to the existing plant on the roof which will minimize the downtime of the facility.

The Committee meeting concluded at 1.39pm.

5. Insurance 2020/21

Author *Paul Brake, Group Manager Business Support*
General Manager responsible *Hamish Riach, Chief Executive*

Summary

- The purpose of this report is update Council on its insurance cover and costs for the 2020/21 financial year.

Recommendation

- 1. That** the Audit, Risk & Finance Committee receives the Insurance 2020/21 report.

Background

1. Council has renewed its insurances for the 2020/21 financial year through our broker Marsh & McLennan.
2. As part of the renewal, the property covered in the policies were reviewed to ensure they were insured at their current value.
3. The policies along with the 19/20 premium and the 20/21 premium are as follows:

Policy	19/20 premium	20/21 renewal premium	Increase	% Increase	Deductibles
Material Damage/Business Interruption	\$578,680	\$596,167	\$17,487	3.0	\$2,500 for each event
Fire Service levies (part of the material Damage policy)	\$149,908	\$148,495	-\$1,413	-0.9	\$2,500 for each event
Completed Civil Works	\$15,743	\$15,834	\$91	0.6	\$50,000 for each event other than: Storm, tempest, flood, subsidence, collapse (\$100,000)
Machinery breakdown	\$27,978	\$30,147	\$2,169	7.8	\$5,000 for each event
Motor Vehicles & fire service levies	\$59,957	\$54,972	-\$4,985	-8.3	\$500 -\$1,000 for each event
General Liability & Professional Indemnity	\$34,870	\$48,396	\$13,526	38.8	\$500 -\$100,000 for each event depending on category
Crime/Fidelity Guarantee	\$3,100	\$3,500	\$400	12.9	\$25,000 for each event
Cyber	\$3,375	\$3,375	0	0	\$10,000 for each event

Statutory Liability	\$4,080	\$3,825	-\$255	-6.3	\$500 for each event
Employers Liability	\$1,200	\$1,125	-\$75	-6.3	\$500 for each event
Hall Hirers Liability	\$2,208	\$2,070	-\$138	-6.3	\$500 for each event
Personal Accident	\$3,650	\$4,050	\$400	11.0	Nil
Environmental Impairment Liability	Included in PI & PL	\$2,606	\$2,606		
Airport Owners & Operators Liability	\$1,180	\$1,500	\$320	27	\$5,000 for each event
Total premiums	\$885,929	\$916,062	\$30,133	3.4	

4. As above, the total increase in levies over the 2019/20 year is \$30,133 (excluding GST) or 3.4%.
5. The budget for insurance in the 20/21 Annual Plan was \$896,000. This excludes the insurance on Council's infrastructural assets insured through the Local Authority Protection programme (LAPP).
6. The various cover under each policy is as follows:

Material Damage / Business Interruption: Insurer QBE, AIG, Berkshire Hathaway, NZI, & XL Catlin

Cover physical loss or damage to property belong to the Council or for which it is legally responsible or has assumed responsibility prior to the occurrence of any damage. Loss subsequent upon interruption to the business as a result of damage to property insured by the Material Damage policy, resulting in losses or increased costs. Total asset value insured \$203,579,221.

Completed Civil Works: Insurer QBE, AIG, Berkshire Hathaway, NZI

This covers damage to Lake Hood civil works.

Machinery Breakdown: QBE, AIG, Berkshire Hathaway, NZI, & XL Catlin

Insures mechanical and electrical machinery against damage from internal causes, the actual breaking, seizing, or deformation of any part of the machinery.

Crime /Fidelity: Insurer Chubb Insurance NZ

Indemnifies the Council for loss of money or other property through any fraudulent or dishonest acts or acts committed by any of the employees. This includes Auditors fees and other fees and costs incurred in substantiating the amount of the claim.

Cyber: Insurer Chubb Insurance NZ

Covers privacy liability, Network security liability, media liability, Cyber extortion, Data asset loss, business interruption, Incident response expenses, recovery costs and regulatory fines

Motor Vehicle: Insurer Lumley (a business division of IAG NZ Ltd.

Indemnifies the Council for accidental loss or damage to all vehicles, mobile plant and equipment, vehicular equipment and similar assets, owned, used, hired, leased or under the care, custody and control of the Council.

General Liability and Public Liability: Insurer Various London Market Insurers - Lloyds of London

Covers liability in connection with the business resulting in personal injury or property damage, legal liability in respect of any negligent act, error or omission, and indemnity for environmental impairment liability.

Personal accident: Insurer Chubb Insurance NZ

Provides death and schedule benefits as a result of accident only for nominated staff members being: Chief Executive \$100,000, Elected members and Group managers \$50,000 and third tier manager \$25,000, all other staff and Community Board members \$10,000. These funds come to Council, not to the individual holders of the positions.

Statutory Liability: Insurer QBE Insurance (Australia) Ltd

The indemnifies the Council against defence costs and penalties as a result of any alleged breach of any Act of Parliament other than some specified exclusions.

Employers Liability: Insurer QBE Insurance (Australia) Ltd

Indemnifies the Council for legal liability (common law) to pay damages as a result of an employee sustaining personal injury in the course of their employment, to pay the cost and expenses of investigation, and in defence of settlement claims not covered by ACC.

Hall Hirers: Insurer Vero Liability Insurance Ltd

Indemnity for all amounts the Council becomes legally liable to pay in respect of Personal Injury or Property Damage.

Airport Owners and Operators Liability: Insurer AIG Asia Pacific Insurance Pte Ltd

Covers legal liability for bodily injury, personal injury, sickness or disease including death and for the loss of or damage to property of others caused by accident, in respect of and in connection with Airport Ownership or Operation and management.

Each policy has specific limits of indemnity, levels of deductibles, and any conditions and or extensions.

All insurers have a Standard and Poor's rating of A to AA-.

Legal/policy implications

7. All insurances are arranged through a broker. This service is tendered from time to time. There are no legal implications.

Financial implications

8. Financial implications are contained in the body of the report.

Requirement	Explanation
What is the cost?	\$916.062
Is there budget available in LTP / AP?	The cost exceeds the budget provision by \$30,133, largely as a result of increases in the Material Damage/ Business Interruption, and General liability and professions indemnity. The additional costs will be met from reserves.
Where is the funding coming from?	See above
Are there any future budget implications?	The continued levels of increase will need to be reflected in the 2021-31 LTP
Finance review required?	Yes

Significance and engagement assessment

9. The recommendation is to receive the report. There are no significance and engagement issues.

Requirement	Explanation
Is the matter considered <i>significant</i> ?	No
Level of significance	Low.
Level of engagement selected	Inform –One way Communication
Rationale for selecting level of engagement	The additional costs over Council’s budgetary provision is small
Reviewed by Strategy & Policy	Toni Durham Strategy and Policy Manager

6. *Development Contribution postponement request – SCMT Holdings Limited*

Author *Paul Brake; Group Manager Business Support*
GM Responsible *Hamish Riach; Chief Executive*

Summary

- The purpose of this report is to address a request from SCMT Holdings Limited for postponement of the development contributions totalling \$11,692.17 (GST exclusive) on a development at 39 Tancred Street.
- The requested postponement period is until January 2021.

Recommendation to Council

That the Audit, Risk & Finance Committee recommends:

- 1. That** Council declines the postponement of the development contribution of \$11,392.17 (GST exclusive) payable by SCMT Holdings Limited on the development at 39 Tancred Street.

Background

1. Council has received a request from SCMT Holdings Limited for postponement of the development contributions levied on the development at 39 Tancred Street. The requested postponement period is until January 2021.
2. This development is for a new gym facility. The building consent value of the development is \$500,000.
3. The request for postponement is on the basis that the building will not be being used until completion in January 2021, and hence the services to the property will not be being used until that date.
4. Under Council's policy, all development contributions are assessed and paid at the start of a project. The fact that the development will not be completed until a later date is common to all developments on which a development contribution is levied.
5. Council's current development contribution policy does contain a provision for postponement of the development contributions. Para 2.1 of the policy states:

Postponements may be allowed for substantial developments at the discretion of Council. A request for postponement must be made in writing to the Chief Executive stating the reasons why a postponement is sought.

Requests for postponement will be considered on a case by case basis by the Finance and Business Support (now Audit, Risk & Finance) Committee

6. A certificate of compliance cannot be issued until the development contribution is paid. It is therefore highly likely that Council will receive these funds per any agreed postponement arrangement.

Options analysis

Option 1 – Decline the request for postponement of the development contributions.

This is the recommended option.

Advantages

7. The reason for request is no different from any other development on which development contributions are paid. The amount levied is not significant (based on the total cost of the development) and there is no suggestion that the development will not proceed if the development contribution postponement is not granted.
8. Declining the application would also confirm Council's general development contribution policy, in that development contributions are payable at the time of issuance of the building consent, and the completion date is not a factor on when these fees are payable.

Disadvantages

9. Council may be seen to be failing to support new developments in the District.
10. Possible community perception that Council may be protecting/favouring (to a limited degree) its own gym at EANC.

Option 2 –Agree to the postponement of the development contributions until 31 May 2021.

Advantages

11. Council is seen to be encouraging new developments in the District.

Disadvantages

12. Receipt of the development contributions for this development would be delayed until January 2021
13. Agreeing to the request based on completion dates would be contrary to the fundamental basis of Council's development contributions policy and could be seen to be setting a precedent for any future development.

Legal/policy implications

14. There are no legal implications. The recommendation is consistent with the development Contribution Policy

Financial implications

15. If option 2 was approved, the financial impact of a five month delay in receiving the development contribution is not significant.

Requirement	Explanation
What is the cost?	If the postponement is approved, the interest cost of a delay in receiving the funds would be less than \$100. There is no cost if the postponement is declined.
Is there budget available in LTP / AP?	NA
Where is the funding coming from?	See above
Are there any future budget implications?	No
Finance review required?	No

Significance and engagement assessment

16. The recommendation to decline postponement of the development contribution is not considered significant.

Requirement	Explanation
Is the matter considered <i>significant</i> ?	No
Level of significance	Low
Level of <i>engagement</i> selected	Inform – One way communication only
Rationale for selecting level of engagement	The decline of the DC postponement request is a Council decision that the community will be informed through Council's agenda and minutes.
Reviewed by Strategy & Policy	Toni Durham: Strategy and Policy Manager

7. Development contribution postponement request – Sheppard/Spittal

Author *Paul Brake; Group Manager Business Support*
GM Responsible *Hamish Riach; Chief Executive*

Summary

- The purpose of this report is to address a request from Liam Sheppard and Lily Spittal for postponement of the development contributions totalling \$6,929 (GST inclusive) on a residential development at 25 Memorial Crescent, Methven.
- The requested postponement period is for a period of twelve months.

Recommendation to Council

That the Audit, Risk & Finance Committee recommends:

- 1. That** Council declines the postponement of the development contribution of \$6,929 (GST inclusive) payable by Liam Sheppard and Lily Spittal on the residential development at 25 Memorial Crescent, Methven.

Background

1. Council has received a request from Liam Sheppard and Lily Spittal for postponement of the development contributions levied on the residential development at 25 Memorial Crescent, Methven. The requested postponement period is for a period of twelve months.
2. This is a residential development with a building consent cost of development of \$335,000.
3. The request for postponement is on the basis that the applicants were not aware that the development costs were payable upon a building consent and were not made aware of this by either their building company or their lawyer. Hence their building budget did not include an allowance for the development contributions.
4. In this instance the applicants did request and receive a Land Information Memorandum (LIM) report from Council which clearly states that development contributions are payable.
5. Council's current development contribution policy does contain a provision for postponement of the development contributions. Para 2.1 of the policy states:

Postponements may be allowed for substantial developments at the discretion of Council. A request for postponement must be made in writing to the Chief Executive stating the reasons why a postponement is sought.

Requests for postponement will be considered on a case by case basis by the Finance and Business Support (now Audit, Risk & Finance) Committee

6. It is doubtful whether the policy can be interpreted to include a residential house under the definition of a "substantial development". However, it is for Council to consider whether this is an application that can be considered under the above clause. There is no other provision for a deferment under the development contributions policy.

Options analysis

Option 1 – Decline the request for postponement of the development contributions. This is the recommended option.

Advantages

7. The fact that the applicants were not aware or not made aware from their building company or lawyer, or through reading the LIM is unfortunate but does not change the fact that these contributions are payable.

8. The LIM clearly states that development contributions were payable upon the issue of a building consent, and the applicants were in receipt of this information.
9. While the costs may be unexpected, they are not large in relation to the total consent costs of \$335,000.
10. In declining the consent Council is being consistent with its approach in the past that those undertaking new buildings and developments need to undertake due diligence to ensure they are fully informed on the payment of development contributions

Disadvantages

11. The applicants will need to find additional monies to pay the development contributions.

Option 2 –Agree to the postponement of the development contributions for a period of 12 months.

Advantages

12. Council is seen to be assisting a ratepayer.

Disadvantages

13. Receipt of the development contributions for this development would be delayed for a period of twelve months.
14. Agreeing to the request based on completion dates would be contrary to the fundamental basis of Council's development contributions policy and could be seen to be setting a precedent for any future development.

Legal/policy implications

15. There are no legal implications, however there is a question as to whether the application even falls with the deferment clause in the policy. The policy states that it is only development contributions on substantial developments that can be considered for deferral. While 'substantial development' is not defined in the policy, it is unlikely that a normal residential dwelling would have been considered to be a substantial development at the time of drafting the policy.

Financial implications

16. If option 2 was approved, the financial impact of a twelve month delay in receiving the development contribution is not significant.

Requirement	Explanation
What is the cost?	If the postponement is approved, the interest cost of a delay in receiving the funds would be less than \$125. There is no cost if the postponement is declined.
Is there budget available in LTP / AP?	NA
Where is the funding coming from?	See above
Are there any future budget implications?	No
Finance review required?	No

Significance and engagement assessment

17. The recommendation to decline postponement of the development contribution is not considered significant.

Requirement	Explanation
Is the matter considered <i>significant</i> ?	No
Level of significance	Low
Level of <i>engagement</i> selected	Inform – One way communication only
Rationale for selecting level of engagement	The decline of the DC postponement request is a Council decision that the community will be informed through Council's agenda and minutes.
Reviewed by Strategy & Policy	Toni Durham: Strategy and Policy Manager

8. End-of-year performance report

Author	<i>Emily Watson; Corporate Planner</i>
Activity manager	<i>Toni Durham; Strategy & Policy Manager</i>
Group manager	<i>Jane Donaldson; Group Manager: Strategy & Compliance</i>

Summary

- The purpose of this report is provide the end-of-year non-financial reporting against the performance measures set in Year 2 of the Long-Term Plan 2018-28.
- These results are for the 2019/20 financial year, from 1 July 2019 to 30 June 2020.

Recommendation

- 1. That** the Audit, Risk & Finance Committee receives the end-of-year non-financial performance report.

Attachment

Appendix 1 Audit Risk and Finance end-of-year performance report

Background

The current situation

1. Council monitors its progress towards achieving the non-financial performance measures. These are reported to Council mid-way through the financial year and at the end of the financial year.
2. As part of the Long-Term Plan process, Council sets levels of service for each activity. Accompanying these levels of services are performance measures and targets.
3. Performance measures enable Council and the community to assess whether the levels of service are being delivered to the community. Targets for each performance measure show the level of achievement Council is aiming for each year.
4. The end of year results are also included in Council's Annual Report.

Legal/policy implications

Legislation

5. Council is required (Local Government Act 2002) to report against the performance targets set for each activity in the Annual Report.
6. While Council isn't required by legislation to provide progress reports, to do so informs both Council and the community with how well Council is tracking on a timely basis.

Financial implications

Requirement	Explanation
What is the cost?	Monitoring Council's performance is met from within existing budgets.
Is there budget available in LTP / AP?	Yes
Where is the funding coming from?	284 Community Planning
Are there any future budget implications?	No
Reviewed by Finance	Not required

Significance and engagement assessment

7. The progress reporting of Council's achievement towards its non-financial performance measures is not considered significant and is of low significance to the community.

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Low; Not significant
Level of engagement selected	1 – Inform the community
Rationale for selecting level of engagement	The community will be informed of Council's progress in achieving the non-financial performance measures through relevant media channels.
Reviewed by Strategy & Policy	Toni Durham; Strategy & Policy Manager

End of year performance reporting – Audit, Risk & Finance

END OF YEAR PERFORMANCE UPDATE - DEMOCRACY

What we're aiming for: To engage in meaningful conversations and lead the community with clear and rational decision-making that is based on robust monitoring, research and analysis.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE'LL MEASURE PROGRESS (Performance measures)	2018/19 RESULTS	2019/20 TARGET	2019/20 RESULTS	COMMENTS
The community to be informed of, and involved in, local decision making	Residents are satisfied that the Council provides opportunities to have their say	91%	80%	86%	
	Residents are satisfied with the quality of information about Council activities and events	88%	80%	92%	
The community's views are taken fully into account for effective governance by elected members	Residents are satisfied with the performance of the Mayor and councillors	77%	80%	78%	

END OF YEAR PERFORMANCE UPDATE - ECONOMIC DEVELOPMENT

What we're aiming for: To support the local economy by assisting tourism, employment and business development initiatives.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE'LL MEASURE PROGRESS (Performance measures)	2018/19 RESULTS	2019/20 TARGET	2019/20 RESULTS	COMMENTS
Commercial property assets that are financially sustainable	Occupancy of all commercial tenancies at or above 95% at all times	98%	≥ 95%	98%	

END OF YEAR PERFORMANCE UPDATE – COMMUNITY SERVICES

What we're aiming for: To provide community services that meet resident's needs

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE'LL MEASURE PROGRESS (Performance measures)	2018/19 RESULTS	2019/20 TARGET	2019/20 RESULTS	COMMENTS
Council will provide rental accommodation that meets the specific needs of eligible elderly members of the community	Occupancy rates of Elderly Persons Housing	97%	95%	97%	Four vacant units due to not meeting Tenancy Services standards. Three vacant units two in Methven and one in Rakaia - no interest from waiting list tenants to move either Methven or Rakaia. 97% based on 108 units

9. Carry Over Funds from 2019-2020 to 2020-2021

Author *Rachel Sparks, Finance Manager*
GM Responsible *Paul Brake, Group Manager – Business Support*

Summary

- The purpose of this report is to seek formal approval to carry over unspent budget provisions from the 2019-2020 year into the 2020-2021 Annual Plan.
- The majority of the carry-over requests are in relation to projects not completed in the 2019-2020 work programme. Carrying over the unspent portion into the 2020-2021 Annual Plan will allow the completion of these projects as part of the 2020-2021 work programme.

Recommendation

- 1. That** the Audit, Risk & Finance Committee approves the request to carry over the unspent funds from the 2019-2020 year into the 2020-2021 Annual Plan, as detailed in this report.

Background

1. A number of projects programmed as part of the 2019-2020 budget were not completed by 30 June 2020. In order to complete the works in the 2020-2021 year, the associated funding has to be carried over to the 2020-2021 year.
2. The reasons for non-completion of the projects include:
 - To allow coordination of work with other works / developments in order to reduce overall project costs
 - Variations to project scope
 - Delays associated with securing consents
 - Delays associated with weather
 - Supply of key equipment and materials
 - Impacts of COVID-19 national response
 - Staff resource availability
3. The requested carry-overs fall into two categories: the first being **committed** projects where work is committed under contract or somehow advanced and the carry-over is required to complete the works. **Required** projects are where no commitment exists, although some may be associated with legislative compliance. Council may have some discretion regarding the carry-over approval of some required projects.
4. Some major projects have not been carried over as they were re-budgeted in the 2020-2021 Annual Plan. These include, the Ashburton river crossing pipeline (and pump station) and the West Street trunk main / attenuation & treatment facilities projects.

Drinking Water

5. Group Supplies – various new capital and asset renewal projects. The majority of the carry-over value relates to the Methven scheme, with delays to the reservoir project (about to commence) and the trunk pipeline renewal which has been delayed pending direction on the final treatment upgrade. The balance are part of Council's ongoing response to the Havelock North enquiry and involved improving asset performance and system redundancy.
6. Methven/Springfield – treatment upgrade and pressure reducing valve (PRV) renewals. These are committed carry-overs as the upgrade work addresses compliance with the DWSNZ, and the PRVs directly impact on levels of service and are due for renewal.
7. Montalto – treatment upgrade. This is a committed carry-over as the work addresses compliance with the DWSNZ.

Project	Expected Completion Date	Committed / Required	Carry-Over Request
Group Supplies – New capital [WATE activity, account 51003] Loan to be raised	30 June 2021	Committed /Required	\$255,714 -\$106,322
Group Supplies – Asset renewals [WATE activity, account 51018] Loan to be raised	30 June 2021	Required	\$725,271 -\$689,753
Methven/Springfield – Treatment upgrade [243.51003] Loan to be raised	30 June 2021	Required	\$361,685 -\$361,685
Methven/Springfield – Asset renewals [243.51018] Loan to be raised	30 June 2021	Required	\$137,717 -\$60,788
Montalto – Treatment upgrade [244.51003] Loan to be raised	30 June 2021	Required	\$209,295 -\$209,295

Wastewater

8. Ashburton – New capital – This relates to the river crossing pipeline and pump station project which experienced a number of delays during 19/20 prior to contract award and then also impacted by the COVID-19 working restrictions during construction.
9. Ashburton – Asset renewals – This relates to work required in the CBD project which was impacted by the COVID-19 working restrictions.
10. Methven – Asset renewals - all of the scheduled renewal programme was completed. This carry-over will be used for additional pipeline relining works (sites to be confirmed).
11. Rakaia – New capital – project to extend sludge effluent disposal system into the second of two previously forested blocks.
12. Rakaia – Asset renewals – telemetry renewal is being coordinated as part of a larger project to gain economies of scale. The physical works phase of the project had only just commenced immediately prior to the COVID-19 lockdown restrictions came into force.

Project	Expected Completion Date	Committed / Required	Carry-Over Request
Ashburton – New capital (River Crossing & PS) [253.51003]	31 December 2020	Committed	\$1,323,910

Ashburton – Asset renewals [253.51018] Loan to be raised	30 June 2021	Committed /Required	\$419,007 -\$419,007
Methven – Asset renewals [254.51018]	30 June 2021	Required	\$50,248
Rakaia – New capital [255.51003]	30 June 2021	Required	\$65,170
Rakaia – Asset renewal [255.51018]	30 June 2021	Required	\$12,785

Stockwater

13. Stockwater – New capital – this covers the original fish screening project, and is considered necessary to retain the budget provision should Council be compelled to proceed with construction of the structures.
14. Stockwater – New capital – this covers the Health & Safety improvements to stockwater infrastructure. To date, 9 intakes/gates have been improved, with 6 further gates being worked on (this has been flagged in the monthly variance report).

Project	Expected Completion Date	Committed / Required	Carry-Over Request
Stockwater – New capital (fish screening project) [248.51003] Loan to be raised	31 July 2020	Required	\$45,483 -\$45,483
Stockwater – New capital (health & safety improvements) [248.51003] Loan to be raised	30 June 2020	Required	\$56,527 -\$56,527

Water Resources

15. District Water Management - operational – this carry-over will be directed to support commitment to additional resourcing in the stockwater activity and ongoing works associated with the Surface Water Strategy action plan.

Project	Expected Completion Date	Committed / Required	Carry-Over Request
District Water Management – Surface Water Strategy [275.30534]	30 June 2021	Required - operational	\$165,000

Transportation

16. Subsidised Roothing – new capital – carry-over to complete the three RDR bridge replacements, and to complete the CBD project, plus the associated subsidy income.
17. Subsidised Roothing – new capital – Ashburton Second Bridge DBC that remains ongoing, and the associated subsidy income.
18. Subsidised Roothing – new capital – LED streetlights, and the associated subsidy income.
19. Subsidised Roothing – renewals – CBD footpaths and renewal work, and associated subsidy income.
20. Unsubsidised Roothing – new capital – CBD works that remain ongoing.
21. Road Safety – community safety works.

Project	Expected Completion Date	Committed / Required	Carry-Over Request
Subsidised Roothing – RDR bridges and CBD projects [228.51003]	30 June 2021	Committed	\$2,536,064
Subsidised Roothing – RDR bridges and CBD project subsidies [228.10142] Loan to be raised	30 June 2021	Committed	-\$1,293,393 -\$613,000
Subsidised Roothing – Ashburton Second Bridge DBC [228.51003]	30 June 2021	Committed	\$258,697
Subsidised Roothing – Ashburton Second Bridge DBC subsidies [228.10142]	30 June 2021	Committed	-\$196,610
Subsidised Roothing – LED streetlights [228.51003]	30 June 2021	Committed	\$5,370
Subsidised Roothing – LED streetlights subsidies [228.10142]	30 June 2021	Committed	-\$4,565
Subsidised Roothing – CBD renewal work [228.51018]	30 June 2021	Committed	\$577,690
Subsidised Roothing – CBD renewal work subsidies [228.10142]	30 June 2021	Committed	-\$294,622
Unsubsidised Roothing – CBD works [229.51003]	30 June 2021	Committed	\$415,321

Ashburton Footpaths – CBD footpaths [231.51003]	30 June 2021	Committed	\$571,610
Ashburton Footpaths – CBD footpaths [231.10142]	30 June 2021	Committed	-\$291,521

Waste Reduction & Recovery

22. Solid Waste Management – new capital – carry-over for the work to put a roof over the Ashburton RRP cardboard bunker.
23. Recycling – asset renewal – gravel renewal in the satellite site yard, which has been delayed until Spring.
24. Ashburton Solid Waste Collection and Recycling – new capital and renewals- these carry forwards will be used to cover the new litterbins for the CBD project.

Project	Expected Completion Date	Committed / Required	Carry-Over Request
Solid Waste Management – Cardboard Bunker Roof [263.51003] Loan to be raised	30 June 2021	Required	\$271,516 -\$138,402
Recycling – gravel renewal in satellite site yard [268.51018]	30 June 2021	Required	\$8,672
Solid Waste Collection – New capital - CBD litterbins [256.51003]	30 June 2021	Required	\$40,676
Solid Waste Collection – Renewals - CBD litterbins [256.51018]	30 June 2021	Required	\$21,042
Recycling – New capital - CBD litterbins [268.51003] Loan to be raised	30 June 2021	Required	\$28,400 -\$28,400

Democracy - Methven Community Board Discretionary Fund

25. The Community Board has requested that the unspent portion of the discretionary funds for 2019-2020 be carried forward. This request was passed by Council resolution on 13 August 2020.

Project	Expected Completion Date	Committed / Required	Carry-Over Request
Carryover of discretionary funds and sundry expenditure in 19/20 budget [139.30525]	30 June 2021	Committed - operational	\$19,421

Commercial Property

26. Subdivisions; Ashburton Business Estate – new capital – work on stage 2 and 3 has pushed into 20/21.
27. Commercial Property: Oval Pavilion – new capital - the work on the building has been delayed due to the wait for the change in ownership.
28. Commercial Property: Art Gallery/Museum – new capital - remedial work on the building has been delayed due to the longer than expected settlement process.
29. Commercial Property: New civic centre & library – new capital - less work has been completed to date than originally budgeted.
30. Ashburton Domain Depot – new capital – new building.
31. Airport – new capital – new toilet work.

Project	Expected Completion Date	Committed / Required	Carry-Over Request
Subdivisions – Ashburton Business Estate Stage 2 & 3 [145.51007.5201] Loan to be raised	30 June 2021	Committed	\$1,950,764 -1,950,764
Commercial Property – Oval Pavilion remedial work [150.51007.5027]	30 June 2021	Required	\$150,000
Commercial Property – Art Gallery/Museum remedial work Note:\$2m was rebudgeted in 2020/21 [150.51007.5003] Loan to be raised	30 June 2021	Required	\$250,000 -\$250,000
Commercial Property – New Civic Centre & Library (Note: This is additional to the \$6.175m budgeted in 2020/21 [150.51003.5018]	30 June 2021	Committed /Required	\$2,000,000
Ashburton Domain Depot – new building [148.51007]	30 June 2021	Committed	\$22,000
Airport – new toilet [151.51007]	30 June 2021	Required	\$28,000

Reserves and Camping

32. Lake Clearwater – operational expenditure – carry-over for the boundary line work that was not completed during 19/20.
33. Sundry Rural Properties – new capital – for earthquake strengthening of the Rakaia Memorial Hall.

Project	Expected Completion Date	Committed / Required	Carry-Over Request
Lake Clearwater – boundary line work [158.30308]	30 June 2021	Required Operational	\$100,000
Sundry Rural Properties – earthquake strengthening of the Rakaia Memorial Hall [162.51007]	30 June 2021	Required	\$100,000

Public Conveniences

34. Public conveniences – asset renewals – toilet cyclic renewals are underway with a contractor engaged.

Project	Expected Completion Date	Committed / Required	Carry-Over Request
Public Convenience Renewals [154.51018]	31 October 2020	Committed	\$92,400
Public Convenience Renewals [154.51012]	30 June 2021	Committed	\$15,928

Cemeteries

35. Ashburton Cemetery – new capital – Ashburton cemetery contract works retention and fencing.
36. Methven Cemetery – new capital – minor cemetery improvement works and tree works.

Project	Expected Completion Date	Committed / Discretionary	Carry-Over Request
Ashburton Cemetery [179.51003] Loan to be raised	30 November 2020	Committed	\$40,496 -\$40,496
Methven Cemetery [180.51004] Loan to be raised	31 December 2020	Required	\$10,000 -\$10,000

Parks & Open Spaces

- 37. Rakaia Beautification – new capital – playground improvements post toilets.
- 38. Rakaia Beautification – new capital – landscape improvements post toilets.
- 39. Gardens – new capital – Domain playground (part of the Domain development plan).
- 40. Gardens – new capital – irrigation of the Domain cricket oval, contractor engaged and works underway.
- 41. Gardens – new capital – additions (to implement the Domain development plan priorities).
- 42. Baring Square West – asset renewals – Cenotaph upgrade and related works, the majority has been completed but the work to refurbish the flag pole bases is continuing.

Project	Expected Completion Date	Committed / Required	Carry-Over Request
Rakaia Beautification – Rakaia Playground [171.51003] Appropriation from special fund cc117	31 December 2020	Required	\$89,657 -\$89,657
Rakaia Beautification – Rakaia Landscaping [171.51008]	31 December 2020	Required	\$10,000
Gardens – Domain Playground [166.51003] Appropriation from special fund cc117	30 June 2021	Required	\$204,000 -\$131,795
Gardens – Sports Field Irrigation (Domain Cricket Oval) [166.51008] Appropriation from special fund cc117	30 November 2020	Committed	\$108,220 -\$108,220
Gardens – Domain Development Plan related additions [166.51007] Appropriation from special fund cc117	30 June 2021	Required	\$59,953 -\$59,953
Baring Square West - flag pole base refurbishment [168.51019] Appropriation from special fund cc117	31 October 2020	Committed	\$57,183 -\$57,183

Recreation Facilities

43. EA Networks Centre – Carry-over of trust grant for learn to swim. Due to the COVID-19 lockdown this has only been partially spent.
44. EA Networks Centre – capital renewals – replacement batteries for the scrubber and replacement radios for the pool area.
45. EA Networks Centre – new capital – pool inflatables, tech equipment for the scoreboard, and iPad for the holiday programme.

Project	Expected Completion Date	Committed / Required	Carry-Over Request
EANC – learn to swim grant [282.30410.8505]	30 June 2021	Committed - operational	\$60,000
EANC – Capital renewals [282.51018.8500] Loan to be raised	30 June 2021	Required	\$9,000 -\$9,000
EANC – New capital [282.51007.8534] Loan to be raised	30 June 2021	Required	\$41,000 -\$41,000

Arts and Culture

46. Ashburton Museum – new capital – six data loggers, the purchase of which has been delayed due to suppliers taking longer than expected to provide quotes.
47. Ashburton Museum – new capital – height adjustable desk, delayed purchase due to management change. The operating expenditure carry-over is to apply to future operating requirements.

Project	Expected Completion Date	Committed / Required	Carry-Over Request
Ashburton Museum – data loggers [206.51009]	30 June 2021	Required	\$1,566
Ashburton Museum – adjustable desk [206.51009]	30 June 2021	Required	\$675
Ashburton Museum Opex savings 20630101	30 June 2021	Required operational	\$50,000

Library Services

48. Library CAPEX – carryover requested due to the lack of stock available for purchase as the result of COVID-19 worldwide interruptions, and the lack of staff time to purchase and process new items.

Project	Expected Completion Date	Committed / Required	Carry-Over Request
Library – Adult Non-Fiction Additions [164.51014]	30 June 2021	Required	\$1,336
Library – Adult Fiction Additions [164.51015]	30 June 2021	Required	\$7,276
Library – Young Adult Fiction Additions [164.51016]	30 June 2021	Required	\$729
Library – Junior Fiction Additions [164.51017]	30 June 2021	Required	\$1,304
Library – Electronic Book Additions [164.51026]	30 June 2021	Required	\$2,000

Environmental Services

49. Parking – new capital – carry-over for the electronic parking sensors, which are being installed as part of the CBD streetscape revitalisation project. Existing parking meters will be removed, and sensors will be used to monitor time restricted parking. The installation of the sensors is timed later than first anticipated, hence the second request for a carry-over. The sensors will be installed in three stages; two later this year and the third (East Street) in the following year (2021/22).

Project	Expected Completion Date	Committed / Required	Carry-Over Request
Parking – Electronic Parking Sensors [221.51003]	30 June 2021	Committed	\$52,034

Emergency Management

50. Emergency Management – new capital – to replace the faulty VHF radio equipment (radio and antenna) at Mt Hutt, which was delayed due to COVID-19 interruptions. This work has been rescheduled for spring/early summer.

Project	Expected Completion Date	Committed / Required	Carry-Over Request
Emergency Management – Civil Defence VHF radio [201.51008]	31 January 2021	Required	\$14,000

Information Services

51. Information Services – new capital – rural imagery capture project. Incomplete due to weather conditions and COVID-19 interruptions.
52. Information Services – new capital – new phone system and contact centre. Work has not commenced on this project, but the solution selection is underway.
53. Information Services – new capital – health & safety solution. Work is underway with an estimated completion date of 30 September 2020.
54. Information Services – new capital – new ADC website. Work is underway with an estimated completion date of December 2020.
55. Information Services – new capital – Procure to Pay AP automation and contracts. Work is underway with an estimated completion date of December 2020.
56. Information Services – asset renewals – desktop renewals. Hardware is confirmed, with expenditure to start by December 2020.
57. Information Services – new capital – disaster recovery solution. Design and build work is underway, but no expenditure happened in 19/20.
58. Information Services – operational. This relates to the digitalisation of property and consent files, which came in under budget. The carry-over will be directed towards supporting the design, migration and introduction of cloud services related to the Microsoft suite of products. Having this carry-over available means ADC can utilise external expertise to assist the Systems Team, which will mean more timely solutions and greater product knowledge for ongoing management and improvement.

Project	Expected Completion Date	Committed / Required	Carry-Over Request
Information Services - Rural Imagery Capture [135.51009]	30 June 2021	Committed	\$55,000
Information Services – New phone system and contact centre [135.51013]	30 June 2021	Required	\$100,000
Information Services – Health & Safety [135.51013]	30 September 2020	Committed	\$40,000
Information Services – New ADC website [135.51013]	31 December 2020	Committed	\$80,000
Information Services – P2P AP Automation / Contracts [135.51013]	31 December 2020	Committed	\$103,000
Information Services – Desktop renewals [135.51009]	30 June 2021	Committed	\$50,000

Information Services – Disaster Recovery solution [135.51013]	30 June 2021	Required	\$50,000
Information Services – Cloud services migration [135.30308]	30 June 2021	Required - operational	\$175,000

Plant Operations

59. Plant Operations – carry-over of plant purchases as vehicle purchases were delayed due to COVID-19.

Project	Expected Completion Date	Committed / Required	Carry-Over Request
Plant Purchases [137.51006]	30 June 2021	Required	\$385,611
Appropriation from special fund cc 120			-\$385,611

Economic Development

60. Unbudgeted grant income from INZ and OEC was received during 19/20 to be used for Welcoming Communities projects. As this grant income was unbudgeted, so was the associated expenditure. \$26,644 of the grants remains unspent. This request is to show the \$26,644 as Welcoming Communities expenditure in the 20/21 year.

61. Council resolved during 19/20 to wind up the Access Trust Reserve and apply the funds towards the youth drivers licence project. These funds have not yet been applied, and therefore are the subject of a carry-over request.

62. MBIE provided a grant to ADC during 19/20 to be spent on the new agriculture role, which has only been recruited for this year (20/21). This request is to show the \$50,000 as expenditure in the 20/21 year.

Project	Expected Completion Date	Committed / Required	Carry-Over Request
Economic Development – Welcoming Communities grant expenditure [204.30417]	30 June 2021	Committed - operational	\$26,644
Economic Development – youth drivers licence project [204.30414]	30 June 2021	Required- operational	\$40,520
Appropriation from special fund cc 115			-\$40,250
Economic Development – agriculture role [204.30101]	30 June 2021	Committed - operational	\$50,000

Community Funding

63. Sports & Recreation – carryover of funding for Rakaia swimming pool for repairs to the pool and surrounds. These repairs were scheduled for April and May 2020, and have been delayed due to the COVID-19 lockdown.

Project	Expected Completion Date	Committed / Required	Carry-Over Request
Sports & Recreation – Rakaia swimming pool funding [292.30410]	30 June 2021	Required - operational	\$14,865

People & Capability / Strategy & Policy / Economic Development

64. Carry-over for the Ashburton District's Culture & Language App – this joint internal project was intended to be completed in the 2019-20 year but has taken longer than anticipated to progress. The delay has been due to limited officer time and other work priorities during and following Covid-19. Content approval from our multiple external stakeholder group is currently being undertaken.

Project	Expected Completion Date	Committed / Required	Carry-Over Request
Culture & Language App – People & Capability [283.30308]	30 June 2021	Required- operational	\$5,000
Culture & Language App – Strategy & Policy [284.30308]	30 June 2021	Required - operational	\$5,000
Culture & Language App – Economic Development [204.30308]	30 June 2021	Required – operational	\$5,000
Ashton Beach enhancement project [283.30308]	30 June 2021	Required – operational	\$10,000

Summary of Carry-overs

Activity	Capex	Opex	Loan funding
Drinking Water	\$1,689,682		-\$737,790
Wastewater	\$1,871,120		-\$419,007
Stockwater	\$102,010		-\$102,010
Water Resources		\$165,000	

Transportation	\$4,364,752		-\$613,000
Waste Reduction & Recovery	\$370,306		-\$166,802
Democracy		\$19,421	
Commercial Property	\$4,400,764		-\$2,200,764
Reserves and Camping	\$100,000	\$100,000	
Public Conveniences	\$108,328		
Cemeteries	\$50,496		-50,496
Parks & open Spaces	\$529,013		
Recreation Facilities	\$50,000	\$60,000	-\$50,000
Arts & Culture	\$2,241	\$50,000	
Library Services	\$12,645		
Environmental Services	\$52,034		
Emergency Management	\$14,000		
Information Services	\$478,000	\$175,000	
Plant Operations	\$385,611		
Economic Development		\$117,164	
Community Funding		\$14,865	
P&C,S&P, Econ Dev.		\$25,000	
Totals	\$14,581,002	\$726,450	-\$4,339,869

Options analysis

Option 1 – Approve all carry-overs as detailed

65. This will ensure that all projects originally programmed are completed and provides the opportunity to undertake forward design of some projects in the 20/21 programmes.

66. No risks have been identified with this option.

Option 2 – Approve carry-overs relating to committed projects only

67. This will ensure that all projects either in progress or contractually committed in some way are completed in the 20/21 programmes.
68. The funding relating to the discretionary projects would be unspent and appear as favourable variances. The discretionary projects and suggested additional work would not be progressed.
69. The risks identified with this option are:
- Forward design of future programmed works and other works may not be progressed.
 - Increased rate requirements in the future if operating cost carry-overs are not available to meet future expenditure.
 - Projects already agreed with the community would not be undertaken.

Legal/policy implications

70. There are no statutory implications relating to the approval of these carry-overs.

Financial implications

71. There are no financial implications arising from the approval of the recommendations in this report. All funding has already been approved.
72. Individual projects may be subject of separate requests for additional funding once final pricing of those projects has been received, but if this is the case Council will again have the opportunity to confirm or otherwise those projects.

Requirement	Explanation
What is the cost?	Carry-over of unspent budget from 2019-2020, no additional cost.
Is there budget available in LTP / AP?	Carry-over of unspent budget from 2019-2020, no additional budget required.
Where is the funding coming from?	Carry-over of unspent budget from 2019-2020, no additional funding required.
Are there any future budget implications?	No
Finance review required?	No

Significance and engagement assessment

73. No significant consultation with the wider community has taken place on this matter.

74. Consultation on the projects has been carried out as part of the 2018-2028 Long Term Plan development and for some of the projects there has been further consultation with interested groups and affected parties as part of the project's progression.

75. Approval of the recommendations contained in this report is consistent with the Community Outcomes and Strategic Objectives outlined in the LTP in particular:

- **Outcome 1: A thriving and diverse local economy**

Strategic Objective. Our district's infrastructure and services meet our current and foreseeable future needs.

Strategic Objective. Our water resources are developed and managed in ways that support our environment, economy and lifestyle now and into the future.

- **Outcome 2: Sustainable natural and built environments**

Strategic Objective. We have safe and attractive built environments that meet our community's needs

Requirement	Explanation
Is the matter considered <i>significant</i> ?	No
Level of significance	Low
Level of <i>engagement</i> selected	N/A
Rationale for selecting level of engagement	N/A
Reviewed by Strategy & Policy	No

Audit, Risk and Finance Committee

Terms of Reference

Purpose

The purpose of the Audit, Risk and Finance Committee is to provide oversight of Council's revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community (Local Government Act 2002).

Membership

Membership of the Committee comprises:

- Cr Leen Braam (Chair)
- Cr John Falloon (Deputy Chair)
- Cr Carolyn Cameron
- Cr Liz McMillan
- Cr Stuart Wilson
- Mr Murray Harrington (external appointee)
- The Mayor, Neil Brown (ex-officio)

The quorum is four members.

Meeting Frequency

The Audit, Risk and Finance Committee will meet on a six (6) weekly cycle, or more frequently on an as-required basis as determined by the Chair and Group Manager Business Support.

Committee members shall be given not less than 5 working days' notice of meetings.

Delegations

The Audit, Risk and Finance Committee has no delegated authority to make decisions. Its role is to consider and review matters of strategy, policy or significance in its sphere of Council business, and (if appropriate) to make recommendations to full Council.

Sphere of business

- To consider and recommend the project plan and timetable for the following projects –
 - Long Term Plan (LTP) and any amendments
 - Annual Plan & Budget
 - Annual Report and Audit
- To receive progress reports on the above projects, where appropriate, and review significant issues and risks arising.
- To establish and maintain effective relationships with Council's auditors, including meeting with the audit representatives regarding significant policy and planning processes as appropriate, reviewing the Annual Audit Plan, and considering matters of significance raised by Council's auditors and action required.

- To be the primary monitoring mechanism for Council's Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs) and shareholdings.
- To provide overview of Council's performance management framework as included in the Council's LTP, Annual Plan and Annual Report documents.
- To provide an overview of Financial Management including:
 - statutory compliance in respect to financial disclosure
 - corporate risk and internal risk management
 - monitoring and reporting on compliance with the LTP and Annual Plan policies under sections 101A-110 of the Local Government Act 2002
 - Insurance matters
 - Council's special funds accounts, loan accounts and investment portfolios
 - Council's debt levels and profile
 - Writing off debt considered to be bad or uncollectible (greater than \$5,000)
 - Monitoring monthly Financial Variance reports
 - Recommending to Council any proposed changes or additions to internal financial and non-financial controls, and debt and risk management approaches and policies
 - Amending fees and charges
- To consider matters of Organisational Services in the areas of:
 - information services and records management
 - plant and vehicles
 - democracy
 - communications
 - customer services
 - health and safety.

Reporting

The Audit, Risk and Finance Committee will report to the Council.

[Adopted by Council 20/11/19]