

Audit, Risk & Finance Committee

AGENDA

Notice of Meeting:

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

Date: Tuesday 13 October 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 – 3/09/20 | 3 |
|----------|---|----------|

Reports

- | | | |
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| 5 | Ng King Bros Chinese Market Garden Settlement – additional funding | 5 |
| 6 | Financial Variance Reports – August 2020 | <i>Attached</i> |

Business transacted with the public excluded

- | | | |
|----------|--|-----------|
| 7 | Audit, Risk & Finance Committee – 3/09/20
Section 7(2)(h) Commercial activities | 8 |
| 8 | Health & Safety
Section 7(2)(a) Protection of privacy of natural persons | 9 |
| 9 | 2020 Interim Audit Progress Report
Section 7(2)(h) Commercial activities | 16 |

7 October 2020

4. Audit Risk & Finance Committee Minutes

Minutes of the Audit, Risk & Finance Committee meeting held on Thursday 3 September 2020, commencing at 1.31pm, 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).

Also present:

Councillor Diane Rawlinson.

In attendance

Hamish Riach (Chief Executive), Paul Brake (GM Business Support), Jane Donaldson (GM Strategy & Compliance), Neil McCann (GM Infrastructure Services), Sarah Mosely (GM People & Capability), Steve Fabish (GM Community Services), Rachel Sparks (Finance Manager), Ruben Garcia (Communications Manager) and Aisling O'Reilly (Governance Support).

Staff present for the duration of their reports: Toni Durham (Strategy & Policy Manager), Gordon Tupper (Information Systems Manager) and Tania Paddock (Legal Counsel).

1 Apologies

Nil.

2 Extraordinary Business

Nil.

3 Declarations of Interest

Nil.

4 Confirmation of Minutes 9/07/20

That the minutes of the Audit, Risk & Finance Committee meeting held on 9 July 2020, be taken as read and confirmed.

McMillan/Wilson

Carried

5 Insurance 2020/21

It was queried if Council have the right level of cover for cyber insurance given current circumstances. It was advised that Council have cover but will be looking at what our level of security actually is.

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

Brown/Cameron

Carried

6 Development contribution postponement request – SCMT Holdings Ltd

Recommendation to Council

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.

Falloon/Wilson

Carried

7 Development contribution postponement – Sheppard/Spittal

Recommendation to Council

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.

Falloon/Cameron

Carried

8 End of Year Performance report

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

McMillan/Wilson

Carried

9 Carry-over of funding from 2019/20 to 2020/21

Recommendation to Council

That the Council 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.

Falloon/McMillan

Carried

10 Financial Variance Reports – June 2020

It was noted that the fair value of EMC assets needs to be reviewed.

That the Audit, Risk & Finance Committee receives the Financial Variance Report – June 2020.

Cameron/Falloon

Carried

Business transacted with the public excluded – 2.24pm

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:	
11	Minutes 9/07/20	Sections 7(2)(h) & 7(2)(a)	Commercial activities Protection of privacy of natural persons
12	Cyber Security	Section 7(2)(h)	Commercial activities
13	Health & Safety Report	Section 7(2)(a)	Protection of privacy of natural persons
14	Eastfields Precinct Joint Venture	Section 7(2)(h)	Commercial activities

Cameron/Falloon

Carried

The Mayor and Cr Rawlinson left the meeting at 2.24pm.

The meeting concluded at 3.16pm.

5. *Ng King Bros Chinese Market Garden Settlement- Additional Funding Request*

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

Summary

- In April 2020 Council approved \$40,000 for funding of the completion of the building restoration work at the Ng King Bros Chinese Market Garden Settlement.
- The approval was conditional on the project obtaining \$65,000 from a Heritage New Zealand administered fund, to match Council's \$40,000 along with a recently received Poll Tax grant of \$25,000.
- Council has been advised that Heritage New Zealand has approved the site as a Category 1 Heritage listing and approved funding of \$50,000, leaving a project shortfall of \$15,000.

Recommendation to Council

- 1. That** Council approves an additional budget of \$15,000 from the property reserve to make up the shortfall in the funds required to complete the restoration of the Ng King Bros Chinese Market Garden Settlement buildings.

Background

1. In April 2020, Council approved a budget of \$40,000 and along with \$25,000 of Poll Tax money amounted to 50% of the estimated \$130,000 required to complete the building restoration work at the village.
2. The additional budget was subject to a grant from the Central Government's 'National Heritage Preservation Incentive Fund', administered by Heritage New Zealand, for 50% of the restoration work.
3. The application for the remaining \$65,000 grant was made along with a request to have the site approved as a Heritage Category 1 historic place.
4. The great news is that Heritage New Zealand have advised that the request to grant an Historic Category 1 listing has been approved, to take effect from 7 October 2020.
5. Council were advised that the request for grant funding had been successful with a confirmed grant of \$50,000, \$15,000 less than the amount requested. While this was less than the amount requested, this is still a significant grant. Eight projects in the Canterbury region applied for grant funding, with four receiving funding, and none receiving the full amount of their application.
6. The report considered by Council in April 2020, showed that there was benefit in completing the restoration work as one project rather than a protracted work programme subject to uncertain funding in the future. Set up costs on the site would be minimised if all the work can be completed at the same time. This view still holds.
7. In order to undertake the project work as one complete project, Council will need to fund the additional \$15,000.

Options analysis

Option 1 – Approve the additional budget request of \$15,000

8. Approving the additional \$15,000 budget request will allow the restoration project to proceed in its entirety without it having to be staged. This is the recommended option.

Option 2 – Decline the additional budget request of \$15,000

9. This will result in the restoration work having to be staged and additional funding sought at a later date. This is likely to be the more expensive option and creates uncertainty around the completion of this work. This is not the recommended option.

Legal/policy implications

10. There are no legal or policy implications should the recommendation in this report be passed.

Financial implications

Requirement	Explanation
What is the cost?	Council's additional funding requirement is \$15,000
Is there budget available in LTP / AP?	This will be unbudgeted funds
Where is the funding coming from?	It is recommended that the \$15,000 be funded from the Property reserve
Are there any future budget implications?	No
Finance review required?	Yes

11. As stated above, the source of funds will be the property reserve.

Significance and engagement assessment

12. The recommendation is not considered to be significant and does not require community engagement other than communicating the outcome.

Requirement	Explanation
Is the matter considered <i>significant</i> ?	No
Level of significance	Not significant, although it is likely to be of some public interest
Level of <i>engagement</i> selected	Inform – One-way communication only
Rationale for selecting level of engagement	Council is already committed to the management of the Ng King Bros Chinese Market Garden Settlement site. The additional \$15,000 budget request is not considered to be financially significant in itself
Reviewed by Strategy & Policy	Toni Durham: Strategy and Policy Manager

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 three members. [Amended Council extraordinary meeting 25/03/20]

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

20/11/19 (amended 25/03/20)