



Finance and Assurance Committee

OPEN MINUTES

Minutes of a meeting of Finance and Assurance Committee held in the Council Chamber, 20 Don Street, Invercargill on Friday, 21 May 2021 at 10am. (10am – 10.33am, 10.44am – 12.09pm (PE 11.45am – 12.09pm)

PRESENT

Chairperson	Bruce Robertson (external member) Mayor Gary Tong
Deputy Chair	Ebel Kremer (10am – 10.33am, 10.44am – 11.33am, 11.37am - 12.09pm)
Councillors	Don Byars (10am – 10.33am, 11.07am - 12.09pm) John Douglas Paul Duffy Julie Keast

IN ATTENDANCE

Councillor Menzies (10am – 10.33am)
Councillor Ruddenklau
Councillor Scott
Chief Financial Officer – Anne Robson
Committee Advisor – Fiona Dunlop

1 Apologies

There were no apologies.

2 Leave of absence

There were no requests for leave of absence.

3 Conflict of Interest

There were no conflicts of interest declared.

4 Public Forum

There was no public forum.

5 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

6 Confirmation of Minutes

Resolution

Moved Chairperson Robertson, seconded Cr Douglas and resolved:

That the Finance and Assurance Committee confirms the minutes of the meeting held on 24 March 2021 as a true and correct record of that meeting.

Reports

7.1 Finance and Assurance Committee Work plan for the year ended 30 June 2021

Record No: R/21/5/23249

Management Accountant – Emma Strong was in attendance for this item.

Resolution

Moved Deputy Chairperson Kremer, seconded Cr Duffy and resolved:

That the Finance and Assurance Committee:

- a) **Receives the report titled “Finance and Assurance Committee Work plan for the year ended 30 June 2021” dated 18 May 2021.**

- b) Notes the changes made to the Finance and Assurance Committee Work plan for the year ended 30 June 2021 since the last meeting.

7.2 Interim Performance Report - Period two - 1 July 2020 to 28 February 2021

Record No: R/21/5/21476

Planning and Performance Analyst – Shannon Oliver and Corporate Performance Lead – Jason Domigan were in attendance for this item.

Miss Oliver advised that the purpose of the report was to provide the Finance and Assurance Committee with the Interim Performance Report for the period 1 July 2020 to 28 February 2021 for information.

The Committee noted that the report was received by Council at the meeting on 14 April 2021.

Resolution

Moved Chairperson Robertson, seconded Cr Keast and resolved:

That the Finance and Assurance Committee:

- a) **Receives the report titled “Interim Performance Report - Period two - 1 July 2020 to 28 February 2021” dated 18 May 2021.**
- b) Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) **Notes that Council received the report titled “Interim Performance Report - Period two - 1 July 2020 to 28 February 2021” at the meeting held on 14 April 2021.**

7.3 Long Term Plan 2031 - Management Report on the Consultation Document from Audit NZ

Record No: R/21/5/22322

Corporate Performance Lead – Jason Domigan was in attendance for this item.

Mr Domigan advised that the purpose of the report was to present the management report from Audit New Zealand which relates to the audit of the consultation document and supporting information for the Long Term Plan 2021-2031 and to confirm the approach taken in the recommendations listed.

Resolution

Moved Cr Douglas, seconded Cr Keast and resolved:

That the Finance and Assurance Committee:

- a) **Receives the report titled “Long Term Plan 2031 - Management Report on the Consultation Document from Audit NZ” dated 18 May 2021.**

(Councillor Menzies left the meeting at 10.33am.)

(Councillor Byars left the meeting at 10.33am.)

(The meeting adjourned for morning tea at 10.33am and reconvened at 10.44am.)

(Mayor Tong, Chairperson Robertson, Councillors Douglas, Duffy, Keast, Kremer, Ruddenklau and Scott were present when the meeting reconvened.)

7.4 Draft unaudited Long Term Plan 2021-2031 for Endorsement

Record No: R/21/5/21797

Corporate Performance Lead – Jason Domigan, Management Accountant – Emma Strong and Strategy and Policy Manager – Michelle Stevenson were in attendance for this item.

Mr Domigan advised that the purpose of the report was to present the draft unaudited Long Term Plan 2021-2031 to the Committee to provide feedback and to endorse the release of the draft to Audit New Zealand.

(Councillor Byars returned to the meeting at 11.07am.)

During discussion on the LTP it was advised that there would be an addition to the section “**external issues we need to factor in**” regarding the Resource Management Act reforms.

Officers advised that to be compliant with Section 100 of the Local Government Act 2002 that it is financially prudent for Council to project operating deficits in the second and third year of the plan “**this principally reflects Council’s policy to transition towards fully funding depreciation in 2028/2029**” would need to be added to clause d (below).

Resolution

Moved Deputy Chairperson Kremer, seconded Cr Douglas recommendation a to c, d with addition (as indicated), e, f with an addition (as indicated) and g and resolved:

That the Finance and Assurance Committee:

- a) **Receives the report titled “Draft unaudited Long Term Plan 2021-2031 for Endorsement” dated 18 May 2021.**
- b) Determines that this matter or decision be recognised as significant in terms of Section 76 of the Local Government Act 2002.
- c) Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision;

and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.

- d) Endorses the draft unaudited 2021-2031 LTP, with the following addition to section “external issues we need to factor in”:

Resource Management Act 1991 reforms

“In February 2021 Minister for the Environment outlined a significant and ambitious reform of the Resource Management Act 1991 (RMA). The reform outlines that the RMA will be repealed and replaced by three new Acts being the Natural and Built Environments Act, Strategic Planning Act and Climate Change Adaptation Act. All of these new Acts are proposed to be gazetted by the end of 2022.

The environmental reforms will have a significant impact on the way in which we look after and work with our environment. Additionally, the timeframe to draft and implement the new acts is aggressive meaning that there is compressed timeframes for consultation and engagement. The Randerson review of the RMA which outlined a number of failings of the RMA and suggestions for improvement will be the key guide for informing the outcomes of the new legislation.

Key changes in the reforms include stronger national direction and one single combined plan per region. There will be more focus on natural environmental outcomes and less on subjective amenity matters that favour the status quo. The new regional spatial planning requirements propose to improve wellbeing for future generations ensuring development and infrastructure occurs in the right place at the right time. Responding to the effects of climate change is also being brought to the forefront under the proposed changes.

It is anticipated that the impacts of the reforms on the Southland District Council and wider region will be significant. It is clear that the environmental bottom lines will be lifted and we will need to have a greater focus on our natural environment in order to be compliant with legislation. The way in which we work needs to adapt and bring together existing and new stakeholders in order to collectively facilitate regional outcomes for our environment and communities. Iwi will play a significant role in providing kaitiakitanga (guardianship) of the land to ensure that it facilitates wellbeings for generations beyond **our own.**”

- e) Approves the release of the draft LTP 2021-2031 to Audit New Zealand, once any agreed amendments from this meeting have been incorporated.
- f) Agrees that in accordance with Section 100 of the Local Government Act 2002 that it is financially prudent for Council to project operating deficits in the second and third year of the plan. **This principally reflects Council’s policy to transition towards fully funding depreciation in 2028/2029.**

- g) Agrees to delegate authority to the Chief Executive to approve any minor amendments prior to the release of the draft LTP 2021-2031 to Audit New Zealand.

7.5 Building reaccreditation audit February 2021 - outcome

Record No: R/21/5/22724

Technical Lead Building Solutions – Tony Osbourne and Group Manager Environmental Services – Fran Mikulicic were in attendance for this item.

Mr Osbourne advised that the purpose of the report was to inform the committee on the **outcome from the recent audit of Council’s building solutions team by International Accreditation New Zealand.**

The Committee noted that the report summarised the recent International Accreditation New Zealand audit process, the outcome from this, and the additional post-audit work completed to address matters highlighted through the audit process.

The Chair and Committee thanked the Building Solutions staff for the work that they had done to obtain the reaccreditation.

(During discussion on the item, Councillor Kremer left the meeting at 11.33am and returned at 11.37am.)

Resolution

Moved Cr Duffy, seconded Cr Keast and resolved:

That the Finance and Assurance Committee:

- a) **Receives the report titled “Building reaccreditation audit February 2021 - outcome” dated 18 May 2021.**
- b) Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) Notes the report and associated clearance action plan as information.

Public Excluded

Exclusion of the Public: Local Government Official Information and Meetings Act 1987

Resolution

Moved Chairperson Robertson, seconded Cr Douglas and resolved:

That the public be excluded from the following part(s) of the proceedings of this meeting.

C8.1 Follow up audit action points

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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Follow up audit action points	s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

The public were excluded at 11.45am.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available unless released here.

The meeting concluded at 12.09pm.

CONFIRMED AS A TRUE AND CORRECT RECORD AT A MEETING OF THE FINANCE AND ASSURANCE COMMITTEE HELD ON FRIDAY 21 MAY 2021.

DATE:.....

CHAIRPERSON:.....