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# Finance and Assurance Committee

## OPEN MINUTES

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Minutes of a meeting of Finance and Assurance Committee held in the Council Chamber, Level 2, 20 Don Street, Invercargill on 27 March 2024 at 9.30am. (9.36am – 11.05am, 11.24am - 12.43pm, 1.15pm - 3.05pm (PE 2.48pm – 3.05pm)).

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### PRESENT

#### Chairperson

Bruce Robertson

Mayor Rob Scott (9.36am - 10.07am - 10.09am, 10.09am – 11.05am, 11.24am - 2.08pm, 2.10pm - 2.50pm)

#### Councillors

Jaspreet Boparai (9.36am – 11.05am, 12.36pm – 12.43pm, 1.15pm - 3.05pm)

Don Byars (9.36am – 10.32am, 10.35am -10.51am, 10.52am – 11.05am, 11.24 - 12.10pm, 12.14pm – 12.43pm, 1.15pm - 3.05pm)

Derek Chamberlain (9.36am– 10.44am, 10.45am - 11.05am, 11.24 – 12.43pm, 1.15pm - 3.05pm)

Paul Duffy

Darren Frazer (9.36am – 11.05am, 11.24am – 12.43pm)

Sarah Greaney (10.11am – 11.05am, 11.24 -12.43pm, 1.26pm -3.05pm)

Julie Keast

Christine Menzies

Tom O'Brien

Margie Ruddenklau (9.51am – 11.05am, 11.24am - 2.31pm, 2.33pm - 3.05pm)

Jon Spraggon

Matt Wilson (9.36am – 11.05am, 11.24 – 12.43pm, 1.15pm - 2.33pm, 2.35pm – 3.05pm)

### IN ATTENDANCE

#### Chief financial officer

Anne Robson

#### Chief executive

Cameron McIntosh

#### Committee advisor

Rachael Poole

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**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 Extraordinary/urgent items**

There were no extraordinary/urgent items.

**5 Confirmation of minutes**

**Resolution**

Moved Chairperson Robertson, seconded Cr O'Brien **and resolved:**

**That the Finance and Assurance Committee confirms the minutes of the meeting held on 14 February 2024 as a true and correct record of that meeting.**

**6 Public participation**

There was no public participation

**Reports**

**7.1 Finance and Assurance Committee work plan to 30 June 2024**

**Record No: R/24/3/23218**

Financial accountant, Teresa Morgan was in attendance for the item.

**Resolution**

Moved Mayor Scott, seconded Cr Boparai **and resolved:**

**That the Finance and Assurance Committee:**

- a) **receives the report titled "Finance and Assurance Committee work plan to 30 June 2024".**
- b) **notes the changes made to the Finance and Assurance Committee Work plan for the year ended 30 June 2024 since the last meeting.**

## 7.2 2023/24 Deloitte audit engagement and proposal letters

**Record No: R/24/1/3824**

Financial accountant, Teresa Morgan and Deloitte partner assurance and advisory – Mike Hawken, via video call, were in attendance for the item.

The purpose of the report was for the Committee to receive the audit proposal letter from Deloitte to conduct the audit of Council on behalf of the Auditor-General for year ended 30 June 2024 and consider accepting the audit fee proposed in the letter.

During discussion Cr Ruddenklau joined the meeting at 9.51 am.

### **Resolution**

Moved Chairperson Robertson, seconded Deputy Mayor Menzies **and resolved:**

**That the Finance and Assurance Committee:**

- a) **Receives the report titled “2023/24 Deloitte audit engagement and proposal letters” dated 21 March 2024,**
- 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 deciding on this matter,**
- d) **Receives the proposal letter from Deloitte (attachment A of the officers report) to conduct the audit of Council on behalf of the Auditor-General for the 2023/2024 financial year.**
- e) **Receives the refreshed audit engagement letter from Deloitte (attachment B of the officers report) for the year ending 30 June 2024.**
- f) **Accepts the proposed audit fee of \$187,883 (excl GST) plus actual disbursements for the audit of the annual report for the year ended 30 June 2024.**
- g) **Accepts the terms of engagement as set out in the refreshed audit engagement letter (attachment B of the officers report) for the audit of the annual report for year ending 30 June 2024.**
- h) **Authorises the Mayor to sign the refreshed audit engagement letter and the proposal letter from Deloitte, incorporating any amendments agreed at the meeting or subsequent.**
- i) **Agrees to include the audit fee shortfall of \$2,000 into Councils forecasting process to be met from the district operations reserve or any operating surplus at year end.**

### 7.3 Debenture Trust Engagement Letter

**Record No: R/24/1/3825**

Financial accountant, Teresa Morgan and Deloitte partner assurance and advisory – Mike Hawken, via video call, were in attendance for the item.

The purpose of the report was to provide an overview of and seek authorisation of Deloitte engagement letter for the limited independent assurance report of Southland District Council's debenture trust deed and to seek approval for the mayor to sign the Deloitte engagement letter. It was noted that the cost of the audit remains unchanged from last year at \$4,500 (excl GST).

The Finance and Assurance Committee will be forwarded a copy of the final sign off.

#### **Resolution**

Moved Chairperson Robertson, seconded Cr Keast **and resolved:**

**That the Finance and Assurance Committee:**

- a) **Receives the report titled "Debenture Trust Engagement Letter" dated 21 March 2024,**
- 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 deciding on this matter,**
- d) **Agrees to accept the terms and responsibilities as set out in the Deloitte Audit Engagement letter (attachment A of the officers report),**
- e) **Agrees to delegate authority to the mayor to sign the Deloitte confirmation of engagement letter for the limited independent assurance report of the debenture trust deed on Council's behalf.**

**7.4 Quarterly update to the Finance and Assurance Committee on progress for the Environmental Services Business Improvement Plan - 17a review.**

**Record No: R/24/3/9889**

GM regulatory services, Adrian Humphries, customer and business continuous improvement lead, Jane Johnston, environmental services co-ordinator, Jo Affleck and building co-ordinator team leader, Jo Ward were in attendance for this item.

The purpose of this report was to receive an update on the Environmental Services Business Improvement Plan and to consider changes to delivery dates and oversight.

Staff demonstrated the changes made to the website to make it easier to navigate for both staff and users. Staff are also auditing the website bi-monthly to make sure the information is up to date and complete analytics on user data to ensure the website remains relevant.

During discussion:

Mayor Scott left the meeting at 10.07am and returned at 10.09am

Councillor Greaney arrived at 10.11am

Councillor Byars left at 10.32am and returned at 10.35am

Councillor Chamberlain left at 10.44am and returned at 10.45am.

**Resolution**

Moved Chairperson Robertson, seconded Cr O'Brien **and resolved:**

**That the Finance and Assurance Committee:**

- a) **receives the report titled "Quarterly update to the Finance and Assurance Committee on progress for the Environmental Services Business Improvement Plan - 17a review."**
- 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) **Endorses the removal of operational managers from the steering group overseeing the delivery of the 17A actions and the addition of the Group Manager Environmental Services to the steering group.**
- e) **Agrees to the following updated action delivery dates to reflect the work needed to be undertaken, the priority of action items and the need to balance improvements with ongoing day to day work.**

Action No	Action	Current date	Revised date
23	Develop simple guides and fact sheets that explain the process for common activities/questions e.g. "How do I"	April 2024	June 2024
20b	Clarify responsibility for ensuring all existing website information is current and correct	Ongoing	12/4/24
20c	Continue to test website layout to ensure that information can be found in intuitive locations	Ongoing	12/4/24
19	Develop a targeted communication plan about the new online processes being introduced. Include what information customers are required to provide and where they can find help if they need it	31/10/23	24/4/24
17	Investigate and implement strategies for administrative support for the team to complete administrative tasks and free up technical resources for technical tasks	ASAP	24/4/24
35	Source appropriate customer services training and implement based on identified needs. E.g. To improve balance between compliance and customer service. Pilot & Implement.	Ongoing Pilot by 15/12/23	Pilot by Apr 24 Training complete by Jul 24
27	Implement clear process to capture follow ups to compliance issues. Monitor follow up actions to ensure they are completed. Training programme as required.	31/11/23	29/3/24
15a	Investigate pros and cons of introducing a customer relationship partner/co-ordinator rather than using technical resources. This role could also support internal planners for increased efficiency. Consider other innovative ways of working and whether changing the operating model is warranted	28/2/24	30/06/24
26	Continuing on the path of implementing a quality-based system for building control and health, using a modern approach to quality to improve processes for efficiency and consistency	29/2/24	30/9/24
32	Assess whether field-based devices are fit for purpose. Introduce any improvements.	31/10/23	26/4/24
5	Explore potential for either joint procurement or individual contracts, or joint contracts with other Councils	31/10/23	31/5/24
9	Test the comfort level of regional partners to apply common systems and processes. Continue building cluster group approach.	28/2/24	31/5/24
10	Do a stocktake of regional bylaws to assess level of differentiation	28/2/24	31/5/24

11	Do a stocktake of warranted officers across the region	15/3/24	31/5/24
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**7.5 Interim Performance Report - period two - 1 July 2023 to 29 February 2024**

**Record No: R/24/1/350**

Corporate performance lead, Robyn Laidlaw was in attendance for this item. Ms Laidlaw explained that the purpose of the report was to provide the Finance and Assurance Committee with the Interim Performance Report for period two 1 July 2023 to 29 February 2024 for review and feedback.

During the discussion Councillor Byars left the meeting at 10.51am and returned at 10.52am.

**Resolution**

Moved Cr Greaney, seconded Cr Ruddenklau **and resolved:**

**That the Finance and Assurance Committee:**

- a) **Receives the report titled "Interim Performance Report - period two - 1 July 2023 to 29 February 2024" dated 22 March 2024.**

(The meeting adjourned at 11.05am and reconvened at 11.24am.)

Councillor Boparai was not present when the meeting reconvened.

**7.6 Health and safety update**

**Record No: R/24/3/23450**

Organisational health and safety manager, David McCone was in attendance for this item. The purpose of this report was to provide an update on health and safety related events and activities over the last quarter.

Councillors have asked that at the next update they have a demonstration of the Telus (Benestar) app so they have an understanding of what wellbeing tools are available to staff.

**Resolution**

Moved Cr Frazer, seconded Cr Greaney **and resolved:**

**That the Finance and Assurance Committee:**

- a) **Receives the report titled "Health and safety update" dated 18 March 2024 and attached appendices.**

### 7.7 Risk management - March 2024 quarterly update

**Record No: R/23/9/41841**

Jane Edwards was in attendance for this report. Ms Edwards explained that the purpose of this report was to:

- a) provide the March 2024 Quarterly Risk Management report for consideration by the Finance and Assurance Committee.
- b) advise the committee of the risk management work programme for 2024-2027 agreed by the Executive Leadership Team.

Chair Robertson spoke about an emergent risk around retaining tight leadership through the three waters transition and the importance of collaborating with our neighbouring Councils.

During the discussion Councillor Byars left the meeting at 12.10pm and returned at 12.14pm.

**Resolution**

Moved Cr Ruddenklau, seconded Mayor Scott **and resolved:**

**That the Finance and Assurance Committee:**

- a) **receives the report titled "Risk management - March 2024 quarterly update".**
- b) **notes the risk management work programme 2024-2027.**

### 7.8 Financial Report for the period ended 31 January 2024

**Record No: R/24/3/10955**

Financial accountant, Teresa Morgan was in attendance for this item and explained that the purpose of the report was to provide Council with an overview of the financial results for the seven months to 31 January 2024 by Council's seven activity groups, as well as the financial position and the statement of cashflows as at 31 January 2024.

Chair Robertson requested that the PWC quarterly report on debt that includes key metrics is appended to this report moving forward.

**Resolution**

Moved Chair Robertson, seconded Cr O'Brien **and resolved:**

**That Finance and Assurance Committee:**

- a) **Receives the report titled "Financial Report for the period ended 31 January 2024" dated 21 March 2024.**

Chair Robertson took item 7.10 next.



## 7.10 Updated timeline for Long Term Plan 2024-2034

**Record No: R/24/3/11139**

Corporate performance lead, Robyn Laidlaw and transactional lead, Shelley Dela Llana were in attendance for this item. The purpose of the report was to update the Finance and Assurance Committee on the progress of the Long Term Plan 2034 (LTP 34) and to provide an updated timetable that takes advantage of the legislative extension.

### **Resolution**

Moved Cr Menzies, seconded Cr Ruddenklau **and resolved:**

**That the Finance and Assurance Committee**

- a) **receives the report titled “Updated timeline for Long Term Plan 2024-2034”.**
- 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) **Endorses and recommends to the revised timeline as detailed in this report and adoption of the 2024-34 Long Term Plan ~~on~~ by the 21 August 2024.**
- e) **Endorses and recommends to Council the addition of Finance and Assurance meeting and Council meetings as listed below:**
  - **24 April 2024, Finance and Assurance Committee meeting**
  - **1 and 2 July 2024, Council meetings, to consider LTP submissions**
  - **8 July 2024, if required, Council meeting for LTP deliberations**
  - **24 July 2024, Finance and Assurance meeting**
- f) **Endorses and recommends to Council the setting of the 2024/25 fees and charges in June 2024 to apply from 1 July 2024.**
- g) **Endorses and recommends to Council the setting of the year end rates penalty in June 2024 separately from the full 2024/2025 rates resolution in August 2024.**
- h) **Endorses and recommends to Council the setting of four rates instalments for 2024/2025 being 27<sup>th</sup> September 2024, 29<sup>th</sup> November 2024, 28 February 2025, 30<sup>th</sup> May 2024.**
- i) **Endorses and recommends to Council the setting of rates penalties ~~rates~~ on the second, third and fourth instalments**

- j) **Acknowledges that the Revenue and Financing policy and the Rates Remission and Postponement policy will be consulted on and adopted by 30 June 2024**

(Councillor Boparai returned to the meeting at 12.36pm.)

The meeting adjourned for lunch at 12.43pm and reconvened at 1.15pm.

(Councillor Frazer left the meeting at 12.43pm.)

(Councillor Greaney was not present when the meeting reconvened.)

## **7.9 Draft Financial and Infrastructure strategies for the Long Term Plan (LTP) 2024-2034**

### **Record No: R/24/3/11141**

Corporate performance lead, Robyn Laidlaw, strategic manager transport, Hartley Hare, strategic manager water and waste, Grant Isaacs and GM infrastructure and capital delivery, Fran Mikulicic were in attendance for this item and explained that the purpose of this report is seeking the endorsement of the Finance and Assurance Committee (the committee) of the draft infrastructure strategy and the draft financial strategy, as part of the supporting information for the Long Term Plan 2034 (LTP 34), for release to the auditors and for the consultation process.

During the discussion:

Councillor Greaney returned to the meeting at 1.26pm

Mayor Scott left the meeting at 2.08pm and returned at 2.10pm.

Cr Ruddenklau left the meeting at 2.31pm and returned at 2.33pm.

Cr Wilson left the meeting at 2.33pm and returned at 2.35pm.

### **Resolution**

Moved Cr Duffy, seconded Mayor Scott **and resolved:**

#### **That the Finance and Assurance Committee:**

- a) **receives the report titled "Draft Financial and Infrastructure strategies for the Long Term Plan (LTP) 2024-2034".**
- 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) **Agrees to endorse the draft infrastructure strategy, including any amendments agreed at this meeting, as information that provides the basis for the preparation of the Long Term Plan 2034 and consultation document in accordance with Section 93G of the Local Government Act 2002.**
- e) **Agrees to endorse the draft financial strategy, including any amendments agreed at this meeting, as information that provides the basis for the preparation of the Long Term Plan 2034 and consultation document in accordance with Section 93G of the Local Government Act 2002.**

**Public excluded**

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

**Resolution**

Moved Chair Robertson, seconded Cr Menzies **and resolved:**

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

**C8.1 Cyber security update - December 2023 to February 2024**

**C8.2 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
Cyber security update - December 2023 to February 2024	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.
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 2.48pm.

(Mayor Scott left the meeting at 2.50pm.)

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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 3.05pm.

CONFIRMED AS A TRUE AND CORRECT RECORD AT A MEETING OF THE FINANCE AND ASSURANCE COMMITTEE HELD ON 24 APRIL 2024.

**DATE:** 24 April 2024

**CHAIRPERSON:**

