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## Finance and Assurance Committee

### OPEN MINUTES

(UNCONFIRMED)

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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 04 Sep 2024 at 10am. (10.03am – 3pm ( 10.03am – 11.41am, 11.48am – 12.31pm, 1.03pm – 3pm) (PE 11.48am – 12.31pm, 1.03pm – 3pm)).

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#### PRESENT

**Chairperson**

Bruce Robertson  
Mayor Rob Scott

**Councillors**

Jaspreet Boparai  
Don Byars (11.07am – 3pm)  
Derek Chamberlain (MS Teams) (10.03am – 10.22am, 10.24am – 10.31am, 10.33am – 10.38am, 10.41 – 3pm)  
Paul Duffy  
Darren Frazer  
Sarah Greaney  
Julie Keast (MS Teams) (10.03am – 1.19pm, 2.25pm – 3pm)  
Christine Menzies (10.03am – 1.50pm, 1.51pm – 2.32pm)  
Tom O'Brien  
Margie Ruddenklau (MS Teams) 11.03am – 3pm  
Jon Spraggon  
Matt Wilson

#### APOLOGIES

Councillor Byars for lateness  
Councillor Ruddenklau for lateness  
Councillor Menzies for early departure

#### IN ATTENDANCE

**Group manager finance and assurance  
Committee advisor**

Anne Robson  
Rachael Poole

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**1 Apologies**

Apologies for lateness were received from Councillor Byars and Councillor Ruddenklau. An apology for an early departure was received from Councillor Menzies.

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

**That the Finance and Assurance Committee accept the 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 Duffy **and resolved:**

**That the Finance and Assurance Committee confirms the minutes of the meeting held on 26 August 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 for the year ended 30 June 2025**

**Record No: R/24/8/53272**

GM finance and assurance, Anne Robson spoke to this report and explained that there had been two reports added to the workplan since the last meeting and two reports were moved from the September meeting to the October meeting.

The update in regards to Southland District Council holdings in Milford Sound Tourism has not yet been completed, a new report will be added to the workplan around Council's organisational reporting, with the frequency to be determined.

A People and capability quarterly update will also be added to the workplan.

Chair also spoke about the Finance and Assurance Committee reviewing the risk profile of the Council in a structured way once he has had a discussion with key staff.

#### **Resolution**

Moved Mayor Scott, seconded Cr Greaney **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 2025"**
- b) notes amendments made to the workplan for the year ended June 2025 since the last meeting.**

### **7.2 Year-End Performance Report - 1 July 2023 to 30 June 2024**

**Record No: R/24/8/52214**

Corporate performance lead, Robyn Laidlaw spoke to this report and explained that the purpose of this report was to provide the Finance and Assurance Committee (the committee) with the year-end performance report for the period 1 July 2023 to 30 June 2024 (included as attachment A) for review and feedback.

Councillor Duffy asked if leaks within the water systems are being detected and staff replied that detection of water loss is improving, but without having water meters installed on all connections there are still undetected leaks.

Deputy mayor Menzies acknowledged the work of environmental services in improving their process and engaging with the public.

The Emergency Management Southland key performance indicators will improve once the new group manager is appointed and all staff vacancies have been filled.

Within the reporting including some nuance on those areas that have not achieved to show that they may be close to being achieved rather than showing as not achieved at the time the report is produced will give a truer overall picture.

Chair Robertson pointed out that moving forward maintaining water compliance is going to become an issue under the current water standards.

During discussion Cr Chamberlain left the meeting for the following times: 10.22am – 10.24am and 10.31am – 10.33am.

### **Resolution**

Moved Deputy Mayor Menzies, seconded Cr Duffy **and resolved:**

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

- a) **Receives the report titled “Year-End Performance Report - 1 July 2023 to 30 June 2024” dated 30 August 2024**
- b) **Notes Councils performance against its KPI targets and the context provided for these outcomes.**

## **7.3 Risk management - September 2024 quarterly update**

### **Record No: R/24/6/38545**

Risk analyst, Jane Edwards spoke to this report and explained that the purpose of this report was to submit the September 2024 Quarterly Risk Management report for consideration by the Finance and Assurance Committee (the committee).

The committee note that the Finance risk remains unassessed at a current (residual) threshold while executive leadership team continue to evaluate this new risk and the treatment options currently and potentially available to manage it.

Questions around rates affordability modelling and that the modelling is from 2007. The chair will speak with his colleagues to see if they are using a different model, but did say that the Shand report (2007) was a fairly standard approach to rates affordability.

Discussion around the reorganisation of Council proposed by Mayor Scott and does this pose a risk? There might be potential risks but at this stage it will be keeping an eye and if risks emerge then dealing with them via the framework.

Continue to engage as much as possible with central government around the roading funding shortfall to mitigate some of the risks associated with the decrease in funding.

During discussion, Cr Chamberlain left the meeting at 10.38am and returned at 10.41am.

### **Resolution**

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

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

- a) receives the report titled “Risk management - September 2024 quarterly update”
- b) notes those risks currently assessed as of significant issue for the September 2024 quarter.

#### 7.4 Health and safety update

**Record No: R/24/8/53785**

Organisational health and safety manager, Dave McCone and GM people and culture, Joanne Davidson were in attendance for this report and explained that the purpose of this report was to update the committee on health and safety related events and activity over the last quarter.

Councillor O’Brien requested if some of the training that is delivered to staff could also be made available to elected members, especially around de-escalation.

During discussion Councillor Ruddenklau joined the meeting via MS teams at 11.03am and Councillor Byars joined the meeting at 11.07am)

#### **Resolution**

Moved Cr Greaney, seconded Deputy Mayor Menzies **and resolved:**

**That the Finance and Assurance Committee:**

- a) **Receives the report titled “Health and safety update”.**

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

**Record No: R/24/8/54112**

Customer and business continuous improvement lead, Jane Johnstone, building control team leader, Scott Belesky and GM regulatory services, Adrian Humphries were in attendance for this report. The report was to update on the Environmental Services Business Improvement Plan and to consider changes to delivery dates.

Preparation is underway for the upcoming International Accreditation New Zealand audit in February 2025. The building team were required to complete a strategic management review in August as part of accreditation, which staff provided the technical oversight for. In lieu of being able to find a permanent quality lead, building have engaged a contractor part time to assist the team until the February IANZ audit.

Three actions No 27, 26 and 32 have had new systems and reports developed and equipment purchased, so are now complete.

Changes to completion dates are requested for three further action items, to address changes in personnel, discussions to occur with the new group manager and further identification of the work to be undertaken on property records is complete.

Mr Belesky updated the committee on industry meetings and events held over the last quarter and shared that there has been a shift in perception from the industry that Council is working with them and not against them. This will be tested when the customer survey is sent out at the end of the year.

Mr Humphries spoke of the special interest group that is providing cross pollination training with other councils and building strong relationships with these Councils.

**Resolution**

Moved Mayor Scott, seconded Cr Frazer **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) **notes that the following items have been completed in the last quarter:**

Item No:	Action
27	<b>Process Improvement – compliance Issue follow ups. Fully in place with reported KPI’s ensuring tracking and escalations (if required) are completed across the ES Groups, including new legal and compliance group. Work has also been completed to ensure customer facing online information matches to the processes.</b>
26	<b>Quality based system. Various QA based options are in place to meet accreditation requirements. The longer-term prospect would be for SDC to decide on a formal QA system such as ISO 17020 (Inspection Body Accreditation Program) across all relevant departments.</b>
32	<b>Technology to improve efficiency and safety. Staff and leaders have defined requirements and where necessary have purchased additional gear e.g. PPE.</b>

- e) **Agrees to close the following actions**

Action No	Action
9	Regional partners – common systems & processes. Southern Cluster, Health Protect, and inter council opportunities such as compliance training day held recently by SDC support this opportunity and will be ongoing.
10	Regional bylaws stocktake. Staff will continue to discuss and work with other Councils in this area as appropriate
11	Regional partners – warrant officers. A special interest group (SIG) of compliance personnel from ES, ICC, Gore DC and SDC has been setup. The inaugural meeting was held on 30 July to discuss how the councils can work better together and assist each other. This will be ongoing.

- f) **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
35	Customer service training. Pilot completed May 24. Session 1 completed, however due to a staff movement, training has been delayed until a replacement can be found.	July 24	Dec 24
15	Items a) and b) are in progress with discussions occurring now that the GM Strategy and partnerships is on board	September 24	Dec 24
30	Property information stored in single location. This is ongoing with the next phase of record identification and planning underway. One completed the size of the work can be identified and further information provided to the committee around completion dates.	June 30	Dec 24

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**7.6 Finance transactional update as at 30 June 2024**

**Record No: R/24/5/36779**

Transactional project lead, Shelley Dela Llana was in attendance for this report and explained that the report provided a snapshot of Council's transactional activities to 30 June 2024.

Staff proud of the response to the combined approach with customer services around contacting those who have applied for the rates rebate previously and managed to increase the number of people receiving this.

Staff were also able to email people after the rates due date and before the penalty was applied, this was a success and will be done again.

Mayor Scott and Chair Robertson shared their appreciation of the continuous improvement happening in this area. Chair Robertson also asked that the committee is kept informed if Council is having to enact rating powers to collect outstanding debt as this could be a risk to Council's reputation.

Chair Robertson also asked for the committee's thanks to be passed onto the team for their work over the last year.

**Resolution**

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

**That the Finance and Assurance Committee:**

- a) **receives the report titled "Finance transactional update as at 30 June 2024".**



## 7.7 **Balanced Funds Investment Review**

### **Record No: R/24/8/53380**

GM finance and assurance, Anne Robson spoke to this report and explained that the purpose of the report was to provide the Committee with information on the Milford Asset Management and Westpac (BT Funds Management) balanced funds and seek approval to invest the first quarterly instalment for the 2024/2025 financial year.

To date four instalments have been made, making a total of \$20 million invested in Westpac and Milford.

The total value of the investment is now \$20,600,595.

### **Resolution**

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

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

- a) **receives the report titled "Balanced Funds Investment 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) **Receives the investment and monthly transactional reports from Westpac (BTFM) and Milford Asset Management as attached**
- e) **Requests staff invest \$5million evenly between Councils Balanced Investment funds at Milford Asset Management and Westpac (BTFM).**

Councillor Byars and Councillor Boparai voted against the motion. Councillor O'Brien abstained from voting.

**Public excluded**

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

**Resolution**

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

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

**C8.1 Commercial infrastructure - Forest Management and Harvest Plan 2024/2025**

**C8.2 Cyber security update - June 2024 to August 2024**

**C8.3 FMIS Project Update**

**C8.4 Follow up audit action points**

**C8.5 Update on strategic property purchase investigations**

**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
Commercial infrastructure - Forest Management and Harvest Plan 2024/2025	s7(2)(h) - the withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	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.
Cyber security update - June 2024 to August 2024	<p>s7(2)(e) - the withholding of the information is necessary to avoid prejudice to measures that prevent or mitigate material loss to members of the public.</p> <p>Disclosure of operational security information could lead to data breaches (financial, personal/public commercial information) or destruction of Council information technology systems and/or data..</p> <p>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.</p> <p>Disclosure of operational security information could lead to data breaches (financial, personal/public commercial information) or destruction of Council information technology systems and/or data..</p>	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.

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
FMIS Project Update	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.  Commercial details.	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.
Update on strategic property purchase investigations	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.  s7(2)(h) - the withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	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 11.40am.

The meeting adjourned at 11.41am for a refreshment break and reconvened at 11.48am.

The meeting adjourned for lunch at 12.31pm and reconvened at 1.03pm.

Councillor Keast left the meeting at 1.19pm and returned at 2.25pm during public excluded.

Deputy mayor Keast left the meeting at 2.32pm.

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 3pm.

CONFIRMED AS A TRUE AND CORRECT RECORD OF A MEETING OF THE FINANCE AND ASSURANCE COMMITTEE HELD ON 4 SEPTEMBER 2024.

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**DATE:**.....

**CHAIRPERSON:**.....