



Finance and Assurance Committee

OPEN MINUTES

UNCONFIRMED

Minutes of a meeting of Finance and Assurance Committee held in the Council Chamber, Level 2, 20 Don Street, Invercargill on 19 March 2025 at 9.30am. (9.30am – 2.42pm)

PRESENT

Chairperson	Bruce Robertson
Deputy chairperson	Rob Scott
Councillors	Jaspreet Boparai
	Derek Chamberlain
	Paul Duffy
	Sarah Greaney (audiovisual link)
	Julie Keast
	Christine Menzies
	Margie Ruddenklau (audiovisual link)
	Jon Spraggon
	Matt Wilson (audiovisual link)

APOLOGIES

Don Byars
Darren Frazer
Tom O'Brien

IN ATTENDANCE

Committee advisor	Rachael Poole
Group manager finance and assurance	Anne Robson

1 Apologies

Apologies for non attendance were received from Tom O'Brien, Darren Frazer and Don Byars. An apology for lateness was received from Sarah Greaney.

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

That the Finance and Assurance Committee accept the apologies.

2 Leave of absence

At the close of the agenda no requests for leave of absence had been received.

There were no requests for leave of absence.

3 Conflict of interest

Chairperson Robertson made a professional disclosure that he has a professional association with a couple of the entities involved in the public excluded part of the meeting, item C8.1 but this has no effect on his ability to Chair the meeting.

4 Extraordinary/urgent items

There were no extraordinary/urgent items.

5 Confirmation of minutes

Resolution

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

That the Finance and Assurance Committee confirms the minutes of the meeting held on 19 February 2025 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/25/3/10052

GM finance and assurance, Anne Robson presented this report.

Resolution

Moved Chairperson Robertson, seconded Cr Chamberlain **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.**

7.2 2024/2025 Deloitte audit proposal letter and planning report

Record No: R/25/2/6844

cial accountant, Teresa Morgan and Mike Hawken from Deloitte presented this report as asked the Committee to receive the draft audit proposal letter and audit planning report from Deloitte to conduct the audit of Council on behalf of the Auditor-General for the year ended 30 June 2025 and consider the draft audit fee proposed in the letter.

Mayor to communicate with the Chair of the Finance and Assurance Committee if there are any significant changes to the proposal letter from what was discussed at the meeting, prior to signing of the final proposal letter.

Resolution

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

That the Finance and Assurance Committee:

- a) **receives the report titled “2024/2025 Deloitte audit proposal letter and planning report” dated 14 March 2025.**
- 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 draft proposal letter and planning report from Deloitte (attachment A and B) to conduct the audit of Council on behalf of the Auditor-General for the 2024/2025 financial year.
- e) accepts the 2.66% increase in the draft proposed audit fee, making a total of \$192,883 (excl GST) plus actual disbursements for the audit of the annual report for the year ended 30 June 2025.
- f) authorises the mayor to sign the final fee proposal letter from Deloitte when received as long as it is in line with the draft proposal letter presented, incorporating any amendments agreed at the meeting.

7.3 Confirmation of engagement letter - Debenture Trust

Record No: R/25/2/6843

Financial accountant, Teresa Morgan and Mike Hawken from Deloitte presented this report to provide an overview of and seek authorisation of the Deloitte confirmation of engagement letter for the limited independent assurance report of Southland District Council's debenture trust deed.

The cost of the audit has increased by \$135 from the 2024 invoiced fee to \$4,635 for 30 June 2025 (excl GST). There is sufficient budget to meet this.

Resolution

Moved Chairperson Robertson, seconded Deputy chairperson Scott **and resolved:**

That the Finance and Assurance Committee:

- a) receives the report titled "Confirmation of engagement letter - Debenture Trust" dated 13 March 2025
- 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 the terms and responsibilities as set out in the Deloitte confirmation of engagement letter (attachment A)
- e) delegates 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 Accounting policies for the year ended 30 June 2025

Record No: R/25/2/6849

Financial accountant, Teresa Morgan presented this report and asked the Committee to consider and recommend to Council the adoption of the accounting policies to be used to compile Council's Annual Report for the year ended 30 June 2025.

Resolution

Moved Deputy chairperson Scott, seconded Cr Keast **and resolved:**

That the Finance and Assurance Committee:

- a) **receives the report titled "Accounting policies for the year ended 30 June 2025" dated 13 March 2025.**
- 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) **recommends to Council that the accounting policies as outlined in attachment A, including any amendments agreed at this meeting, be adopted for use in preparation of Council's Annual Report for the year ended 30 June 2025.**

7.5 Health and safety update

Record No: R/25/3/11115

Organisational health and safety manager, Dave McCone spoke to this report and updated the committee on health and safety related events and activities from the last three months.

Resolution

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

That the Finance and Assurance Committee:

- a) **receives the report titled "Health and safety update" dated 11 March 2025 and attached appendices.**

During the previous report, Cr Wilson left the meeting at 10.20am and returned at 10.25am.

The meeting adjourned at 10.34am and reconvened at 1.45am.

7.6 Risk management - March 2025 quarterly update

Record No: R/24/12/74669

Risk analyst, Jane Edwards presented this report and shared that the purpose of this report was to submit the March 2025 quarterly risk management report for consideration by the Finance and Assurance Committee (the committee).

The chair thanked Ms Edwards for the work she is doing with the executive leadership team around risk management.

Resolution

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

That the Finance and Assurance Committee:

- a) receives the report titled "Risk management - March 2025 quarterly update"**
- b) notes those risks currently assessed as of significant issue for the March 2025 quarter.**

7.7 Forecasted Financial Position for the year ending 30 June 2025

Record No: R/25/1/2897

Senior accountant, Joanie Nel spoke to this report and informed the Committee of the expected year-end financial result compared to the Long Term Plan (LTP) 2024/2025 and to seek its approval to recommend to Council the resulting forecasted position.¹²

Resolution

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

That the Finance and Assurance Committee:

- a) receives the report titled "Forecasted Financial Position for the year ending 30 June 2025".**
- 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 forecasted changes to Council's year-end financial performance and position as detailed in attachment A and B.**
- e) endorses and recommends to Council the following unbudgeted expenditure and associated funding sources:**

Business Unit	Expense	Amount	Funding source
Information management	Operational Leases	\$21,000	Reserves
Parks & reserves Gorge Road	Maintenance tree and hedge	\$20,000	Reserves
Roading district wide	Preventative maintenance renewals	\$921,818	Reserves
District sewerage	SCADA	\$51,361	Income
District sewerage	Electricity	\$65,000	Income
Sewerage scheme Riversdale	Sewerage acquisition LOS	\$122,000	Project swap
District refuse sites	Closed landfill remediation	\$88,825	Grant
Transfer stations Te Anau	Transfer station renewal	\$25,302	Project swap
Wheelie bins	Waste disposal	\$220,000	Increased income

- f) endorses and recommends to Council the deferral of the following items to future years:**

Business unit	Project/Item	Amount	Year deferred to	Funding Source
Community housing collective	Nightcaps community housing roofing	\$46,350	2027/2028	Loan
Water supply Riverton	New water treatment plant multi-year project	\$50,000	2025/2026	Loan
Water supply Riverton	New water treatment plant multi-year project	\$50,000	2025/2026	Loan
Resource planning/policy	Townships future plan	\$400,000	2025/2026	Grant
Roading district wide	District wide bridge programme	\$4,000,000	2025/2026	NZTA/Reserves
Sewerage scheme Balfour	Wastewater consent renewal and replacements (multi year project)	\$800,000	2025/2026	Loan
Sewerage scheme Winton	Wastewater consent renewal and replacements (multi year project)	\$1,900,000	2025/2026	Loan
Sewerage Edendale/Wyndham	Wastewater consent renewal and replacements (multi year project)	\$1,500,000	2025/2026	Loan

Stewart Island Jetties	Stewart Island wharves - refurbishment Millers Beach	\$100,000	2025/2026	Loan
Stewart Island Jetties	Ulva Island wharf replacement	\$289,691	2025/2026	Grant/loan
Stormwater drainage Te Anau	Te Anau stormwater upgrade - Pukutahi, Caswell Rd Mega Pit, Industrial Area	\$1,000,000	2025/2026	Loan

- g) recommend to Council to approve the bringing forward of the following project budgets from future financial years:**

Business unit	Project	Amount	Funding source
District sewerage	District water supply – mobility filed inspection integration IT	\$52,634	Loan
Parks & reserves Mossburn	Mossburn war memorial park playground – equipment replacement	\$30,000	Reserves
Water supply Takitimu	Takitimu rural water supply switchboards and pumps	\$214,225	Loan
Stormwater drainage Riverton	Riverton stormwater – investigate & design treatment solutions for Riverton littoral outfalls	\$250,000	Loan

- h) recommend to Council the deletion/budget reduction of the following project budgets from the 2024/2025 financial year:**

Business unit	Project	Amount	Funding source
Te Anau Airport Manapouri	Runway surface rehabilitation	\$377,150	Loan
Building regulation	Goget replacement solution project	\$65,000	Loan
Community housing	Business case	\$50,000	Loan
Around the Mountains Cycle trail	Surface metal replacement	\$24,838	Grant
Parks & reserves Winton	Winton Great North Rd development	\$180,000	Reserves
Road safety community advisor	General projects	\$424,835	Grant/ Rates/ other revenue
Roading – district wide	Bridges renewal	\$590,000	Grant/Rates
Roading – district wide	Unsealed road metal renewal	\$99,470	Grant/Rates
Roading – district wide	Sealed road resurface renewal	\$761,816	Grant/Rates

Roading – district wide	Drainage renewals	\$281,337	Grant/Rates
Roading – district wide	Pavement rehab renewal	\$907,983	Grant/Rates
Roading – district wide	Structure component renewal	\$1,248,236	Grant/Rates
Roading – district wide	Traffic services renewal	\$81,144	Grant/Rates
Sewerage Scheme Stewart Island	Stewart Island/Rakiura wastewater sewer main renewal	\$122,000	Project Swap
Transfer stations - Wyndale	Woodlands 24/7 recycling transfer	\$25,302	Project Swap

- i) **recommend to Council the funding of operational costs for Community housing of \$169,290 to be repaid by a 20 year loan recovered from rental income**
- j) **recommends to Council adjustments to the following projects for 2024/2025 that have been identified subsequent to the financial data being finalised in this report:**

Cancelling or reducing the following projects:

Business unit	Project	Amount	Funding source
Parks & Reserves Balfour	Balfour playground equipment replacement (Part budget)	\$60,000	Reserves
Parks & Reserves Woodlands	Woodlands Interpretation panels (Total approved budget)	\$10,000	Reserves
Parks & Reserves Edendale Wyndham	Wyndham Playground re-development (Part budget)	\$15,000	Reserves

Deferring the following projects to 2025/2026

Business unit	Project	Amount	Funding source
Hall Orepuki	Orepuki Hall Handrails & minor maintenance (Total approved budget)	\$20,000	Reserves
Public Conveniences	District wide toilet preparations (Part budget)	\$106,356	Loan
Parks & Reserves Wallacetown	Wallacetown recreational project (Part budget)	\$170,000	Grants
Public Conveniences	Monkey Island shelter area development (Part budget)	\$300,000	Loan
Buildings Invercargill office	Invercargill Office renewal (Part budget)	\$1,528,927	Reserves
Stewart Island Jetties	Golden Bay wharf – renewal investigation (Total approved budget)	\$250,000	Loan & Grants

Tuatapere Hall	Tuatapere Hall remove chimneys & structural report (Total approved budget)	\$9,000	Reserves
Parks & Reserves Garston	Garston Village projects (Total approved budget)	\$56,869	Reserves & Grant
Parks & Reserves Colac Bay	Colac Bay Surfer statue refurbishment (Total approved budget)	\$31,325	Loan
Parks & Reserves Tuatapere	Tuatapere Historic Railway station (Part budget)	\$117,408	Grant

During the above report, Councillor Greaney joined via audiovisual link at 11.18am.

7.8 Update on progress Environmental Services Business Plan - additional information

Record No: R/25/3/10306

GM regulatory services, Adrian Humphries and manager building services, Jo Anderson spoke to this report and explained that the purpose of this report was to provide supporting information relating to progress on completion of the Environmental Services Business Plan.

Resolution

Moved Deputy Mayor Menzies, seconded Deputy chairperson Scott **and resolved:**

That the Finance and Assurance Committee:

- a) receives the report titled “Update on progress Environmental Services Business Plan - additional information”.**

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

Record No: R/25/3/10604

GM regulatory services, Adrian Humphries and customer and business continuous improvement, Jane Johnston spoke to this report and updated the Committee on the Environmental Services Business Improvement Plan action points, including those completed and the one that an extension to the delivery date is being sought.

Recommendation

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".
- 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 the completion of action no 30, property information stored in a single location, due to the identification of other locations where property files are stored and the current actions and plans to identify and move them into CM10.
- e) agrees to the completion of action point 15a, Investigate pros and cons of introducing a customer relationship partner/co-ordinator rather than using technical resources as a result of an assessment of the importance of the role to assisting the customer with multi-faceted projects.
- 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. Staff are currently sourcing an external provider to provide this training across regulatory services.	Dec 24	June 25
New 15b	Improve processes around handling customer requests involving multiple parts.	March 25	June 25

7.10 Balanced Funds Investment Review

Record No: R/25/3/9861

GM finance and assurance, Anne Robson spoke to this report and provided the Committee with information on the Milford Asset Management and Westpac (BT Funds Management) balanced funds and seek approval to invest the third quarterly instalment for the 2024/2025 financial year of \$5 million.

Resolution

Moved Chairperson Robertson, seconded Cr Keast **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 \$5 million evenly between Councils Balanced Investment funds at Milford Asset Management and Westpac (BTFM).**
- f) **acknowledges that at times Council’s investment in its Balanced Investment Funds could be inconsistent with the Investment and Liability Management policy. This may occur as the asset types invested in become temporarily higher than the current 60% growth, 40% income parameter as the investment is moved around to manage market conditions and maximise returns of the fund.**
- g) **requests staff in the review of the Investment and Liability Management policy to consider making additional allowance for minor fluctuations of the split of growth/income parameters.**

Carried

Cr Boparai, Cr Duffy, Cr Ruddenklau and Cr Wilson requested their dissenting votes be recorded.

7.11 Finance and Assurance Committee work plan for the year ended 30 June 2026

Record No: R/25/3/10054

GM finance and assurance, Anne Robson spoke to this report and explained that this was to agree to the agenda items the Committee expects to see during the year to 30 June 2026.

Staff will add a report on independent review to the first quarter of the workplan to 30 June 2026.

Resolution

Moved Chairperson Robertson, seconded Cr Keast **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 2026”.**
- b) **agrees the Finance and Assurance Committee Work plan for the year ended 30 June 2026.**

7.12 Henderson House refurbishment update

Record No: R/25/2/8485

Chief executive advisor, Jane Parfitt and project director, Jendi Paterson updated the Committee on the progress of the Henderson House Project.

The total budget allocated for this project is \$15 million. As of 28 February 2025, the total expenditure to date stands at \$3,214,040. The contingency figure will be part of the next report to the Committee.

Resolution

Moved Deputy chairperson Scott, seconded Deputy Mayor Menzies **and resolved:**

That the Finance and Assurance Committee:

- a) **receives the report titled “Henderson House refurbishment update”.**
- 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 this report is for information only as it forms an update.**

Public excluded

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

Resolution

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

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

C8.1 FMIS Project Update

C8.2 Follow up audit action points

C8.3 Cyber security update - December 2024 to February 2025

C8.4 People and culture update

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
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.	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.
Cyber security update - December 2024 to February 2025	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. 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.. 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.

	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..	
People and culture update	s7(2)(f)(ii) - the withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees and persons from improper pressure or harassment.	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 12.22pm.

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 2.42pm.

Confirmed as a true and correct record of a meeting of the Finance And Assurance Committee held on 19 March 2025.

DATE:

CHAIRPERSON: