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**Minutes of a meeting of the Nelson City Council Audit, Risk and Finance Committee**

**Held in the Council Chamber, Civic House, Trafalgar Street, Nelson**

**On Tuesday 18 June 2013, commencing at 11.50am**

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Present: Councillor I Barker (Chairperson), Councillors R Copeland (Deputy Chairperson), P Matheson, and Mr Graeme Thomas

In Attendance: Councillors J Rackley, P Rainey and K Fulton, Acting Executive Manager Community Services (R Ball), Chief Financial Officer (N Harrison), Executive Manager Regulatory (R Johnson), Executive Manager Support Services (H Kettlewell), Executive Manager Network Services (A Louverdis), Executive Manager Kaihautū/Community Relations (G Mullen), Executive Manager Strategy and Planning (M Schruer), Senior Accountant (T Hughes) and Administration Adviser (L Canton)

Apologies: His Worship the Mayor, and Councillor G Collingwood for lateness

**1. Apologies**

Resolved

***THAT apologies be received and accepted from His Worship the Mayor, and from Councillor Collingwood for lateness.***

Thomas/Matheson

Carried

**2. Interests**

There were no updates to the Interests Register and no conflicts of interest with items on the agenda were declared.

### 3. Confirmation of Minutes – 23 May 2013

Document number 1520245, agenda pages 4-8 refer.

Resolved

***THAT the minutes of the meeting of the Audit, Risk and Finance Committee, held on 23 May 2013, be confirmed as a true and correct record.***

Matheson/Copeland

Carried

### 4. Finance Report for the Period Ending 30 April 2013

Document number 1520421, agenda pages 9-29 refer.

The Chief Financial Officer, Nikki Harrison, presented the report. She commented that the under and over spends relating to the December 2011 rainfall event would be explained in a report to the Committee once outcomes of the insurance claims were known and once all projects were completed.

In response to questions, Ms Harrison provided further detail on the explanations for the other under and over spends noted in the report. She confirmed that, where possible, unspent funds would be carried forward to the next financial year to offset the rates increase.

Attendance: Councillor Collingwood joined the meeting at 12.01pm.

It was suggested that predicted changes to the Nelson demographic were likely to result in a greater call on the rates rebate scheme, and it was therefore an important scheme for Council to retain.

It was pointed out that the actual net operating surplus of \$1.5 million was a significant shift compared to the budget, and the Committee noted that this would result in a reduction in projected debt levels.

Ms Harrison tabled an update (1538469) to Attachment 3 of the report. She explained that the figures had been updated to ensure budget and actual amounts were reported consistently, with no staff time included, and confirmed that this did not change the overall results.

With regard to Council borrowings and swaps detailed in Attachment 7 to the report, Ms Harrison highlighted that Council had been issued its first Local Government Funding Agency (LGFA) floating rate notes, resulting in a weighted average interest rate on borrowings of 4.25%. She added that this, together with an issue on in May 2013, also meant that Council was now compliant with the specific borrowing limits detailed in Attachment 8 to the report. It was noted that LGFA borrowing represented very low cost borrowing as well as a reduced reliance on bank debt.

Resolved

***THAT the Finance Report for the Period Ending 30 April 2013 (1520421) be received and the variations noted.***

Copeland/Collingwood

Carried

**5. Interim Audit of Nelson City Council for the Year Ending 30 June 2013**

Document number 1510525, agenda pages 30-34 refer.

The Committee noted the comment in the report item 2.7 'Internal controls' that the declaration of interests was the individual responsibility of councillors and it was suggested that the full Council should be reminded of this.

Resolved

***THAT the Interim Audit of Nelson City Council for the Year Ending 30 June 2013 (1510525) be received.***

Matheson/Collingwood

Carried

There being no further business the meeting ended at 12.35am.

Confirmed as a correct record of proceedings:

\_\_\_\_\_ Chairperson \_\_\_\_\_ Date