
Minutes of a meeting of the Audit, Risk and Finance Committee
Held in the Council Chamber, Civic House, Trafalgar Street, Nelson
On Tuesday 16 April 2013, commencing at 9.05am

Present: Councillor I Barker (Chairperson), His Worship the Mayor Aldo Miccio, Councillors G Collingwood, R Copeland, P Matheson and Mr G Thomas

In Attendance: Councillors E Davy, R Reese, Chief Executive (C Hadley), Chief Financial Officer (N Harrison), Acting Executive Manager Community Services (R Ball), Executive Manager Support Services (H Kettlewell), Manager Community Relations (A Ricker), and Administration Adviser (L Laird)

1. Interests

There were no updates to the Interests Register and no conflicts of interest were noted.

2. Confirmation of Order of Business

The Chairperson, Councillor Barker informed the Committee of a request for the opportunity to speak from Mr Chris Fitchett.

The Chairperson declared that it was appropriate for Mr Fitchett to address the Committee as his concerns were within the delegations of the Audit, Risk and Finance Committee. As the Chairperson, Mr Barker determined to treat it as a deputation.

A view was expressed that an address from a member of the public should be made to full Council. Councillor Barker said Mr Fitchett needed a response to complete his submission to the draft Annual Plan 2013-14, which was due on 26 April 2013, and there was no opportunity to address the Council within this timeline.

3. Deputation

Mr Chris Fitchett told the Committee he had submitted a letter to the Nelson Mail regarding concerns with the Council's financial statements. He gave the Committee an overview of these concerns and tabled a document (1495326) with further detail.

In summary, Mr Fitchett said he felt the financial statements were irresponsible and he highlighted issues associated with the Wastewater budget and the Statement of Financial Position. Mr Fitchett requested that officers respond to the points he had raised.

Resolved

THAT officers will report back to Council on the matters raised by Mr Fitchett in the attached presentation (1495326), as soon as possible.

His Worship the Mayor/Copeland

Carried

The Chief Executive encouraged Councillors to approach officers if they had any concerns with, or wanted an understanding of, the financial statements.

4. Confirmation of Minutes – 19 March 2013

Document number 1477687, agenda pages 3-6 refer.

Resolved

THAT the minutes of a meeting of the Audit, Risk and Finance Committee, held on 19 March 2013, be confirmed as a true and correct record.

Matheson/Collingwood

Carried

5. Status Report – Audit, Risk and Finance Committee

Document number 1374515, agenda page 7 refers.

Events Resource Consent

In response to a question, the Acting Executive Manager Community Services said the mediation date was set for 23 April and Council would receive a full report after this.

The Chief Executive advised that the Council was both the applicant and the upholder of the consent, therefore it was important to follow due process to ensure the integrity of the consent.

The Committee discussed where this overspend would be allocated and how this situation had arisen.

The Chief Executive reminded the Committee that this was the subject of a previous report and was discussed at a previous meeting. It was agreed that a full and final report would be brought to the Council when possible, highlighting where best to allocate this overspend and explaining how this situation had arisen.

Resolved

THAT the Status Report – Audit, Risk and Finance Committee (1374515 v5) be received.

Collingwood/Thomas

Carried

6. Finance Report for the Period Ending 28 February 2013

Document number 1481418, agenda pages 8-27 refer.

The Chief Financial Officer presented the report. The Committee asked questions to parts of the report.

Transport

Concern was expressed at the \$294,000 under budget for parking. In response to a question, the Chief Financial Officer said free parking days over winter accounted for about \$15,000.

The Committee discussed factors for the decrease in revenue and noted the importance of parking revenue. The Committee mentioned the Parking Strategy and said it would help with the strategic planning of parking for the City.

Wastewater

The Committee noted the issues, and proposed course of action, associated with the Nelson North Wastewater Treatment Plant.

Social

The Committee discussed the budgets associated with Festivals, and the \$474,000 overspend. The Chief Executive explained that the overspend was only representative of the first part of the financial year and by the end of the financial year these budgets would be closer to their projection.

It was agreed that a report on the Festivals budget will be presented to the Council in the coming weeks.

Corporate

The Committee discussed the decrease in Forestry revenue and it was noted that this decreased projection was due to the access issues, which would have an impact on our ability to harvest, and therefore on the revenue.

It was agreed that the Council would receive a full report on its Forestry assets and revenue in due course.

In relation to Council owned properties, the Committee noted the need for a report back on its property portfolio. The Chief Executive said this was something she intended to address.

Capital Expenditure

The Committee questioned clause 16.1 and asked why this figure (\$10 million) had been removed from the capital projections.

The Chief Financial Officer said this figure came about as a result of Council decisions during the drafting stage of the draft Annual Plan 2013-14.

Attendance: His Worship the Mayor left the meeting at 10.16am.

The Committee discussed Attachment 2 of the report. The Committee were advised that this table only showed where a project was completed against budget, and did not take into account when or how this project was delivered and how much over or under budget it was.

There was a discussion about how best to portray this information in a way that was helpful for Councillors to accurately identify when a project was not likely to be delivered against its capital expenditure forecasts.

It was noted that a report would be provided at the next Committee meeting with information about meeting frequency for the next financial year, the frequency of reporting on operational expenditure versus capital expenditure particularly in the first half of the year, Health and Safety information, and litigation issues.

Resolved

THAT the Finance Report for the Period Ending 28 February 2013 (1481418) be received and the variations noted.

Copeland/Thomas

Carried

There being no further business the meeting ended at 10.35am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date