
Minutes of a meeting of the Audit, Risk and Finance Subcommittee

Held in Ruma Mārama, Level 2A, Civic House, 110 Trafalgar Street, Nelson

On Tuesday, 5 May 2015, commencing at 1.09pm

Present: Mr J Peters (Chairperson), Her Worship the Mayor R Reese, Councillors B McGurk and I Barker, and Mr John Murray

In Attendance: Councillor G Noonan, Group Manager Infrastructure (A Louverdis), Group Manager Community Services (C Ward), Group Manager Corporate Services (N Harrison), Manager Communications (P Shattock), Manager Capital Projects (S Davies), Manager Administration (P Langley), and Administration Adviser (G Brown)

Apology: Councillor I Barker for early departure

1. Apology

Resolved AUD/2015/001

THAT an apology be received and accepted from Councillor Barker for early departure.

Peters / McGurk

Carried

2. Confirmation of Order of Business

There was no change to the order of business.

3. Interests

There were no updates to the Interests Register, and no interests with items on the agenda were declared.

It was noted that there was no information in the Members Interests Register for Glenice Paine and this needed to be followed up.

4. Public Forum

There was no public forum.

5. Confirmation of Minutes

5.1 10 March 2015

Document number M998, agenda pages 7 - 14 refer.

Resolved AUD/2015/002

THAT the minutes of the meeting of the Audit, Risk and Finance Subcommittee, held on 10 March 2015, be confirmed as a true and correct record.

McGurk / Murray

Carried

6. Status Report - Audit, Risk and Finance Subcommittee - 5 May 2015

In response to a question, Group Manager Corporate Services, Nikki Harrison advised the Risk Register would be brought to the next Audit, Risk and Finance Subcommittee meeting and the Debt Management Policy had not yet been adopted.

Document number R4175, agenda pages 15 - 16 refer.

Resolved AUD/2015/003

THAT the Status Report Audit, Risk and Finance Subcommittee 5 May 2015 (R4175) and its attachment (A1324298) be received.

McGurk / Murray

Carried

GOVERNANCE

7. Interests Register

Document number R4170, agenda pages 17 - 25 refer.

It was noted that Councillor Barker was no longer a member of the Nelson Residents Association, therefore this needed to be removed from the Members Interests Register.

8. Events Resource Consent Charging Regime for RM125012

Document number R4177, agenda pages 27 - 30 refer.

Manager Community Partnerships, Shanine Hermesen, presented.

In response to a question, Ms Hermesen advised that Anzac Day at Anzac Park did not fall into consent RM125012, however Opera in the Park was covered in this consent. She added that she believed the consent did not expire but this needed to be confirmed.

In response to a question, Group Manager Community Services, Chris Ward, advised that if there was a charge to attend an event then it was treated as a commercial activity. He clarified this was not the case for 'koha' events.

There were concerns raised in relation to costs for the use of specific venues which could be written into a resource consent. Mr Ward advised that fees and charges were currently being reviewed across Council and he could provide this information to the Subcommittee when complete.

There was general agreement that the charge for the resource consent should be increased to \$500 and that it should be clarified this was only for commercial ticketed events.

Resolved AUD/2015/004

THAT the report Events Resource Consent Charging Regime for RM125012 (R4177) be received.

McGurk / Peters

Carried

Recommendation to Governance Committee and Council AUD/2015/005

THAT Council consider the options for the charging regime for the use of Council's Resource Consent RM125012, as detailed in report R4177, and increase the charge to \$500 and apply it only to commercial ticketed events.

Peters / McGurk

Carried

Attendance: Councillor Barker left the meeting at 1.39pm.

9. Business Case Approach for 2015/16 Projects

Document number R4183, agenda pages 31 - 39 refer.

Senior Project Adviser, Arlene Akhlaq, presented.

In response to a question, Ms Akhlaq advised the definition of a business case was that it identified the problems, illustrated how these could be resolved, and the stated expected benefits. She added that a business case helped manage the project and would aid decision making.

In response to a further question, Ms Akhlaq said the bullet points under section 4.3 of the report were from Prince 2 methodology, which was internationally accredited.

In response to a question, Ms Akhlaq advised there was a presentation by Derek Walker from Third Bearing during the Long Term Plan workshops and she confirmed the report had been received by Council at the end of October 2014.

There were concerns raised that some members had not read the Alan Bickers or Third Bearing reports.

In response to a question, Ms Akhlaq advised the purpose of the officer report was to address the Council resolution from June 2014, which was to 'give consideration to the projects that will follow a business case approach.' She added that at this point in time, detailed business cases could not be conducted for all projects.

In response to a question, Group Manager Infrastructure, Alec Louverdis, informed the Subcommittee the projects highlighted in yellow were a first cut by the Senior Leadership Team and still needed to be approved by Council as part of the Long Term Plan process. He clarified that some multiyear capital projects had started this financial year and for that reason were not shaded yellow.

There was concern around how projects were identified and that a process should be set before moving forward. In response to a question, Ms Akhlaq said the rationale for the chosen projects was that management believed these needed specific attention due to public/political interest or were of a substantial cost. She added that all projects do receive a level of attention.

Group Manager Community Services, Chris Ward, said the usual mechanism for projects would be through Asset Management Plans but due to time restrictions this was the best mechanism to draw the Subcommittee's attention to these projects.

There was a discussion that rationale for project selection would be beneficial especially for future projects. It was agreed that further information would be required and that it would be worthwhile having a discussion with committee chairs as to projects they thought required businesses cases before the next Governance Committee meeting.

It was suggested that a column be added to attachment 1 showing the justification for the project selection, and that the projects should be listed under the committee the project would be delegated to.

Resolved AUD/2015/006

THAT the report Business Case Approach for 2015/16 Projects (R4183) and its attachment (A1331113) be received;

AND THAT discussions are held with the Committee Chairs and Deputies to clarify and justify the projects listed in (A1331113).

Her Worship the Mayor / McGurk

Carried

Recommendation to Governance Committee and Council AUD/2015/007

THAT a revised report and list of projects to follow a business case approach be confirmed at the next Governance Committee meeting.

Her Worship the Mayor/ McGurk

Carried

FINANCE

10. Letter to the Council on the Audit for the Year Ending 30 June 2014 - Further Information

Document number R4168, agenda pages 40 - 42 refer.

In response to a question, Group Manager Corporate Services, Nikki Harrison, advised there had not been any impact to levels of service from the reduction in staff.

Resolved AUD/2015/008

THAT the report Letter to the Council on the Audit for the Year Ending 30 June 2014 - Further Information (R4168) be received.

Murray / McGurk

Carried

11. Corporate Report for the Period Ending 31 March 2015

Document number R4194, agenda pages 44 - 65 refer.

Group Manager Corporate Services, Nikki Harrison, and Senior Accountant, Tracey Hughes, presented.

In response to a question, Ms Harrison advised there were a number of adjustments to projections for year end, however it was favourable in

terms of savings. She added that the savings were not all ratings related.

Group Manager Infrastructure, Alec Louverdis, advised the \$5,000 stated in section 5.6.4 in the report relating to the Dun Trail slip was only for a temporary solution to open up the track to users, and that a long term solution needed to be considered following the submission of a geotechnical report from the Waimarama Sanctuary Trust.

In response to a question, Group Manager Community Services, Chris Ward, said unbudgeted expenditure would be considered by Council if there was no initial budget.

In response to a question, Mr Louverdis advised the flood protection works had not been completed yet due to the gravel build up from storm events in December 2011, April 2013 and June 2014, but a plan was now in place for this to progress. He added there were issues with landowners in certain areas.

In response to questions, Mr Louverdis said the Saxton Creek Upgrade from Champion Road to Main Road Stoke had been defined in the 2014/15 Annual Plan but not resolved as yet.

In relation to Whakatu Drive/Beatson Road cycleway and sewer project, Mr Louverdis confirmed there would be minimal impact to any southern link.

In response to question, Manager Capital Projects, Shane Davies, advised that the Stanley/Beachville stormwater project was currently under negotiations with the landowner relating to the easement and if this was unresolved an alternative option was available.

In response to a question, Mr Louverdis noted the Rocks Road cycling and walking project was now being project managed by the New Zealand Transport Agency, however this was still a partnership with Nelson City Council and the Steering Group meetings would continue.

Mr Davies advised the final costs for the Maitai Walkway (Akersten Street to Trafalgar Street) were on budget. In response to a question, Mr Davies said the Saltwater Creek/Haven Road culvert completion date needed to be updated via the Councillors newsletter.

Resolved AUD/2015/009

THAT the report Corporate Report for the Period Ending 31 March 2015 (R4194) and attachments (A1342336, A1311288, A133636, A1340305 and A793514) be received and the variations noted.

Murray / McGurk

Carried

Recommendation to Governance Committee and Council AUD/2015/010

THAT Council note that ongoing costs of approximately \$11,250 pa will need to be included in the Long Term Plan 2015-25 for live streaming of Council meetings.

McGurk /Her Worship the Mayor

Carried

12. Exclusion of the Public

Resolved AUD/2015/011

THAT the public be excluded from the following parts of the proceedings of this meeting.

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:

McGurk / Murray

Carried

Ite m	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Kahurangi Employment Trust - Completion of Liquidation	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none">• Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person• Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

The meeting went into public excluded session at 3.40pm and resumed in public session at 3.54pm.

13. Re-admittance of the Public

Resolved AUD/2015/012

THAT the public be re-admitted to the meeting.

McGurk / Murray

Carried

There being no further business the meeting ended at 3.54pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date