

**MINUTES OF THE FINANCE AUDIT AND RISK COMMITTEE MEETING HELD AT
1.00PM ON TUESDAY 25 FEBRUARY 2025 AT TOTARA, COUNCIL CHAMBERS,
96 WEST END, KAIKOURA**

PRESENT: Deputy Mayor J Howden (Chair), Mayor C Mackle, Councillor V Gulleford, Councillor J Diver, D Brandish (Independent Member).

IN ATTENDANCE: W Doughty (Chief Executive Officer), P Kearney (Senior Manager Corporate Services), S Poulsen (Finance Manager), B Makin (Executive Officer - minutes).

1. **OPENING WITH A KARAKIA**
2. **APOLOGIES Nil**
3. **DECLARATIONS OF INTEREST Nil**

4. **CONFIRMATION OF MINUTES**

RESOLUTION

THAT the Committee:

- a) *Confirms as a true and correct record, the circulated minutes of the Committee held on 29 October 2024.*

Moved: Councillor J Diver
Seconded: Councillor V Gulleford

CARRIED UNANIMOUSLY

5. **REVIEW OF ACTION LIST**

The action list was reviewed and noted:

- Reserves and feedback from PWC – The team will look at bringing a paper to the next meeting on pros and cons of charging internal interest.
- Graph for reserves – It was noted that the Special Funds and Reserves have been listed.

6. **MATTERS OF IMPORTANCE TO BE RAISED AS URGENT BUSINESS Nil**

7. **FINANCE REPORT TO 31 JANUARY 2025**

It was noted that the community courts have an official opening today and the Link Pathway is nearly completed. The team have identified more visitor accommodation providers, and those properties are now being rated correctly.

Further work is needed to go through any credits for water leak issues. It was commented that the policy may need to be reviewed in the future. Inside the property boundary should be the owners responsibility.

Of note, there is an annual leave adjustment to be put through the personnel expenses and Datascape costs will be carried forward to the next financial year.

A query was raised if the unexpected electricity refund (4.2 – page 10) was for one site. It was clarified that this relates to the Mackles Bore meter upgrade.

It was clarified that there has been no change in terms of overall project budget for Wakatu Quay. \$3.4m was of revenue in advance was brought forward, and \$1m during the year.

An indication of the year-end financial position was requested prior to the next meeting (**ACTION**).

RESOLUTION

THAT the Committee receives this report for information.

Moved: D Brandish
Seconded: Mayor C Mackle

CARRIED UNANIMOUSLY

8. QUARTERLY REPORTS TO 31 DECEMBER 2024

Treasury Management Policy Report

It was clarified on page 23 that the black line represents the total debt, and the orange line is the fixed debt with the risk being the portion that is not fixed.

The negative return for the South Bay Forestry on page 26 is due to the timing of the Quarterly Report. There will be a report on the final revenue received which is expected to be higher than anticipated due to the quality of the wood harvested.

Airport Report

The airport continues to operate at a loss largely due to depreciation.

The cost of AIMM Airport monitoring per annum is approximately \$10k, which is around 10% of the operating expenditure. There are regulatory requirements so that the airport remains compliant, and airports need to have the capability to monitor traffic for reporting and health and safety.

Harbour Report

It was noted that the operational loss is largely due to depreciation.

Rates & Sundry Debtors Report

There are no significant concerns other than the major outstanding debtor. A piece of abandoned land is being resolved and settled.

Special Funds and Reserves

It was clarified that the 'Legal Challenges Fund' is specifically for any legal challenges and not for legal advice.

RESOLUTION

That the cover report and listed attachments be received for information.

Moved: Deputy Mayor J Howden
Seconded: Councillor V Gulleford

CARRIED UNANIMOUSLY

9. RISK MANAGEMENT REPORT

It was clarified that the Runanga have not expressed any cultural or environmentally significant concerns around the location of the Waiau Toa Bridge revised location but do not support the Public Works Act process for land acquisition.

RESOLUTION

That the Committee:

- a) Receives this report*
- b) Notes the contents of the Risk Management Report (including Risk Register)*
- c) Provides any feedback for staff consideration.*

Moved: Mayor C Mackle
Seconded: Councillor J Diver

CARRIED UNANIMOUSLY

10. PUBLIC EXCLUDED SESSION

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting, namely

- a) Public Excluded Minutes dated 29 October 2024
- b) Harbour Financial Matters – verbal update

The general subject 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), 6 and 7 of the Local Government Information and Meetings Act 1987 for the passing of this resolution are as follows:

| General subject of each to be considered | Reason for excluding the public | Grounds of the Act under which this resolution is made |
|---|--|---|
| Public Excluded Minutes dated 29 October | Includes commercially sensitive information on harbour financial matters. | <p>Section (7)(2)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information</p> <p>Section (7)(2)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p> <p>Section (7)(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p> |
| Harbour Financial Matters – Verbal Update | Verbal update on subject previously brought to Council around negotiations which are commercially sensitive. | <p>Section (7)(2)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information</p> <p>Section (7)(2)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p> <p>Section (7)(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p> |

*This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

We do not want to reveal the details of those negotiations. Information will be made publicly available in due course.

Moved: Deputy Mayor J Howden
Seconded: Councillor V Gulleford

CARRIED UNANIMOUSLY

11. RE-OPENING OF MEETING

The meeting moved out of Public Excluded at 1.55 pm.

12. CLOSE MEETING

There being no further business, the meeting was declared closed at 2.02 pm.

Moved: Councillor V Gulleford
Seconded: Councillor J Diver

CARRIED UNANIMOUSLY

CONFIRMED _____ Chairperson
Date

**FINANCE AUDIT AND RISK
ACTION LIST AS AT 25 MARCH 2025**

OPEN ITEMS

| | ACTION ITEM | ASSIGNED TO | DUE | STATUS |
|---|--|-------------------------|------------------|--|
| 1 | Reserves: Seek advice from PWC on mid-range rate on internal borrowing | P Kearney/ S Poulsen | Ongoing | To understand pros and cons before recommending to Council. Paper to FARC April meeting. |
| 2 | Provide an indication of the year-end financial position prior to the next meeting in April. | P Kearney/ S Poulsen | 29 April 2025 | |

CLOSED ACTIONS

| | ACTION ITEM | ASSIGNED TO | DUE | STATUS |
|--|--|--------------------|------------|---|
| | Provide a graph showing the reserves on one page | S Poulsen | Ongoing | Completed - A list of reserves were included. |
| | Invite D Brandish to risk workshops | B Makin | Asap | Completed – invites sent. |