
Minutes of a meeting of the Audit, Risk and Finance Committee
Held in the Council Chamber, Civic House, Trafalgar Street, Nelson
On Tuesday 23 July 2013, commencing at 9.04am

Present: Councillors I Barker (Chairperson), and G Collingwood, and Mr Graeme Thomas

In Attendance: Executive Manager Support Services/Acting Executive Manager Community Services (H Kettlewell), Executive Manager Network Services (A Louverdis), Executive Manager Regulatory (R Johnson), Executive Manager/Kaihautū Community Relations (G Mullen), Acting Chief Financial Officer (T Hughes), Manager Strategic Response (C Ward), Manager Administration (P Langley), Manager Community Relations (A Ricker), Strategy and Planning Analyst (B Wayman), and Administration Adviser (L Canton)

Apologies: His Worship the Mayor, A Miccio, and Councillors R Copeland and P Matheson

Recommendation to Council

THAT a message of congratulations be sent to the royal family on the announcement of the birth of a son to the Duke and Duchess of Cambridge.

Collingwood/Barker

Carried

1. Apologies

Resolved

THAT apologies be received and accepted from His Worship the Mayor, and Councillors Copeland and Matheson.

Barker/Collingwood

Carried

2. Interests

There were no updates to the Interests Register and no conflicts with items on the agenda were noted.

3. Confirmation of Order of Business

There was no change to the order of business.

4. Confirmation of Minutes

4.1 18 June 2013

Document number 1538456, agenda pages 4-6 refer.

A correction was made to the final paragraph on page 2 of the minutes, substituting 'Council had been issued' for 'Council had issued'.

Resolved

THAT the minutes of the meeting of the Audit, Risk and Finance Committee, held on 18 June 2013, be confirmed as a true and correct record with the correction as noted.

Collingwood/Barker

Carried

5. Status Report – Audit, Risk and Finance

There were no items on the status report.

6. Finance Report for the Period Ending 31 May 2013

Document number 1545011, agenda pages 7-27 refer.

Acting Chief Financial Officer, Tracey Hughes, presented the report.

In response to a question, Executive Manager Network Services, Alec Louverdis, advised that work to address the December 2011 rainfall event would be ongoing until June 2014, and this would continue to affect budget variances. He added that the effects of the April 2013 rainfall event were still to come.

6.1 Transport

The Committee noted the importance of communicating to the public the decrease in parking income, as this acted to offset rates.

6.2 Water

In response to questions, Mr Louverdis assured the Committee that unprogrammed maintenance remained at a manageable level.

6.3 Social

The Committee noted that Community Housing rentals and maintenance were below budget, and asked for the reasons behind this. Acting

Manager Community Services, Hugh Kettlewell, undertook to provide further detail on this in the next Finance Report to the Committee.

6.4 Corporate

In response to a question, Ms Hughes undertook to investigate what the payment to Tasman District Council for the December 2011 rainfall event response expenditure comprised, and advise the Committee by email following the meeting.

In response to a question, Mr Louverdis said he would address the reasons for underspends in programmed maintenance across various activities, and advise the Committee of any associated risk, in the next Finance Report to the Committee.

The Committee asked that future Finance Reports include a note of the core debt level.

Resolved

THAT the Finance Report for the Period Ending 31 May 2013 (1545011) and its attachments (1542786, 1547275, 1545455 and 1234107) be received and the variations noted.

Collingwood/Thomas

Carried

7. **Bad Debt Write-off Year Ending 30 June 2013**

Document number 1526384, agenda pages 28-29 refer.

Resolved

THAT the report Bad Debt Write-Off Year Ending 30 June 2013 (1526384) be received.

Collingwood/Thomas

Carried

8. **2013/14 Insurance Renewal**

Document number 1539308, agenda pages 30-36 refer.

Ms Hughes presented the report.

The Committee discussed whether it would be appropriate to change the insurance type for the properties noted on Attachment 2 to the report (1539308) in 2013/14. In response to questions, Ms Hughes explained that officers' suggestion was to retain reinstatement insurance for non-earthquake perils, but to change to indemnity insurance only for earthquakes. She said this would allow flexibility around the reinstatement of buildings, and lower insurance costs.

The Committee discussed the difficulties of lowering insurance costs by changing cover to indemnity only, given the range of properties involved, and the implications should an earthquake event cause widespread devastation. It was agreed that the report should be considered by the full Council.

The Committee requested that the report to Council include advice on whether insurers were able to only provide indemnity insurance on some buildings.

Resolved

THAT the report 2013/14 Insurance Renewal (1539308) be referred to Council for information and further discussion.

Collingwood/Barker

Carried

The Committee had a brief discussion about Council-owned buildings that were not generating a rental income. Mr Louverdis advised that he would provide councillors with a list of Council-owned properties that were unoccupied and available for rental, noting how they were being marketed.

9. Results of 2013 Resident and Customer Surveys

Document number 1550689, agenda pages 37-40 refer.

Strategy and Planning Analyst, Brylee Wayman, joined the meeting and provided further explanation for aspects of the report.

Resolved

THAT the report Results of 2013 Customer and Resident Surveys (1550689) be received;

AND THAT the results be published in Live Nelson.

Collingwood/Barker

Carried

There being no further business the meeting ended at 10.10am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date