

**Minutes of the Organisational Performance and Audit Committee, Arataki Mahi me Tātaki Kauta, Meeting of the Southland Regional Council, held in Regional House, corner North Road and Price Street, Invercargill, on 28 September 2022, at 10.00 am.**



<b>Present:</b>	Cr L Ludlow	(Chair)
	Cr A Baird	
	Cr N Cook	
	Cr L McCallum	
	Cr J McPhail	(from 10.05 am)
	Chairman N Horrell	(ex-officio)
<b>Also Present:</b>	Cr P McDonald	(until 1.30 pm)
	Cr D Stevens	(joined at 1.30 pm)
	Mr M Neild	(Chairman – RSHL)
	Mr M Hawken	(Partner - Deloitte)
	Mr M Wilson	(Aon) - by zoom
	Mrs D McDonald	(Aon) - by zoom
	Mrs S Parker	(Aon) - by zoom
<b>In Attendance:</b>	Ms W Falconer	(Chief Executive)
	Ms A Kubrycht	(General Manager, Corporate)
	Mr P Hulse	(General Manager, Integrated Catchment Management)
	Ms R Millar	(Acting General Manager Strategy, Planning and Engagement)
	Mrs L Hicks	(Acting General Manager Strategy, Planning and Engagement)
	Mrs T Hawkins	(Chief Financial Officer)
	Mrs J Carroll	(Information Systems Manager)
	Ms T Cribb	(Risk Assurance and Internal Audit Officer, Legal and Commercial)
	Mrs G Jefferies	(Communications & Engagement Manager)
	Mr D Dudfield	(Team Leader – Digital and Channel)
	Mrs T Adendorff	(Financial Accountant)
	Ms J Lloyd	(Team Leader - Corporate Reporting)
	Mrs M Weston	(Team Leader - Organisational Support)

## 1 Welcome | Haere mai

The Chair welcomed everyone to the Organisational Performance and Audit Committee meeting for September 2022. A special tribute of thanks was paid to Councillors for their contributions during this triennium, and all were wished well for the future.

## **2 Apologies | Nga Pa Pouri**

***Resolved:***

Moved Chairman Horrell, seconded Cr Baird that apologies for absence be recorded on behalf of Mr B Robertson and Cr Mager.

**Carried**

## **3 Declarations of Interest**

There were no declarations of interest raised at the meeting.

## **4 Public Forum, Petitions and Deputations | He Huinga Tuku Korero**

There were no public forum, petitions or deputations presented at the meeting.

## **5 Confirmation of Minutes | Whakau Korero – 4 August 2022**

***Resolved:***

Moved Cr McCallum, seconded Cr Baird, that the minutes of the Organisational Performance and Audit Committee meeting held on 4 August 2022 be confirmed as a true and correct record.

**Carried**

[Cr McPhail joined the meeting at 10.05 am]

## **6 Notification of Extraordinary and Urgent Business | He Panui Autaia hei Totoia Pakihi**

### **6.1 Supplementary Reports**

***Resolved:***

Moved Cr Baird, seconded Chairman Horrell, that, pursuant to Section 46A(7) Local Government Official Information and Meetings Act 1987, that the following item be dealt with under Notification of Urgent Business:

- Item 1 – Deloitte Management Letter

The reason that this item was not included on the agenda papers is because the audit management letter was not available at the time of distribution of the agenda.

The reason for this item cannot be displayed is because it needs to be dealt with in conjunction with Item 1 of the agenda – noting that this item would be dealt with under public excluded business.

Carried

## **6.2 Other**

No other items were raised for discussion.

## **7 Questions | Patai**

No questions were asked at this time.

## **8 Chairman and Councillors' Reports | Nga Purongo-a-Tumuaki me nga Kaunihera**

The Chairman's update, which was circulated with the agenda, was considered at this time.

**Resolved:**

Moved Chair Ludlow, seconded Cr Baird that Council note the report.

Carried

## **9 General Manager - Corporate Report – 22/OPAC/86**

### **⇒ Item 1 – Draft 2021/22 Annual Report**

Councillors were to review the draft 2021/22 Annual Report, to provide feedback and consider forwarding the draft document to the Ordinary Meeting of Council on 5 October 2022 for adoption. A note of thanks was paid to staff who were involved with the 2021/22 Annual Report.

Cr McCallum asked if a councillor attendance register could be included in this report and Ms Kubrycht agreed to review this.

**Resolved:**

Moved Cr Cook, seconded Cr McCallum that Council requested changes it considered were required to the document; did not request any further information, and resolved to forward the amended draft 2021/22 Annual Report to Council for adoption at its meeting on 5 October 2022, subject to any final changes required by the audit team.

Carried

**11 Public Excluded Business #1 | He hui Pakihi e hara mo te iwi**
**Resolved:**

Moved Cr McCallum, seconded Chairman Horrell, that in accordance with section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest/s protected by section 6 or section 7 of that Act (or sections 6, 7 or 9 of the Official Information Act 1982, as the case may be), the public be excluded from the following parts of the proceedings of this meeting, namely:

- Deloitte Management Letter

The general subject of the matters to be considered while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds for excluding the public, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987, are set out below:

<i>General Subject Matter</i>	<i>Reason for Passing the Resolution</i>	<i>Grounds under S. 48(1)</i>
→ Deloitte Management Letter	To prevent the disclosure or use of official information for improper gain or advantage.	S.7(2)(j)
	Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	S.7(2)(h)

Carried

**Resumed in Open Meeting**
**⇒ Item 2 – Investment Report to 30 June 2022**

This item updated Councillors on the Investment Report to 30 June 2022. As at 9 September 2022, the value of the portfolio had increased from 30 June 2022 to \$27.6 million, 5% below the 1 July 2021 opening balance.

**Resolved:**

Moved Cr Baird, seconded Cr McPhail, that Council note the Investment Report to 30 June 2022.

Carried

**⇒ Item 3 – Debtors and Rates Report**

This item provided Councillors with an update on Debtors and Rates. Overdue rates balances were in line with prior years despite the increase in rates in the 2021/22 year, which speaks to the work of the rates team and the support in place for ratepayers. The three payment plan continues to receive good support with ratepayers continuing to sign-up for next year

***Resolved:***

**Moved Cr McPhail, seconded Cr McCallum that Council note the outstanding rates and debtor balances at 30 June 2022.**

**Carried**

**⇒ Item 4 – Cashflow Forecast to 30 June 2023**

Councillors received an update on the cash flow forecast to 30 June 2023. The opening balance at 1 July 2022 was \$6.3 million, which included funds of \$1.6 million set aside for committed projects namely Climate Resilience and Jobs for Nature. The forecast closing balance, including funds held on behalf, will be overdrawn by \$6 million at 30 June 2023 and would be covered by bank overdraft or other lending facility as appropriate.

Mrs Hawkins agreed to include in the graph on pg. 25 of the agenda, different funding lines.

***Resolved:***

**Moved Chairman Horrell, seconded Cr Baird that Council note the report.**

**Carried**

**⇒ Item 5 – Regional Software Holdings Limited – Annual Report to 30 June 2022**

In this item, the Unaudited Annual Report for Regional Software Holdings Limited for the financial year ended 30 June 2022, was presented. Mr Neild (Chairman from RSHL) spoke to this in person.

***Resolved:***

**Moved Cr Cook, seconded Chairman Horrell that Council note the Regional Software Holdings Limited's Unaudited Annual Report for the year ended 30 June 2022.**

**Carried**

### ⇒ **Item 6 – Great South – 2020/21 Annual Report**

Great South's audited Annual Report for the year ended 30 June 2021 was circulated in the agenda. Mrs Hawkins advised Councillors that Great South was issued with a modified audit opinion by Audit New Zealand for its 2020/21 Financial Statements due to its limited ability to measure the carrying value of the company's investments in NZ Functional Foods Limited. There was no current impact to Council of this modified opinion.

***Resolved:***

**Moved Cr McCallum, seconded Cr Cook that Council note the report.**

**Carried**

### ⇒ **Item 7 – Annual Activity Plan**

Councillors were advised that the divisional update was deferred due to a full agenda.

***Resolved:***

**Moved Cr Cook, seconded Cr Baird that Council has reviewed the Annual Activity Plan, provided input and resolves to note it.**

**Carried**

### **10 Extraordinary and Urgent Business | Panui Autaia hei Totoia Pakihi**

There were no items of extraordinary or urgent business considered by the meeting at this time.

### **11 Public Excluded Business #2 | He hui Pakihi e hara mo te iwi**

***Resolved:***

**Moved Cr Cook, seconded Chairman Horrell that in accordance with section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest/s protected by section 6 or section 7 of that Act (or sections 6, 7 or 9 of the Official Information Act 1982, as the case may be), the public be excluded from the following parts of the proceedings of this meeting, namely:**

- **Confirmation of Minutes – 4 August 2022**
- **Item 8 – Regional Software Holdings Limited's Transition to the Regional Sector**
- **Item 9 – IRIS Next Gen Project**
- **Item 10 – Bad Debts**
- **Item 11 – Insurance Policies**
- **Item 12 – Climate Resilience Projects**

The general subject of the matters to be considered while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds for excluding the public, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987, are set out below:

<i>General Subject Matter</i>	<i>Reason for Passing the Resolution</i>	<i>Grounds under S. 48(1)</i>
→ <b>Confirmation of Minutes – 4 August 2022</b>	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations.)	S.7(2)(i)
→ <b>Item 8 – Regional Software Holdings Limited's Transitions to the Regional Sector Shared Services Organisation</b>	To protect the privacy of natural persons, including that of deceased natural persons.	S.7(2)(a)
→ <b>Item 9 – IRIS Next Gen Project</b>	To prevent the disclosure or use of official information for improper gain or advantage.	S.7(2)(j)
→ <b>Item 10 – Bad Debts Update</b>		
→ <b>Item 11 – Insurance Policies</b>	To prevent the disclosure or use of official information for improper gain or advantage.	S.7(2)(j)
→ <b>Item 12 – Climate Resilience Projects</b>	To prevent the disclosure or use of official information for improper gain or advantage.	S.7(2)(j)

**Carried**

### **Resumed in Open Meeting**

**Resolved:**

Moved Chairman Horrell, seconded Cr McCallum that the meeting resume in open meeting.

**Carried**

## Termination

There being no further business, the meeting closed at 3.14 pm.