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MINUTES OF THE EXTRAORDINARY RISK AND ASSURANCE SUB-COMMITTEE MEETING OF THE GREY DISTRICT COUNCIL

Held in Council Chambers, 105 Tainui Street, Greymouth
on Wednesday 19 March 2025 commencing at 3.30pm

PRESENT: Mr Rob Caldwell (Chair)
Mayor Tania Gibson (Deputy Chair), Councillor Robert Mallinson, Councillor Rex MacDonald, Councillor Jack O'Connor

IN ATTENDANCE: Trish Jellyman (Democracy Advisor), Joanne Soderlund (Chief Executive), Neil Engelbrecht (Finance Manager), Penny Kirk (Group Manager Community) Kurtis Perrin-Smith (Utilities & Infrastructure Manager), Peter O'Sullivan (Group Manager Economic Development & Regulatory Services)
Also in attendance Brendan Summerfield and Lucy Harvey (Ernst & Young)

The Chairman welcomed everybody to the meeting and advised that the purpose of the meeting is to recommend to Council to adopt the Annual Report for 2024.

1 APOLOGIES AND DECLARATIONS OF INTEREST

1.1 APOLOGIES

There were no apologies.

1.2 UPDATES TO THE INTERESTS REGISTER

There were no updates to the Interest Register.

1.3 IDENTIFY ANY CONFLICTS OF INTERESTS IN THE AGENDA

There were no declarations of interest.

1.4 NOTIFICATION OF LATE ITEMS

There were no late items.

2 AGENDA ITEMS

2.1 GREY DISTRICT COUNCIL 2024 DRAFT ANNUAL REPORT

Refer page 10 of the agenda.

The CE advised that there was an adopted budget deficit of \$3.4M and there is also an extra deficit of \$2.9M, with the total deficit being \$6.37M. She stated that revaluations were not factored into the original budget, and they have had a significant impact on depreciation by about \$2.3M. She stated that insurance costs were about \$370,000, contractors particularly in planning and building has also resulted in a significant variation and this is partially offset by some extra revenue in that area.

Cr Mallinson agreed that the Annual Report is a dismal read. He thanked the CE for the honest and upfront nature of this report. He stated that Councillors must take responsibility for agreeing to a \$3.4M budget

deficit for the 23/24 year. He also noted that very few of the performance measures were successfully achieved and there was a less than optimal approach to budgeting for the 23 / 24 year. Cr Mallinson suggested a third recommendation which was agreed to.

Her Worship agreed with Cr Mallinson's comments and stated that stronger financial targets need to be put in place. She acknowledged that there has been a lot of staff turnover within the financial team. She thanked the FM for his work in this area. She noted that there is now a full ELT in place which Council did not have during the 23 / 24 financial year, and this will help with making improvements and meeting targets. She acknowledged that Council's new CE has had to put her name on the Annual Report, and this is not an ideal outcome for a new CE, but she is making the necessary changes and is doing a great job.

Cr MacDonald agreed with previous comments and is relieved that there is now a more robust overview of the finances.

Cr O'Connor agreed with Cr Mallinson and stated that it is good to see that a lot more time has been put into clarifying target measures so that they will be more realistic going forward. He noted that this does not address the fact some targets weren't met this time, but some were unrealistic in the first place.

The FM thanked Council's Auditors and stated they have been easy to work with and very helpful.

The CE advised that there is still one annual report that will have these measures in as the new measures going in will be for the new LTP. She advised there will be an item coming to a future meeting around the Enhanced Annual Plan as some shortcomings with this have been identified but the aim is to have a plan in place before the end of the financial year so that Council does not end up with another deficit.

The Chairman commented that it is a reasonable expectation that we will see an improvement in performance in the coming year. He stated that this is the first time since he has been the Independent Chair of this committee, that there has been a full ELT in place. He noted that the CE is looking hard at ensuring measures are measurable and that they could be reported on during the year but next year's Annual Report will still be based on old performance measures.

COMMITTEE RESOLUTION RA 25/03/004

Moved: Cr Robert Mallinson

Seconded: Mayor Tania Gibson

1. That the Risk and Assurance Sub-Committee Meeting receive the report; and
2. The Risk and Assurance Sub-Committee recommend to Council to sign the Grey District Council 2024 Annual Report subject to a signed audit opinion being received.
3. That the Risk and Assurance Committee notes the substantially less than desirable results shown in the Annual Report 2024 but notes that the LTP budgeting approach now seems to be much more robust.

Carried Unanimously

3 IN COMMITTEE ITEMS

That the public is excluded from this part of the meeting in relation to:

Agenda items 3.1 & 3.2

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:

COMMITTEE RESOLUTION RA 25/03/005

Moved: Cr Jack O'Connor
Seconded: Mayor Tania Gibson

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
3.1 - PLACEHOLDER - AUDITOR ONLY TIME	s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
3.2 - EY - CLOSING REPORT TO THE SUB COMMITTEE	s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

Carried Unanimously

4 SUB-COMMITTEE RESUMES IN OPEN MEETING

CLOSURE OR RATIFICATION OF DECISIONS IN OPEN MEETING.

The meeting concluded at 3.58 pm.

Confirmed

R Caldwell
Chairperson

____/____/____
Date