

**MINUTES OF WAIROA DISTRICT COUNCIL
FINANCE, ASSURANCE & RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, WAIROA DISTRICT COUNCIL, CORONATION SQUARE, WAIROA
ON TUESDAY, 26 MARCH 2024 AT 1:30 PM**

PRESENT: Jeremy Harker, Cr Denise Eaglesome-Karekare, Mr Philip Jones (via Zoom), Cr Melissa Kaimoana

IN ATTENDANCE: **Kitea Tipuna** (Tumu Whakarae | Chief Executive), **Hinetaakoha Viriaere** (Pouwhakarae Whakamahere me te Waeture | Group Manager Planning & Regulatory), **Michael Hardie** (Pouwhakarae – Hua Pūmau | Group Manager Assets and Infrastructure), **Juanita Savage** (Pouwhakarae Rātonga Hapori me te Whakawhanake | Group Manager Community Services and Development), **Sarayde Tapine** (Kaiurungi Kaupapa Here me Mana Ārahi | Policy and Governance Advisor), **Jacobus Meree-Meyer** (Kaiwhakahaere Pūtea | Finance Manager), **Shabib Shahul** (Audit EY New Zealand via Zoom), **David Borrie** (Audit EY New Zealand via Zoom)

1 KARAKIA

The Opening Karakia was given by the Chief Executive, Kitea Tipuna.

Cr Harker chaired this meeting due to independent chair Philip Jones attending online.

2 APOLOGIES FOR ABSENCE

APOLOGIES

COMMITTEE RESOLUTION 2024/194

Moved: Cr Jeremy Harker

Seconded: Cr Denise Eaglesome-Karekare

That the apologies received from His Worship the Mayor Craig Little and Cr Benita Cairns be accepted and leave of absence granted.

CARRIED

3 DECLARATION OF CONFLICT OF INTEREST

Nil.

4 CHAIRPERSON'S ANNOUNCEMENTS

The Chair acknowledged the passing of local man Gary Mayo and his contributions to both Council and community work.

5 LATE ITEMS OF URGENT BUSINESS

Nil.

6 PUBLIC PARTICIPATION

A maximum of 30 minutes has been set aside for members of the public to speak on any item on the agenda. Up to 5 minutes per person is allowed. As per Standing Order 14.14 requests to speak must be made to the meeting secretary at least one clear day before the meeting; however this requirement may be waived by the Chairperson.

7 MINUTES OF THE PREVIOUS MEETING**COMMITTEE RESOLUTION 2024/195**

Moved: Cr Jeremy Harker

Seconded: Cr Melissa Kaimoana

That the minutes of the Ordinary Meeting held on 20 February 2024 be confirmed.

CARRIED

8 GENERAL ITEMS**8.3 EXTERNAL AUDIT PLAN FOR THE YEAR ENDING 30 JUNE 2024****COMMITTEE RESOLUTION 2024/196**

Moved: Cr Melissa Kaimoana

Seconded: Cr Denise Eaglesome-Karekare

The Finance Manager RECOMMENDS that Committee receives the External Audit Plan for the year ended 30 June 2024.

CARRIED

This item was tabled first so that auditors were able to leave the meeting once their report was received by the committee. The Finance Manager introduced the report, noting that the fees entered a new 3 year cycle last year and this is year 2 of the cycle. Mr Borrie noted that the audit plan is about acknowledging that the audit work programme is consistent with the programme of work carried out in previous years. Mr Shahul highlighted different areas within the report where there are considerations that are particularly important. He noted:

- The areas of audit focus remain fairly consistent. While Wairoa is in a place of recovery each contract for recovery and other grants has a condition attached to it and this usually triggers different accounting treatments.
- Infrastructure assets – this year is the valuation year for Council and management are in the process of engaging an external valuer who will do an assessment of whether there have been significant increases to unitaries which would then trigger the need for re-evaluation.
- Non-financial performance recording. The drinking water standard effective last year for

one year now means Councils will have to report against these drinking water standards for the full year whereas this was an option previously.

- Management have engaged an external expert to assess councils compliance with proper soil standards on a regular and ongoing basis.

Mr Jones noted that challenges still exist over the impairment value of the work done to date over i-rating and whether that needs special emphasis. The Chief Executive noted that an update on the request of special emphasis on impairment as Wairoa recovers and proceeds forward will be provided at the next meeting.

The Finance Manager noted that the interim audit will begin 08 April remotely, however, auditors are available to do on site if Council wishes.

8.1 WAIROA RECOVERY PLAN UPDATE JUNE 2023

COMMITTEE RESOLUTION 2024/197

Moved: Cr Jeremy Harker

Seconded: Cr Melissa Kaimoana

The Tautoko Whakaora - Recovery Support RECOMMENDS that Committee receive the report.

CARRIED

The Recovery Support Officer provided an update to this report. He highlighted page 13 of the agenda noting the key messages on this page. He noted that the insurance Council of New Zealand has advised there have been 217 lodged claims for residential properties, however there is a lack of data around how badly they were affected and whether the claim is for Cyclone Gabrielle or a later weather event. He further noted:

- Recovery obtained further information by going out and visiting affected properties. From this the team have identified 69 non-insured houses going under the rebuild process where the Church of Latter-Day Saints will pick up 5, Tatau Tatau 18, Hookmade 5 on behalf of the Church of St Vincent De Paul and the recovery team with 41. The 41 houses within the recovery team space have not yet been allocated, assessed or worked on this number purely indicates that recovery will take the lead on funding and who might assist in the rebuild process as these houses have not yet been tagged for committed work.

Cr Kaimoana asked if the 10 houses from the two churches and Hookmade were total rebuilds or in parts. The Chief Executive advised that the Church of Latter-Day Saints have committed 5 houses to full rebuilds and the St Vincent De Paul church is a series of work which includes stripping of the homes, however, does not include the full rebuild. Committee members then briefly discussed the timeframes in which the 10 church properties are expected to be completed.

Cr Harker asked whether the 93 houses that have had placards removed are safe to live in for each category. The Group Manager – Planning and Regulatory noted that a green building reinstated means all required remediation works are completed, WDC building inspectors have signed it off, placards removed and WDC records updated. She further highlighted white placard houses are safe to live in, however, to move a home from yellow to white placards requires potable water and a working toilet, however, may not have the kitchen reinstated.

The Chair acknowledged these numbers noting that it is a good way to measure the rebuild progress.

The recovery support officer noted the finishing of the Recovery Manager, Benita Tahuri and the events held on the one year anniversary of Cyclone Gabrielle highlighting that it was a very successful day. He further noted:

- MPI funding and what the team aims to deliver by the extension of delivery to 31 March 2024 which includes first aid training for 100 whanau, seven community hubs, two mobile EPOD's and reimbursement of approximately \$80,000 of recovery expenditure incurred not reimbursed by NEWA has increased to \$102k.
- Recovery plan reset – draft currently being updated and reviewed by the recovery team who are looking at where the team is at now and what needs to be done moving forward.
- Conversations with DIA about \$2.2M worth of funding for the five Hawke's Bay councils moving from 2024 into 2025 so part of the recovery plan reset is opening the potential to funding for future years.

Cr Harker noted a potential conflict of interest and raised the placement of the EPODS at QRS Wairoa noting that it is a flood zone. Members briefly discussed placing the pods at other possible options including the Wairoa Hospital and Golf Club. The Recovery Support Officer noted that these will be deployed prior to an event to wherever they need to go and will look into other options to place the pods at in the meantime.

Cr Eaglesome-Karekare noted the progression of the flood protection stakeholder group noting that the group is waiting on further data to be able to identify the most suitable flood protection solution for Wairoa.

Mr Jones suggested looking into a lessons learnt paper about what costs were incurred by Council over the last 14 months, what has Council been reimbursed for and what is outstanding with potential for reimbursement which will enable Council to acknowledge lessons observed during this period and to avoid going through the same situation again. The Chief Executive noted that this is also an opportunity to capture the good things that happened during Cyclone Gabrielle as well.

Mr Harker noted the crucial local decision making that occurred during Cyclone Gabrielle when decisions had to be made although with the potential risk to Council. He highlighted that had those decisions not been made and people had followed rules in the response phase Wairoa would have been put in a more vulnerable position. The Chair also acknowledged the work of the

recently finished Recovery Manager and thanked her for her focus and efforts on the impact of Cyclone Gabrielle on whanau specifically.

Members briefly discussed the possibility of an Emergency Coordination Centre in Wairoa.

8.2 MONTHLY REPORT TO 31 JANUARY 2024

COMMITTEE RESOLUTION 2024/198

Moved: Cr Jeremy Harker

Seconded: Cr Melissa Kaimoana

The Finance Manager RECOMMENDS that Committee receive the report.]

CARRIED

The Finance Manager spoke briefly to this report highlighting the major variances in comprehensive income and revenue mainly being related to regulatory activities where recovery is occurring (subsidies and grants) and transport. He noted that all other matters are progressing well as identified within the report at this stage of the year.

Cr Eaglesome-Karekare asked if Council has received the second version of the Recovery Plan. The Chief Executive advised that the draft is currently sitting with the Group Manager – Finance and Corporate Support for review.

Mr Jones noted quarterly reporting in terms of recovery for infrastructure, how much money has been spent, how much money is left sitting with council and a financial forecast of what is still to be paid. The Chief Executive agreed, however, noted that the Assets and Infrastructure group update report that goes to the Infrastructure and Regulatory Committee also contains some of this information. Mr Harker noted the crucial local decision making that occurred during Cyclone Gabrielle when decisions had to be made although with the potential risk to Council. However, had those decisions not been made and people had followed rules in the response phase Wairoa would have been put in a more vulnerable position. The Chair also acknowledged the work of the recently finished Recovery Manager and thanked her for her focus and efforts on the impact of Cyclone Gabrielle on whanau specifically.

The Group Manager – Assets and Infrastructure updated the committee that staff received notification the day prior to the meeting that the \$12.1M of Cyclone Gabrielle funding for emergency works will stop as of 30 June under the current governments direction. He noted that Council received \$31M for emergency works and have only spent \$22M so far. He believes that Council would have spent majority of that money by the middle of this year, however, anything remaining has to be returned to NZTA. He raised concerns in relation to Councils plans to use this funding for more longer-term projects and how this is no longer an option. He estimates the shortfall to be around \$5M to be returned back to NZTA. The Chief Executive suggested the Group Manager – Assets and Infrastructure table the group update report to the Finance Assurance and

Risk Committee as well.

Mr Jones acknowledged the resignation received from the Finance Manager and personally thanked him for his efforts, professionalism approach to the job, outstanding contributions and reporting to the committee and wished him well in his future endeavours. The Chair agreed and acknowledged and thanked the Finance Manager for his efforts to his work at the Council.

The Meeting closed at 2:19pm with a closing karakia given by the Chief Executive, Kitea Tipuna.

The minutes of this meeting were confirmed at the Finance, Assurance & Risk Committee Meeting held on 16 April 2024.

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CHAIRPERSON