



chatham islands council

Performance Audit & Risk Committee

MEETING PACK

for

PARC Meeting

Monday, 28 April 2025

9:00 am (+1245)

Held at:

Chatham Islands Council

13 Tuku Road, Chatham Islands

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Agenda

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AGENDA

PARC MEETING



Name:	Performance Audit & Risk Committee
Date:	Monday, 28 April 2025
Time:	9:00 am to 11:00 am (+1245)
Location:	Chatham Islands Council, 13 Tuku Road, Chatham Islands
Committee Members:	Mr Philip Jones (Committee Chair), Cr Greg Horler, Cr Keri Day, Mayor Monique Croon, Cr Steve Joyce
Attendees:	Ms Colette Peni, Ms Jo Guise, Paul Eagle, Ms Tanya Clifford

1. Opening Meeting

1.1 Apologies

N/A

1.2 Interests Register

1.3 Action List

Supporting Documents:

1.3.a	Action List	5
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2. Confirm Minutes

2.1 Minutes 17 March 2025

For Noting

Supporting Documents:

2.1.a	2.1 Minutes of PARC Meeting .pdf	6
2.1.b	Public 17 Mar 2025 Minutes .pdf	7

3. Financial Report

3.1 Financial Report

Ms Tanya Clifford, Paul Eagle

For Information

For the PARC to receive the financial report for March 2025.

Supporting Documents:

3.1.a	3.1 Financial Report.pdf	11
3.1.b	CIC PARC March 2025.pdf	12

3.2 Annual Plan Draft Budget 2025/26

Please Note: This is a place holder for item 3.2 which will be circulated after Easter.

4. Public Excluded

4.1 Move to Public Excluded

Supporting Documents:

4.1.a	PE Cover Page 28 April 2025.pdf	15
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4.2 PARC Public Excluded Minutes 17 March 2025

Supporting Documents:

4.2.a	PE 2. PE Minutes 17 March 2025pdf.pdf	16
4.2.b	PE Minutes PARC 17 Mar 2025 .pdf	17

4.3 Rates Remission Applications

[For Information](#)

For PARC to consider Rates Remissions

Supporting Documents:

4.3.a	PE.3 PARC Rates Remissions 28.04 .pdf	20
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5. Close Meeting

5.1 Close the meeting

Next meeting: PARC Meeting - 9 Jun 2025, 9:00 am

Action List

Performance Audit & Risk Committee



As of: 17 Apr 2025

Cost reduction programme

In Progress

A draft cost reduction programme would be presented to the Chair by 21 August 2024

Due Date: 21 Aug 2024

Owner: Paul Eagle

Meeting: 29 Jul 2024 PARC Meeting, 3.1 Financial Report

Latest Update:

CE will bring report for the next meeting.

Ms Jo Guise | 17 Mar 2025

Forecasting for Expenditure

In Progress

CE to do forecasting for expenditure opex and capex

Due Date: 7 Oct 2024

Owner: Paul Eagle

Meeting: 16 Sept 2024 PARC Meeting, 3.1 Financial Report

Explore investing DIA funds in short term account

Not Started

Explore investing in short term account.

Due Date: 28 Apr 2025

Owner: Paul Eagle

Meeting: 17 Mar 2025 PARC Meeting, 3.1 Financial Report



Performance, Audit and Risk

2.1 Minutes of Meeting 17 March 2025

Date of meeting	28 April 2025
Agenda item number	2.1
Author/s	Jo Guise, Executive Assistant

Purpose

To present the minutes from the Performance, Audit & Risk meeting held on 17 March 2025.

Recommendations

THAT the minutes of the Performance, Audit & Risk meeting held on 17 March 2025 be received.

MINUTES (in Review)

PARC MEETING



Name:	Performance Audit & Risk Committee
Date:	Monday, 17 March 2025
Time:	9:00 am to 9:51 am (+1345)
Location:	Chatham Islands Council, 13 Tuku Road, Chatham Islands
Committee Members:	Mr Philip Jones (Committee Chair), Cr Greg Horler, Cr Keri Day, Mayor Monique Croon
Attendees:	Ms Colette Peni, Ms Jo Guise, Paul Eagle, Ms Tanya Clifford, Ms Denise Thomas
Apologies:	Cr Steve Joyce

1. Opening Meeting

1.1 Apologies



apologies

THAT the apology be received.

Decision Date:	17 Mar 2025
Mover:	Mayor Monique Croon
Seconder:	Cr Keri Day
Outcome:	Approved

1.2 Interests Register

1.3 Action List

Due Date	Action Title	Owner(s)
21 Aug 2024	Cost reduction programme Status: In Progress	Paul Eagle
7 Oct 2024	Forecasting for Expenditure Status: In Progress	Paul Eagle



Action List

THAT the Action List be received.

Decision Date:	17 Mar 2025
Mover:	Cr Keri Day
Seconder:	Mr Philip Jones
Outcome:	Approved

2. Confirm Minutes

2.1 Minutes 10 February 2025



Minutes 10 February 2025

THAT the minutes be received.

Decision Date: 17 Mar 2025
Mover: Mayor Monique Croon
Seconded: Mr Philip Jones
Outcome: Approved

3. Financial Report

3.1 Financial Report



Financial Report

THAT the Financial Report be received.

Decision Date: 17 Mar 2025
Mover: Mayor Monique Croon
Seconded: Cr Keri Day
Outcome: Approved

Tanya Clifford gave an update to the Financial Report.

The CE noted the Council's concerns and noted the following -

- Cash for 2025 was slightly above the budgeted line and noted ECan invoices were currently being paid and would be brought back in to line.
- The water tank project has resumed, so payments would resume. NEMA were open if there was an overspend, but ideally like to keep it at budget.
- Colette Peni noted the 'water tank project' funds had been used in other areas, however the NKMR funds were still available.
- The Chair acknowledged the rates income which was a good result.
- CE advised formally signed the building ownership agreement with NMOWIT so now able to formally sub-lease.
- Petrol - currently higher usage of petrol. An empty tank needed to return to Napier to get certified, so another tank will be brought in while that was away. Colette would inquire about costs of freight from Auckland direct to Timaru.



Explore investing DIA funds in short term account

Explore investing in short term account.

Due Date: 28 Apr 2025
Owner: Paul Eagle

3.2 Credit Card Summary



Credit Card Summary

THAT the credit card summary be received.

Decision Date: 17 Mar 2025
Mover: Mr Philip Jones
Second: Cr Keri Day
Outcome: Approved

3.3 Riskpool Letter



Riskpool Letter

THAT the information be received.

Decision Date: 17 Mar 2025
Mover: Mayor Monique Croon
Second: Cr Keri Day
Outcome: Approved

The Chief Executive noted the second invoice from Riskpool was \$4303.50. The last invoice was \$17k.

4. Public Excluded

4.1 Move to Public Excluded

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:

Item No.	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
2.	Minutes PARC meeting 10 February 2025	Good reason to withhold exists under Section 7	Section 48(1)(a)
3.	Judicial review proceeding by Mr Andrew Dunlop	Good reason to withhold exists under Section 7	Section 48(4) of the LGOIMA provides as follows: “(4) Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof): (a) Shall be available to any member of the public who is present; and (b) Shall form part of the minutes of the local authority.”

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 holding the whole or relevant part of the proceedings of the meeting in public, are as follows:

ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON	PLAIN ENGLISH REASON	WHEN CAN REPORTS BE RELEASED
2.	Minutes 10 February 2025	7(2)(b)(ii) 7(2)(h) 7(2)(i)	Would be likely to prejudice the commercial position of the person or persons who are the subject of the information To maintain legal professional privilege. To enable the Council holding the information to carry out, without prejudice or disadvantage, commercial activities.		
PE.3	Judicial review proceeding by Mr Andrew Dunlop	7(2)(g)	Maintain legal professional privilege.	To protect all communications between a legal advisor and clients from being disclosed without the permission of the client.	This report will not be released due to the permanent nature of the legal privilege.



Move to public excluded

THAT the meeting move to public excluded.

Decision Date: 17 Mar 2025
Mover: Mayor Monique Croon
Second: Cr Keri Day
Outcome: Approved

Next meeting: PARC Meeting - 28 Apr 2025, 9:00 am

Signed:

Date:



Performance, Audit & Risk Committee

3.1 Financial Report

Date of meeting	28 April 2025
Agenda item number	3.1
Author/s	Paul Eagle, Chief Executive / Tanya Clifford (ECan)

Purpose

To present to the Performance, Audit & Risk Committee the financial report.

Recommendations

That the Performance, Audit & Risk Committee receives the report.

Summary revenue and expense for the month ended 31 March 2025

	Budget YTD \$000	Actual YTD \$000	Forecast to June \$000	Year end Forecast \$000	Year end Budget \$000
Revenue					
General rates	286	385	All rates	385	381
Targeted rates	327	433	levied	433	436
Rate penalties	-	24	8	32	-
Total rates	613	842	8	850	817
Operating subsidies and grants	4,437	6,304	304	6,608	5,916
Capital subsidies and grants	2,474	2,380	918	3,298	3,298
Total subsidies and grants	6,911	8,684	1,222	9,906	9,214
Fees and charges	49	56	19	75	65
Council dues	232	209	70	279	309
Petrol income	-	421	140	561	-
Interest on investments	32	7	2	9	42
Other income	232	337	77	414	309
Total revenue	8,067	10,556	1,538	12,094	10,756
Expenditure					
Employment benefits (including elected members)	969	939	313	1,252	1,292
Contractors, roading (FH, Stantec)	1,324	1,306	459	1,765	1,765
Contractors, water & wastewater (FH, Stantec)	360	274	206	480	480
Contractors, waste management (FH, Stantec)	495	636	24	660	660
Other key contractor, ECan	930	40	500	540	1,240
Other contractors	48	378	277	655	64
Petrol expense	-	465	155	620	-
Audit fees	79	77	28	105	105
Legal fees	11	167	-	167	15
Finance costs	1	2	-	2	1
Depreciation and amortisation	1,658	861	1,349	2,210	2,210
Other expenditure	1,329	1,401	767	2,168	1,772
Total expenditure	7,203	6,546	4,078	10,624	9,604
Total surplus/deficit	864	4,010	(2,540)	1,470	1,152
Capital expenditure	2,811	2,835	913	3,748	3,748
Loan repayments	17	22	-	22	22

Rates revenue: All rates have been levied for the year. Rates are invoiced based on the Council approved rates strike. Minor variances are due to small changes in the rating database.

Grants: Roading subsidy is up to date and based on 88% of actual expenditure. Higher level of grants than budgeted recognised, due to better off funding received in current year, but budgeted in prior year.

Other revenue: petrol receipts are an unbudgeted item, raising revenue recognised. No other issues.

Infrastructure projects: Includes: roading, water, wastewater and waste management contracts. All works on track and in line with contracted deliverables. Three waters work has been limited with funding restrictions, impacting levels of service Council is able to provide; lack of investment in critical asset maintenance increases the risk of asset failure.

Contractor, ECan: Recognised expenditure low, with reserve return netted off against expenditure. With the service agreement scope being negotiated in period, some works were also delayed. Service level agreement for \$1m.

Contractor, Others: Includes consultation works related to 30-year plan/regional deal and CIET consultation process, resource management and minor works related to licencing fees.

Other expenditure: petrol payments are an unbudgeted item, legal fees are higher than expected, both raising expenditure recognised. Budgeted community grants, including museum grants have not been paid during the year and therefore payment has not been incorporated into the forecast. No other issues.

Summary statement of cash flows for the month ended 31 March 2025

	Budget YTD \$000	Actual YTD \$000	Forecast to June \$000	Year end Forecast \$000	Year end Budget \$000
Cash inflow from operating activities					
Receipts from rates revenue	612	669	182	850	816
Receipts from grants and subsidies	6,903	9,184	1,222	10,406	9,204
Receipts from fees & charges	49	39	19	58	65
Receipts from Council Dues	232	192	70	261	309
Interest received	32	7	2	9	42
Receipts from other revenue	230	773	217	990	306
Cash inflow from operating activities	8,057	10,863	1,712	12,575	10,742
Cash outflow from operating activities					
Payments made to employees (including elected members)	(969)	(1,023)	(313)	(1,336)	(1,292)
Payments made to key contractors, FH & Stantec	(2,853)	(1,933)	(689)	(2,622)	(3,804)
Payments made to key contractors, ECan	(930)	(180)	(500)	(680)	(1,240)
Interest paid	(1)	(2)	-	(2)	(1)
Other payments made to suppliers	(501)	(3,640)	(1,227)	(4,867)	(668)
Cash outflow from operating activities	(5,254)	(6,778)	(2,729)	(9,507)	(7,005)
Net cash flow from operating activities	2,803	4,085	(1,017)	3,068	3,737
Cash flow from investing activities					
Purchase of fixed assets	(2,811)	(3,244)	(913)	(4,157)	(3,748)
Sale/(purchase) of other assets	-	106	-	106	-
Net cash flow from investing activities	(2,811)	(3,138)	(913)	(4,051)	(3,748)
Cash flow from financial activities					
Loans raised	-	-	-	-	-
Repayment of loans	(17)	22	-	22	(22)
Net cash flow from financial activities	(17)	22	-	22	(22)
Increase/(decrease) in cash held	(25)	969	(1,930)	(961)	(33)
Opening cash balance	31	(111)	858	(111)	31
Closing cash balance	6	858	(1,072)	(1,072)	(2)

0

Rates receipts: assumes all forecasted cash will be receipted and a similar outstanding balance to the prior year will exist.

Grant receipts: assumes only NZTA grant to be received by year end, with all claims collected in year.

Other receipts: high balance reflective of high (\$1m) debtor closing balance in 2024, mainly related to ECan reserve return.

Petrol also an unbudgeted item. **Debtor balance \$1,358k.**

Contractor expenditure: assumes annual expenditure reflective of contracted amounts and therefore expenditure has not been reforecast. *ECan* invoice recognises a \$250k contribution for quarter three and four. *Waste management* contract allows for some contractual variation, meaning costs may be higher than budgeted by year end. Provision also included for \$150k related to water tank installation. Remaining payment to contractors forecast based on a pro-rata allocation on actual year-to-date expenditure.

Other expenditure: includes a provision for \$300k payment to NKRM. Other expenditure forecast based on a pro-rata allocation of actual year-to-date expenditure. Some expenditure may be subject to 'better off funding' or other recoveries.

Creditor balance \$868k.

Cells highlighted in grey assume budget is the forecast amount. Cells not highlighted assume actual costs to be a good approximation of forecast amounts on a pro-rata basis. Cells highlighted orange have been estimated.

The forecast closing cash balance assumes creditor balance is the same as the current creditor level. To manage cashflows within bank overdraft limits, it is likely additional payments may need to be delayed to some suppliers, increasing the year end creditor balance.

If forecast revenue or expenditure is less favourable than estimated, this will have a detrimental impact on Council's finances.

Grants summary for the month ended 31 March 2025

	Budget YTD \$000	Actual YTD \$000	Forecast to June \$000	Year end Forecast \$000	Year end Budget \$000
Grants received					
Department of internal affairs (annual appropriation)	3,152	4,203	-	4,203	4,203
NZ Transport Agency Waka Kotahi	3,639	3,630	1,222	4,852	4,852
Better off funding	-	698	-	698	-
Other	119	153	-	153	159
Total grants	6,911	8,684	1,222	9,906	9,214
	-	-	-	-	-



PARC Public Excluded Agenda

28 April 2025

Chair to Move

I move that the public be excluded from the following part of the proceedings of the meeting.

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:

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2.	Minutes PARC meeting 10 February 2025	Good reason to withhold exists under Section 7	Section 48(1)(a)
3.	Rates Remission Applications	Good reason to withhold exists under Section 7	Section 48(1)(a)

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 holding the whole or relevant part of the proceedings of the meeting in public, are as follows:

ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON
2.	Minutes 17 March 2025	7(2)(b)(ii) 7(2)(h) 7(2)(i)	Would be likely to prejudice the commercial position of the person or persons who are the subject of the information To maintain legal professional privilege. To enable the Council holding the information to carry out, without prejudice or disadvantage, commercial activities.
3	Rates Remission Applications	7(2)(a)	Protect the privacy of natural persons, including that of deceased natural persons;