



Audit and Risk Committee

Minutes of an Audit and Risk Committee meeting held in the Council Chamber, 26 Gordon Street, Dannevirke on Tuesday 16 June 2020 commencing at 2.11pm.

1. Present

Mr K Ross (Chairperson), Her Worship the Mayor - Mrs T H Collis, Crs E L Peeti-Webber (Deputy Mayor), S A Hull, C J Isaacson, P A Johns, K A Sutherland, R A Treder and S M Wards.

In Attendance

Mr B King	- Chief Executive
Mr R Taylor	- Governance Manager
Mr R Suppiah	- Chief Financial Officer
Mrs S Walshe	- Senior Financial Accountant
Ms S Lowe	- Risk Manager (until item 6.6)
Ms T Love	- Projects Manager (until item 6.6)
Ms G Tracy	- Financial Accountant
Mr G Welsh	- Financial Accountant
Mr P Wimsett	- Manager Strategy and District Development
Ms D Perera	- Audit New Zealand Audit Director (until item 6.4)

2. Apologies

2.1 An apology is noted from Cr A K Franklin for non-attendance at the meeting.

3. Notification of Items Not on the Agenda

3.1 Nil

3.2 Cr Wards declared a conflict of interest regarding item of business 7 - contract approval under Local Authorities (Members Interests) Act 1968.

4. Confirmation of Minutes

4.1 *That the minutes of the Audit and Risk Committee meeting held on 17 March 2020 (as circulated) be confirmed as a true and accurate record of the meeting.*

Ross/Johns

Carried

5. Matters Arising from the Minutes not otherwise dealt with in the Agenda

5.1 Nil

6. Reports

6.1 Draft Audit New Zealand Interim Management Report 2019/2020

6.1.1 *That the report from the Senior Financial Accountant dated 9 June 2020 concerning the draft Audit New Zealand Interim Management Report 2019/2020 (as circulated) be received, and*

That the Audit and Risk Committee note the assessment of the control environment has concluded Council has established appropriate and operationally effective systems for internal controls, with two recommendations made in respect of key financial and non-financial information, and

That the draft management comments on the impact of the Covid-19 pandemic for reference in the financial statements, and actions to review bank reconciliations and update the sensitive expenditure policy be noted with management to finalise these comments.

Collis/Hull

Carried

6.2 Progress with Audit New Zealand Findings and Recommendations

6.2.1 *That the report from the Chief Financial Officer dated 9 June 2020 concerning progress with Audit New Zealand findings and recommendations (as circulated) be received, and*

That the Audit and Risk Committee note management's progress in addressing the eight outstanding Audit New Zealand recommendations, and it shall continue to provide updates on this matter as progress is made, and

That the three new Audit New Zealand recommendations made in their Interim Audit with regard to the impact of the Covid-19 pandemic for reference in the financial statements, review of bank reconciliations and updating of the sensitive expenditure policy be noted.

Ross/Sutherland

Carried

6.3 Audit New Zealand Letters for Audit Engagement, Audit Plan and Audit Fee Proposal

6.3.1 *That the report from the Chief Financial Officer dated 9 June 2020 concerning Audit New Zealand letters for Audit Engagement, Audit Plan and Audit Fee Proposal (as circulated) be received, and*

That the Audit and Risk Committee recommend to the Mayor the approval and signing of these letters on behalf of the Council.

Hull/Wards

Carried

6.4 **Health and Safety**

6.4.1 *That the report from the Risk Manager dated 9 June 2020 concerning health and safety (as circulated) be received, and*

That the Audit and Risk Committee note the following with regard to the focus on health and safety matters and this update:

- *The Health and Safety Coordinator secondment has been delayed until mid-July 2020.*
- *Preparations are being made for the SafePlus audit towards the end of the calendar year.*
- *Health and safety plans were implemented as guidance to staff and contractors in managing the risks of Covid-19 and its transmission.*
- *A peer review of hazardous substances compliance is likely to be added as an item for internal audit.*
- *Throughout Covid-19 lockdown there were only minimal health and safety incidents reflecting the changed work environment during that period.*

Johns/Hull

Carried

6.5 **Project Risk Management**

6.5.1 *That the report from the Project Manager dated 9 June 2020 concerning project risk management (as circulated) be received, and*

That the Audit and Risk Committee note the organisational approach and framework developed and implemented as part of strengthening the way Council projects are managed with regard to risk, and

That the application of this approach to assess planning for risks relating to projects and capital works proposed in the 2020/2021 Annual Plan and 2021/2031 Long Term Plan is acknowledged.

Johns/Treder

Carried

6.6 **Adoption of Council's 2020/2021 Annual Plan and Schedule of Fees and Charges**

6.6.1 *That the report from the Finance Manager dated 9 June 2020 concerning the adoption of Council's 2020/2021 Annual Plan and Schedule of Fees and Charges (as circulated) and the supplementary information on the allocation of rates incidence (as tabled) be received, and*

That the Audit and Risk Committee recommend to Council through Section 80 of the Local Government Act 2002 to deviate from the Revenue and Financing Policy for the use of an operating loan to fund operating projects as outlined in section 4 of this report, and in so doing provide relief to ratepayers through aiding the recovery from Covid-19 and the drought impacting on the district, and

That the Audit and Risk Committee note the risk of the funding options chosen to be addressed by accelerating loan repayments in the Long Term Plan, and

That the Audit and Risk Committee recommend to Council the adoption of the 2019/2020 Annual Plan and the Fees and Charges Schedule subject to the correction of any typographical errors or changes which may be required, and

That it be noted and recommended for Council's approval the activities of Solid Waste Management, Animal Control, Resource Management, Parks and Recreation Grounds, Roading, Footpaths and Cemeteries fall outside the funding limits of its Revenue and Financing Policy.

Collis/Johns

Carried

7. Contract Approval Under Local Authorities (Members Interests) Act 1968

7.1 Cr Wards previously declared a conflict of interest concerning this item of business, and abstained from discussion and voting on the motion regarding that matter.

7.2 ***That the Audit and Risk Committee note the Office of the Auditor-General has granted approval under Section 3 (3) (a) of the Local Authorities (Members Interests) Act 1968 for Cr S M Wards to be concerned or interested in a contract with Council for services to the Emergency Operations Centre and the "Caring for Communities Programme", and***

That this approval provides additional payments can be made to Cr Wards up to the value of \$30,000 (plus any GST payable) for the 2019/2020 financial year.

Ross/Hull

Carried

8. Notified Items Not on the Agenda

8.1 Nil

There being no further business the Chairperson thanked those present for their attendance and contributions, and declared the meeting closed at 3.30pm.

Chairperson