

Audit and Risk Committee

Minutes of a meeting of the Audit and Risk Committee held in the Council Chamber, 26 Gordon Street, Dannevirke on Monday 29 March 2021 commencing at 2.39pm.

1. Present

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

In Attendance

Mr B Nicholson - Chief Executive
Mr R Taylor - Manager - Democracy Services
Mr R Suppiah - Group Manager - Corporate
Ms S Lowe - Group Manager - People and Capability
Mrs S Walshe - Senior Financial Accountant
Mr P Wimsett - Manager Strategy and Climate Change
Ms S Smith - Health and Safety Coordinator
Mr C Chapman - Group Manager - Infrastructure
Mr H Featonby - Alliance Asset Manager
Mr S Twomey - Alliance Three Waters Supervisor

2. Apologies

2.1 Nil

3. Notification of Items Not on the Agenda

3.1 Nil

4. Confirmation of Minutes

4.1 *That the minutes of the Audit and Risk Committee meeting held on 17 November 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 Adoption of Supporting Information for the Consultation Document 2021/2031

6.1.1 A report is tabled from the Group Manager - Corporate Raj Suppiah regarding the adoption of supporting information for the Consultation Document 2021/2031, with key changes arising for audit review concerning the following being noted:

- Sector rates
- Debt
- Financial forecasts statements

6.1.2 ***That the report from the Group Manager - Corporate dated 22 March 2021 concerning the adoption of supporting information for the Consultation Document 2021/2031 (as circulated) be received, and***

That this matter be recognised as significant in terms of Section 76 of the Local Government Act 2002 and Council's Significance and Engagement Policy, and

That the Audit and Risk Committee recommend to the Council that it:

a) adopt the policies, strategies and documents detailed in paragraph 13 of this report as information defined as supporting information for the Draft Long Term Plan 2021/2031, and

b) in accordance with Section 100 of the Local Government Act 2002, the Council confirm the Draft Long Term Plan 2021/2031 budgets have been prepared based on reasonable judgement and assumptions, and it considers the projected financial results, including the projected operating deficit over the ten year period to be financially prudent given its financial position, the cumulative surplus projected over the ten year period and its financial management policies, and

That the Chief Executive is authorised to approve any final edits required to the supporting information to finalise the documents for distribution.

Johns/Sutherland

Carried

6.2 Adoption of the Long Term Plan Consultation Document 2021/2031

6.2.1 ***That the report from the Group Manager - Corporate dated 22 March 2021 concerning the adoption of the Long Term Plan Consultation Document 2021/2031 (as circulated) be received, and***

That this matter or decision be recognised as significant in terms of Section 76 of the Local Government Act 2002 and Council's Significance and Engagement Policy, and

That the Audit and Risk Committee recommend to the Council the adoption of the Consultation Document 2021/2031 for consultation with the community, and

That the Chief Executive is authorised to approve any final edits required to the Consultation Document in order to finalise the document for printing and distribution.

Johns/Wards

Carried

6.3 Draft Audit New Zealand Management Report 2019/2020

6.3.1 *That the report from the Senior Financial Accountant dated 22 March 2021 concerning the Draft Audit New Zealand Management Report 2019/2020 (as circulated) be received and,*

That the Audit and Risk Committee acknowledge a modified audit opinion was issued by Audit New Zealand in respect of the 2019/2020 Annual Report, and note the following matters arising from the audit:

- *Recording of complaints is not in line with Department of Internal Affairs guidance.*
- *Leave Support Scheme eligibility and refund.*
- *Roading valuation improvement points.*
- *No central register of all contractors and non-staff people working for Council.*
- *One verbal recommendation regarding payroll reconciliations.*

Ross/Johns

Carried

6.4 Progress with Audit New Zealand Findings and Recommendations

6.4.1 *That the report from the Senior Financial Accountant dated 22 March 2021 concerning progress with Audit New Zealand findings and recommendations (as circulated) be received, and*

That the Audit and Risk Committee note progress made by management in addressing the status of eighteen recommendations from Audit New Zealand (being three are ongoing, eleven are in progress, two are complete, one is closed, with one still to be commenced), and

That management continue to provide updates on this matter to the Audit and Risk Committee as further progress is made.

Hull/Sutherland

Carried

6.5 Health and Safety

6.5.1 *That the report from the Health and Safety Coordinator dated 23 March 2021 concerning health and safety (as circulated) be received, and*

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

- *The SafePlus audit is to be held on 8 to 9 April 2021.*
- *Council staff have been invited to participate in the Ask Your Team Local Government Health and Safety Survey.*
- *A Get Home Safe trial is now under way for a period of one month.*
- *The Health and Safety Committee will submit a draft 'Working Alone' Policy to the Executive Leadership Team at their 1 April 2021 meeting.*
- *The Health and Safety Committee will submit a draft 'Workplace Bullying and Harassment' Policy to the Executive Leadership Team by the end of April 2021.*

Johns/Ross

Carried

6.6 Risk Management

- 6.6.1 *That the report from the Group Manager - People and Capability dated 22 March 2021 concerning risk management (as circulated) be received, and*
- That the Audit and Risk Committee note the updates to the strategic risk register, including the addition of the risk 'Resource Management Act reform' and*

That the Audit and Risk Committee note the need for further work in internal audit to drive improvements in risk mitigation, and

That the Audit and Risk Committee adopt the three-year work programme, and

That progress on the CKS audit recommendations is noted and those completed and confirmed are closed off requiring no further action.

Johns/Ross

Carried

7. Public Excluded Items of Business

- 7.1 *That the public be excluded from the following parts of the proceedings of this meeting, namely:*

Tararua Alliance performance review

Tararua Alliance financial audit

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 follows.

<i>General subject matter to be considered</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under Section 48(1) for the passing of this resolution</i>
<i>Tararua Alliance financial audit</i>	<i>To protect commercial activities</i>	<i>Section (1)(a)(i)</i>

Tararua Alliance performance review	To protect the commercial position of a third party	Section (1)(a)(i)
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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 or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

s7(2)(b)(ii) The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

s7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.

Collis/Wards ***Carried***

7.5 ***That open meeting be resumed.***

Ross/Hull ***Carried***

7.6 ***That the following decisions taken with the public excluded be confirmed in open meeting.***

Item 7.2 - Tararua Alliance Performance Review

That progress and achievements made by the Tararua Alliance management team as commended by the auditing team be noted along with their recommendations for the 2019/2020 financial year to keep the performance framework relevant and aligned to the strategic intent and outcomes for both of the Tararua Alliance partners.

Item 7.3 - Tararua Alliance Financial Audit

That the efforts of the Tararua Alliance management team and the Principals Group to ensure that the pain/gain pool calculated fairly reflects the financial performance for the 2019/2020 financial year is noted and acknowledged.

Ross/Hull ***Carried***

There being no further business the Chairperson thanked those present for their attendance and contributions, and declared the meeting closed at 5.14pm.

Chairperson

