



Audit and Risk Committee

Minutes of an Audit and Risk Committee meeting held in the Council Chamber, 26 Gordon Street, Dannevirke on Tuesday 18 August 2020 commencing at 2.07pm.

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 King	- Chief Executive
Mr R Taylor	- Governance Manager
Mr R Suppiah	- Chief Financial Officer
Mr C McKay	- Finance Manager
Mrs S Walshe	- Senior Financial Accountant (until item 6.2)
Ms S Lowe	- Risk Manager (until item 6.5)
Ms T Love	- Projects Manager (until item 6.4)
Mr P Wimsett	- Manager Strategy and District Development
Mr B Rush	- Health and Safety Coordinator (until item 6.3)
Mr D Geary	- Alliance Director (until item 6.4)
Ms A Howell	- Risk Administrator (until item 6.4)

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 16 June 2020 (as circulated) be confirmed as a true and accurate record of the meeting.*

Ross/Sutherland

Carried

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

5.1 Nil

6. Reports

6.1 Council Performance for the 2019/2020 Financial Year Ending on 30 June 2020

6.1.1 An overview of the Council's performance regarding the key highlights and results was presented by the Senior Financial Accountant, Chief Financial Officer and Finance Manager elaborating on these aspects detailed in the report circulated.

6.1.2 Overall Council achieved a favourable operating surplus variance, and Covid-19 had minimal impact on its operating revenue with the water crisis having a greater impact on operating expenditure.

6.1.3 Covid-19 did impact on performance measures results (74% achieved compared to 80% last year) with twelve not being met.

6.1.4 Covid-19 lockdown impacted on Council's delivery of the capital works programme with roading particularly affected. Despite this 82% was completed compared to 85% last year, and there will be significant carry forwards into the 2020/2021 Annual Plan.

6.1.5 Interest rates remain low, and Council's external debt was \$35million compared to a planned \$27million due to greater infrastructure investment to address climate change, meet legislative requirements, and satisfy community outcomes.

6.1.6 The meeting adjourned at 3.10pm, and resumed at 3.20pm.

6.1.7 ***That the report from the Senior Financial Accountant dated 12 August 2020 concerning Council performance for the 2019/2020 financial year ending on 30 June 2020 (as circulated) be received, and***

That the Audit and Risk Committee recommend the approval of the draft Annual Report 2019/2020 subject to the correction of any typographical errors or changes which may be required, and the addition of the notes to the financial statements to provide to Audit New Zealand for their audit of the report, and

That the recommendation to not consolidate the financial statements with Tararua Aquatic Community Trust be acknowledged.

Sutherland/Franklin

Carried

6.2 Health and Safety

6.2.1 *That the report from the Health and Safety Coordinator dated 12 August 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:

- *Preparations are being made for the SafePlus audit, now likely to take place in early 2021.*
- *A peer review of hazardous substances compliance is likely to be added as an item for internal audit.*
- *A health and safety strategy is being developed.*
- *Risk deep-dive workshops are underway, with all teams to be completed by the end of the calendar year.*
- *The quarter has seen two accidents involving contractors undertaking work for Council.*

Hull/Ross

Carried

6.3 Project Risk Management

6.3.1 *That the report from the Projects Manager dated 10 August 2020 concerning project risk management (as circulated) be received, and*

That the Audit and Risk Committee note the emphasis placed on ensuring the approach across the organisation is aligned to focus on managing strategic and operational risks regarding planning for projects and capital works included in the 2020/2021 Annual Plan and being proposed in the 2021/2031 Long Term Plan.

Johns/Wards

Carried

6.4 Climate Change National Risk Assessment for New Zealand

6.4.1 *That the report from the Manager Strategy and District Development dated 13 August 2020 concerning the climate change national risk assessment for New Zealand (as circulated) be received, and*

That the Audit and Risk Committee note the completion of the first national climate change risk assessment by the Ministry for the Environment, and that climate change is the highest ranked Council risk for the Tararua district through its consequential impacts remaining after mitigation, and

That the Long Term Plan 2021/2031 provides an ideal place to develop, communicate and discuss policy and an action plan regarding this critical matter.

Ross/Isaacson

Carried

6.5 Progress with Audit New Zealand Findings and Recommendations

6.5.1 *That the report from the Chief Financial Officer dated 12 August 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.

Franklin/Collis

Carried

7. Notified Items Not on the Agenda

7.1 Nil

There being no further business the Chairperson thanked those present for their attendance and contributions, and declared the meeting closed at 4.23pm.

Chairperson