



Audit and Risk Committee

Minutes of a meeting of the Audit and Risk Committee held in the Council Chamber, 26 Gordon Street, Dannevirke on Tuesday 26 March 2024 commencing at 9:30am.

1. Welcome and Meeting Opening

Mr P Jones (Chairperson), Her Worship the Mayor - Mrs T H Collis, Crs E L Peeti-Webber (Deputy Mayor), N L Chase, A K Franklin, S M Gilmore, P A Johns, K A Sutherland, S A Wallace and S M Wards

In Attendance

Mr B Nicholson	- Chief Executive
Mrs A Small	- Group Manager – Strategy and Community Wellbeing
Ms S Lowe	- Group Manager – People, Capability and Customer Experience
Mr H Featonby	- Group Manager - Infrastructure
Mr S Dunn	- Risk and Assurance Advisor
Mrs S Walshe	- Finance Manager
Ms J Smith	- Legal Counsel and Procurement Manager
Mr D Erard	- Delivery Manager - Transport
Ms S Ellis	- Democracy Support Officer

2. Apologies

There were no apologies.

3. Public Forum

There were no requests for public forum.

4. Notification of Items Not on the Agenda

Nil

5. Declarations of Conflicts of Interest in Relation to this Meeting's Items of Business

Nil

6. Confirmation of Minutes

6.1 ***That the minutes of the Audit and Risk Committee meeting held on 20 February 2024 (as circulated) be confirmed as a true and accurate record of the meeting.***

Johns/Gilmore

Carried

7. Reports

7.1 2024-2034 Long-term Plan Options Report

The Audit and Risk Committee considered the report of the Group Manager – Corporate and Regulatory dated 15 March 2024, that presented options for the 2024-34 Long-term Plan for consideration and recommendation to Council.

In discussion, consideration was given to whether to release an unaudited 2024-2034 Long-Term Plan consultation document for consultation to allow for adoption of the 2024-34 Long Term Plan, or to defer to the next year as permissible by central government due to extenuating circumstances.

Considerations noted in favour of deferral focused on the current uncertainty and lack of information surrounding three-waters, and the ongoing costs and works surrounding the impound supply, Waka Kotahi funding, and general Cyclone Gabrielle recovery. A suggestion was made to focus on longer term projects with a larger inter-generational impact, and to consider means of funding outside central government help. It was added that in establishing an enhanced annual plan, there could be some merit to maintaining broad wording and definitions with regards to the current lacking information and potential risk.

Considerations noted against the deferred plan pointed out the novelty of this policy, and the resultant risks in undertaking it. It was also noted that the likelihood of more certainty being available within the next 6 months was ambiguous. Rate setting was also a concern, with some debate in regards to the application of Section 50 to a deferred plan in deciding rates. It was noted that whilst a Long Term Plan could undergo amendment, an annual plan could not, and therefore if any placeholder data used to establish an Long Term Plan proved unfounded, an amendment could be made.

Cr K Sutherland joined the meeting at 9:34am.

Moved by Cr S M Gilmore, seconded Cr A K Franklin

That the report from the Group Manager - Corporate & Regulatory dated 15 March 2024 concerning the 2024-2034 Long-term Plan Options Report be received.

That the Audit and Risk Committee endorses the option to delay adoption of the Long-term Plan by 12 months and in its place, Council would prepare an enhanced Annual Plan.

A division was called.

Voting for the motion: Crs Gilmore, Franklin, Sutherland, Wards

Voting against the motion: Crs Johns, Wallace, Peeti-Webber, Chase, Mayor Collis

The motion was lost

That the report from the Group Manager - Corporate & Regulatory dated 15 March 2024 concerning the 2024-2034 Long-term Plan Options Report be received.

That the Audit and Risk Committee endorses Management recommendation on the option to release an unaudited 2024-2034 Long-Term Plan consultation document for consultation to enable Council to meet the 30 June 2024 adoption deadline.

Johns/Wallace

Carried

7.2 LTP 2024-2034 Self Assessment

The Audit and Risk Committee considered the report of the Group Manager – Corporate and Regulatory dated 21 March 2024 that sought discussion and comment on the self-assessment for the 2024 Long-term Plan.

It was initially determined that, in light a previous decision made under item 6.1 to delay adoption of the Long-term Plan for 12 months, and undertake an enhanced Annual Plan in its place, there was no longer a need to consider this item at this meeting, but given an updated recommendation it was asked to be received.

That the report from the Group Manager - Corporate & Regulatory and Regulatory Services dated 21 March 2024 concerning the LTP 2024-2034 Self Assessment be received.

Johns/Wallace

Carried

7.3 Risk and Assurance Management Report

The Audit and Risk Committee considered the report of the Risk and Assurance Advisor dated 18 March 2024 that provided an update on matters relating to risk management and internal audit.

In discussion, concerns regarding emerging risks were raised, notably with regard to the top ten global risks, and how applicable they were to Council. Concerns were also raised regarding when risk controls were last tested, and their current effectivity.

That the report from the Risk & Assurance Advisor dated 18 March 2024 concerning the Risk and Assurance Management Report (as circulated) be received, and

That a report on the risks 'Non-compliance with Statutory Requirements (Council as consent holder)', 'Failure to Maintain and Strengthen Iwi and Māori Partnerships' and 'Failure to Develop and Understand our Relationship with our Key Stakeholders' be made to the July Committee meeting, and

That additional treatments for the risk 'Non-compliance with Statutory Requirements (Council as consent holder)' be added to the risk register as detailed in sections 4.29-4.33 below.

Wallace/Johns

Carried

7.4 Health, Safety, and Wellbeing Management Report

The Audit and Risk Committee considered the report of the Risk and Assurance Advisor that provided an update to the committee on health, safety and wellbeing matters.

It was asked that an outline of all reviews undertaken by contractors to ensure Health and Safety compliance be included in future reports. In discussion, it was asked whether elected members were required to risk review every water and wastewater plant. It was responded that it was ideal to fulfill due diligence requirements, due to the consideration of elected members as officers of the organisation, and to meet requirements under the Health and Safety at Work Act 2015.

That the report from the Risk & Assurance Advisor dated 19 March 2024 concerning the Health, Safety, and Wellbeing Management Report (as circulated) be received and noted.

Johns/Wallace

Carried

7.5 **Tararua Alliance Performance Audit Final**

The Audit and Risk Committee considered the report of the Group Manager – Infrastructure that presented the annual Tararua Alliance performance review report for the 2022-23 financial year. It was noted that self-assessments be brought back to track any emerging issues throughout the year.

That the report from the Group Manager - Infrastructure dated 19 March 2024 concerning the Tararua Alliance Performance Audit Final be received, and

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 2023/2024 financial year to keep the performance framework relevant and aligned to the strategic intent and outcomes for both of the Tararua Alliance partners.

Johns/Chase

Carried

9. **Items not on the Agenda**

8.1 Nil

10. **Public Excluded Items of Business**

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

Confirmation of Minutes

Tararua Alliance Performance Audit Final - Confidential

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>Confirmation of minutes</i>	<i>To protect commercial activities</i>	<i><Section (1)(a)(i)</i>
<i>Tararua Alliance Performance Audit Final - Confidential</i>	<i>As above</i>	<i>As above</i>

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

Collis/Sutherland

Carried

The meeting went into public excluded session at 11:17am and returned to open session at 11:30am.

There being no further business the Chairperson thanked those present for their attendance and contributions, and declared the meeting closed at 11:30am.

Chairperson