



## 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 23 July 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, K A Sutherland, S A Wallace and S M Wards

#### In Attendance

Ms D Perera	- Audit New Zealand
Ms F Pilkington	- Audit New Zealand
Mr B Nicholson	- Chief Executive
Mr R Suppiah	- Group Manager – Corporate and Regulatory
Mrs K Tani	- Group Manager – Strategy and Community Wellbeing
Mr H Featonby	- Group Manager – Infrastructure (via Teams)
Mr S Dunn	- Risk and Assurance Advisor
Ms G Anderson	- Health and Safety Coordinator
Mr D Erard	- Tararua Alliance Manager
Ms S Boyt	- Performance Manager, Tararua Alliance
Mrs S Walshe	- Finance Manager
Ms A Rule	- Policy and Planning Advisor
Mr S Beverley	- IS Manager
Mrs A Dunn	- Manager – Democracy Services

### 2. Apologies

2.1 *That the apologies from Councillors P A Johns and M F Long, be accepted and leave of absence granted for the meeting.*

*Sutherland/Collis*

*Carried*

### 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 26 March 2024 (as circulated) be confirmed as a true and accurate record of the meeting, with a correction noted to the voting recorded on page 5, to show Cr Wards voting for the motion, and Her Worship the Mayor against.***

*Wallace/Chase*

*Carried*

#### **7. Reports**

##### **7.1 Audit Engagement Letter 2024-34 Long Term Plan**

The Audit and Risk Committee considered the report of the Group Manager – Corporate and Regulatory Services dated 2 July 2024 that presented the Audit Engagement Letter for the audit of the 2024-34 Long Term Plan for consideration.

The Audit Director, Debbie Perera was in attendance and introduced the new Audit Director for Tararua District Council audits for the next period, Fiona Elkington. It was noted that usually the Audit Engagement letter would be presented prior to the Long Term Plan process starting, however the process had been delayed due to matters related to changes in legislation around three-waters. With regard to the date for the draft report to governors on the LTP engagement, it was noted that the next meeting of the Audit and Risk Committee was scheduled for 27 August 2024 and it was suggested that the report be provided to this meeting for consideration.

The committee noted its wish to undertake a review of the Long Term Plan process, to identify learnings that could be applied to the next Long Term Plan process and noted that the inhouse review the Audit New Zealand would be undertaking for their participation in Long Term Plan audits would be useful to consider alongside this.

***That the report from the Group Manager - Corporate & Regulatory Services dated 02 July 2024 concerning the Audit Engagement Letter 2024-34 Long Term Plan be received.***

*Wallace/Sutherland*

*Carried*

## 7.2 2024-34 Long Term Plan

The Audit and Risk Committee considered the report of the Group Manager – Corporate and Regulatory Services dated 8 July 2024 that presented the 2024-34 Long Term Plan for consideration prior to presentation to Council for adoption on 31 July 2024.

Audit Director, Debbie Perera spoke about the audit process that was almost complete, the findings identified, and noted the review process for the audit opinion. She spoke about the opinion that Audit New Zealand was proposing, noting this was proposed to be an unmodified opinion, and there may be an emphasis of matter referred to in disclosures in the Long Term Plan on two items. These were:

- Dannevirke Impounded Supply; and
- Pahiatua Pool

In discussion of the report, it was asked that the report to the Council meeting on 31 July 2024 seeking adoption of the Long Term Plan include commentary about the changes made to cemeteries fees.

There was discussion about the rates increase limit, which had been slightly exceeded, and whether the Council wished to consider raising that limit. In response the impact of the change in rates smoothing from six years to three years was noted and that the 12% rates increase was reflective of the decision made by Council to change the rates smoothing and therefore in line with that resolution. It was noted that if Council was to resolve a change, this would impact on the Audit Hot review that was scheduled for Wednesday 24 July 2024.

***That the report from the Group Manager - Corporate & Regulatory Services dated 08 July 2024 concerning the 2024-34 Long Term Plan be received.***

***That the Audit and Risk Committee recommend to Council as follows:***

***That in accordance with Section 100 of the Local Government Act 2002, Council confirm the Long Term Plan 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 having undertaken the Special Consultative Procedure in accordance with Sections 82, 82A and 102 of the Local Government Act 2002, Council adopt the following policies (as included in the Long Term Plan 2024/2034):***

***Revenue and Financing Policy***

***Rating Remission Policies***

***Financial Contributions Policy***

***And that in accordance with the requirements of Sections 101A and 101B of the Local Government Act 2002, Council adopt the Financial Strategy and Infrastructure Strategy as contained in the final Long Term Plan 2024/2034, and***

***That pursuant to Section 93 of the Local Government Act 2002, Council adopt the final Long Term Plan 2024/2034 subject to receiving clearance from Audit New Zealand, and***

***That the Chief Executive be authorised to approve any minor accuracy, grammatical or formatting amendments prior to the Long Term Plan 2024/2034 going to print.***

***Wallace/Sutherland***

***Carried***

*The meeting adjourned at 10:41am and resumed at 10:49am.*

**7.3 Risk Management Report**

The Audit and Risk Committee considered the report of the Risk and Assurance Advisor dated 9 July 2024 that provided an update on matters relating to risk management.

It was asked that a report be brought back to the committee on options for reporting on the two risks listed as severe in the Strategic Risk Register.

***That the report from the Risk & Assurance Advisor dated 09 July 2024 concerning the Risk Management Report (as circulated) be received and adopted.***

***Wards/Gilmore***

***Carried***

**7.4 Tararua Alliance Overview**

The Audit and Risk Committee considered the report of the Tararua Alliance Manager dated 12 July 2024 that provided an overview of the Tararua Alliance and included an overview of their performance management objectives.

For future reports, the committee asked that information on key risks for the Tararua Alliance be included.

***That the report from the Tararua Alliance Manager dated 12 July 2024 concerning the Tararua Alliance Overview be received.***

***Wallace/Collis***

***Carried***

## 7.5 Assurance Report

The Audit and Risk Committee considered the report of the Risk and Assurance Advisor dated 9 July 2024 that provided an update on assurance matters. Concern was noted that some items had been sitting on the register for a period of time, and it was asked that a target completion date be included.

It was noted that the report on the Dannevirke Impounded Supply had been received from Tonkin and Taylor, and it was asked that a report on the risk elements be provided to the 27 August meeting of the Audit and Risk Committee.

The committee noted Council's commitment to hold a public meeting to discuss matters around the Dannevirke Impounded Supply, once Council had considered the report and made its decision on the way forward.

*Her Worship the Mayor left the meeting at 11:39am.*

***That the report from the Risk & Assurance Advisor dated 09 July 2024 concerning the Assurance Report (as circulated) be received and adopted.***

***Sutherland/Chase***

***Carried***

## 7.6 Health, Safety & Wellbeing Management Report

The Audit and Risk Committee considered the report of the Risk and Assurance Advisor dated 9 July 2024 that provided an update to the Audit and Risk Committee on health, safety, and wellbeing matters.

*Her Worship the Mayor returned to the meeting at 11:40am.*

In discussion, a question was asked about the framework under which elected members could report experiences with untoward or abusive behaviour from members of the public. Members were reminded that at any time a member felt unsafe due to the behaviour of a member of the public towards them, to call Police through 111. Members were also encouraged to view the online training provided by Local Government New Zealand on dealing with safety of elected members.

***That the report from the Risk & Assurance Advisor dated 09 July 2024 concerning the Health, Safety & Wellbeing Management Report (as circulated) be received.***

***Gilmore/Franklin***

***Carried***

## 7.7 Security Policy

The Audit and Risk Committee considered the report of the Policy and Planning Advisor dated 5 July 2024 that sought feedback on the draft Security Policy that

had been developed.

It was noted that the policy covered physical and environmental security, as well as data and information technology security. The committee discussed the review period for the policy, which had been noted as being reviewed at least every two years, and questioned whether it should be reviewed more regularly. It was advised that the role of the Security Committee that would oversee the policy would be responsible for reviewing the environment and determine the regularity of review. It was further noted that procedures and processes would be developed once the policy was adopted.

***That the report from the Policy and Planning Advisor dated 05 July 2024 concerning the Security Policy be received.***

***Wallace/Jones***

***Carried***

**7.8 Breach of Privacy Act 2020**

The Audit and Risk Committee considered the report of the Manager – Democracy Services dated 3 July 2024 that advised of a recent Privacy Act 2020 breach, the actions taken in response to that breach, and the outcome from reporting the breach to the Privacy Commissioner.

***That the report from the Manager - Democracy Services dated 03 July 2024 concerning the Breach of Privacy Act 2020 be received.***

***Sutherland/Gilmore***

***Carried***

**8. Items not on the Agenda**

8.1 Nil

**9. Public Excluded Items of Business**

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

***Confirmation of Minutes***

***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.***

<b><i>General subject matter to be considered</i></b>	<b><i>Reason for passing this resolution in relation to each matter</i></b>	<b><i>Ground(s) under section 48(1) for the passing of this resolution</i></b>

<b>Confirmation of Minutes</b>	<b>To protect commercial activities</b>	<b>&lt;Section (1)(a)(i)</b>
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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)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.***

***Gilmore/Collis***

***Carried***

The meeting went into public excluded session at 12:04pm and returned to open session at 12:05pm.

There being no further business the Chairperson thanked those present for their attendance and contributions, and declared the meeting closed at 12:05pm.

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Chairperson