



## **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 27 August 2024 commencing at 09:30am.

### **1. Present**

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 (via Teams), P A Johns, M F Long, K A Sutherland, S A Wallace and S M Wards (via Teams)

### **In Attendance**

Mr B Nicholson	- Chief Executive
Mr R Suppiah	- Group Manager – Corporate and Regulatory
Mrs K Tani	- 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
Ms G Anderson	- Health and Safety Coordinator
Mrs S Walshe	- Finance Manager
Mrs B Fowler	- Senior Financial Accountant
Ms E Roberts	- Revenue Manager
Ms A Rule	- Policy and Planning Advisor
Mr D Erard	- Tararua Alliance Manager
Ms S Boyt	- Performance Manager, Tararua Alliance
Ms F Chase	- Facilities Manager
Mrs A Dunn	- Manager – Democracy Services
Ms S Ellis	- Democracy Support Officer

### **2. Welcome and Meeting Opening**

The meeting was opened with prayer.

### **3. Apologies**

There were no apologies.

### **3. Public Forum**

There were no requests for Public Forum.

### **4. Notification of Items Not on the Agenda**

There were no late items of business notified.

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

Nil

### **6. Confirmation of Minutes**

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

*Johns/Chase*

*Carried*

### **7. Reports**

#### **7.1 Tararua Alliance Report**

The Audit and Risk Committee considered the report of the Tararua Alliance Manager dated 19 August 2024 that provided an overview of the Tararua Alliance and included a breakdown of key risks.

Questions were asked regarding the guidelines followed for traffic management and it was advised that costs of traffic management was being tracked separately to the operational costs.

The impact of the reduced funding allocation from NZTA Waka Kotahi was noted, including the 84% reduction in funding for footpath maintenance. The need for a communications plan on the implications from this matter was also discussed.

*That the report from the Tararua Alliance Manager dated 19 August 2024 concerning the Tararua Alliance be received.*

*Johns/Wallace*

*Carried*

#### **7.2 Draft Audit New Zealand Management Reports**

The Audit and Risk Committee considered the report of the Finance Manager dated 20 August 2024 that provided an update on the 2021/2022 Annual Report audit findings and management report, on the Draft 2022/2023 Annual Report

audit findings and management report, and on the proposed Audit Plan for the 2023/2024 Annual Report.

With regard to matters raised in the management letter, the committee sought assurance that critical reconciliations were being done on a timely matter, and noted the matter raised by audit about their view on the basis for carrying out the revaluations, and sought assurance that Council's revaluation processes complied with the valuation standards, the depreciation valuation guidelines and the accounting standards.

It was proposed that a meeting be held with the auditors to explain the Council's position and the management response to the matters raised.

The committee discussed the need for more timely management letters to be provided to Council from Audit New Zealand and the impact from not receiving these earlier. In that respect the committee discussed sending the new Audit Director a message that more timely management letters would be appreciated by the Audit and Risk Committee.

It was requested that a summary of all audits, including any recommendations from the two management reports, be provided at the next meeting.

A memo from Audit Director, Fiona Elkington providing an update on the audit status for the 2023-24 year was tabled and discussed.

***That the report from the Finance Manager dated 20 August 2024 concerning the Draft Audit New Zealand Management Reports be received and that the memo from Audit New Zealand providing an update on the audit status for the 2023-24 year be noted.***

***Sutherland/Johns***

***Carried***

### **7.3 Health and Safety Due Diligence Plan**

The Audit and Risk Committee considered the report of the Group Manager - People and Capability dated 07 August 2024 that provided an update on the Health and Safety Due Diligence Plan and its activities.

***That the report from the Group Manager - People and Capability dated 07 August 2024 concerning the Health and Safety Due Diligence Plan (as circulated) be received and noted.***

***Collis/Gilmore***

***Carried***

*The meeting adjourned at 10:21am and reconvened at 10:37am.*

#### 7.4 **Draft Unreasonable Customer Behaviour Policy**

The Audit and Risk Committee considered the report of the Risk & Assurance Advisor dated 16 August 2024 provide elected members the opportunity to provide feedback on the draft Unreasonable Customer Behaviour Policy.

The inclusion of a process was sought for escalation of matters by a customer either to management for through the Mayor or elected member, when the customer is not happy with an outcome.

It was also recommended that the use of the terminology 'pseudo law' be used as opposed to 'conspiracy theories' as this is the terminology being referenced in the Courts.

It was further clarified that the policy specifically covered members of Council staff, but that a framework regarding relations between Elected Members and the general public could be considered. It was underlined that currently, all interactions would be reported through the Chief Executive.

It was noted that a formal appeals process should be included.

***That the report from the Risk & Assurance Advisor dated 16 August 2024 concerning the Draft Unreasonable Customer Behaviour Policy be received, and***

***That the Audit and Risk Committee receives a revised draft of the Unreasonable Customer Behaviour Policy at its next meeting.***

***Wallace/Chase***

***Carried***

#### 7.5 **Risk Appetite Setting Workshop Feedback**

The Audit and Risk Committee considered the report of the Risk & Assurance Advisor dated 16 August 2024 which enabled discussion and feedback on the results of the Committee's risk appetite setting workshops.

Highlighted topics of discussion were as follows:

- A discussion was had regarding the merits of self-insurance
- In consideration of the current high risk appetite, it was recommended that this be maintained and adjusted as suitable for the community and with respect to affordability. An increase was discouraged, but if the current appetite could be considered medium-high, a monitored increase was permissible.
- Financial risk appetite was noted as low, with an objective to decrease this further. It was recommended to maintain this at the current level, with constant review.

- It was recommended that a framework be developed for risk to be implemented into officer's reports to Council involving any decision-making.

***That the report from the Risk & Assurance Advisor dated 16 August 2024 concerning the Risk Appetite Setting Workshop Feedback (as circulated) be received and adopted.***

***Long/Sutherland***

***Carried***

## **8. Items not on the Agenda**

- 8.1 Agreement was sought from the committee to consider a late item of business regarding the signing of the audit engagement letter in respect of the Tararua District Council's Debenture Trust Deed.

It was advised that as the letter had been addressed to the Council generally, instead of to the Mayor, endorsement was sought from the committee for the Mayor to sign on behalf of the Council.

***That the Engagement Letter regarding the Limited Assurance Report in respect of the Tararua District Council's debenture trustee be received as a late item of business.***

***Wallace/Jones***

***Carried***

***That Her Worship the Mayor be given authority to sign the Engagement Letter.***

***Johns/Long***

***Carried***

There being no further business the Chairperson thanked those present for their attendance and contributions, and declared the meeting closed at 11:37am.

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Chairperson