



MINUTES

Audit and Risk Committee Meeting

9 June 2020

**MINUTES OF WAIMATE DISTRICT COUNCIL
AUDIT AND RISK COMMITTEE MEETING
HELD AT THE FUNCTION ROOM, WAIMATE EVENT CENTRE, PAUL STREET, WAIMATE
ON TUESDAY 9 JUNE 2020, COMMENCING AT 9.30AM**

PRESENT: Chair Damian Hogue, Cr Sheila Paul, Mayor Craig Rowley, Cr Miriam Morton, Cr Tom O'Connor

APOLOGIES: Nil

IN ATTENDANCE: Deputy Mayor Sharyn Cain, Cr Sandy McAlwee, Cr Colin Pankhurst
Stuart Duncan (Chief Executive), Paul Cooper (Regulatory and Compliance Group Manager), Fiona Hester-Smith (Human Resources Manager), Carolyn Johns (Community and Strategy Group Manager), Dan Mitchell (Asset Group Manager), Tina Stevenson (Corporate Services Group Manager), Melissa Thomson (Accountant), Karalyn Reid (Committee Secretary)

OPENING

1 APOLOGIES

David Owen, Fabia Fox

2 VISITORS

Nil

3 CONFLICTS OF INTEREST

The Chair asked members if there were any conflicts of interest. There were no conflicts of interest declared.

4 IDENTIFICATION OF MAJOR (URGENT) OR MINOR ITEMS NOT ON THE AGENDA

Nil

MINUTES

5 CONFIRMATION OF MINUTES

5.1 MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD ON 19 MARCH 2020

COMMITTEE RESOLUTION 2020/11

Moved: Mayor Craig Rowley

Seconded: Chair Damian Hogue

That the minutes of the Audit and Risk Committee Meeting held on 19 March 2020 be adopted as a true and correct record.

CARRIED

REPORTS

6 GENERAL REPORTS

6.1 HUMAN RESOURCES MANAGERS REPORT

COMMITTEE RESOLUTION 2020/12

Moved: Mayor Craig Rowley

Seconded: Cr Sheila Paul

That the Human Resources Manager's report is accepted.

CARRIED

Note:

The Committee noted the staff leave liability was a concern. The Chief Executive gave the Committee assurance that the leadership team was aware that the level of leave liability was not ideal; and closely monitor the health and wellbeing of staff should they not take adequate holidays.

6.2 HEALTH AND SAFETY REPORT

COMMITTEE RESOLUTION 2020/13

Moved: Mayor Craig Rowley

Seconded: Cr Miriam Morton

That the Health and Safety update report is accepted.

CARRIED

6.3 COVID-19 RISK

COMMITTEE RESOLUTION 2020/14

Moved: Chair Damian Hogue

Seconded: Cr Sheila Paul

That the COVID-19 Risk Report is accepted.

CARRIED

Note:

The EOC team were thanked for their proactive approach on the community involvement during the lock-down project.

The Chief Executive commented an agency debrief is to be held on COVID-19, which will highlight gaps and concerns.

The transparent protective COVID-19 barriers that were attached to the Council and library reception desks will remain in place as these will help protect staff from transmission of the common flu each year. The Chief Executive commented that all-staff need to be congratulated for their efforts and compliance during the COVID Level lockdown levels. The EOC, three waters, cleaning staff and leadership team did an outstanding job, and he intends to hold an all of staff BBQ to thank everyone.

6.4 CORPORATE SERVICES GROUP MANAGER REPORT**COMMITTEE RESOLUTION 2020/15**

Moved: Cr Tom O'Connor

Seconded: Cr Miriam Morton

That the Corporate Services Group Manager Report is accepted.

CARRIED

Note:

Key Risk Register: Financial - Council have been actively promoting and engaging with the public regarding options for any ratepayers struggling with payment of rates post COVID-19. There were already procedures in place before the pandemic, however the demand for assistance is to be monitored.

6.5 AUDIT NEW ZEALAND ENGAGEMENT & AUDIT PLAN

The Audit and Risk Committee reviewed the Audit Engagement Letter 2020-2022, and terms of Audit New Zealand's Audit Plan for the year ending 30 June 2020.

COMMITTEE RESOLUTION 2020/16

Moved: Cr Sheila Paul

Seconded: Chair Damian Hogue

1. That the 'Audit New Zealand Engagement & Audit Plan' report is accepted; and
2. That the Audit and Risk Committee recommends that the Mayor be authorised to sign the Audit Engagement Letter 2020-2022 and return to Audit New Zealand; and
3. That the Audit and Risk Committee confirms the terms of Audit New Zealand's Audit Plan for the audit for the year ending 30 June 2020.

CARRIED

Note:

The Committee noted that Audit highlighted there may be additional audit work and therefore costs relating to the COVID-19 pandemic.

Moves towards procuring an Alpine Energy Valuation is underway.

An EY report on accounting for interest in the Downlands water Scheme did not sufficiently address the fundamental questions in relation to the structure and ownership of the scheme.

Timaru District Council have recently obtained legal advice to address these concerns which is to be shared with both Waimate and Mackenzie District Councils.

The Committee raised concerns about the risk of not having the ownership and responsibilities of each party clearly recorded.

6.6 AUDIT NEW ZEALAND PROPOSAL TO CONDUCT AUDIT 2020-2022

That the Audit and Risk Committee reviews the Audit New Zealand Proposal to Conduct Audit 2020-2022 and makes a recommendation as to whether the Mayor may sign to accept the audit fees for the audit of the 2020 financial year.

COMMITTEE RESOLUTION 2020/17

Moved: Cr Sheila Paul

Seconded: Chair Damian Hogue

1. That the 'Audit New Zealand Proposal to Conduct Audit 2020-2022' report is accepted; and
2. That the Audit and Risk Committee recommends that the Mayor be authorised to sign the Audit New Zealand Proposal to Conduct Audit 2020-2022 and return to Audit New Zealand to accept the audit fees for the audit of the 2020 financial year.

CARRIED

Note:

It was noted that the increase in 2020 audit fees were held to a 1.5% increase over the agreed 2019 fees.

The Committee noted the 2020 fees were close to full recovery.

It was noted the Office of the Auditor General is the governing body overseeing Audit New Zealand and how they work with councils.

Audit NZ offered to attend the meeting but was declined by the Mayor.

The meeting was adjourned for morning tea at 10.40am.

The meeting was reconvened at 11.00am.

6.7 AUDIT NEW ZEALAND INTERIM AUDIT REPORT FOR THE YEAR ENDED 30 JUNE 2020

The Audit and Risk Committee reviewed the Audit NZ report on the interim audit of Council for the year ended 30 June 2020.

COMMITTEE RESOLUTION 2020/18

Moved: Mayor Craig Rowley

Seconded: Cr Sheila Paul

1. That the Audit New Zealand Interim Audit Report for the year ended 30 June 2020 report is accepted; and
2. That the Audit and Risk Committee provides feedback on areas noted within the report and propose any related action items.

CARRIED

Note:

The Interim Audit continued throughout lock-down to avoid a build-up of work, however some 'walk-through processes' still need to be carried out with staff members and will be incorporated into the final audit.

The Interim Audit identified only two additional recommendations which were minor in nature. The Committee discussed the process of updating the identified policies with the amendments as requested by Audit prior to the planned policy review. However, as these are only minor there is no risk to Council by waiting for the planned reviews and updating at that time.

6.8 EXTERNAL AUDIT RECOMMENDATIONS PROGRESS REPORT TO JUNE 2020**COMMITTEE RESOLUTION 2020/19**

Moved: Cr Tom O'Connor

Seconded: Mayor Craig Rowley

1. That the External Audit Recommendations Progress Report to June 2020 report is accepted; and
2. That the Committee considers the updated progress on the External Audit Recommendations and provides any relevant feedback; and
3. That the following Audit recommendations are noted as 'closed':
 - a. Alpine Energy Shares Valuation
 - b. Quality Assurance (QA) review of draft council activities performance reporting

CARRIED

Note:

The Chair noted it would be preferable to close as many Audit recommendations as possible.

6.9 COUNCIL'S POLICY STATUS**COMMITTEE RESOLUTION 2020/20**

Moved: Chair Damian Hogue

Seconded: Mayor Craig Rowley

That the Council's Policy Status report is accepted.

CARRIED

Note:

The Committee noted it was good to see only one policy overdue for review.

The 327 Freedom Camping Policy was identified and will need further Council discussion; however it was noted it might be worthwhile waiting until Central Government gives direction on this post COVID-19. It was also noted this was identified because of potential issues with freedom camping at the Waitaki lakes campsites.

6.10 2019/20 MAJOR PROJECT UPDATE**COMMITTEE RESOLUTION 2020/21**

Moved: Chair Damian Hogue

Seconded: Mayor Craig Rowley

That the 2019/20 Major Project Update report is accepted.

CARRIED

Note:

Council's application to Central Government's Shovel Ready Project Fund has been deferred to the Provincial Growth Fund but as yet there has been no indication of success or otherwise.

PUBLIC EXCLUDED

7 EXCLUSION OF THE PUBLIC REPORT

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION 2020/22

Moved: Mayor Craig Rowley

Seconded: Cr Miriam Morton

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter 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 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
7.1 - Public Excluded minutes of the Audit and Risk Committee Meeting held on 19 March 2020	s6(a) - the making available of the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
7.2 - Council Actions - Public Excluded Report	s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
7.3 - Corporate Services Group Manager Report - Public Excluded	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

8 RE-ADMITTANCE OF THE PUBLIC REPORT

COMMITTEE RESOLUTION 2020/23

Moved: Mayor Craig Rowley

Seconded: Cr Sheila Paul

That Council moves out of Closed Council into Open Council.

CARRIED

MEETING CLOSURE

There being no further business, the Chair closed the meeting at 11.54am.

The minutes of this meeting are to be confirmed at the Audit and Risk Committee Meeting scheduled on 8 September 2020.

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CHAIRPERSON