



# **MINUTES**

**Audit and Risk Committee Meeting**

**8 September 2020**

**MINUTES OF WAIMATE DISTRICT COUNCIL  
AUDIT AND RISK COMMITTEE MEETING  
HELD AT THE WAIMATE EVENT CENTRE, WAIMATE ON TUESDAY 8 SEPTEMBER 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:** Cr Sandy McAlwee, Cr David Owen

Stuart Duncan (Chief Executive), Paul Cooper (Regulatory and Compliance Group Manager), Carolyn Johns (Community and Strategy Group Manager), Tina Stevenson (Corporate Services Group Manager)

Karalyn Reid (Committee Secretary)

**PARTIAL ATTENDANCE:** Fiona Hester-Smith (Human Resources Manager)

## OPENING

### 1 APOLOGIES

Nil

### 2 VISITORS

11.00am – Jerard Cowburn of Marsh Limited

### 3 CONFLICTS OF INTEREST

The Chair asked 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

The Committee agreed that the minor item 'Three Waters' is discussed later in the agenda, in relation to any risks to Council.

## MINUTES

### 5 CONFIRMATION OF MINUTES

#### 5.1 MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD ON 9 JUNE 2020

##### COMMITTEE RESOLUTION 2020/24

Moved: Cr Sheila Paul

Seconded: Mayor Craig Rowley

That the Minutes of the Audit and Risk Committee Meeting held on 9 June 2020 be adopted as a true and correct record, with the below amendment.

**CARRIED**

##### Amendment:

6.6: Audit New Zealand Proposal to Conduct Audit 2020-2022 – Note: 'The Committee noted the 2020 fees were close to full recovery.'

**REPORTS****6 GENERAL REPORTS****6.1 HEALTH AND SAFETY REPORT****COMMITTEE RESOLUTION 2020/25**

Moved: Mayor Craig Rowley

Seconded: Cr Sheila Paul

That the Health and Safety update report is accepted.

**CARRIED**

**6.2 HUMAN RESOURCES MANAGERS REPORT****COMMITTEE RESOLUTION 2020/26**

Moved: Cr Tom O'Connor

Seconded: Cr Sheila Paul

That the Human Resources Manager's report is accepted.

**CARRIED**

**Note:**

Leave Liability: The Chief Executive reported leave liability is still high, but may not change in foreseeable future because of the heavy workloads of some staff.

A discussion will be held with Leadership Team about resource gaps resulting from a number of reasons, and ways to mitigate these gaps.

The Chief Executive will look at a way to incorporate the risk of staff facing heavy workloads into the Risk Register and following the Leadership Team meeting will circulate an email on the magnitude of the problem and opportunities to mitigate risks, and produce a more comprehensive report to the next Audit and Risk Committee meeting.

**6.3 CORPORATE SERVICES GROUP MANAGER REPORT****COMMITTEE RESOLUTION 2020/27**

Moved: Cr Sheila Paul

Seconded: Cr Miriam Morton

That the Corporate Services Group Manager Report is accepted.

**CARRIED**

**Note:**

Risk Register: The Committee discussed identifying the human resources risk around stress and work overload, with the possibility of prioritising work streams and possibly employing summer university students in some areas. Staff will look at how to frame this into the Risk Register.

Cyber Security: A discussion was held on moving Cyber Security from moderate to significant. The Chief Executive is communicating with Council's IT Manager on this and will review and adjust the Risk Register accordingly.

Budget Carry Forwards: The Corporate Services Group Manager reported due to the timing of this meeting financials weren't available; however the budget carry forwards will not be dropped

off the work plan. The date of the meetings will be taken into consideration when planning next year's Audit and Risk Committee meetings.

Covid-19: Council is prepared for a change in Covid-19 restrictions. At the current time staff have not noted any Covid-19 related rate payment concerns.

Three Waters: The Chief Executive reported it seems certain there will be an aggregation of the Three Waters if the current Government gets re-elected. Staff are looking at the option of not aggregating, but there are a lot of things to consider. The technical group looking at rural solutions to drinking water supplies has not yet come to a solution.

The Canterbury Mayoral Forum Three Waters Steering Committee are working on a comprehensive report which will include the effects of the redistribution of overheads of infrastructure and subsequent viabilities of Councils.

There are strong concerns that the Government is moving too quickly without answers. Classifying Councils would help, as they could be treated differently.

The Chief Executive reiterated that Council's staff are highly skilled and would be able to continue independently owning its own water.

Carbon Footprint: This is currently on hold due to current workloads.

The Chief Executive reviews the Risk Register regularly and ensures it is kept current.

#### **6.4 EXTERNAL AUDIT RECOMMENDATIONS PROGRESS REPORT TO SEPTEMBER 2020**

##### **COMMITTEE RESOLUTION 2020/28**

Moved: Cr Tom O'Connor

Seconded: Cr Sheila Paul

That the External Audit Recommendations Progress Report to September 2020 report is accepted.

**CARRIED**

##### **Note:**

Correctly Recording Incidents in Asset Finda: The Audit NZ team are currently completing the 2020 Annual Report final audit and will be reviewing the improved processes.

Downlands Water Scheme: An assessment was completed which determined Downlands is a Joint Operation and the associated accounting treatment will apply.

A Downlands Water Scheme Workshop being held on Thursday (10 September) in Timaru and is expected to work through the ownership/management of the scheme. The Committee agreed it is important to get good legal advice and do due diligence. The Chief Executive will circulate the document and legal report to Councillors.

The meeting was adjourned at 10.55am for morning tea.

The meeting reconvened at 11.10am.

#### **6.7 PRESENTATION: INSURANCE RENEWALS - 11.00AM**

Jerard Cowburn of Marsh Limited presented to the Audit and Risk Committee on the insurance market, Waimate District Council's current insurance programme, one-off insurances and future proofing.

**6.5 COUNCIL'S POLICY STATUS****COMMITTEE RESOLUTION 2020/29**

Moved: Cr Miriam Morton

Seconded: Cr Sheila Paul

That the Council's Policy Status report is accepted.

**CARRIED**

**Note:**

The Committee agreed a new policy was needed on Personal Accident Insurance, following the Insurance Renewal presentation, and this is to be added to the Policy Status.

**6.6 2019/20 MAJOR PROJECT UPDATE****COMMITTEE RESOLUTION 2020/30**

Moved: Cr Sheila Paul

Seconded: Cr Miriam Morton

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

**CARRIED**

**Note:**

The Committee requested that the 'percentage complete' and status columns be reviewed concurrently to ensure they reflect the progress of each major project.

Item - 6.7 Presentation: Insurance Renewals - 11.00am - has been moved to another part of the document.

**PUBLIC EXCLUDED****7 EXCLUSION OF THE PUBLIC REPORT****RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION 2020/31**

Moved: Cr Miriam Morton  
 Seconded: Mayor Craig Rowley

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:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48 for the passing of this resolution</b>
<b>7.1 - Public Excluded minutes of the Audit and Risk Committee Meeting held on 9 June 2020</b>	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
<b>7.2 - Outstanding Audit &amp; Risk Committee Actions Report - Public Excluded</b>	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
<b>7.3 - Corporate Services Group Manager Report - Public Excluded</b>	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 2020/32**

Moved: Cr Sheila Paul  
 Seconded: Mayor Craig Rowley

That Council moves out of Closed Council into Open Council.

**CARRIED**

**MEETING CLOSURE**

There being no further business, the Chair closed the meeting at 12.21pm.

The minutes of this meeting are to be confirmed at the Audit and Risk Committee Meeting scheduled on 24 November 2020.

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**CHAIRPERSON**