



MINUTES

Audit and Risk Committee Meeting

2 March 2021

**MINUTES OF WAIMATE DISTRICT COUNCIL
AUDIT AND RISK COMMITTEE MEETING
HELD AT THE FUNCTION ROOM, WAIMATE EVENT CENTRE, PAUL STREET, WAIMATE
ON TUESDAY 2 MARCH 2021, COMMENCING AT 9.37AM**

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

APOLOGIES: Nil

IN ATTENDANCE: Cr Sharyn Cain, Cr Sandy McAlwee, Cr David Owen, Cr Colin Pankhurst
Stuart Duncan (Chief Executive), Paul Cooper (Regulatory and Compliance Group Manager), Carolyn Johns (Community and Strategy Group Manager), Dan Mitchell (Asset Group Manager), Tina Stevenson (Corporate Services Group Manager), Karalyn Reid (Committee Secretary)
Partial: Melissa Thomson (Accountant)

OPENING

1 APOLOGIES

Nil

2 VISITORS

11.00am – Audit NZ

3 CONFLICTS OF INTEREST

The Chair asked for any conflicts of interest to be identified. There were no conflicts of interest declared.

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

Nil

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5 CONFIRMATION OF MINUTES

5.1 MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD ON 15 DECEMBER 2020

COMMITTEE RESOLUTION 2021/1

Moved: Mayor Craig Rowley

Seconded: Cr Sheila Paul

That the Minutes of the Audit and Risk Committee Meeting held on 15 December 2020 be adopted as a true and correct record.

CARRIED

REPORTS**6 GENERAL REPORTS****6.1 OUTSTANDING AUDIT & RISK COMMITTEE ACTIONS REPORT - PUBLIC****COMMITTEE RESOLUTION 2021/2**

Moved: Cr Miriam Morton
Seconded: Chair Damian Hogue

That the Outstanding Audit & Risk Committee Actions Report – Public is accepted.

CARRIED**6.2 HEALTH AND SAFETY REPORT****COMMITTEE RESOLUTION 2021/3**

Moved: Mayor Craig Rowley
Seconded: Cr Sheila Paul

That the Health and Safety report is accepted.

CARRIED**6.3 OFFICE OF THE AUDITOR GENERAL FORUM - VERBAL REPORT FROM THE CHAIR**

The Chair of the Audit and Risk Committee gave a verbal report on the main discussion points from the OAG Forum held on 2 February 2021 relating to the role of the Audit and Risk Committee in Long Term Plan preparation and adoption.

A discussion was held around Council's stance on climate change. The Chief Executive is currently preparing a climate change strategy, and hopes to use in-house expertise, as well as knowledge from other organisations, rather than employing additional staff. It was pointed out Climate Change is on Council's radar and being considered in all areas of Council's business including the Long Term Plan.

6.4 COUNCIL'S POLICY STATUS**COMMITTEE RESOLUTION 2021/4**

Moved: Mayor Craig Rowley
Seconded: Cr Tom O'Connor

That the Policy Status report is accepted.

CARRIED**Note:**

The Committee discussed policies coming up for renewal and the expectation to meet the review deadlines in light of the busy workload. The Committee asked about progress of the media and social media policies, which have been noted as 'under development' for some time.

6.5 RISK TOLERANCE**COMMITTEE RESOLUTION 2021/5**

Moved: Mayor Craig Rowley
Seconded: Cr Miriam Morton

That the Risk Tolerance report is accepted; and that this item be re-presented to a future Audit and Risk Committee, following training in risk management.

CARRIED**Note:**

The Committee thanked the Corporate Services Group Manager for the report and guidelines, and asked for this agenda item to be re-presented after Council has held risk management training in order to be able to make a more informed decision on risk tolerance.

6.6 RISK REGISTER**COMMITTEE RESOLUTION 2021/6**

Moved: Mayor Craig Rowley
Seconded: Cr Sheila Paul

That the Risk Register Report is accepted, with amendments to 5 'Business Continuity'.

CARRIED**Note:**

R0005: Strategic - Business Continuity amend wording to 'destroyed and damaged', and review the rating from moderate to significant.

6.7 2020/21 MAJOR PROJECT UPDATE**COMMITTEE RESOLUTION 2021/7**

Moved: Mayor Craig Rowley
Seconded: Cr Sheila Paul

That the 2020/21 Major Project Update report is accepted.

CARRIED**Note:**

'Delivery Plan – Stimulus Funded' – that itemised works be included for future reporting, and that all percentages be reviewed to reflect the entire project status.

The meeting was adjourned at 10.46am for morning tea.
The meeting was reconvened at 11.00am.

6.8 AUDIT NZ PRESENTATION - 11.00AM

Audit NZ Director Rudie Tomlinson and Manager Debbie Bradfield (via Zoom) presented to the Audit and Risk Committee on the 2020 audit and discussed the proposed Long Term Plan timing.

6.9 AUDIT NEW ZEALAND AUDIT REPORT FOR THE YEAR ENDED 30 JUNE 2020

The Audit and Risk Committee were presented with the Audit NZ report on the audit of Council for the year ended 30 June 2020.

COMMITTEE RESOLUTION 2021/8

Moved: Mayor Craig Rowley

Seconded: Cr Sheila Paul

1. That the Audit New Zealand Audit Report for the year ended 30 June 2020 report is accepted; and
2. That the Audit New Zealand Audit Report for the year ended 30 June 2020 is received.

CARRIED

Note:

The Audit NZ Director highlighted Downlands Water Scheme and Alpine Energy Share Valuation were the two main challenges in the Council audit for the year ended 30 June 2020.

The Committee expressed their frustration over the additional fees incurred by Council, and were assured the additional fees Audit NZ are seeking to recover were costs incurred for the Waimate audit only. The Chief Executive stated the Office of the Auditor General has confirmed non-budgeted items as legitimate, however the Chief Executive is yet to have a further discussion with the Audit Director to confirm fees.

The Audit Manager confirmed the status of the audit recommendations is discussed when the Interim audit is undertaken, and actions can be taken to close off any items where possible.

The Audit Director commented that they have no concerns with the internal audit processes of Council and of the excellent relationship they have with staff.

Discussions are being held between Audit NZ and Council on Long Term Plan work, with the high likelihood the Long Term Plan (LTP) may not be adopted by 30 June. Audit have subsequently reset audit dates, however, there are consequences of missing the LTP deadline, as it is viewed as a statutory breach. This will have an impact on rates, with a delay in adopting rates resolution, it will be important to get legal advice to establish risks and implications to Council.

6.10 EXTERNAL AUDIT RECOMMENDATIONS PROGRESS REPORT TO MARCH 2021

The Audit and Risk Committee reviewed the External Audit Recommendations Progress Report.

COMMITTEE RESOLUTION 2021/9

Moved: Cr Sheila Paul
Seconded: Cr Tom O'Connor

That the External Audit Recommendations Progress Report to March 2021 report is accepted.

CARRIED**Note:**

The Chair asked for the External Audit Recommendations Progress report to be updated for the next meeting in order for the Committee to review the recommendations that are able to be signed off as acknowledged and accepted.

PUBLIC EXCLUDED**7 EXCLUSION OF THE PUBLIC REPORT****RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION 2021/10**

Moved: Mayor Craig Rowley
Seconded: Cr Sheila Paul

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 15 December 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 - Cyber Security - Public Excluded	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 2021/11

Moved: Mayor Craig Rowley

Seconded: Cr Miriam Morton

That Council moves out of Closed Council into Open Council.

CARRIED

MEETING CLOSURE

There being no further business, the Chair closed the meeting at 11.59am.

The Minutes of this meeting are to be confirmed at the Audit and Risk Committee Meeting scheduled on Tuesday 1 June 2021.

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CHAIRPERSON