

MEETING MINUTES	
AUDIT & RISK COMMITTEE	TIME
THURSDAY 08 JUNE 2023	8:30 AM

Minutes of a meeting of the Audit & Risk Committee meeting held on Thursday 08 June 2023, which commenced at 8.30 am in the Manawātū District Council Chambers, 135 Manchester Street, Feilding.

PRESENT:	Cr Stuart Campbell	Chairperson
	Mr John Fowke	Independent Member
	Cr Grant Hadfield	
	Cr Alison Short	
	Mayor Helen Worboys	
APOLOGIES:	Cr Lara Blackmore	
	Cr Colin McFadzean	
IN ATTENDANCE:	Lyn Daly	Acting Chief Executive
	Hamish Waugh	General Manager – Infrastructure
	Frances Smorti	General Manager – People and Corporate
	Amanda Calman	Chief Financial Officer
	Ash Garstang	Governance and Assurance Manager
	Aimee Flanders	Safety and Wellbeing Adviser
	Warrick Taylor	Library Services Leader
	Kirsty Meads	Library Knowledge – Content Leader
	Lisa Thomas	Senior Policy Adviser
	Cr Michael Ford	

ARC 22-25/015

MEETING OPENING

ARC 22-25/016

APOLOGIES

RESOLVED

That the apologies for Cr Lara Blackmore, who is away on Council business, and Cr Colin McFadzean be received.

Moved by: Cr Grant Hadfield

Seconded by: Mr John Fowke

CARRIED

ARC 22-25/017

CONFIRMATION OF MINUTES

RESOLVED

That the minutes of the Audit & Risk Committee meeting held 09 March 2023 be adopted as a true and correct record.

Moved by: Cr Alison Short

Seconded by: Cr Grant Hadfield

MEETING MINUTES	
AUDIT & RISK COMMITTEE	TIME
THURSDAY 08 JUNE 2023	8:30 AM

CARRIED

ARC 22-25/018

DECLARATIONS OF INTEREST

There were no declarations of interest.

ARC 22-25/019

AON NZ PRESENTATION

Deanna Macdonald and Matthew Wilson provided an overview of insurance.

Highlights from the presentation:

- The last 5 or 6 years have seen an increase in insurance costs, however these are beginning to stabilise.
- Re-insurance for many local markets will take place at the end of June 2023.
- The insurance cost for Cyclone Gabrielle and 27 January 2023 floods will likely reach around \$3 billion across the country.
- AON are starting the insurance process for the Council earlier than usual and have asked for information by early July 2023. The insurance year for the Council and AON runs from 01 November to 31 October each year.

In response to questions, AON NZ advised:

- There is a gap between the amount of claims (\$890 million) and the amount of damage (\$2.3 billion). Some of that damage is uninsured (e.g., land stabilisation and roads), but the amount in claims is likely to significantly increase.
- The risk on international insurance providers are spread out among at least 15 or 20 entities, and that reduces the impact of New Zealand's recent weather events on any individual supplier.
- A lot of the difficulty for NZ across the board is that there is a large land area that requires a correspondingly large amount of infrastructure, but the country have a small population and funding base.

ARC 22-25/020

SAFETY AND WELLBEING DEEP DIVE PRESENTATION

Aimee Flanders (Safety and Wellbeing Adviser), Adie Johansen (Community Services Manager – Library), Warrick Taylor (Library Services Leader), and Kirsty Meads (Library Knowledge – Content Leader) provided an overview of health and safety at the temporary library, as per the tabled presentation.

In response to questions, Warrick Taylor and Kirsty Meads advised:

MEETING MINUTES	
AUDIT & RISK COMMITTEE	TIME
THURSDAY 08 JUNE 2023	8:30 AM

- It is unusual to trespass people from the library, and the last occasion of this was about one year ago. Staff prefer to resolve behavioural customer issues more proactively.
- There have been a couple of occasions where the NZ Police have advised library staff to keep an eye out for individuals, particularly to ensure that they do not frequent the children's area of the library.

ARC 22-25/021

NOTIFICATION OF LATE ITEMS

There were no late items of business notified for consideration.

ARC 22-25/022

COMMITTEE WORKPLAN UPDATE

Report of the General Manager – People and Corporate dated 10 May 2023 seeking the Committee's receipt of the updated Workplan.

RESOLVED

That the Committee Workplan Update be received.

Moved by: Cr Alison Short

Seconded by: Mayor Helen Worboys

CARRIED

ARC 22-25/023

INTERNAL CONTROLS UPDATE

Report of the General Manager – People and Corporate dated 10 May 2023 seeking the Committee's receipt of updates on several key internal controls, including cybersecurity breaches, policy reviews, protected disclosures and fraudulent activity.

RESOLVED

That the Committee receives the Internal Controls Update.

Moved by: Cr Stuart Campbell

Seconded by: Cr Grant Hadfield

CARRIED

MEETING MINUTES	
AUDIT & RISK COMMITTEE	TIME
THURSDAY 08 JUNE 2023	8:30 AM

ARC 22-25/024

SAFETY AND WELLBEING QUARTERLY REPORT 1 JAN – 31 MAR 2023

Report of the General Manager – People and Corporate dated 01 May 2023 seeking the Committee’s receipt of the latest Safety and Wellbeing information relating to the operations of Council.

RESOLVED

That the Audit and Risk Committee receive the Safety and Wellbeing report for quarter three of the 2022-23 year.

Moved by: Cr Grant Hadfield

Seconded by: Cr Alison Short

CARRIED

ARC 22-25/025

QUARTERLY PERFORMANCE REPORT TO 31 MARCH 2023

Report of the Chief Financial Officer dated 01 May 2023 seeking the Committee’s receipt of the summaries on both financial and non-financial performance against the targets outlined within year two of the 10-year plan (Referred to as Annual Plan 22/23).

RESOLVED

That the Audit and Risk Committee recommend:

- **That the Council receive the Quarterly Performance Report and Treasury Report to 31 March 2023.**

Moved by: Mayor Helen Worboys

Seconded by: Mr John Fowke

CARRIED

ARC 22-25/026

LONG-TERM PLAN ORGANISATIONAL RISK REVIEW

Report of the General Manager – People and Corporate dated 16 May 2023 seeking the Committee’s receipt of the risk register for the 2024-34 Long-term Plan Project and to discuss those mitigation measures that are being employed to manage the key risks that could impact on the Manawātū District Council (MDC) achieving its project objectives.

RESOLVED

MEETING MINUTES	
AUDIT & RISK COMMITTEE	TIME
THURSDAY 08 JUNE 2023	8:30 AM

That the Audit and Risk Committee receives the report of the General Manager – People and Corporate titled “Long-term Plan Organisational Risk Review,” and the attachments as follows:

- Annex A - Risk and Issue Register for the Long-term Plan 2024-34; and
- Annex B - Council’s Risk Matrix.

Moved by: Mayor Helen Worboys

Seconded by: Cr Grant Hadfield

CARRIED

ARC 22-25/027

AUDIT PLAN 2022-23

Report of the Chief Financial Officer dated 30 May 2023 seeking the Committee’s receipt of the Draft Audit Plan for 2023.

RESOLVED

1. That the Audit and Risk Committee receive the attached Draft Audit Plan 2022-23 from Audit NZ.
2. That the Audit and Risk Committee note the concerns of officers that no Audit Fee proposal has been received for audit relating to the year ending 30 June 2023.

Note that the Audit Engagement letter is required to be signed by the Mayor and subsequently the Audit Plan 2022-23 will be finalised, subject to an agreed fee arrangement.

Moved by: Cr Stuart Campbell

Seconded by: Mayor Helen Worboys

CARRIED

ARC 22-25/028

CONSIDERATION OF LATE ITEMS

There were no late items notified for consideration.

Mayor Helen Worboys left the meeting at 10.00 am.

ARC 22-25/029

UPDATE FROM GOVERNANCE HEALTH AND SAFETY REPRESENTATIVE

Cr Grant Hadfield provided an update.

MEETING MINUTES	
AUDIT & RISK COMMITTEE	TIME
THURSDAY 08 JUNE 2023	8:30 AM

- The Safety and Wellbeing Committee has decided to have participants make a presentation.
- Cr Hadfield provided a presentation to the most recent Committee meeting on human factors in Health and Safety.

ARC 22-25/030

NOTIFICATION OF ITEMS FOR RISK REGISTER

There were no items to be added to the risk register.

Mayor Helen Worboys returned to the meeting at 10.02 am.

ARC 22-25/031

NOTIFICATION OF ITEMS FOR NEXT MEETING

There were no additional items to be added to the agenda for the next meeting.

ARC 22-25/032

PUBLIC EXCLUDED BUSINESS

RESOLVED

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

- 1. Confirmation of Minutes; 09 March 2023**
- 2. Key Project Status Report**
- 3. Information Services Audit Update**

That 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 are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Grounds under Section 48(1) for the passing of this resolution
13.1 Confirmation of Minutes; 09 March 2023	s7(2)(h) – commercial activities s7(2)(i) – negotiations s7(2)(j) – improper gain s7(2)(c)(i) – obligation of confidence	s48(1)(a)

MEETING MINUTES		
AUDIT & RISK COMMITTEE		TIME
THURSDAY 08 JUNE 2023		8:30 AM

14.1	Key Project Status Report	s7(2)(c)(i) – obligation of confidence	s48(1)(a)
14.2	Information Services Audit Update	s7(2)(j) – improper gain	s48(1)(a)

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interests protected by Section 6 or Section 7 of the Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as specified above.

Moved by: Cr Stuart Campbell

Seconded by: Cr Grant Hadfield

CARRIED

The meeting went into public excluded session at 10.06 am. For items ARC 22-25/033 to ARC 22-25/036 refer to public excluded proceedings. The meeting returned to open session at 10.52 am.

ARC 22-25/037

MEETING CLOSURE

The meeting was declared closed at 10.52 am.