

MINUTES	MEETING	TIME
AUDIT AND RISK COMMITTEE	THURSDAY 11 FEBRUARY 2021	8:30AM

Minutes of a meeting of the Audit and Risk Committee held on Thursday 11 February 2021, commencing at 8:30am in the Manawātū District Council Chambers, 135 Manchester Street, Feilding.

PRESENT:	John Fowke Cr Shane Casey Cr Grant Hadfield Cr Hilary Humphrey Cr Phil Marsh Cr Alison Short	(Chairperson)
LEAVE OF ABSENCE:	Cr Stuart Campbell Mayor Helen Worboys	
IN ATTENDANCE:	Cr Michael Ford	
	Shayne Harris Karel Boakes	(Acting Chief Executive) (Acting General Manager – Corporate and Regulatory)
	Hamish Waugh Frances Smorti Brent Limmer Michael Hawker Amanda Calman Mathew Bayliss James Adamson Debbie Fulton Helen Nguyen Don Taylor Brook Rush Allie Dunn Steph Skinner	(General Manager – Infrastructure) (General Manager – People and Culture) (General Manager – Community and Strategy) (Project Delivery Manager) (Chief Financial Officer) (Community Facilities Manager) (Parks and Property Officer) (Systems Accountant) (Senior Finance Officer) (Management Accountant) (Safety and Wellbeing Officer) (Governance Team Leader) (Governance Officer)

ARC 21/088 MEETING OPENING

The Chairperson declared the meeting open.

ARC 21/089 APOLOGIES

There were no apologies.

ARC 21/090 CONFIRMATION OF MINUTES

In response to discussion raised as a matter arising, information was provided on the method used for administratively tracking items requested by committee members for addressing at future meetings of the committee, and noted that investigations would be undertaken on a method that could be implemented to allow members to see progress for items requested and reasons for any delays.

RESOLVED

That the minutes of the Audit and Risk Committee meeting held 12 November 2020 be adopted as a true and correct record.

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Moved by: Councillor Shane Casey

Seconded by: Councillor Phil Marsh

CARRIED

Councillor Hilary Humphrey noted her abstention from voting.

ARC 21/091 DECLARATIONS OF INTEREST

There were no declarations of interest.

ARC 21/092 NOTIFICATION OF LATE ITEMS

There were no late items notified for consideration.

ARC 21/093 PRESENTATION - HEALTH AND SAFETY DEEP DIVE – PARKS AND PROPERTY

The General Manager – People and Culture accompanied by the Safety and Wellbeing Adviser, Community Facilities Manager and Parks and Property Officer, gave a presentation that outlined:

- Due Diligence requirements of elected members;
- Site Visit undertaken on 4 February 2021 to Kowhai Park;
- Nature of Operations;
- Key Statistics;
- Worker Representation (Health and Safety Representatives);
- Reminder of Risk Process; and
- Key Risks for Parks and Property staff and contractors.

The presentation also provided an update on the ten goals in the Parks and Property Strategic Activity Plan and included comment on progress made against those goals. An update was also provided on the recent implementation of the “Get Home Safe” programme and it was noted that a report on progress with use of that programme would be made to the next meeting of the Audit and Risk Committee.

The following responses were given to matters raised by members for further clarification and understanding:

- Specific driving training provided on safe use of the different types of vehicles operated by staff, including four wheel drive vehicle training;
- No training provided on use of trailers as these were not used by Parks and Property officers;
- No speeding incidents since implementation of vehicle tracking system;
- Parks and Property contractors also used the same vehicle tracking system, with an additional system in place for detecting potential rollover for quad bikes, and investigations underway for implementation on the mowing decks due to risk on slopes;
- The information provided on a type of roll-cage that could suit the quad bike set up would be investigated;

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- The potential risk from contractor fatigue and stress levels was addressed through good relationships and conversations with contractors;
- When approached by members of the public expressing concerns about work being undertaken, the process followed was for contractors to pass on the contact details of the Parks and Property Officer for response;
- Noted the good maintenance programme followed by Council’s contractors and that additional training on contract management and audit of contracts would be undertaken by officers;
- When dealing with confronting behaviour, noted officers followed a no-tolerance approach. Training was provided on dealing with difficult and confrontational behaviour, and it was noted that elected members would be invited to participate in future training sessions. It was asked that elected members report any incidents of confrontation that they might deal with so that data could be captured to build a picture of what was happening;
- The risk referred to as “computer error” was when historical information was captured in a database that might not have been accurate at the time it was entered which could pose a risk when incorrect information was passed on to customers;
- Noted that the Parks and Property work being visible to the public meant more exposure to decisions made at Governance level. Also the impact from delays resulting from Covid-19 lockdown as well as the shortage of supplies impacted on achieving timely results for some projects, for example playground construction;
- Noted the Wellbeing Policy was to be workshopped with the Union before being implemented. Also the policies and goals for staff wellbeing implemented by Waka Kotahi for the Te Ahu a Turanga project were being closely watched to gauge the success of implementation;
- Although Health and Safety communication with Rangitikei District Council shared services staff had been impacted through changes in key staff, progress had since been made. It was noted that there was opportunity for the Mayor and the Chairperson of the Audit and Risk Committee to have discussions with governance level counterparts at Rangitikei District Council and the value such discussions could add;
- A site visit to the contractor’s yard would be organised for committee members to provide an understanding of the machinery side of the operations; and
- Noted processes for contractors working in public spaces included a proximity guide and exclusion zone. Contractors also used a register to record any reasons that work could not be complete or undertaken to ensure there was no pressure for contractors to complete a job when it was unsafe to do so.

In closing the Chairperson noted the culture of safety and responsibility underpinning the work undertaken, along with training, processes and back up procedures.

ARC 21/094 AUDIT NEW ZEALAND FINAL AUDIT REPORT TO GOVERNORS FOR YEAR END 30 JUNE 2020

Report of the General Manager – Corporate and Regulatory dated 2 February 2021 presenting Audit New Zealand’s management report for the year ended 30 June 2020. It was noted that the Council had received an unmodified audit opinion for that period.

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The following responses were given to matters raised by members for further clarification and understanding:

- Regarding development contributions, the Council policy for when revenue was recognised had been discussed with Audit New Zealand;
- Limitations referred to in the commentary on audit of Camp Rangī Woods information related to the differences in accounting requirements for small Trust accounts and local government accounts. Officers were discussing solutions for this;
- Noted in regard to the item on decommissioning liability that there were some works that the Council would undertake to decommission some of the components and required accounting treatments for that;
- Noted the Executive Team had scheduled a session to discuss the process and types of revaluation of assets. An update would be provided to the committee to ensure overview of this;
- Noted policy being developed for classifying capital items and work, with training to be undertaken for key staff. Council's Systems Accountant would be responsible for this work; and
- With regard to Council's procurement policy it was noted that the policy had been reviewed in 2019, the next review could include additional guidance being provided.

RESOLVED

That the Audit and Risk Committee receives the Audit New Zealand management report on the Manawatū District Council for the year ended 30 June 2020.

Moved by: Councillor Grant Hadfield

Seconded by: Councillor Shane Casey

CARRIED

ARC 21/095 QUARTERLY FINANCIAL REPORT TO 31 DECEMBER 2020

Report of the General Manager – Corporate and Regulatory dated 27 January 2021 providing a summary to 31 December 2020 of the Council's performance against 2020-21 Annual Plan.

The following responses were given to matters raised by members for further clarification and understanding:

- Advised that a detailed update on the Native Plant Nursery would be provided at the 18 February 2021 Council workshop;
- Clarification provided that the Behaviour event reported in the Health and Safety quarterly report referred to incidents that related to intimidating or inappropriate behaviour by customers;
- Clarification was provided for the reason for exceeding Council's banking covenant, noting the exception to the policy had been approved by the Chief Executive. It was further noted Council's updated policy took effect from 1 July 2020;

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- With regard to the challenges faced in the solid waste space with regard to recyclables collection and disposal, an update would be provided to a future workshop;
- Noted concerns with allocation of infrastructure support costs in relation to Rangitikei District Council;
- Clarified timing of funding to be received for the Ohakea water supply scheme.

RECOMMENDED

That the Council receives the Quarterly Performance Report, the Capital Expenditure Report and the Quarterly Treasury Report for the period ended 31 December 2020.

Moved by: Councillor Shane Casey

Seconded by: Councillor Phil Marsh

CARRIED

ARC 21/096 UPDATE ON INTERNAL AUDIT

The General Manager – Corporate and Regulatory gave an update, outlining the current arrangement where internal audit services were sourced through a joint initiative with other Councils. He noted that as some of the member Councils had left the initiative, the remaining Councils were re-evaluating the viability of continuing to source internal audit services through the joint initiative. He noted that the next internal audit in the Audit Schedule was due to begin and this audit would focus on cash-handling processes. A report would be brought to Council for addressing internal audit service provision post 30 June 2021.

ARC 21/097 CONSIDERATION OF LATE ITEMS

There were no late items notified for consideration.

ARC 21/098 NOTIFICATION OF ITEMS FOR NEXT MEETING

There were no items notified for the next meeting.

ARC 21/099 PUBLIC EXCLUDED BUSINESS

RESOLVED

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

- a) **Confirmation of minutes**

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:

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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
a) Confirmation of minutes re AON Insurance Renewals presentation, Internal Audit Report on Fraud Awareness and Key Project Status reports	Section 7(2)(b)(ii) - protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; Section 7(2)(a) – to protect the privacy of natural persons, including that of deceased natural persons and Section 7(2)(j) – to prevent the disclosure of official information for improper gain or improper advantage.	Section 48(1)(a) - the public conduct of the relevant part of the proceedings would be likely to result in a disclosure of information for which good reason for withholding that information would exist, under Section 7 of the Local Government Official Information and Meetings Act 1987.

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: Councillor Grant Hadfield

Seconded by: Councillor Alison Short

CARRIED

The meeting went into public excluded session at 10:08am . For items ARC 21/100 to ARC 21/102 refer to public excluded proceedings. The meeting returned to open session at 10:09am.

ARC 21/103 MEETING CLOSURE

The meeting closed at 10:09am.