



MEETING MINUTES	
AUDIT AND RISK COMMITTEE	TIME
THURSDAY 12 MAY 2022	8:30AM

Minutes of a meeting of the Audit and Risk Committee held on Thursday 12 May 2022, commencing at 8:30am via zoom.

PRESENT:	John Fowke	(Chairperson)
	Mayor Helen Worboys	
	Cr Shane Casey	
	Cr Grant Hadfield	
	Cr Phil Marsh	
	Cr Alison Short	
APOLOGIES:	Cr Stuart Campbell	
IN ATTENDANCE:	Cr Michael Ford	
	Shayne Harris	(Chief Executive)
	Hamish Waugh	(General Manager – Infrastructure)
	Cathy Robinson	(General Manager – Corporate)
	Frances Smorti	(General Manager – People and Culture)
	Amanda Calman	(Chief Financial Officer)
	Allie Dunn	(Governance Manager)
	Michael Hawker	(Project Delivery Manager)
	Joel Richards	(Management Accountant – Financial))
	Brook Rush	(Safety and Wellbeing Adviser)
	Jeff Graham	(Senior Emergency Management Adviser)
	Vicki Wills	(Emergency Management Coordinator)
	Andrew Royds	(Compliance and Enforcement Officer)
	Clint Ramoo	(Audit New Zealand)
	Debbie Perera	(Audit New Zealand)

ARC 22/171 MEETING OPENING

The Chairperson declared the meeting open.

ARC 22/172 APOLOGIES

RESOLVED

That the apology from Councillor Stuart Campbell be accepted.

Moved by: Mayor Helen Worboys

Seconded by: Councillor Grant Hadfield

CARRIED

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ARC 22/173 CONFIRMATION OF MINUTES

RESOLVED

That the minutes of the Audit and Risk Committee meeting held 18 February 2022 be adopted as a true and correct record.

Moved by: Mayor Helen Worboys

Seconded by: Councillor Shane Casey

CARRIED

ARC 22/174 DECLARATIONS OF INTEREST

There were no declarations of interest.

ARC 22/175 NOTIFICATION OF LATE ITEMS

There were no late items notified for consideration.

ARC 22/176 PRESENTATION – SAFETY AND WELLBEING DEEP DIVE – ROADING

Council's Safety and Wellbeing Adviser gave a presentation on Health, Safety and Wellbeing related to the Roading Team. The presentation covered:

- Due diligence requirements;
- Proposed Site Visit – cancelled due to adverse weather, however Roading Manager outlined key work underway to improve road safety;
- Recent activities of Roading Operations;
- Worker Representation (Health and Safety Representatives); and
- Key risks for the Roading Team.

He updated the committee on progress with completion of goals that were included in the Strategic Activity Plan.

Questions for clarification and the responses noted were:

- Controls for limiting the amount of leave that could be rolled over to the following year, noting that controls that were place through the Council's leave policy;
- Impact from the timing of the flood events at the holiday period on staff leave entitlements, noting that impact fell mainly on contractors; and
- Controls for health and safety risk that could be due to failure of structural elements being used in a bridge construction, noting the controls sat in the contractors' health and safety plan.

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It was noted that any incidents would be investigated and learnings taken from that as part of the process.

ARC 22/177 SAFETY AND WELLBEING QUARTERLY REPORT - 1 JANUARY - 31 MARCH 2022

Report of the General Manager – People and Culture dated 6 April 2022 providing an update to the Audit and Risk Committee on 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 2021-22 year.

Moved by: Councillor Phil Marsh

Seconded by: Mayor Helen Worboys

CARRIED

ARC 22/178 QUARTERLY PERFORMANCE REPORT TO 31 MARCH 2022

Report of the Chief Financial Officer dated 25 March 2022 seeking approval to provide Council a summary, both financial and non-financial performance, against the targets outlined within year one of the 10 year plan (referred to as Annual Plan 2021/22).

Questions for clarification were asked regarding:

- Surplus of \$3 million and how that was made up;
- Subsidies from Waka Kotahi for roading work related to the flood events;
- Whether committed spend would be completed by year end;
- Anticipated length of time for the Nursery to be in a position where it would be covering its costs, noting the improved performance of nursery with higher than anticipated external sales;
- Progress on shared pathway / cycleway to Palmerston North;
- Approved variations whether the item noted as approved by the Chief Executive should be noted as Council approved, and clarification of what the other project was.

RECOMMENDED

That the Council receive the Quarterly Performance Report and Treasury Report to 31 March 2022.

Moved by: Councillor Grant Hadfield



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Seconded by: Mayor Helen Worboys

CARRIED

ARC 22/179 AUDIT NEW ZEALAND REPORT – ANNUAL AUDIT OF MANAWATŪ DISTRICT COUNCIL FOR THE YEAR ENDED 30 JUNE 2021

Report of the Chief Financial Officer dated 25 March 2022 presenting Audit New Zealand’s Management Report for the year ended 30 June 2021. Clint Ramoo, of Audit New Zealand, introduced Debbie Perera, who would be taking over as the appointed auditor for the next term.

Mr Ramoo presented their report on the audit of the Council for the year ended 30 June 2021, noting their audit was completed in February. He commented on two areas of focus identified during the audit:

- Revaluation of property, plant and equipment – Audit recommendation that management perform fair value assessments on an annual basis and that consideration be given to using internal actual costs and appropriate external information. He recommended that if any materiality was identified, that it be brought to the Audit and Risk Committee for approval. He also recommended that the Audit and Risk Committee have oversight of the process, to ensure comfort for the fair value assessment.
- Rates – noted the rates reset that was required last year, and the need for consistency of wording between the rates resolution, funding impact statement and the revenue and financing policy. He recommended that the Council ensure consistency of terminology and seek a legal review of the rates setting process. He noted the importance as part of rate setting that the Audit and Risk Committee had oversight and were comfortable with the process.

Mr Ramoo spoke about the Safety and Wellbeing updated received by the committee, noting that the committee would need to monitor the recommendations from Audit for health management tracking, with a focus on reducing the number of outstanding items.

Her Worship the Mayor extended Council’s appreciation to Clint Ramoo for the work he had done with the Council, as well as his willingness to work with Council and provide and explanation around some of the topics that were being worked through. On behalf of the Council she wished him well for the future. The Chief Executive endorsed Her Worship’s comments from a staff perspective, noting the large amounts of time given to the team and willingness to sit down with and take the time to work with the Council team.

Mr Ramoo thanked the Council and management for their support and the professional manner in which the Council had dealt with him over the years.

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 2021.

Moved by: Councillor Phil Marsh

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Seconded by: Councillor Shane Casey

CARRIED

ARC 22/180 INTERNAL AUDIT PROGRAMME UPDATE

The Chief Financial Officer gave an update on the two internal audits underway, noting they would be reported to the next meeting of the Audit and Risk Committee:

- Sensitive expenditure audit; and
- Goods and Services Tax audit.

She spoke about two internal audits that would be undertaken in the near future:

- Annual Information Technology audit; and
- Fringe Benefit Tax audit.

ARC 22/181 UPDATE FROM GOVERNANCE HEALTH AND SAFETY REPRESENTATIVE

Council's Governance Health and Safety Representative, Councillor Phil Marsh noted he not have any specific items to discuss. He took the opportunity to welcome all the staff members back into the building. He noted the Safety and Wellbeing report discussed at this meeting and reflected on matters contained therein. He spoke about the 'Open Minds at MDC' Mental Health sessions being run daily, and how valuable he had found these to be.

ARC 22/182 UPDATE ON THREE WATERS

The General Manager - Infrastructure gave an update on the Government's Three Waters reform, noting that Manawātū District Council was involved in the Communities 4 Local Democracy group.

He spoke about two items:

- Government's Better Off funding package, the process and implications of that for Council, noting that any funding provided had to be spent in one of three specified areas: supporting community transition to a sustainable / low emissions economy; delivering infrastructure and services to enable housing development and growth; or delivering infrastructure to support local placemaking and improving community wellbeing. The Chief Executive noted there had been a number of legal opinions on the implications of the draft agreement that they would be working through with Council's own advisers prior to advising Council on this matter.
- Local transition team establishment – noted that the General Manager – Infrastructure had been nominated to be part of the local transition team.

Councillor Marsh left the meeting at 10:12am and returned at 10:14am.



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ARC 22/183 CONSIDERATION OF LATE ITEMS

There were no items of late business.

ARC 22/184 NOTIFICATION OF ITEMS FOR RISK REGISTER

Items to consider for inclusion:

- Three waters
- Local Government New Zealand, in terms of their ability to represent the Manawātū District Council’s view

ARC 22/185 NOTIFICATION OF ITEMS FOR NEXT MEETING

There were no items notified at this meeting for discussion at the next meeting.

ARC 22/186 PUBLIC EXCLUDED BUSINESS

RESOLVED

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

- a) **December 2021 Thunderstorm Event - Debrief Report and Corrective Action Plan**

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) December 2021 Thunderstorm Event - Debrief Report and Corrective Action Plan	Section 7(2)(a) Protect the privacy of natural persons, including that of deceased natural persons and Section 7(2)(d) Avoid prejudice to measures protecting the health or safety of members of the public and Section 7(2)(e) Avoid prejudice to measures that prevent or mitigate material loss to members of the public and Section 7(2)(f)(ii) Maintain the effective conduct of public affairs through the protection of members, officers or employees from improper pressure or harassment.	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: Mayor Helen Worboys

Seconded by: Councillor Phil Marsh

CARRIED

The meeting went into public excluded session at 10:16am. For items ARC 22/187 to ARC 22/189 refer to public excluded proceedings. The meeting returned to open session at 10:33am.

ARC 22/190 MEETING CLOSURE

The meeting closed at 10:34am.