

MINUTES	MEETING	TIME
<b>AUDIT AND RISK COMMITTEE</b>	<b>THURSDAY 12 AUGUST 2021</b>	<b>8:30AM</b>

Minutes of a meeting of the Audit and Risk Committee held on Thursday 12 August 2021, commencing at 8:30am in the Manawatū District Council Chambers, 135 Manchester Street, Feilding.

<b>PRESENT:</b>	Cr Stuart Campbell	(Chairperson)
	Mayor Helen Worboys	
	Cr Grant Hadfield	
	Cr Hilary Humphrey	
	Cr Phil Marsh	
	Cr Alison Short	
	John Fowke	
<b>IN ATTENDANCE:</b>	Cr Michael Ford	
	Shayne Harris	(Chief Executive)
	Hamish Waugh	(General Manager – Infrastructure)
	Frances Smorti	(General Manager – People and Culture)
	Michael Hawker	(Acting General Manager – Community and Strategy)
	Amanda Calman	(Chief Financial Officer)
	Ben Caldwell	(Communications Officer)
	Steph Skinner	(Governance Officer)
	Joel Richards	(Graduate Accountant)
	Grace Donaldson	(Animal Control Officer)
	Brook Rush	(Safety and Wellbeing Officer)

#### ARC 21/122 MEETING OPENING

The Chairperson declared the meeting open.

#### ARC 21/123 APOLOGIES

##### **RESOLVED**

**That the apologies from Councillor Shane Casey be accepted.**

**Moved by: Cr Alison Short**

**Seconded by: Cr Grant Hadfield**

##### **CARRIED**

#### ARC 21/124 CONFIRMATION OF MINUTES

Cr Humphrey noted the wording was incorrect in the previous minutes for Item ARC 21/110 and should read “quality asset data and asset management improvement programmes”, instead of written as “asset revaluations” and asked this be amended.

##### **RESOLVED**

**That the minutes of the Audit and Risk Committee meeting held 13 May 2021 be adopted as a true and correct record, subject to the following correction in item ARC 21/110 replacing the wording “asset revaluations” with “quality asset data and asset management improvement programmes”.**

**Moved by: Mayor Helen Worboys**

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**Seconded by: Cr Stuart Campbell**

**CARRIED**

**ARC 21/125 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**ARC 21/126 NOTIFICATION OF LATE ITEMS**

There were no late items notified for consideration.

**ARC21/127 HEALTH AND SAFETY DEEP DIVE - ANIMAL CONTROL**

The General Manager – People and Culture, Frances Smorti accompanied by Brook Rush, Safety and Wellbeing Officer and Grace Donaldson, Animal Control Officer (ACO) presented the deep dive on Animal Control advising this was a shared service between the Manawatū District Council and Rangitīkei District Council (RDC). The following points were noted:

- This was an extremely specialised role, that at times work closely with Police.
- At any one time there were two ACO's working in the Manawatū district, giving 24 hour coverage.
- The Manawatū district has over 7000 registered dogs, with 1400 complaints a year.
- ACO's on call activities cover both Manawatū and Rangitīkei districts.

Councillor Phil Marsh asked for the Rangitīkei District animal control statistics to be supplied to the Audit and Risk committee.

Brook Rush talked through the five risks associated with Animal Control, then talked through the Strategic Activity Plan updates.

**ARC21/128 SAFEPLUS ASSESSMENT**

Report of the General Manager – People and Culture dated 12 August 2021 informing the Audit and Risk Committee of the outcomes from the SafePlus Health and Safety Assessment that took place on 9<sup>th</sup> and 10<sup>th</sup> March 2021.

Brook Rush, Safety and Wellbeing Officer presented a summary of the report commenting that overall, it had been a very positive assessment for Manawatu District Council. Areas to work on:

- Identify how governance ranked in terms of reporting, classifying key risks and controls at an oversight level.
- Tie information into more monitoring of Council's risk register, which was currently being updated.
- When Council's records management system "Jarvis" upgrade was complete, this would flow into assigning controls and updating the Risk register. A lot of the actions in the strategy rely on the Jarvis upgrade.
- Information provided to Audit and Risk Committee could be improved with more interest in trends. Streamline and create meaningful benchmarks and reporting.

**RESOLVED**

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**That the Audit and Risk Committee receives the SafePlus Health and Safety Assessment 2021.**

**Moved by: Cr Alison Short**

**Seconded by: Cr Phil Marsh**

**CARRIED**

#### ARC21/129 MINOR AMENDMENTS TO FEES AND CHARGES

Report of the Acting General Manager – Corporate and Regulatory dated 12 August 2021 advising the committee of minor amendments made to the Fees and Charges for 2021-22.

**RESOLVED**

**That the Audit and Risk Committee note the minor amendments made to the fees and charges for the 2021-22 year, in the following activities:**

**\* Solid Waste Fees and Charges**

**\* Photocopying Fees and Charges**

**\* Water Supply Charges**

**Moved by: Mayor Helen Worboys**

**Seconded by: John Fowke**

**CARRIED**

#### ARC21/130 QUARTERLY PERFORMANCE REPORT 30 JUNE 2021

Report of the Chief Executive dated 12 August 2021 seeking Council approval to provide a summary to 30 June 2021 of the Council's performance against the Annual Report 2020-21. The following was noted:

- Committee was happy with how the Quarterly Performance Report measures were presented.
- John Fowke asked about the Plant Nursery. Shayne Harris, Chief Executive advised the Nursery had been moved to the Infrastructure Team and was now being managed under Hamish Waugh, General Manager - Infrastructure. Hamish gave an overview of how the nursery was progressing including potential new contracts.

*Councillor Marsh left the meeting at 9.28am and returned at 10.00am.*

- The format for KPI's summaries in current report were acceptable. Cr Humphrey asked to see how these levels of service and KPI's trended against previous years, with what was achieved and not achieved to be flagged for a future workshop.
- Produce trend analysis into report versus previous year's measures, Chief Financial Officer to bring this into future reports.

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- CEDA achieved 85% of SOI targets. The Audit & Risk Committee has requested to be informed about the SOI targets that were not met.
- Building Consenting Officers: noted that the loss of key staff to Kāinga Ora was a nationwide issue. Council to re-look at partnership with Palmerston North City Council.
- General Manager - People and Culture supplied current vacancy numbers.
- The Chief Executive advised Council had become the victim of poor succession planning. Everybody was competing for the same human resources. It was asked if Council could work with Central Government agencies to share resources.
- Subsidised cycleway network, consent to bridge a structure over Taonui stream.
- Councillor Hilary Humphrey identified typing errors in the Capital Expenditure Report, page 84 and asked how this information aligned with Council's key projects report
- Current waste minimisation plan was five years old. This was to be discussed in a future workshop.
- Discussion on fatality of contractor working in Rangitikei District Council. Manawatū District Council were comfortable that all the processes were in place.

#### **RECOMMENDED**

**That the Council receive the Quarterly Performance Report and Treasury Report for the period ended 30 June 2021, taking out the repeat wording, and including the Annual Plan column.**

**Moved by: Mayor Helen Worboys**

**Seconded by: Cr Alison Short**

#### **CARRIED**

#### **ARC 21/131 UPDATE ON INTERNAL AUDIT**

Progress update from Chief Executive, Shayne Harris and Chief Financial Officer, Amanda Calman advising that previous Council employed an internal auditor. Cotton Kelly Schmidt were then contracted to provide Audit facilities to councils who wished to use this service. A few councils had now removed themselves from this service. The following was noted:

- The Council had completed everything to be audited.
- With changes to Council's invoicing system and GST (good and services tax) /FBT (fringe benefit tax), an audit was required to check this was being done correctly. It was noted that the Council were considering using the services of Deloitte New Zealand for this audit as Cotton Kelly are not GST/FBT auditors.
- Council had not yet received the end of year report from Audit New Zealand.

#### **ARC 21/132 UPDATE FROM GOVERNANCE HEALTH AND SAFETY REPRESENTATIVE**

Progress update from the Council's Governance Health and Safety Representative Councillor Phil Marsh. Congratulations were noted to all staff, including General Manager – People and Culture and Health and Safety Wellbeing Officer for the recent national recognition and award. The following items were noted to be mindful of:

- Current high vacancy rate.

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- Be mindful of fatigue management.

#### ARC 21/133 CONSIDERATION OF LATE ITEMS

There were no late items for consideration.

#### ARC 21/134 NOTIFICATION OF ITEMS FOR RISK REGISTER

Michael Hawker, Acting General Manager- Community and Strategy circulated the risk identification update which was discussed.

- Concerns at current staffing and vacancy levels.
- Acting General Manager- Community and Strategy asked about the treatments and controls, which would be reported back to Audit and Risk. The next review would be the end of this year.

#### ARC 21/135 NOTIFICATION OF ITEMS FOR NEXT MEETING

It was asked when is the Procurement Policy was scheduled for review, as this was overdue.

It was noted that the 2003 Road Planting policy was out of date, however there was a more recent Street Tree policy. It was asked whether the previous policy been superseded.

#### ARC 21/136 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

a) Confirmation of Minutes re Network Security Audit and Internal Audit – Cash Handling

Reason for passing this resolution in relation to each matter

Section 7(2)(d) Avoid prejudice to measures protecting the health or safety of members of the public.

Grounds under Section 48(1) for the passing of this resolution

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: Cr Stuart Campbell

Seconded by: Cr Grant Hadfield

**CARRIED**

*The meeting went into public excluded session at 10.45am. For items ARC 21/137 to ARC 21/139 refer to public excluded proceedings. The meeting returned to open session at 10.47am.*

ARC 21/140 MEETING CLOSURE

The meeting closed at 10.48am.