

MINUTES	MEETING	TIME
AUDIT AND RISK COMMITTEE	THURSDAY 13 FEBRUARY 2020	8.30AM

Minutes of a meeting of the Audit and Risk Committee held on Thursday 13 February 2020, commencing at 8.30am in the Manawatū District Council Chambers, 135 Manchester Street, Feilding.

PRESENT:	Cr Stuart Campbell	(Chairperson)
	Mayor Helen Worboys	
	Cr Shane Casey	
	Cr Grant Hadfield	
	Cr Hilary Humphrey	
	Cr Phil Marsh	
	Cr Alison Short	
 IN ATTENDANCE:	 Cr Michael Ford	
	Clint Ramoo	(Audit New Zealand)
	Ros Rheeder	(Audit New Zealand)
	Rachael Dean	(Internal Auditor – Cotton Kelly Smit Limited)
	Richard Templer	(Chief Executive)
	Shayne Harris	(General Manager – Corporate and Regulatory)
	Hamish Waugh	(General Manager – Infrastructure)
	Frances Smorti	(General Manager – People and Culture)
	Brent Limmer	(General Manager – Community and Strategy)
	Paul Stein	(Communications Manager)
	Allie Dunn	(Governance Team Leader)
	Michael Hawker	(Project Delivery Manager)
	Amanda Calman	(Chief Financial Officer)
	Mathew Bayliss	(Community Facilities Manager)
	Cheryl Wright	(Health and Safety Adviser)
	Teddy (Sunghyun) Lee	(Student)
	Adie Johansen	(Library Services Manager)
	Joel Richards	(Graduate Accountant)
	Kirsten Price Pike	(Parks and Property Officer - Legal and Planning)
	Brook Rush	(Community and Strategy Operations Officer)
	Jeff Graham	(Emergency Management Officer)

ARC 20/001 MEETING OPENING

The Chairperson declared the meeting open.

ARC 20/002 APOLOGIES

RESOLVED

That the apology for lateness from Councillor Alison Short be accepted.

Moved by: Mayor Helen Worboys

Seconded by: Councillor Phil Marsh

CARRIED

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ARC 20/003 DECLARATIONS OF INTEREST

There were no declarations of interest.

ARC 20/004 NOTIFICATION OF LATE ITEMS

There were no items of late business notified.

ARC 20/005 PRESENTATION - RISK MANAGEMENT

Michael Hawker, Project Delivery Manager, gave a presentation that provided a refresher on the concepts of risk management and how this was managed at Manawātū District Council.

Councillor Alison Short joined the meeting at 8.37am

He explained the Council's Risk Management Statement, adopted in 2016, and noted this was due for reassessment by the Council for this triennium. He showed the risk matrix which would also be updated as a consequence of updating the risk management statement.

He explained the Council's risk register and gave a sample from that register and how it was monitored, noting that in the previous triennium, officers reported against the identified top risks to the Audit and Risk Committee.

The committee noted and endorsed the action plan for 2020 as follows:

- Review Risk Appetite Statement for new Council
- Review Risk Matrix
- Update Risk Register during Ten Year Plan
- Review Key Risks and Treatment
- Regular Risk Reporting to Executive Team, Audit and Risk
- Consider Risk Section in Council Report Template
- Provide guidance for External and Internal Audit Work Plans

Interest was also noted in wider risk assurance and mapping to provide elected members a big picture view.

ARC 20/006 PRESENTATION - ANNUAL PLAN 2020-2021

Richard Templer, Chief Executive, spoke about the area of potential risk for Council that had been identified at the 4 February 2020 Council meeting and spoke about the differences between the draft budget and existing Long Term Plan budget.

He summarised the reasons for the change, noting Council had asked officers to look at potential options for the library in addition to upgrading on current site. The results of that work would be presented to Council at its meeting on 20 February 2020. The detailed design for upgrading at the current site had not been proceeded with while the potential options were being explored. This meant that construction of an upgraded library would not be completed within the next financial year, and the accounts reflected that with funding being moved from year 3 to year 4.

He spoke about the implications on consultation, for which external legal advice had been sought. A copy of this advice was circulated to elected members. In summary

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because the project was being moved within the Ten Year Plan from Year 3 to Year 4 and not being discontinued, this did not trigger significance. Therefore it was not proposed to consult with the public on whether or not the library project was to be proceeded with.

It was noted that it was helpful to have the questions from Council as to whether there was a potential risk as it gave officers the chance to reflect and take further advice, and make improvements for process for the future.

ARC 20/007 APPOINTMENT OF DEPUTY CHAIRPERSON – AUDIT AND RISK COMMITTEE

Report of the General Manager – Corporate and Regulatory dated 14 January 2020 seeking appointment of a Deputy Chairperson for the Audit and Risk Committee. It was noted that the committee had the options of not appointing a Deputy Chairperson at this meeting, appointing one of the elected members, or appointing the independent member as the Deputy Chairperson.

RESOLVED

That the committee uses System B of Clause 24 of Schedule 7 of the Local Government Act 2002.

That the Audit and Risk Committee appoints the Independent Member as Deputy Chairperson.

Moved by: Councillor Alison Short

Seconded by: Her Worship the Mayor

CARRIED

ARC 20/008 AUDIT NEW ZEALAND REPORT – ANNUAL AUDIT OF MANAWATŪ DISTRICT COUNCIL FOR YEAR ENDED 30 JUNE 2019

Report of the General Manager – Corporate and Regulatory dated 15 January 2020 presenting Audit New Zealand's management for the year ended 30 June 2019.

Clint Ramoo Audit Director from Audit New Zealand, accompanied by Ros Rheeder Audit Manager, presented their report for the year ended 30 June 2019 and spoke about the recommendations they made in their report. Clint Ramoo spoke about the need to close off some of the items that remained open from the audit report.

RESOLVED

That the Audit and Risk Committee receives the Audit New Zealand Report for the year ended 30 June 2019.

Moved by: Mayor Helen Worboys

Seconded by: Councillor Shane Casey

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ARC 20/009 INTERNAL AUDIT REPORT – PAYROLL AND LEAVE POLICIES

Report of the General Manager – Corporate and Regulatory dated 15 January 2020 presenting the internal audit report, “Internal Audit Project: 2019-20 Compliance with Manawatū District Council’s payroll and leave policies and procedures. Finalised January 2020.”

Rachael Dean, of Cotton Kelly Smit Limited, spoke to the Internal Audit Report. She noted that the actions recommended had been carried out, with exception of reviewing of the Leave Policy but noted this was scheduled for review in April 2020.

Councillor Hilary Humphrey left the meeting at 9.43am

RESOLVED

That the Audit and Risk Committee receive the Internal Audit Report resulting from the payroll and leave policies review.

Moved by: Councillor Phil Marsh

Seconded by: Mayor Helen Worboys

CARRIED

ARC 20/010 QUARTERLY REPORT TO 31 DECEMBER 2019

Report of the General Manager – Corporate and Regulatory dated 15 January 2020 providing a summary to 31 December 2019 of the Council’s performance against 2019-20 Annual Plan. The report also provided options for consideration for future reporting.

Councillor Hilary Humphrey returned to the meeting at 9.46am

Councillor Grant Hadfield left the meeting at 10.19am and returned at 10.20am.

The Chairperson sought feedback from members on improvements that could be made for reporting, noting suggestions for more trend analysis to be provided, more numbers, connection back to key outcomes, and keeping visual symbols such as colour coding.

It was agreed that members would reflect on the sample reports provided and come back with proposals to next meeting.

RECOMMENDED

That the Council receive the Second Quarter Report and the Capital Expenditure Report for the period ended 31 December 2019.

That the Audit and Risk Committee receives the sample reports for December 2019.

Moved by: Councillor Phil Marsh

Seconded by: Councillor Alison Short

CARRIED

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ARC 20/011 CONSIDERATION OF LATE ITEMS

There were no late items for consideration.

ARC 20/012 NOTIFICATION OF ITEMS FOR NEXT MEETING

No items were notified for the next meeting.

ARC 20/013 PUBLIC EXCLUDED BUSINESS

RESOLVED

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

a) Lockdown 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:

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) Lockdown Action Plan	<p>Section 7(2)(d) Avoid prejudice to measures protecting the health or safety of members of the public.</p> <p>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.</p> <p>Section 7(2)(j) Prevent the disclosure or use of official information for improper gain or improper advantage.</p>	<p>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.</p>

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

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Seconded by: Councillor Alison Short

CARRIED

The meeting went into public excluded session at 10.33am. For items ARC 20/014 to ARC 20/017 refer to public excluded proceedings. The meeting returned to open session at 10.45am.

ARC 20/018 MEETING CLOSURE

The meeting closed at 10.45am