

| | |
|-----------------------------------|----------------|
| MEETING MINUTES | |
| AUDIT & RISK COMMITTEE | TIME |
| THURSDAY 14 DECEMBER 2023 | 8:30 AM |

Minutes of a meeting of the Audit & Risk Committee meeting held on Thursday 14 December 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 | (via Zoom) |
| | Cr Lara Blackmore | |
| | Cr Grant Hadfield | |
| | Cr Colin McFadzean | |
| | Cr Alison Short | (via Zoom) |
| | Mayor Helen Worboys | |
| IN ATTENDANCE: | Shayne Harris | Chief Executive |
| | Hamish Waugh | General Manager – Infrastructure |
| | Frances Smorti | General Manager – People and Corporate |
| | Lyn Daly | General Manager – Community |
| | Amanda Calman | Chief Financial Officer |
| | Ash Garstang | Governance and Assurance Manager |
| | Aimee Flanders | Safety and Wellbeing Adviser |
| | Linda Griffith | Customer Service Officer |
| | Cr Fiona Underwood | |
| | Cr Michael Ford | |

ARC 22-25/064

MEETING OPENING

ARC 22-25/065

APOLOGIES

There were no apologies.

ARC 22-25/066

CONFIRMATION OF MINUTES

RESOLVED

That the minutes of the Audit & Risk Committee meeting held 28 September 2023 be adopted as a true and correct record.

Moved by: Cr Lara Blackmore

Seconded by: Cr Grant Hadfield

CARRIED

ARC 22-25/067

DECLARATIONS OF INTEREST

There were no declarations of interest.

| | |
|-----------------------------------|----------------|
| MEETING MINUTES | |
| AUDIT & RISK COMMITTEE | TIME |
| THURSDAY 14 DECEMBER 2023 | 8:30 AM |

ARC 22-25/068

SAFETY AND WELLBEING DEEP DIVE PRESENTATION

Frances Smorti, Aimee Flanders, and Linda Griffith provided an overview of health, safety and wellbeing, and its relevance to the Customer Services team. Highlights included:

- Trespassing members of the public is not required very often, although it has happened infrequently in the past.
- Phone calls are recorded for training and reporting.
- There is a silent alarm that links through to the NZ Police. There are several ex-Police officers as members of staff, and the Customer Services team will request assistance if they are expecting any confrontational visitors.

ARC 22-25/069

NOTIFICATION OF LATE ITEMS

There were no late items of business notified for consideration.

ARC 22-25/070

SAFETY AND WELLBEING QUARTERLY REPORT 01 JULY – 30 SEPTEMBER 2023

Report of the General Manager – People and Corporate dated 15 November 2023 seeking to update the 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 one of the 2023-24 year.

Moved by: Cr Grant Hadfield

Seconded by: Mayor Helen Worboys

CARRIED

ARC 22-25/071

COMMITTEE WORKPLAN UPDATE

Report of the General Manager – People and Corporate dated 29 November 2023 seeking to update the Committee on the Workplan for 2023 and any deferred items.

RESOLVED

That the Audit and Risk Committee Workplan Update be received.

Moved by: Cr Stuart Campbell

| | |
|---------------------------|---------|
| MEETING MINUTES | |
| AUDIT & RISK COMMITTEE | TIME |
| THURSDAY 14 DECEMBER 2023 | 8:30 AM |

Seconded by: Mayor Helen Worboys

CARRIED

ARC 22-25/072

QUARTERLY PERFORMANCE REPORT TO 30 SEPTEMBER 2023

Report of the Chief Financial Officer dated 13 November 2023 seeking the Committee's receipt of the summary for both financial and non-financial performance against the targets outlined within year three of the 10-year plan (Referred to as Annual Plan 23/24).

RESOLVED

That the Council:

- 1. Receive the Quarterly Performance Report and Treasury Report to 30 September 2023**
- 2. Note the current non-compliance with regard to the Interest Rate Risk Management area of the Liability Management Policy, as outlined in section 3.4.**

Moved by: Cr Lara Blackmore

Seconded by: Cr Colin McFadzean

CARRIED

ARC 22-25/073

INTERNAL CONTROLS UPDATE

Report of the General Manager – People and Corporate dated 29 November 2023 seeking the Committee's receipt of the update on several key internal controls, including cybersecurity breaches, policy reviews, protected disclosures, and fraudulent activity.

RESOLVED

That the Committee receives the Internal Controls Update, covering the period 12 September to 29 November 2023.

Moved by: Cr Lara Blackmore

Seconded by: Cr Colin McFadzean

CARRIED

ARC 22-25/074

LEGISLATIVE COMPLIANCE

Report of the General Manager – People and Corporate dated 29 November 2023 seeking the Committee's receipt of an update on the Council's compliance with key legislation.

| | |
|---------------------------|---------|
| MEETING MINUTES | |
| AUDIT & RISK COMMITTEE | TIME |
| THURSDAY 14 DECEMBER 2023 | 8:30 AM |

Ensuring compliance with relevant laws and regulations is a critical aspect of good governance and risk management for the Council.

RESOLVED

That the Committee receives the Legislative Compliance report dated 29 November 2023.

Moved by: Cr Colin McFadzean

Seconded by: Mr John Fowke

CARRIED

ARC 22-25/075

AUDIT NZ REPORT: ANNUAL AUDIT OF MDC FOR THE YEAR ENDED 30 JUNE 2023

Report of the Chief Financial Officer dated 29 November 2023 seeking the Committee's receipt of the Final Audit New Zealand Management Report on the Manawatū District Council for the year ended 30 June 2023.

RESOLVED

That the Audit and Risk Committee receives the Final Audit New Zealand Management Report on the Manawatū District Council for the year ended 30 June 2023.

Moved by: Cr Lara Blackmore

Seconded by: Mayor Helen Worboys

CARRIED

ARC 22-25/076

PRESENTATION: LTP AUDIT PROCESS – DEBBIE PARERA

Debbie Parera (Audit NZ) spoke to the Committee and provided an overview of the LTP audit process.

Highlights included:

- Audit NZ are currently required to audit the Long-term Plan Consultation document, although this may change in the future. Most of the audit process occurs prior to the consultation document being release to the community.
- Councils need to have a better understanding of critical assets and their vulnerability to weather events.

In response to questions, Debbie Parera advised:

- The Office of the Auditor-General charges Audit NZ for their services – a cost that has an impact on the fee that Audit NZ charges councils.

| | |
|-----------------------------------|----------------|
| MEETING MINUTES | |
| AUDIT & RISK COMMITTEE | TIME |
| THURSDAY 14 DECEMBER 2023 | 8:30 AM |

The meeting was adjourned at 10.20 am and reconvened at 10.36 am.

ARC 22-25/077

LGOIMA REPORT

Report of the General Manager – People and Corporate dated 01 December 2023 seeking the Committee’s receipt of requests for information received under the Local Government Official Information and Meetings Act 1987 from 12 September 2023 to 30 November 2023.

RESOLVED

That the report detailing the requests for information received under the Local Government Official Information and Meetings Act 1987 from 12 September 2023 to 30 November 2023 be received.

Moved by: Cr Grant Hadfield

Seconded by: Mayor Helen Worboys

CARRIED

ARC 22-25/078

CONSIDERATION OF LATE ITEMS

There were no late items notified for consideration.

ARC 22-25/079

UPDATE FROM GOVERNANCE HEALTH AND SAFETY REPRESENTATIVE

Cr Grant Hadfield spoke to the Committee about his role on the Health and Safety Group, and expressed his confidence in the processes that the organisation is following.

ARC 22-25/080

NOTIFICATION OF ITEMS FOR RISK REGISTER

Risks around changing contractors as previously discussed in relation to the MDC 1414-2 Road Maintenance and Renewals 2024-27.

ARC 22-25/081

NOTIFICATION OF ITEMS FOR NEXT MEETING

As per the Committee Workplan Update, the draft committee workplan for 2024 will be presented to the 14 March 2024 meeting. The Key Project report will also be presented to the next meeting, and the risks around changing contractors will be covered off as a part of this.

| | |
|---------------------------|---------|
| MEETING MINUTES | |
| AUDIT & RISK COMMITTEE | TIME |
| THURSDAY 14 DECEMBER 2023 | 8:30 AM |

ARC 22-25/082

PUBLIC EXCLUDED BUSINESS

RESOLVED

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

1. Confirmation of Minutes; 28 September 2023
2. Information Services Security and 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; 28 September 2023 | s7(2)(g) – legal privilege s7(2)(j) – improper gain or advantage | s48(1)(a) |
| 13.2 Information Services Security and Audit Update | s7(2)(c)(j) – improper gain or advantage | 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: Mayor Helen Worboys

CARRIED

The meeting went into public excluded session at 10.43 am. For items ARC 22-25/083 to ARC 22-25/085 refer to public excluded proceedings. The meeting returned to open session at 10.48 am.

ARC 22-25/086

MEETING CLOSURE

The meeting was declared closed at 10.48 am.

Meeting Video

<https://www.mdc.govt.nz/about-council/meetings-agendas-and-minutes/videos-of-council-and-committee-meetings/audit-and-risk-committee-meeting-videos>