



MEETING MINUTES		
AUDIT AND RISK COMMITTEE		TIME
FRIDAY 16 SEPTEMBER 2022		8:30AM

Minutes of a meeting of the Audit and Risk Committee held on Friday 16 September 2022, commencing at 8:30am in the Manawātū District Council Chambers, 135 Manchester Street, Feilding.

PRESENT:	Cr Stuart Campbell	(Chairperson)
	Mayor Helen Worboys	
	Cr Shane Casey	
	Cr Grant Hadfield	
	Cr Phil Marsh	
	Cr Alison Short	
	John Fowke	
IN ATTENDANCE:	Cr Michael Ford	
	Lyn Daly	(Acting Chief Executive)
	Cathy Robinson	(General Manager – Corporate Services)
	Hamish Waugh	(General Manager – Infrastructure)
	Frances Smorti	(General Manager – People and Culture)
	Amanda Calman	(Chief Financial Officer)
	Steph Skinner	(Governance Officer)
	Brook Rush	(Safety and Wellbeing Adviser)
	Wiremu Greening	(Utilities Manager)
	Anna Thompson	(Infrastructure Support Officer)
	Debbie Fulton	(Systems Accountant)
	Kathryn McDonald	(Management Accountant - Financial)
	Rachael Dean	(Internal Auditor – Cotton Kelly Smit Limited)

ARC 22/191 MEETING OPENING

The Chairperson declared the meeting open.

ARC 22/192 APOLOGIES

RESOLVED

That the apology from Mayor Helen Worboys for lateness be accepted.

Moved by: Cr Alison Short

Seconded by: Cr Grant Hadfield

CARRIED

ARC 22/193 CONFIRMATION OF MINUTES

RESOLVED

That the minutes of the Audit and Risk Committee meeting held 12 May 2022 be adopted as a true and correct record.

Moved by: Cr Grant Hadfield

Seconded by: John Fowke



MEETING MINUTES	
AUDIT AND RISK COMMITTEE	TIME
FRIDAY 16 SEPTEMBER 2022	8:30AM

CARRIED

ARC 22/194 DECLARATIONS OF INTEREST

There were no declarations of interest.

ARC 22/195 NOTIFICATION OF LATE ITEMS

There were no late items notified for consideration.

ARC 22/196 PRESENTATION – SAFETY AND WELLBEING DEEP DIVE – UTILITIES

Council’s Safety and Wellbeing Adviser, Brook Rush and Wiremu Greening, Utilities Manager presented on the Health, Safety and Wellbeing for the Utilities Team. The Deep Dive was part of our due diligence under the Health and Safety Act, completed on Monday 12 September 2022. The presentation highlighted:

- Staff briefing/information on site visits to the Resource Recovery Centre would be undertaken in future.
- The five top risks for Utilities and the risk ratings for driving, moving machinery, trench collapse, stress/burnout and infections were identified.
- An upgrade of E-Road was planned. Will then look at Get Home Safe or alternative options.

ARC 22/197 SAFETY AND WELLBEING QUARTERLY REPORT 1 APRIL - 30 JUNE 2022

Cr Alison Short left the meeting at 8.55am

Report of the General Manager – People and Culture dated 11 July 2022 updating 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 four of the 2021-22 year.

Moved by: Cr Shane Casey

Seconded by: Cr Phil Marsh

CARRIED

Cr Alison Short rejoined the meeting at 8.58am

ARC 22/198 SENSITIVE EXPENDITURE INTERNAL AUDIT REPORT

Report of the Chief Financial Officer dated 11 July 2022 presenting the findings of an internal audit carried out by Cotton Kelly Smit Limited on Sensitive Expenditure processes and procedures, and compliance to the Manawatu District Council policy.



MEETING MINUTES	
AUDIT AND RISK COMMITTEE	TIME
FRIDAY 16 SEPTEMBER 2022	8:30AM

Rachel Dean was present from Cotton Kelly Smit Limited. A snapshot of the last seven months transactions had been taken which identified a pattern of general expenses coding. Extra training had been organised for staff to code transactions accurately.

RESOLVED

That the Audit and Risk Committee receive the Cotton Kelly Smit Limited review on the Manawatu District Council dated May 2022.

Moved by: Cr Grant Hadfield

Seconded by: John Fowke

CARRIED

ARC 22/199 QUARTERLY PERFORMANCE REPORT TO 30 JUNE 2022

Report of the Chief Financial Officer dated 25 August 2022 providing 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 21/22) and the Revised Budget 21/22.

Items Discussed:

- The Nursery: The financial turnaround was positive. Jobs for Nature plants will be supplied as part of a Department of Conservation programme working in collaboration with Manawātū District Council. The nursery now had a business model that suited the operation.
- Wastewater Centralisation: tracking to budget. Working closely with New Zealand Defence Force (NZDF) on Ohakea project funding, the Sanson to Feilding line installed pending final signed Memorandum of Understanding. Main Sanson pump station under construction and two smaller pump stations in design. Council had pre-purchased two years' worth of pipe, engaged contractor installing Rongotea to Feilding section. On target for revised programme of works. Capital contribution from NZDF \$6.3million and a milestone payment \$3million once pump stations work completed.
- Cycleway: Feilding to Palmerston North last section. Waiting for Kiwirail signoff, part of their issue was drainage. The section completed is on council owned road reserve. It was asked if political intervention was required.

RECOMMENDED

That the Council receive the Quarterly Performance Report and Treasury Report to 30 June 2022.

Moved by: Cr Shane Casey

Seconded by: John Fowke

CARRIED

MEETING MINUTES	
AUDIT AND RISK COMMITTEE	TIME
FRIDAY 16 SEPTEMBER 2022	8:30AM

ARC 22/200 ANNUAL REPORT FOR THE YEAR ENDING 30 JUNE 2022

Report of the Chief Financial Officer dated 25 August 2022 presenting the draft Annual Report for the year ending 30 June 2022 and detail the process required to adopt the Annual Report.

Cr Shane Casey left the meeting at 9.43am and rejoined at 9.46am

- 3Waters: Stranded overheads would be remodelled. Will develop two long term plans, one with 3Waters, one without.
- Ownership on Land: potential subdivision initiatives underway in terms of solid waste activities.
- Separation of infrastructure from land: to be advised by Chief Executive.

RECOMMENDED

That the Council receive the draft Annual Report for the year ended 30 June 2022.

That the Mayor and Chief Executive be delegated authority to make changes that result from the two external valuations.

That the Mayor and Chief Executive be delegated authority to make any minor changes requested by Audit New Zealand and to sign the Statement of Compliance and Responsibility that is contained within the Annual Report for the year ending 30 June 2022.

Moved by: Cr Alison Short

Seconded by: Cr Shane Casey

CARRIED

The meeting adjourned at 9.52am and resumed at 10.02am

ARC 22/201 INTERNAL FBT AUDIT REVIEW

Report of the Chief Financial Officer dated 16 August 2022 presenting the findings of an internal audit carried out by Deloitte New Zealand on FBT compliance, processes, and procedures.

Mayor Helen Worboys joined the meeting at 10.09am

- Review recommendation that documentation of process be implemented was underway.

RESOLVED

That the Audit and Risk Committee receives the Deloitte FBT Review on the Manawātū District Council dated August 2022.

Moved by: Cr Grant Hadfield



MEETING MINUTES	
AUDIT AND RISK COMMITTEE	TIME
FRIDAY 16 SEPTEMBER 2022	8:30AM

Seconded by: Cr Phil Marsh

CARRIED

Cr Phil Marsh left the meeting at 10.10am

ARC 22/202 REPORT ON INTERNAL AUDIT FINDINGS OF GST REVIEW

Report of the Chief Financial Officer dated 07 April 2022 presenting the findings of an internal audit carried out by Deloitte New Zealand on GST compliance, processes, and procedures.

- Review recommendation that documentation of process be implemented was underway.

RESOLVED

That the Audit and Risk Committee receives the Deloitte GST review on the Manawātū District Council dated April 2022.

Moved by: Cr Shane Casey

Seconded by: John Fowke

CARRIED

ARC 22/203 UPDATE ON INTERNAL AUDIT PROGRAMME

Progress update from General Manager – Corporate Services

- 21/22 audit work programme completed, pending external audit report with new programme.
- Annual IT systems audit.

ARC 22/204 UPDATE ON EXTENAL AUDIT PLAN

Progress update from Chief Financial Officer

- Specific items within the External Audit Plan were highlighted.

Cr Phil Marsh rejoined the meeting at 10.18am

- Configuration and Customisation of software services, now being cloud based, a complex area. Full ERP replacement 2023, need to ascertain spend allocation; OPEX, renewal reserve or CAPEX.
- Audit begins on 3 October.

ARC 22/205 UPDATE FROM GOVERNANCE HEALTH AND SAFETY REPRESENTATIVE

The Chair thanked Brook Rush, Safety and Wellbeing Adviser for his input, expertise and awareness into the Audit and Risk Committee and wished him well with his new position with the Department of Internal Affairs.

MEETING MINUTES	
AUDIT AND RISK COMMITTEE	TIME
FRIDAY 16 SEPTEMBER 2022	8:30AM

ARC 22/206 CONSIDERATION OF LATE ITEMS

There were no late items for consideration.

ARC 22/207 NOTIFICATION OF ITEMS FOR RISK REGISTER

There were no notifications for the risk register

ARC 22/208 NOTIFICATION OF ITEMS FOR NEXT MEETING

There were no items to be recorded.

ARC 22/209 PUBLIC EXCLUDED BUSINESS

RESOLVED

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

a) Confirmation of Minutes; 12 May 2022

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
<p>a) Confirmation of Minutes - December 2021 Thunderstorm Event - Debrief Report and Corrective Action Plan</p>	<p>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.</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>



MEETING MINUTES	
AUDIT AND RISK COMMITTEE	TIME
FRIDAY 16 SEPTEMBER 2022	8:30AM

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 Phil Marsh

CARRIED

The meeting went into public excluded session at 10.32am. For items ARC 22/210 to ARC 22/212 refer to public excluded proceedings. The meeting returned to open session at 10.33am.

ARC 22/213 MEETING CLOSURE

The meeting closed at 10.33am.