



Rangitikei District Council

Audit/Risk Committee Meeting

Minutes – Monday 22 February 2016 – 2:00 p.m.

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At its meeting of 28 October 2010, Council resolved that “The quorum at any meeting of a standing committee or sub-committee of the Council (including Te Roopu Ahi Kaa, the Community Committees, the Reserve Management Committees and the Rural Water Supply Management Sub-committees) is that required for a meeting of the local authority in SO 2.4.3 and 3.4.3. The quorum for the Audit/Risk Committee is 3.

Present: Mr Craig O'Connell (Chair)
His Worship the Mayor, Andy Watson
Cr Nigel Belsham
Cr Lynne Sheridan

In attendance: Mr Ross McNeil, Chief Executive
Mr Michael Hodder, Community & Regulatory Services Group Manager
Mr George McIrvine, Finance & Business Support Group Manager
Mr Hamish Waugh, Infrastructure Group Manager
Mrs Debbie Perera, Associate Director, Audit New Zealand
Ms Carol Downs, Executive Officer

1 Council Prayer

Chairman Craig O'Connell read the Council prayer.

2 Welcome

Mr O'Connell welcomed the Committee members and Council staff.

3 Apologies/Leave of Absence

Apologies were received from Cr Dean McManaway, and for lateness, from Mr Ross McNeil.

4 Confirmation of order of business

The Committee agreed with the Chair's request to have item 6 - Investigation into the establishment of an infrastructure services Council – Controlled organisation delayed until the Chief Executive, Mr McNeil arrived at the meeting.

5 Confirmation of minutes

Resolved minute number **16/ARK/017** **File Ref**

That the Minutes of the Audit/Risk committee meeting held on 7 December 2015 be taken as read and verified as an accurate and correct record of the meeting.

Cr Belsham / Cr Sheridan. Carried

7 Audit management report for 2014/15 – progress update on outstanding issues

Mr McIrvine provided a verbal update on the outstanding issues from the 2014/15 audit management report, in particular:

- IT backup systems – a system provided by Spark is being looked at, this would back up all Council's systems each night and be stored off-side on a "cloud" type system
- June floods – there are some outstanding issues from the floods which are expected to be resolved during the remainder of the year

Mr McNeil arrived at 2.35pm

Resolved minute number **16/ARK/018** **File Ref**

That the verbal update be received.

Cr Belsham / Cr Sheridan. Carried

8 Risk management framework: Proposed actions to address areas of unacceptable risk

A schedule of the actions proposed were provided to the Committee, showing the risk assessment agreed in December 2015. Additions were made to the table, including:

- 1.6 – add potential Property Brokers deal in Marton.
- 2.1 – it was noted that Councillors were going to be provided with a weekly report on Request for Services (RFS) received.
- In discussing the funding for the Bulls multi-purpose facility, the Committee considered an appropriate trigger level to be recommended to Council for discussion, this was agreed as a 70% threshold.

Resolved minute number **16/ARK/019** **File Ref 5-CP**

1. That the schedule of proposed actions to address areas of unacceptable risk be received.
2. That the proposed actions (as amended) to address areas of unacceptable risk in the Council's risk management framework be approved

AND

That the Audit/Risk Committee be provided with a report to its August 2016 meeting on the proposed actions to address unacceptable risk showing the current assessment of risk (including control effectiveness ratings) attached to those particular activities

Cr Belsham / Mayor Watson - Carried

AND

That the Audit/Risk Committee recommends that Council discusses, at the March Council meeting, a 70% threshold – for securing local funding and 70% for external funding for the Bulls multi-purpose facility.

Mayor Watson / Cr Belsham Carried

9 Internal Audit – programme update

The Committee noted and discussed the documents provided in the agenda. During discussion it was agreed that if there was a delay in the appointment of an internal auditor the relevant Councils (RDC, MDC HDC and Horizons) may need to consider appointing an external consultant.

Resolved minute number **16/ARK/020** **File Ref 5-EX-2-6**

That the documents for 'Internal Audit – programme update' be received.

Cr Belsham / Cr Sheridan. Carried

6 Investigation into the establishment of an infrastructure services Council-Controlled organisation

Mr O'Connell introduced this item and tabled a document that summarised the Office of the Auditor-General guidance on the establishment and management/governance of a CCO.

The Committee agreed to develop this document further, which will be initially discussed at management level and then presented to Council for their consideration. The document will look at the issues, risks and the impact of any decision on the establishment of a CCO. A suggested format was a table style outlining relevant questions, actions and identifying any risks if the CCO did not go ahead.

10 Late items

No late items were requested.

11 Future items for the agenda

One item was identified for a future agenda:

- Implications from the proposed changes to the Rating Act on rating of Maori land.

12 Next meeting

To be determined and advised to members.

13 Meeting closed

The meeting closed at 3.50pm.

Confirmed / Chair: _____

Date: _____