



# Rangitikei District Council

## Audit and Risk Committee Meeting

Agenda – Monday 18 September 2017 – 10:00 am

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## **1 Welcome**

## **2 Council prayer**

## **3 Apologies**

## **4 Members' conflict of interest**

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of items on this agenda.

## **5 Confirmation of order of business**

That, taking into account the explanation provided why the item is not on the meeting agenda and why the discussion of the item cannot be delayed until a subsequent meeting, ..... be dealt with as a late item at this meeting.

## **6 Confirmation of minutes**

The Minutes of the Audit/Risk Committee meeting held on 14 August 2017 are attached.

File ref: 3-CT-17-2

### **Recommendation**

That the Minutes of the Audit/Risk Committee meeting held on 14 August 2017 be taken as read and verified as an accurate and correct record of the meeting.

## **7 Chair's report**

A report will be provided at the meeting.

### **Recommendation**

That the Chair's report to the Audit/Risk Committee meeting held on 18 September 2017 be received.

## **8 Local Government Excellence Programme outcome**

The Chief Executive will provide an update to the meeting.

## **9 Proposed Council participation in the Local Government Funding Agency as a borrower**

At its meeting on 31 August 2017, the Finance/Performance Committee considered the documentation required for the Council to formally join the Local Government Funding

Agency. The Committee resolved to recommend to Council that the Council's proposed participation in the Local Government Funding Agency as a borrower be referred to the Audit/Risk Committee for consideration and subsequent recommendation to Council. This recommendation was accepted by Council (as a late item) on 31 August 2017.

The report 'Local Government Funding Agency update' and its 11 appendices as provided to the Finance/Performance Committee are attached.

File ref: 5-FM-8-3

### **Recommendations**

1. That the report 'Local Government Funding Agency update' as provide to the Finance/Performance Committee's meeting on 31 August 2017 be received.
2. That the Audit/Risk Committee recommends to Council that Council:
  - agrees to participate in the LGFA Scheme as a Borrower, which will include the following:
    - a. entry into the following documents:
      - i. Debenture Trust Deed between the Council and Trustees Executors Limited;
      - ii. Registry Customer Agreement between the Council and Link Market Services Limited;
      - iii. Security Transition Deed between the Council, Westpac New Zealand Limited, Westpac Banking Corporation and Covenant Trustee Services Limited;
      - iv. Accession Deed to Notes Subscription Agreement between the Council and the LGFA;
      - v. Accession Deed to Multi-Issuer Deed between the Council and LGFA;
      - vi. Security Stock Certificate in favour of LGFA;
      - vii. Security Stock Certificate in favour of Westpac New Zealand Limited and Westpac Banking Corporation;
    - b. subscribing for Borrower notes with LGFA;
    - c. issuing stock to lenders in accordance with the Debenture Trust Deed;
    - d. any other things which are contemplated in the attachments to this report that a Borrower will do; and
    - e. anything which is not specifically described in paragraphs (a) to (d) above, but which is ancillary to or not materially different from those.

- 1 That the Audit/Risk Committee recommends to Council that Council:  
  
delegates authority to the Chief Executive to:
  - a. Agree the terms on which Rangitikei District Council participates in the LGFA Scheme as a Borrower, including which of the arrangements described above are entered into and the terms of those arrangements;
  - b. Determine how Rangitikei District Council exercises its rights under the arrangements entered into in connection with the LGFA Scheme.
  
- 2 That the Audit/Risk Committee recommends to Council that Council:  
  
delegates authority to the Chief Executive to execute such documents and take such other steps on behalf of the Council as the Chief Executive considers it is necessary or desirable to execute or take in connection with Rangitikei District Council's participation in the LGFA Scheme as a Borrower.
  
- 3 That the Audit/Risk Committee recommends to Council that Council:  
  
authority be delegated to ..... and ..... [two elected members] of the Council to execute the Debenture Trust Deed and such other deeds on behalf of the Council as the Chief Executive considers it is necessary or desirable for them to execute in connection with Rangitikei District Council's participation in the LGFA Scheme as a Borrower.

## **10 Committee review process**

The Chair will comment on the review forms received from members.

## **11 Annual Report for year ending 30 June 2017**

A progress assessment will be provided.

## **12 Internal Audit programme**

The Internal Audit will comment on the internal audit programme for 2017/18 accepted at the Committee's last meeting.

## **13 Late items**

## **14 Future items for the agenda**

**December 2017**

Understanding Council's risk appetite – possible framework for exercising discretion (This will progress the discussion from the Committee's June 2017 meeting.)

Revised risk management framework (This will include the points raised at the Committee's August 2017 meeting.)

Audit Arrangements letter and engagement plan for the 2018-28 Long Term Plan (as foreshadowed at the Committee's August 2017 meeting),

## **15 Next meeting**

Monday 11 December 2017, 2.00 pm

## **16 Meeting closed**