



Rangitikei District Council

Audit and Risk Committee Meeting

Minutes – Thursday 29 November 2018 – 9:00 a.m.

Contents

1	Welcome	3
2	Council prayer	3
3	Apologies.....	3
4	Members' conflict of interest	3
5	Confirmation of order of business	3
6	Confirmation of minutes	3
7	Chair's report	3
8	Work Programme matrix – progress update	3
9	Riskpool – call on members, July 2019	4
10	Internal Audit programme – audit focus risk analysis	4
11	Actions to reduce risk – half year update, November 2018	4
12	Final Audit management report 2017/18	5
13	Strategic risks for the Council	5
14	Update on the Government's review of the 3 waters infrastructure.....	6
15	Late items.....	Error! Bookmark not defined.
16	Future items for the agenda	6
17	Next meeting.....	6
18	Meeting closed.....	6

1 Welcome

The meeting opened at 9.06am. The Chair welcomed everyone to the meeting.

2 Council Prayer

Mr O'Connell read the Council Prayer.

3 Apologies

That the apology for the late arrival of Cr Gordon be received.

4 Members' conflict of interest

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

There were no declared conflicts of interest.

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, the following was dealt with as a late item (as part of item 14) at this meeting.

Hamish Waugh – Drinking Water Standards presentation.

6 Confirmation of minutes

Resolved minute number	18/ARK/018	File Ref	3-CT-17-2
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That the Minutes of the Audit/Risk Committee meeting held on 30 August 2018 be taken as read and verified as an accurate and correct record of the meeting.

His Worship the Mayor / Cr Belsham. Carried

7 Chair's report

The Chair did not have a report.

8 Work Programme matrix – progress update

Mr Hodder took the report as read.

Resolved minute number **18/ARK/019** **File Ref** **3-CT-17-5**

That the Work programme matrix – progress update as at 20 November 2018 be received.

Cr McManaway / Cr Belsham. Carried

It was agreed that any outcomes from item13 would be added to the matrix.

9 Riskpool – call on members, July 2019

Mr Hodder took the report as read.

Resolved minute number **18/ARK/020** **File Ref** **5-FM-6-1**

That the memorandum 'Riskpool – call on members, July 2019' be received.

Cr Belsham / Cr McManaway. Carried

Cr Gordon arrived at 9.13am

10 Internal Audit programme – audit focus risk analysis

Ms Dean spoke to the report.

Resolved minute number **18/ARK/022** **File Ref** **5-EX-2-6**

That the report 'Internal Audit programme – audit focus risk analysis' be received.

His Worship the Mayor / Cr McManaway. Carried

Undertaking Subject

The Chief Executive and Group Manager Finance & Business Support to review the analysis against the Audit Management report for the year ending 30 June 2018 and the previous Internal Audit plan.

11 Actions to reduce risk – half year update, November 2018

Mr Hodder spoke to the report.

Mr Hodder highlighted that the relationship with Iwi/Māori is improving with the appointment of a strategic adviser, which was done in consultation with Te Roopu Ahi Kaa. Mr McNeil noted the significant input into the wastewater discussions with Iwi.

Resolved minute number **18/ARK/023** **File Ref** **5-PY1-3**

That the updated schedule of 'Actions to reduce risk, November 2018', be received.

Cr Gordon / Cr Belsham. Carried

12 Final Audit management report 2017/18

Ms Elkington spoke to the tabled document.

Points discussed were:

- Appreciated positive relationship between Council staff and the Audit team.
- The reporting template is different from previous years.
- Most points from previous years were being actioned; understandable delays with the sudden death of the previous Group Manager, Finance & Business Support.
- Keen to see improvement in processes, particularly identifying what tasks can be brought forward – e.g. revaluation.
- The Internal Audit work will continue to complement what Audit NZ does.

Resolved minute number **18/ARK/024** **File Ref**

That the update for the 'Final Audit management report 2017/18' to the Audit/Risk Committee meeting held on 29 November 2018 be received. There will be some amendments made to the 'Final Audit management report 2017/18'

Cr Gordon / Mr O'Connell. Carried

13 Strategic risks for the Council

The Committee considered the commentary in the agenda. His Worship the Mayor noted uncertainty around the three waters and that it was critical for Council to be aware of the Government's conversations with (and about) local government. There were also uncertainties about key industries in the District and external threats to agriculture and forestry (cf. PSA and varroa mite).

Undertaking **Subject**

It was agreed to revisit the strategic risk for council at the February meeting.

14 Update on the Government's review of the 3 waters infrastructure

The Committee discussed the commentary in the agenda. It was unclear to which Ministers rather than officials were driving the change agenda. However, the first initiative, improving the regulatory structure was not contentious. The current investigation by the Productivity Commission was an acknowledgement of the funding gaps for drinking water and wastewater.

Mr Waugh noted that Rangitikei District Council had withdrawn from being a member of Water New Zealand because of its advocacy on aggregation of suppliers as being the answer. This was a stance being taken by other local authorities.

Mr Waugh's presentation outlined the findings in the 2017/18 draft compliance report for drinking water, explaining the distinction between drinking –water source and reticulation. At no time during the year was there unsafe drinking-water in the Rangitikei. However, the drinking water assessor was taking a very technical view on turbidity, which previously had been recognised as demonstrating adequate back-washing. In addition, the assessor considered there had been insufficient testing of Mangaweka's supply.

The assessment will be appealed, highlighting compliance v. non-compliance, with a decision made within two months. The Committee noted that Havelock North's supply had been considered as meeting the drinking-water standards.

15 Next meeting

28 February 2019, 9.00 am.

16 Future items

Strategic risks

Three waters

17 Meeting closed

10.26am

Confirmed/Chair: _____

Date: