



# Rangitikei District Council

## Audit and Risk Committee Meeting

Minutes – Thursday 28 February 2019 – 9:00 a.m.

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**Present:** Mr Craig O'Connell (Chair)  
His Worship the Mayor, Andy Watson  
Cr Nigel Belsham  
Cr Dean McManaway  
Cr Angus Gordon

**In attendance:** Mr Ross McNeil, Chief Executive  
Ms Debbie Perera, Audit Director (outgoing)  
Mr Chris Webby, Audit Director (incoming)  
Ms Jo Devine, Group Manager, Finance & Business Support  
Mr Michael Hodder, Community & Regulatory Services Group Manager  
Mr Hamish Waugh, Infrastructure Group Management  
Ms Selena Anderson, Governance Administrator

## 1 Welcome

The meeting opened at 9.04am. The Chair welcomed everyone to the meeting.

## 2 Council prayer

Mr O'Connell read the Council Prayer.

## 3 Apologies

That the apology for lateness of Cr Gordon be received.

Cr McManaway / Cr Belsham. Carried

## 4 Members' conflict of interest

There were no conflicts of interest declared.

## 5 Confirmation of order of business

The order of business was confirmed.

There were no late items.

## 6 Confirmation of minutes

<b>Resolved minute number</b>	<b>19/ARK/001</b>	<b>File Ref</b>	<b>3-CT-17-2</b>
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That the Minutes of the Audit/Risk Committee meeting held on 29 November 2018 be taken as read and verified as an accurate and correct record of the meeting.

Cr Belsham / His Worship The Mayor. Carried

Cr Gordon arrived 9.08am

## 7 Chair's report

The Chair did not have a report

The Chair acknowledged Ms Perera for her contribution to the meetings and wished her well in her new role. Mr Webby will be taking over from Ms Perera.

## 8 Council decisions on recommendations from the Committee

There were no recommendations.

## 9 Questions put at previous meeting for advice or action

There were no questions raised at the meeting to be addressed.

## 10 Work Programme matrix – progress update

The Committee members discussed:

- Information Management – Currently in the process of recruiting an Information Services Team Leader.
- Potential liabilities of landfills in the Rangitīkei District noting that a high-level assessment and a risk profile for all the landfills will need to be undertaken.
- PFAS – this will continue to be monitored.
- Review use of Multiproof approvals (for buildings)
- Economic Growth of the district and the housing shortage that could arise.
- Skills shortage – not only a district problem but that it is a nation wide problem.
- Flexibility of District Plan to allow residential and industrial growth.

**Resolved minute number**                      **19/ARK/002**                      **File Ref**                      **3-CT-17-5**

That the Work programme matrix – progress update as at 28 February 2019 be received.

Cr McManaway / Cr Belsham. Carried

## 11 Internal Audit programme – progress

A report will be provided to the next Committee meeting

## 12 Strategic Risks – Further consideration

The previously suggested strategic risks for consideration by the Committee are:

- Reputation – driven by the speed and reach of social media
- Human capital – organisation depth and values
- Capital Programme
- Financial stability
- Cyber-security
- Legal and political environment
- Climate change
- Sustainability of the District

In discussion, the Committee identified workforce as a further area of strategic risk. Projected capital expenditure across the central North Island is substantial. Apart from local councils' work programmes, there is the road replacement for the Manawatu Gorge, the upgraded highway from Otaki to north of Levin, and the likely increased need for infrastructure of the Government housing programme accelerates (in the way it has done in the Bay of Plenty).

The ability for each council (including Rangitikei) to secure resources for major capital works is uncertain.

In addition, compliance costs were becoming too great for small contractors, meaning that there was increasing dependence on fewer very large contractors. This situation had potential to raise cost and/or delay work. Council could not assume the compliance responsibilities of contractors. Possible options included apprenticeships and requiring engagement of local sub-contractors as part of awarding a contract.

#### **Undertaking**

Provide a report analysing the identified strategic risks to the next Audit/Risk Committee meeting.

### **13 Update on the Government's review of the 3 waters infrastructure**

The Committee noted the commentary in the agenda.

The Mayor and the Chief Executive had a meeting scheduled in mid-March with Internal Affairs officials. GHD is doing work on drinking water for the MW LASS councils.

The attention being given to coastal wastewater discharges is prompted by Auckland.

Mr Waugh noted a meeting with the Drinking-water Assessor on 27 February. While focussed on Manawatu District Council's appeal, the grounds were similar to Rangitikei. He felt that the matter was progressing well.

### **14 Late items**

As agreed in item 5

### **15 Future items for the agenda**

None

### **16 Next meeting**

27 June 2019, 9.00 am

### **17 Meeting closed**

10.15 am

**Confirmed/Chair:** \_\_\_\_\_

Date: