



Rangitikei District Council

Audit and Risk Committee Meeting

Minutes – Thursday 27 June 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 Dave Wilson
Cr Angus Gordon

In attendance: Mr Ross McNeil, Chief Executive
Mr Chris Webby, Audit New Zealand
Ms Jo Devine, Group Manager, Finance & Business Support
Mr Arno Benadie, Principal Advisor – Infrastructure
Mr Michael Hodder, Community & Regulatory Services Group Manager
Mr Hamish Waugh, Infrastructure Group Management
Mr Ashley Dahl, Financial Services Team Leader
Ms Bonnie Clayton, Governance Administrator

Tabled Documents **Item 15** Strategic risks for Rangitikei District Council

1 Welcome

The meeting opened at 9.10 am. The Chair welcomed everyone to the meeting.

Cr Wilson arrived 9.12 am

2 Council prayer

The Chair read the Council Prayer.

3 Public Forum

Nil

4 Apologies

The apology for lateness of Cr Gordon was received.

5 Members' conflict of interest

The Chair reminded members of their obligation to declare any conflicts of interest they might have in respect of items on the agenda.

There were no conflicts of interest declared.

6 Confirmation of order of business

There were no late items.

7 Confirmation of minutes

Resolved minute number	19/ARK/005	File Ref	3-CT-17-2
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That the Minutes of the Audit/Risk Committee meeting held on 28 February 2019 be taken as read and verified as an accurate and correct record of the meeting.

His Worship The Mayor / Cr Nigel Belsham. Carried

8 Chair's report

There was no report to provide.

9 Council decisions on recommendations from the Committee

There were no recommendations.

10 Questions put at previous meeting for advice or action

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

11 Work Programme matrix – progress update

The Committee members discussed:

- 3 Waters – Council will continue being proactive in the region, not just waiting on the Government. A group of Councils are working with GHD, there is a need for an independent regulatory body.
- Taihape Area School – A decision has been made to demolish the school due to ongoing financial costs for repairs.

The Committee also spoke about the need to request a discussion with the Ministry of Education around the new build for Taihape Area School, and whether the build will be like for like. Council was interested to know if there is potential for the build would include a large gym or hall and, if so, what that means for the need of upgrading Memorial Park's public facilities.

Resolved minute number **19/ARK/007** **File Ref** **3-CT-17-5**

That the 'Work programme matrix – progress update' to the Audit/Risk Committee meeting 27 June 2019 be received.

His Worship The Mayor / Cr Belsham. Carried

Cr Gordon arrived 9.28 am

12 Actions to reduce risk- half-year update, 31 May 2019

The schedule together with the risk matrix were taken as read.

Mr Hodder spoke to the schedule advising that the overall assessment of risk has not changed.

Mr McNeil provided an update around the Bulls Waste Water Scheme advising that Council had reached an agreement with Ngai Wairiki Ngati Apa for long-term access or purchase of commercial land to discharge wastewater.

The Committee discussed that they are happy for Te Roopu Ahi Kaa to initiate any MoUs required; they are useful in keeping mutual intentions clear. His Worship the Mayor advised that there is a new draft MoU with Te Poho o Tuariki.

Responding to a question, Mr McNeil reiterated that Council response timeframes for noise complaints are prompt and this has previously been followed up. They are aware it does not reflect this in reporting, however it is the timeframes between the response from the contractor and when the data is input into the system.

Resolved minute number **19/ARK/008** **File Ref** **5-PY1-3**

That the updated schedule of 'Actions to reduce risk, 31 May 2019', to the Audit/Risk Committee meeting 27 June 2019 be received.

Cr Gordon / Cr Wilson. Carried

13 Internal Audit programme – progress

Ms Devine provided an update, noting that a meeting had been scheduled with Cotton Kelly for the 2019/20 Internal Audit Programme. Mr McNeil noted that other MW LASS councils had a positive reaction to Cotton Kelly's engagement.

Resolved minute number **19/ARK/009** **File Ref** **5-EX-2-6**

That the update 'Internal Audit programme – progress' to the Audit/Risk Committee meeting 27 June 2019 be received.

Cr Belsham / His Worship the Mayor. Carried

14 Plan for 2018/2019 audit (and results of interim audit)

The Audit Plan was taken as read. Mr Webby noted a few issues arising from the interim audit:

- Valuation date was shifting from 30 June 2019, to 1 July 2019, i.e. moving forward one day.
- Cost of compliance is higher for smaller councils, estimated cost of each revaluation is \$20-\$30,000.
- Discussions on the extent of change in the roading valuation.
- Potential risk around creditors and payment of false invoices. Audit is suggesting a policy change so that there is a verification process with suppliers. Scammers are becoming more sophisticated.

Undertaking **Subject**

Ms Devine to come back to the Audit/Risk Committee with costs of revaluation.

Undertaking **Subject**

Ms Devine to check current verification processes for suppliers.

Resolved minute number **19/ARK/010** **File Ref**

That the 'Audit Plan Rangitikei District Council for the year ending 30 June 2019' to the Audit/Risk Committee meeting 27 June 2019 be received.

Cr Belsham / His Worship the Mayor. Carried

15 Strategic Risks – Further consideration

Mr Hodder spoke to the tabled report.

In discussion, the Committee identified the need for Council (along with the Chair) to take part in a workshop where all members can have an opportunity to understand strategic risks. It would be a live document that can be updated regularly. It was agreed that this document could be used in the induction process for incoming Council.

Resolved minute number **19/ARK/011** **File Ref**

That the discussion draft 'Strategic risks for the Rangitikei District Council' be received.

Cr Gordon / Cr Wilson. Carried

16 Late items

None

17 Future items for the agenda

Strategic Risks for Rangitikei District Council

18 Next meeting

29 August 2019, 9.00 am

19 Meeting closed

10.19 am.

Confirmed/Chair: _____

Date: