

**AUDIT & RISK
COMMITTEE MEETING**

ORDER PAPER

**THURSDAY, 5 DECEMBER 2019,
9.00AM**

**COUNCIL CHAMBER, RANGITĪKEI DISTRICT COUNCIL
46 HIGH STREET, MARTON**

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Chair - Mr Craig O'Connell

Deputy Chair - TBC

Membership

Councillors Nigel Belsham, Angus Gordon and Dave Wilson.

His Worship the Mayor, Andy Watson.

Please Note: Items in this agenda may be subject to amendments or withdrawal at the meeting. It is recommended therefore that items not be reported upon until after adoption by the Council. Reporters who do not attend the meeting are requested to seek confirmation of the agenda material or proceedings of the meeting from the Chief Executive prior to any media reports being filed.

Making this place home.





Rangitikei District Council

Audit and Risk Committee Meeting

Agenda – Thursday 5 December 2019 – 9:00 a.m.

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The quorum for the Audit and Risk Committee is 3.

Council's Standing Orders (adopted 31 October 2019) 11.2 provide: The quorum for Council committees and sub-committees is as for Council, i.e. half the number of members if the number of members (including vacancies) is even or a majority if the number of members is odd.

1 Welcome

2 Council prayer

3 Apologies/Leave of Absence

4 Appointment of Deputy Chair

Clause 25, Schedule 7 of the Local Government Act 2002, which relates to voting systems for certain appointments (including the election or appointment of the deputy mayor, the election or appointment of the chairperson and deputy chairperson of a committee, and the election or appointment of a representative of the local authority), states that:

(2) ... a local authority or a committee (if the local authority has so directed) must determine by resolution that a person be elected or appointed by using one of the following systems of voting:—

- (a) the voting system in subclause (3) ("system A");
- (b) the voting system in subclause (4) ("system B").

(3) System A—

(a) requires that a person is elected or appointed if he or she receives the votes of a majority of the members of the local authority or committee present and voting; and

(b) has the following characteristics:—

- (i) there is a first round of voting for all candidates; and
- (ii) if no candidate is successful in that round there is a second round of voting from which the candidate with the fewest votes in the first round is excluded; and
- (iii) if no candidate is successful in the second round there is a third, and if necessary subsequent, round of voting from which, each time, the candidate with the fewest votes in the previous round is excluded; and
- (iv) in any round of voting, if 2 or more candidates tie for the lowest number of votes, the person excluded from the next round is resolved by lot.

(4) System B—

(a) requires that a person is elected or appointed if he or she receives more votes than any other candidate; and

(b) has the following characteristics:

- (i) there is only 1 round of voting; and

- (ii) if 2 or more candidates tie for the most votes, the tie is resolved by lot.

Recommendations:

- 1 That EITHER System A OR System B be used to elect the Deputy Chair of the Audit/Risk Committee.
- 2 Thatbe appointed Deputy Chair of the Audit/Risk Committee.

5 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.

6 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.

7 Chair’s report

There will be no report for this meeting.

8 Strategic risks – review

The updated statement reflecting discussion at the Committee’s last meeting is attached.

File: 3-CT-17-5

Recommendations:

1. That the updated statement ‘Strategic risks for Rangitikei District Council’ be received.
2. That the statement ‘Strategic risks for Rangitikei District Council’ [without amendment/as amended] be adopted as the starting point for the 2019-22 triennium.

9 Audit/Risk Committee Work programme matrix for the 2019-22 triennium

A matrix based on the nine strategic risks (and having regard for topics considered at the last triennium) is attached for discussion. Suggested new or amended topics are in red.

The Committee’s decisions on this and the statement of strategic risks will be reflected in a revised risk management framework, for consideration at the Committee’s February meeting.

File: 3-CT-17-5

Recommendations:

1. That the 'Audit/Risk Committee Work programme matrix for the 2019-22 triennium' be received.
2. That the Audit/Risk Committee work programme matrix for the 2019-22 triennium be adopted with the following amendments:....., with updates to be provided to each Committee meeting.

10 Internal audit programme – progress update

The programme is being developed for consideration at the Committee's 27 February 2020 meeting.

11 Results of final audit for 2018/19

Council adopted the 2018/19 Annual Report on 31 October 2019, with an unmodified opinion from the Audit Director, Chris Webby. This timing means that a draft management report is not yet available, but will be included (with management responses) on the 27 February 2020 meeting agenda.

12 Receipt of minutes from the last meeting in the 2016-19 triennium

The minutes of the Audit/Risk Committee meeting from 26 September 2019 are attached for information only.

13 Late items**14 Future items for the agenda**

Insurance

Payroll review

15 Next meeting

Thursday 27 February 2020, 9.30am

16 Meeting closed

Attachment 1

Strategic risks for Rangitikei District Council

Introduction

One of the areas of improvement for the Council identified in the 2017 report from the Independent Assessment Board was for all elected members to be actively engaged in, and have a detailed understanding of, strategic risk issues. These are ‘risk that affect or are created by an organisation’s business strategy and strategic objectives’¹: they arise from adverse business decisions, improper implementation of decisions or lack of responsiveness in the business environment.

The Committee has discussed this question at its meetings in November 2018 and February 2019 and considered a draft at its meeting on 27 June 2019. Council reviewed this draft at a workshop on 18 July 2019. Focus is on the long-term, organisation-wide and something which Council can do something about. There needs to be clarity on the likelihood of the risk and its impact.

The following explores the eight risks discussed and offers suggestions on how each risk might be addressed:

1. Trust and confidence is tarnished
2. Human capital is weakened
3. Legal and political environment requires excessive resources
4. Capital programme falters
5. Financial stability is lost
6. Regulatory effectiveness is questioned
7. Climate change responsiveness is ineffective
8. Business continuity is compromised
9. Changes to Government legislation are transformational

The final set of strategic risks will be the starting point to review the current risk framework, for consideration by the Committee at its December meeting. It would be helpful for Council to include this as a workshop topic before then so all elected members have an early understanding.

| What is the risk (and its consequences)? | How to address the risk? |
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| <p>1. Trust and confidence is tarnished</p> <p>The risk is that Council misunderstands community expectations or fails to work with advocacy group either of which may lead to continuous public criticism, particularly in social media and division among elected members and staff.</p> <p>Inept handling of sensitive issues involving (for example) drinking water, wastewater</p> | <p>Council regularly samples community views and individual elected members have a wide range of contacts in the community. These could be reinforced by more informal polls, sample questioning of those submitting service requests and inviting identified advocacy groups to speak to Council.</p> |

¹ Deloitte, ‘Exploring strategic risk’, 2013, page 4.

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| <p>discharges, Iwi, privacy, or information disclosures can lead to a loss of confidence in Council’s effectiveness.</p> <p>Likelihood – Medium Impact – High</p> | <p>Developing and applying protocols for sensitive issues would be a useful initial step. Longer-term, priority could be given to procedures and policies which would reduce the likelihood of such issues arising.</p> <p>Analysing social media comments more closely in conjunction with similar (rural) councils could help alert Council to sensitive issues, to understand their degree of uniqueness and to develop targeted responses (not necessarily in social media but in Council policies and practices).</p> <p>The Auditor General has begun a programme of work about the future of public accountability – the first phase being a discussion paper ‘Public accountability: A matter of trust and confidence’². Keeping informed about this work is certain to be helpful for Council, not just in how it manages public engagement but also in its behaviours.</p> |
| <p>2. Human capital weakens</p> <p>The risk is that Council loses a number of specialist staff which exposes a knowledge gap. This may lead to a reduction in service standards and additional costs to buy in external expertise.</p> <p>An associated risk comes from a change in Elected Members and the potential loss of knowledge and experience</p> <p>Likelihood – Medium Impact – Medium</p> | <p>A small council inevitably has single points of knowledge. There are two complementary approaches –</p> <ul style="list-style-type: none"> (a) promoting documentation of processes and (b) rotation of staff (both within the council and with neighbouring councils) – <p>Together, they would be likely to reduce that dependency on individual expertise and increase staff understanding of how roles can develop and become more effective.</p> <p>A comprehensive induction of Council after the triennial elections is critical.</p> |
| <p>3. Legal and political environment requires excessive resources³</p> | |

² <https://www.oag.govt.nz/2019/public-accountability/docs/public-accountability.pdf>

³ See also risk 9.

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| <p>The risk is that Council is unable to respond in a timely and efficient way to changes in central government policies and legal requirements, which may mean unexpected costs, a focus on achieving compliance, and a consequential reduced service standards</p> <p>An associated risk is that Horizons Regional Council changes its stance with local authorities, increasing cost and perception that Council has insufficient regard for its environmental impacts.</p> <p>Likelihood – Low Impact - High</p> | <p>Council could maximize its dialogue with other local councils, and stress the potential benefits in a partnership approach to influence central government policy and legislation. This would require discussion with LGNZ and SOLGM to clarify issues which those organisations would lead and how councils participate in those initiatives.</p> |
| <p>4. Capital programme falters</p> <p>The risk is that Council is unable to secure contractors for major capital works (and thus doesn't achieve its targeted works programme) because of</p> <ul style="list-style-type: none"> (i) other councils' programmes and central government initiatives such as the road replacement for the Manawatū Gorge and new social housing complexes in the larger centres of the region and (ii) the increasing dominance of larger contractors, a result of increasing compliance costs. <p>This situation may lead Council to be a price leader in contracts, may frustrate the community (because of delays/and or increased costs and rates) and may discourage new external investment.</p> <p>Likelihood – Medium Impact - Medium</p> | <p>Council could promote a more consistent, open sharing of intended capital programmes, testing of the market, and agreeing where priorities lie.</p> <p>Council could also help increase the supply of contractors by</p> <ul style="list-style-type: none"> (a) running apprenticeships, (b) insisting on engagement of local contractors as part of awarding a contract and (c) sponsoring workshops to clarify compliance requirement for local contractors. |
| <p>5. Financial stability is lost</p> <p>The risk is that Council's financial projections, in terms of operating expenditure and revenue, prove</p> | <p>Council's current prudent approach means that all operating expenditure is funded through rates and not by loan. By ensuring that projected capital expenditure on</p> |

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| <p>substantially incorrect. This could require a substantial increase in rates and increase the cost of borrowing. This could arise from unanticipated but unavoidable expenditure which is not covered by insurance, including legal costs. Council is fortunate in almost entirely avoiding the impact of weather-tightness failure but the recent exposure of the historic Putorino landfill (and an appreciation there are others) is an example of an unexpected issue.</p> <p>An associated risk is that insurance cover is insufficiently targeted</p> <p>Likelihood – Low Impact – High</p> | <p>planned new works or upgrades is kept below the borrowing threshold provides headroom should Council need additional funds to address a previously unknown issue.</p> <p>While Council cannot influence the state of international markets and commodity prices, it needs to be sensitive to the impact on these on local businesses and developers.</p> <p>Council benefits from joint procurement of insurance with other councils. However, this increasingly requires accurate documentation of asset condition (i.e. risk of failure) alongside known natural hazards. Council could run a few scenarios so it understands the extent of cover that would be available for Rangitikei in a range of circumstances.</p> |
| <p>6. Regulatory effectiveness is questioned</p> <p>The risk is that Council loses community confidence that it is being consistent and fair in exercising its regulatory responsibilities, including building and resource consents. That may arise if different responses are provided depending on where a matter is raised – i.e. an elected member, the chief executive, regulatory staff or customer service staff or where there is consistent failure to meet the prescribed timelines.</p> <p>Likelihood – High Impact - Medium</p> | <p>Council may be about the extent of this risk since it is a matter of holding a balance between (i) development and facilitating initiatives and (ii) compliance with central government requirements and Council bylaws and policies.</p> <p>One way to test the community’s appreciation of this risk could be to offer an amnesty period to those who knew or thought it possible that they (or someone else) was in breach of regulations. During that period Council could facilitate compliance by providing advice and/or reducing or waiving its fees.</p> <p>Longer-term, it would be beneficial to establish (and publicise) the decision-making and discretion and appeal processes – with the latter being public reported, either in a Council (Committee) meeting or through the Council website.</p> |

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| <p>7. Climate change responsiveness is ineffective</p> <p>The risk is that Council does not take sufficient steps to protect the community against the impacts of increasingly severe weather events and erosion</p> <p>Likelihood – Low/Medium Impact – Low/Medium</p> | <p>Council is already taking a more proactive stance in its roading programme by increasing expenditure on larger culverts and more stringent oversight of their maintenance and of roadside drains. The strategic look being taken over stormwater will also mean Council is more informed about the points of greatest risk and failure.</p> <p>The request from Kauangaroa Marae for dialogue and support from Council for relocation might be a prompt to reopen dialogue about Whangaehu and also to reconsider the likely scenario at Scotts Ferry and Koitiata, both of which are at risk from sea level rise,</p> <p>Council could develop and implement a plan to reduce its own carbon footprint, looking to engage local businesses in similar efforts.</p> |
| <p>8. Business continuity is compromised</p> <p>The risk is that Council suffers a cyber-attack which leads to compromised integrity and/or loss of information. However, there are lesser (but more likely) risks from staff anywhere in the organisation who lack training and understanding how to use Council’s IT systems and manage their record-keeping in a consistent and adequate fashion. That increases cost to the Council in trying to find relevant information and may mean that records critical to establishing what Council did and why cannot be found and disclosed.</p> <p>Likelihood – Medium Impact – High</p> | <p>Council has a range of protective barriers and procedures to minimize the likelihood of a cyber-attack. This includes an increasing robust back-up procedure so that if data is lost or compromised, it can be recovered.</p> <p>Increasing staff knowledge of safe IT protocols and sound records management practices would reduce the risk of information unable to be found.</p> <p>An information audit could be a useful early step in understanding the extent of this risk.</p> <p>The information systems strategic plan now being developed is a key mechanism.</p> |
| <p>9. Changes to government legislation are transformational</p> <p>The risk is that new or amended legislation, regulations or policy statements cause</p> | <p>This is a sector-wide risk, but greatest for non-metro councils.</p> <p>Longer timeframes enable alternative productive uses of land to be implemented.</p> |

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| <p>systemic changes in affordability to the local government sector.</p> <p>For example, the proposed freshwater reforms could have the following impacts:</p> <ul style="list-style-type: none"> a) the annual GDP contribution from dairying could shrink from \$350 million to \$50 million; b) reduced pasture land and increasing forestry (on the way it is presently rated) could mean that rates might need to rise 30% to provide the current level of services and facilities (including roads); c) reduction in farm incomes could be 30% which will result in diminished investment, loss of productivity and closure of farms. <p>Likelihood – Low/Medium Impact – High</p> | <p>To what extent is Council willing to facilitate such changes, including investment?</p> <p>If forestry becomes the dominant rural enterprise, how feasible is it for Council to rate public roads servicing such blocks on a differentia basis (so that the costs are not District wide) or to remove such roads from the public network (so that Council would no longer bear the costs of maintenance)?</p> |
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26 September 2019

Attachment 2

AUDIT/RISK COMMITTEE - WORK PROGRAMME FOR THE 2019-22 TRIENNIUM

| Topic | What | Why | Who/How | Priority | Committee decision/action | Progress to 15 February 2020 |
|--|---|---|----------------------------------|-------------|---|------------------------------|
| 1. Trust and confidence is tarnished | | | | | | |
| Alignment with Council strategic framework and key priorities | Progress with key priorities (reported monthly to relevant Council committees) | Ensure that the identified key priorities are implemented or modified to give effect to the strategic direction | Chief Executive | High | Review draft consultation document for 2021-31 LTP and determine whether risks and uncertainties have been adequately addressed. | |
| Reviews of Council operations (other than Audit New Zealand) | (Will include the reassessment under CouncilMARK, June 2020) | Ensure recommendations are well-founded and there is a robust plan of action | Chief Executive | Medium | As required. . | |
| Project management | High-profile projects over \$1 million - e.g. Bulls Community Centre, Marton Civic Centre, Taihape Memorial Park facilities, Ratana wastewater, Marton-Bulls wastewater | Ensure significant projects meet Council's outcome, time and cost expectations | Principal Infrastructure Advisor | High | Review and comment on project plan and exception reporting to each meeting | |
| Customer-focussed services | A more effective and efficient customer focus in all public offices of the Council and internally. | A well-managed customer interface will provide an improved and more consistent level of service and be more efficient | GM Finance & Business Support | Medium/High | Review periodic updates on implementation of the Customer Experience Strategy and the associated performance measurement. | |
| Information management | Progress in implementing robust, integrated and accessible electronic corporate records systems | Ensure Council meets Public Records Act and LGOIMA requirements and aligns with the Government's Cyber-security Strategy (2019) | GM Finance & Business Support | Medium | Review periodic updates on implementation of the Information Services Strategic Plan. There is currently no compliance reporting undertaken by Archives New Zealand | |
| Prosecution of Council for breaches of consents or statutory requirements | Approach taken to avoid prosecution when this is being contemplated and, if prosecution proceeds, how Council presents its case | Ensure the community understands the circumstances leading to the prosecution and actions being taken to avoid a similar incident | Principal Infrastructure Advisor | High | Review briefings and, if necessary, recommend changes in approach to Council | |
| 2. Human capital is weakened | | | | | | |
| Staff development and motivation | Increased focus on mentoring, job overlap and succession planning | Ensure low ongoing dependency on sole specialists | | | | |
| | Revised annual survey of staff perceptions of themselves and the work environment | Ensure clear understanding of issues for staff and an approach to addressing these | Chief Executive | Medium/High | Review summary results of survey and updates on progress to addressing issues raised. | |

| Topic | What | Why | Who/How | Priority | Committee decision/action | Progress to 15 February 2020 |
|--|--|--|---------------------------------------|--------------|---|------------------------------|
| 3. Legal and political environment requires excessive resources | | | | | | |
| Water supply | Drinking-water standards compliance | Ensure Council's potable water supplies address changes in requirements from the independent Drinking-water Regulator | Principal Infrastructure Advisor | Very high | Understand government policy setting; review project plan for giving effect to this and exception reporting to each meeting, and recommend Committee's view to Council. | |
| Impact of Government's fresh-water direction | New standards affecting discharge of wastewater and stormwater | | Principal Infrastructure Advisor | High | Understand government policy setting as it evolves | |
| Planning standards | New standards affecting the presentation of the District Plan | Ensure the District Plan has the national definitions embedded and meets the required level of e-access. | GM Community & Regulatory Services | Medium/ High | Review progress updates at each meeting | |
| 4. Capital programme falters | | | | | | |
| Ongoing analysis of capital expenditure | Capacity | Ensure that the projected capital work programme is realistic (i.e. affordable and achievable) and that carry-overs are minimised and validated against external factors | GM Finance & Business Support | Very high | Review proposed capital programme at October or December meetings. Recommend changes to Council if warranted. | |
| Consenting requirements | Timelines for new consents and variations to existing ones are those agreed with Horizons Regional Council | Ensure that consenting requirements (including required remedial actions) are reflected in capital programme | Principal Infrastructure Advisor | High | Consider exception reporting when necessary. Review update briefing on consenting requirements at October meetings | |
| 5. Financial stability is lost | | | | | | |
| Annual Audit review | Interim management report (2018/19, 2019/20, 2020/21) | Ensure Council operating procedures and policies are appropriate and managed | Council management and Audit Director | Very high | Review Audit comment and Council response; recommendation to Council | |
| Access to external funds | Borrowing is at sustainable levels and other external funding is as projected. | Ensure short-term and long-term implications of borrowing are understood and accepted by Council | GM Finance & Business Support | Medium | Review updates provided to each meeting of the Committee | |
| 6. Regulatory effectiveness is questioned | | | | | | |
| Appetite for risk around consents | Policy and procedure for exercise of discretion and enforcement of Code requirements | Ensure Council and local building sector are clear on balance between compliance and discretion | GM Community & Regulatory Services | High | Consider periodic updates from Chief Executive and determine whether a recommendation to Council is warranted in terms of perceived risks | |
| Customer experience with consenting | Timeliness of approvals and communication at all stages | Ensure applicants are well informed at all stages of the consenting process | GM Community & Regulatory Services | Medium/ High | Review updates provided to each meeting of the Committee | |

| Topic | What | Why | Who/How | Priority | Committee decision/action | Progress to 15 February 2020 |
|--|--|--|------------------------------------|-------------|---|------------------------------|
| 7. Climate change responsiveness is effective | | | | | | |
| Potential to disrupt people's lives and livelihoods | Engagement with community on proposed strategy and policies, and subsequent actions | Ensure Council understands the degree of potential risks and takes appropriate action (including advocacy to central government) | GM Community & Regulatory Services | Medium | | |
| Council's initiatives | Action plan for Council's operations | Council needs to show leadership in reducing emissions | GM Community & Regulatory Services | Medium | | |
| 8. Business continuity is compromised | | | | | | |
| Natural disaster events | Annual insurance reviews | Ensure accurate, appropriate and cost-effective cover for all built assets | GM Finance & Business Support | Medium | Review periodic updates from GM (Finance and Business Support) Committee has already reviewed decision to cease membership of LAPP. | |
| | Business continuity | Ensure Council can maintain business operations | GM Finance & Business Support | High | Review periodic updates from GM | |
| | Disaster recovery | Ensure robust processes aligned with MCDEM requirements | Chief Executive | Very high | Review six-monthly updates on development of internal capability and external liaison, periodic MCDEM reviews, and recommend any changes or enhancements | |
| Health and safety | High awareness of potential health and safety issues and willingness to take corrective action | Proactive attitude to health and safety is the strongest assurance that Council's facilities and operations are safe for staff and the public | Principal Infrastructure Advisor | High | Review six-monthly updates on health and safety considerations at unit toolbox meetings, Council's health and safety committee, to the senior leadership team | |
| 9. Changes to government legislation are transformational | | | | | | |
| Sustainable future for the District | High awareness of potential risks to delivery of services, maintenance of infrastructure | Significant and sudden changes in standards for freshwater and emissions may threaten existing agriculture enterprises and thus affordability of Council services. In addition, significant and sudden changes in what local councils are expected to do for their communities may prove costly and of no value. | Chief Executive | Medium/High | Review periodic updates and make recommendations to Council | |

Attachment 3

Rangitīkei District Council



Audit and Risk Committee Meeting

Minutes – Thursday 26 September 2019 – 9:00 a.m.

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

Also in attendance: Cr Lynne Sheridan

In attendance: Mr Michael Hodder, Community & Regulatory Services Group
Manager/Acting Chief Executive
Ms Jo Devine, Group Manager, Finance & Business Support
Mr Arno Benadie, Principal Advisor – Infrastructure
Ms Rachael Dean, Senior Internal Auditor, Cotton Kelly
Ms Bonnie Clayton, Governance Administrator

1 Welcome

The Chair welcomed everyone to the meeting at 9.07am.

2 Council prayer

The Chair read the Council prayer.

3 Public Forum

Nil

4 Apologies

That the apology for Mr Chris Webby, Audit Director, be received.

Cr Belsham/Cr Wilson. Carried

5 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 conflicts declared.

6 Confirmation of order of business

The order of business was confirmed.

His Worship the Mayor requested a future item for the agenda – New Bulls Community Centre – update.

7 Confirmation of minutes

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| Resolved minute number | 19/ARK/012 | File Ref | 3-CT-17-2 |
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That the Minutes of the Audit/Risk Committee meeting held on 27 June 2019 be taken as read and verified as an accurate and correct record of the meeting.

His Worship the Mayor/Cr Wilson. Carried

8 Chair's report

There was no report to provide to the Committee.

9 Council decisions on recommendations from the Committee

Mr Hodder spoke to the Council strategic risks workshop statement.

The Committee discussed the statement and requested it be amended to include a new section to include “changes to government legislation”.

The revised version of the statement is to be circulated to the Committee.

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 work programme matrix was taken as read.

Resolved minute number **19/ARK/013** **File Ref** **3-CT-17-5**

That the ‘Work programme matrix – progress update’ to the Audit/Risk Committee meeting 26 September 2019 be received.

Cr Belsham/Cr Gordon. Carried

12 Results of interim audit for 2018/19

Ms Devine updated the Committee on progress with the final audit. She covered the following highlights:

- A sensitive expenditure policy has been drafted, this will include the likes of travel, entertainment, koha and airpoints.
- Currently revisiting the gift register, we have a current register however it will include gifts received and gifting out. It was agreed that the register begins at a \$20 value, and any disclosures are to come to Audit Risk every 6 months and then published for the public.

In response to a question, Ms Devine advised that there is a Vehicle Policy, those who are provided with Council vehicles are provided a copy of the Vehicle Policy, which captures the use of Council vehicles for private use.

Resolved minute number 19/ARK/014 File Ref

That the report 'Report to the Council on the Interim audit of Rangitikei District Council for the year ending 30 June 2019' to the Audit/Risk Committee meeting 26 September 2019 be received.

His Worship the Mayor/Cr Gordon. Carried

13 Review of bringing cleaning services in-house

Ms Dean took her report as read.

The Committee discussed the audit and noted that costs for additional monitoring (alarm monitoring/cleaner swipe cards/cameras/GPS) outweigh the benefits and would not always be appropriate at specific work sites. It was suggested a text system, along with spot checking from auditors be implemented. Management are to consider the suggested actions in the audit. The Committee thanked Ms Dean for her report, considering it a very comprehensive piece of work.

Resolved minute number 19/ARK/015 File Ref

That the report 'The Internal Audit Project – 2018 -19, Rangitikei District Council: Review of bringing cleaning services in-house' to the Audit/Risk Committee meeting 26 September 2019 be received.

Cr Belsham/Cr Wilson. Carried

14 NZ Transport Agency Investment Audit Report

The report was taken as read.

Resolved minute number 19/ARK/016 File Ref 6-RT-2

That the 'NZ Transport Agency Investment Audit Report' to the Audit/Risk Committee 26 September 2019 be received.

His Worship the Mayor/Cr Gordon. Carried

15 Late items**16 Future items for the agenda**

Bulls Community Centre - update

17 Next meeting

This was the final meeting of the triennium. The Chair thanked the Committee and Council staff, making note of appreciation of the work from management.

18 Meeting closed

10.30am.

Confirmed/Chair:

Date:

Confirmed/Chief Executive: _____

Date: