



Rangitikei District Council

Audit and Risk Committee Meeting

Minutes – Friday 31 July 2020 – 10:00 a.m.

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

In attendance: Mr Peter Beggs, Chief Executive
Mr Michael Hodder, Community & Regulatory Services Group Manager
Mr Chris Webby, Audit New Zealand
Ms Jo Devine, Group Manager, Finance & Business Support
Ms Bonnie Clayton, Governance Administrator

Tabled Document: Work programme matrix - update

1 Welcome

The Chair welcomed everyone to the meeting at 10.00am

2 Council prayer

Mr O'Connell read the Council Prayer.

3 Public Forum

Nil

4 Apologies/Leave of Absence

That the apology for absence for Cr Angus Gordon be received.

5 Members' conflict of interest

There were no conflicts of interest declared.

6 Confirmation of order of business

Items 9 and 10 were addressed in item 9, where the Committee had a robust discussion.

7 Confirmation of minutes

Resolved minute number	20/ARK/005	File Ref	3-CT-17-2
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That the Minutes of the Audit/Risk Committee meeting held on 27 February 2020 without amendment be taken as read and verified as an accurate and correct record of the meeting.

Cr Belsham/Cr Wilson. Carried

8 Chair's report

Mr O'Connell updated the Committee on activities within the sector over the past few months since lockdown from Covid-19. He noted that Auckland City Council (who work under different legislation to other Councils) suspended their governance body and Finance Committee and set up an emergency Council. Prior to Covid-19, Auckland City Council identified their top risk as a pandemic, however only planned for 500 staff to work from home, not 6000 employees.

Ms Devine followed on from Mr O'Connell, expressing positive changes for Rangitikei District Council from lock-down such as a drop in paper and printing use, as well as from a records perspective where all documents have been loaded online.

9 Work programme matrix – update

Mr Hodder presented the updated tabled Work programme matrix.

The Committee agreed that the matrix may require updating due to strategic risks identified from Covid-19. Mr O’Connell will follow up on how internal audits of the MWLASS Councils are going, noting Cotton Kelly are not only engaged by Rangitikei, but by other councils in the MWLASS region.

Mr Beggs updated the Committee that with key Executive Management team due to leave in September – Michael Hodder and Jo Devine – Council is undergoing an organisational change. This will be consulted on with staff in the coming weeks, with the revised structure in place by the end of September; this will build resilience within the organisation.

Resolved minute number **20/ARK/006** **File Ref**

That the tabled ‘Work programme matrix – update’ to the 31 July 2020 Audit/Risk Committee be received.

Mr O’Connell/Cr Belsham. Carried

10 Strategic risks – from a COVID-19 perspective

The Committee received and discussed item 10 as a block in item 9.

11 Audit plan Rangitikei District Council, for the year ended 30 June 2020

Mr Webby took the Audit plan letters as read and explained the process:

- The Audit Engagement Letter, Proposal to conduct the audit of Rangitikei District Council and Audit Plan are presented 3 yearly.
- The attached Proposal letter is for 1 year of fees, and will return at a later date to propose the fees for years 2 and 3.
- Years 2 and 3 are currently signalling at 14% fee, with exclusions of Long Term Plan (a separate fee), four well-beings and Three Waters.
- If costs were less than the proposed fee, then a refund of the difference would be organised.
- Audits are taking 30-40% more time due to Covid-19.

His Worship the Mayor noted the high expense for Councils to face should they sign the proposal.

Mr Webby advised that no Council uses an independent Auditor, all Auditors fall under the Auditor-General, as required by the Public Finance Act.

Resolved minute number **20/ARK/007** **File Ref**

That the report 'Audit plan Rangitikei District Council, for the year ended 30 June 2020' to the 31 July 2020 Audit/Risk Committee be received.

His Worship the Mayor/Cr Wilson. Carried

12 Insights into local government: 2019

The Auditor-General's insight into local government was taken as read. Regulatory Practice will be flagged for a future item for the Committee to discuss.

It was highlighted the risks within the current 3 year election cycle, where Councils have potential inability to progress with projects and make decisions.

Resolved minute number **20/ARK/008** **File Ref**

That the 'Insights into local government: 2019' to the 31 July 2020 Audit/Risk Committee be received.

Cr Belsham/Mr O'Connell. Carried

13 2021-31 Long Term Plans

The letter from the Auditor-General was taken as read. As other guidance is released it will be circulated amongst Elected Members, specifically to bring new Councillors up to speed.

Resolved minute number **20/ARK/009** **File Ref**

That the letter '2021-31 Long Term Plans' from the Auditor-General to the 31 July 2020 Audit/Risk Committee be received.

Cr Belsham/His Worship the Mayor. Carried

14 Three Waters Reform Programme

The Committee agreed there is need to have an extraordinary meeting to discuss the Three Waters Reform Programme once Elected Members have attended the workshop on the 4th of August 2020.

This will allow Committee member's time to seek clarification on what will be required from Council and the potential risks involved on signing of the MOU for tranche one, which must be signed before 31 August 2020.

Resolved minute number **20/ARK/010** **File Ref**

That the 'Three Waters Reform Programme' to the 31 July 2020 Audit/Risk Committee be received.

Cr Wilson/Mr O'Connell. Carried

15 Late items

Nil

16 Future items for the agenda

Insurance

Payroll system review

Regulatory practice – this will be a greater area of focus for the Auditor-General

Health and Safety implications on private assets / club assets on our parks

17 Next meeting

A further meeting date in August is to be confirmed to discuss the Three Waters Reform Programme.

Thursday 24 September 2020, 9.00am

18 Meeting closed

12.08pm

Confirmed/Chair: _____

Date: