



MINUTES

Audit and Risk Committee Meeting Thursday, 23 June 2022

Ref: 1506908

**Minutes of Timaru District Council
Audit and Risk Committee Meeting
Held in the Meeting Room 1, Timaru District Council, King George Place, Timaru
on Thursday, 23 June 2022 at 9.30am**

Present: Bruce Robertson (Chairperson), Mayor Nigel Bowen, Janice Fredric (via MS Teams), Cr Stu Piddington

In Attendance: Bede Carran (Chief Executive), Jason Rivett (Acting Group Manager Commercial & Strategy), Andrew Dixon (Group Manager Infrastructure), Beth Stewart-Wright (Director User Experience & Community Engagement), Paul Cooper (Group Manager Environmental Services), Hannah Goddard-Coles (Director Engagement & Culture), Erik Barnes (Acting Group Manager Recreation & Cultural Services), Ernest Bernard (Audit & Risk Manager), John Mackay (Audit New Zealand – via MS Teams), Jacky Clarke (Governance & Executive Support Manager); Rouvierre Hattingh (Health & Safety Advisor)

1 Apologies

Apology

Resolution 2022/104

Moved: Mr Bruce Robertson

Seconded: Mayor Nigel Bowen

That the apology received from Cr Peter Burt be accepted and leave of absence granted.

Carried

2 Identification of Items of Urgent Business

No items of urgent business were received

3 Identification of Matters of a Minor Nature

No matters of a minor nature were raised.

4 Declaration of Conflicts of Interest

No conflicts of interest were declared.

5 Confirmation of Minutes

5.1 Minutes of the Audit and Risk Committee Meeting held on 7 March 2022

Resolution 2022/105

Moved: Mr Bruce Robertson

Seconded: Mayor Nigel Bowen

That the Minutes of the Audit and Risk Committee Meeting held on 7 March 2022 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Carried

6 Reports

6.1 Public - Action Points

The Audit & Risk Manager spoke to this report is to provide the Audit and Risk Committee (ARC) an update on the status of the action points that were raised in previous ARC meetings.

Pecuniary interests / sensitive expenditure policy to be brought back to the Committee to allow the members to register the conflicts in line with the incoming legislation.

Resolution 2022/106

Moved: Mr Bruce Robertson

Seconded: Mayor Nigel Bowen

That the actions are received and noted.

Carried

6.2 Risk and Assurance Report June 2022

The Audit & Risk Manager spoke to this report to provide the Audit and Risk Committee with an update on the Risk and Assurance activities since the last committee meeting on 7 March 2022.

Discussion amongst the Committee members and the officers involved the strategic risk register as a work in progress; topics for discussion for the upcoming workshop; increasing identification of reputational risk; Capital Expenditure (CapEx) as both operational & strategic risk; timeframe for delivery of internal auditing projects; Outstanding Recommendations Register, risk matrix change of the extreme rating (EY Process & Controls Review - Procure to Pay processes) to high based on *inter alia* the ArcBlue proposal; Audit NZ review preparation for the interim review; legislative compliance update; suggestion of using ComplyWith several times a year on parts of the organisation to lessen the impact; plan in place to ensure compliance with Local Government Official Information and Meetings Act 1987; Esker Procure to Pay Module – a one page overview on the Esker project to be presented to provide an understanding of the risks identified how they are managed.

Resolution 2022/107

Moved: Mr Bruce Robertson

Seconded: Cr Stu Piddington

That the report is received and noted.

Carried

6.3 Health and Safety Performance Report June 2022

The Audit & Risk Manager spoke to the Health and Safety Performance Report to provide the Committee with insight into initiatives and activities and their progress, as part of our Council's commitment to providing a safe and healthy workplace.

Matters discussed with the Officers and the Committee included Committee members lack of confidence in the reporting of Health & Safety systems critical control observations; dashboarding; lack of explanation of the event types; and details of notifiable events

Resolution 2022/108

Moved: Mr Bruce Robertson

Seconded: Mayor Nigel Bowen

That the report is received and noted.

Carried

6.4 Audit and Risk Committee Work Programme

The Audit & Risk Manager spoke to this report to update and outline the programme of work for the Committee.

The September Audit & Risk Committee meeting should be used to give the incoming Council a level of comfort with the matters before the Audit & Risk Committee.

Resolution 2022/109

Moved: Mr Bruce Robertson

Seconded: Mayor Nigel Bowen

That the report be received and noted

Carried

6.5 Debenture Trust Audit Report

The Acting Group Manager Commercial & Strategy spoke to this report for the Audit and Risk Management Committee to be informed of the contents of the Audit Report prepared pursuant to the requirements of the Debenture Trust Deed.

Resolution 2022/110

Moved: Mr Bruce Robertson

Seconded: Mayor Nigel Bowen

That the Audit and Risk Management Committee:

1. Receive the content in the Audit New Zealand Report on the Debenture Trust; and
2. Note that Audit New Zealand have issued an unqualified opinion.

Carried

6.6 Audit New Zealand Audit Plan 2021/22

The Acting Group Manager Commercial & Strategy and Chief Financial Officer spoke to this report to provide the committee with the Audit Plan for the 2021/22 Annual Report audit. The audit is scheduled to commence on 1 November 2022.

Discussion between Officers, Committee Members & the AuditNZ representative centred around revaluation of plant and equipment; Three Waters Reforms – issues of valuation work that needs to be undertaken; compliance with drinking water standards in that the Ministry of Health staff who had previously supplied compliance assurance to AuditNZ.

Audit NZ identified concerns with issues with Three Waters assets and infrastructure; in particular with stormwater infrastructure which frequently is part of and embedded in other infrastructure such as roading networks and parks and reserves.

Resolution 2022/111

Moved: Mayor Nigel Bowen

Seconded: Cr Stu Piddington

That the report be noted and received.

Carried

7 Consideration of Urgent Business Items

No items of urgent business were received

8 Consideration of Minor Nature Matters

No matters of a minor nature were raised.

9 Exclusion of the Public

Resolution 2022/112

Moved: Mr Bruce Robertson

Seconded: Mayor Nigel Bowen

That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
10.1 - Public Excluded Minutes of the Audit and Risk Committee Meeting held on 7 March 2022	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an	To protect a person's privacy Due to an obligation of confidence and to protect the public interest To protect all communications between a legal adviser and clients from being disclosed

	<p>obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>without the permission of the client.</p> <p>To enable commercial activities</p>
<p>10.2 - Public Excluded Action Points</p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>Commercial sensitivity</p> <p>To enable commercial activities</p>
<p>10.3 - Cyber Security Report</p>	<p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest</p>	<p>Due to an obligation of confidence and to protect the public interest</p>
<p>10.4 - Issues Watch Register</p>	<p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without</p>	<p>To protect all communications between a legal adviser and clients from being disclosed without the permission of the client.</p> <p>To enable commercial activities</p>

	prejudice or disadvantage, commercial activities	
10.5 - Committee and Chief Executive only time (agenda placeholder)	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>To protect a person’s privacy</p> <p>To enable commercial activities</p>

Carried

10 Public Excluded Reports

10.1 Public Excluded Minutes of the Audit and Risk Committee Meeting held on 7 March 2022

10.2 Public Excluded Action Points

10.3 Cyber Security Report

10.4 Issues Watch Register

10.5 Committee and Chief Executive only time (agenda placeholder)

11 Readmittance of the Public

Resolution 2022/113

Moved: Cllr Stu Piddington

Seconded: Mayor Nigel Bowen

That the meeting moves out of Closed Meeting into Open Meeting.

Carried

The meeting closed at 12.56



.....
Bruce Robertson
Chairperson