



# MINUTES

## Audit and Risk Committee Meeting Tuesday, 15 June 2021

Ref: 1428033

**Minutes of Timaru District Council  
Audit and Risk Committee Meeting  
Held in the Meeting Room 1, Timaru District Council, King George Place, Timaru  
on Tuesday, 15 June 2021 at 11am**

**Present:** Keiran Horne (Chairperson), Cr Peter Burt (Deputy Chairperson), Mayor Nigel Bowen, Cr Stu Piddington, Janice Fredric (via Video Link)

**In Attendance:** John Mackey – Audit New Zealand Director (via Video Link – until 12.05pm)  
Chief Executive (Bede Carran), Acting Group Manager Commercial and Strategy (Ashley Harper), Group Manager Infrastructure (Andrew Dixon), Group Manager Environmental Services (Paul Cooper), Chief Information Officer (Justin Bagust), Chief Financial Officer (Azoora Ali), Risk and Assurance Manager (Ernest Bernard), Manager of Property Services & Client Representative (Nicole Timney), Governance Advisor (Jo Doyle)

**1 Apologies**

Bruce Robertson (new Chair of Audit and Risk Committee), Symon Leggett, Group Manager People & Digital and Acting Group Manager Community Services

**2 Identification of Items of Urgent Business**

There were no items of urgent business.

**3 Identification of Matters of a Minor Nature**

As this was Keiran Horne's last meeting, Mayor Nigel Bowen recognised and thanked the Chair for her commitment and input to the Audit and Risk Committee over the past five years.

**4 Declaration of Conflicts of Interest**

There were no conflicts of interest.

**5 Confirmation of Minutes**

**5.1 Minutes of the Audit and Risk Committee Meeting held on 9 March 2021**

**Resolution 2021/54**

Moved: Ms Keiran Horne  
Seconded: Mayor Nigel Bowen

That the Minutes of the Audit and Risk Committee Meeting held on 9 March 2021 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 Action List

The Committee considered the actions generated from previous Audit and Risk Committee meetings.

It was noted that the Tax Risk Management Framework is planned to go to the Council meeting scheduled for 29 June 2021.

Each action should have the inclusion of an estimated due date.

#### **ACTION POINT**

Assign a due date to each action.

#### **Resolution 2021/55**

Moved: Ms Keiran Horne

Seconded: Cr Peter Burt

That the actions be received and noted.

**Carried**

### 6.2 Timaru Airport CAA Part 139 Recertification.

The Committee considered a report by the Senior Programme Delivery Manager (at the time) and the Airport Operations and Safety Manager advising that the three yearly Civil Aviation Authority (CAA) Part 139 Recertification for the Timaru Aerodrome was achieved before the 23 March 2021 deadline.

The overview of the Timaru Airport is now fully transferred to the Group Manager Infrastructure. The CAA found 2 non major items which were rectified within three days, and full sign off was achieved. The operating certificate lasts for three years.

#### **Resolution 2021/56**

Moved: Ms Keiran Horne

Seconded: Mayor Nigel Bowen

That the recertification report be received and noted.

**Carried**

### 6.3 Health and Safety Update

The Committee considered a report by the Group Manager People and Digital providing an update on health and safety activity since the last report to the Audit and Risk Committee in March 2021.

The Chief Executive spoke to this report in the absence of the Group Manager People and Digital.

Assura has been implemented with a good uptake of staff using the software. Feedback has been received that Assura is easier to use than the last system, and is available to use on different devices.

It was requested that the reporting show the date range, this will be undertaken for the next report.

Consideration will be given to the Covid-19 vaccination for areas of Council such as wastewater staff. Other Councils will be in the same position of needing to be mindful of these staff.

The health and safety plans of contractors was discussed, contractors have to present their health and safety plans through the tender process and are required to report all incidents including near misses.

The Health and Safety Officer has been on extended medical leave, and the internal cover of this role has been split through different members of the HR department.

The staff wellness and referrals to Mindful Me are reported back to Council, the detail of the issue isn't specified, and it can be hard to determine whether the issue is driven by work or home. Pressure points identified by these issues could be helpful.

The recording of near misses and reporting to the Health and Safety Committee and through to the governing body should be included in the work stream and recorded in the new software system.

#### **ACTION POINTS**

- To include the recording of near misses in the Assura software and the regular reporting of these to the Health and Safety Committee and through to Council.
- Ensure the date range is shown on the report from Assura.

#### **Resolution 2021/57**

Moved: Ms Keiran Horne

Seconded: Cr Peter Burt

That the Health and Safety report be received and noted.

**Carried**

### **6.4 Audit and Risk Committee Work Programme**

The Committee considered a report by the Risk and Assurance Manager on the programme of work for the Committee.

The moving of the "Accounting Policy Review" in the work programme from June to October was queried, also the engagement letter from Audit NZ is yet to be received. The review highlights key issues in the financial statements, accounting judgements, changes to the accounting policies, provision or impairments that could cause issue in the year end account preparation. These reports would normally be presented prior to year end. It is expected that this can mirror key areas of focus from audit.

An additional Audit and Risk Committee meeting may need to be held to discuss the engagement letter, key issues, audit plan and key accounting judgements.

#### **ACTION POINTS**

- Rename the Accounting Policy Review to Key Accounting Judgement and this should be moved to July.

- Arrange a Zoom Audit and Risk Committee meeting if required once the Audit NZ engagement letter for the 2020/21 Annual Report is received.

**Resolution 2021/58**

Moved: Ms Keiran Horne

Seconded: Mayor Nigel Bowen

That the report be received and noted.

**Carried**

**6.5 TDC Strategic Risk Register**

The Committee considered a report by the Risk and Assurance Manager providing an update on the Strategic Risk Register.

A workshop was held with the senior leadership team to update the register, there is still work to be done but the framework is built.

The Risk and Assurance Manager was queried about the residual rating for engaged community, which is higher than the untreated risk. The engaged community risk has not been worked on yet and will be discussed in the next risk workshop.

**ACTION POINTS**

- To enable easier reading, number the risks and include gridlines in the register.
- Assess the emerging risks and lessons learned from the recent flood.

**Resolution 2021/59**

Moved: Ms Keiran Horne

Seconded: Cr Peter Burt

That the Strategic Risk Register update be received and noted.

**Carried**

**6.6 Probity Report**

The Committee considered the probity report.

One incident was reported in this period, and was intercepted by the finance team and shows there are good controls in place.

**Resolution 2021/60**

Moved: Ms Keiran Horne

Seconded: Cr Peter Burt

That the probity report be received and noted.

**Carried**

## 6.7 Internal Audit and Assurance Programme

The Committee considered an update from the Risk and Assurance Manager on the progress with the 20/21 Internal Audit (IA) Programme.

All recommendations from the reports will be included in the audit tracker. Delays are noted and the team has been stretched to achieve dates. Next year's plan should be approved prior to the year starting.

### Resolution 2021/61

Moved: Ms Keiran Horne

Seconded: Mayor Nigel Bowen

That the internal audit and assurance programme update be received and noted.

**Carried**

## 6.8 Debenture Trust Audit Report

The Committee considered a report by the Chief Financial Officer on the contents of the Audit report prepared pursuant to the requirements of the Debenture Trust Deed.

Advice has been received from Simpson Grierson that a law change at the end of 2020 could mean changes to this area of Council.

This information will be assessed by the Chief Financial Officer and a report will come to the next meeting if necessary.

### ACTION POINT

The Chief Executive Office to consider the advice from Simpson Grierson and provide a report to the next ARC meeting if necessary.

### Resolution 2021/62

Moved: Ms Keiran Horne

Seconded: Cr Peter Burt

That the Audit and Risk Management Committee:

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

**Carried**

## 6.9 Implementation of Legislative Compliance Tool - ComplyWith

The Committee considered an update from the Risk and Assurance Manager on the progress plan and timing of the roll out of TDC's recently acquired legislative compliance tool, ComplyWith.

Good progress has been made, the project plan has been built and there are upcoming workshops with the senior leadership team planned. It is expected that the target date will be met.

### Resolution 2021/63

Moved: Ms Keiran Horne

Seconded: Cr Peter Burt

That the report on ComplyWith be received and noted.

**Carried**

## **7 Consideration of Urgent Business Items**

There was no urgent business.

## **8 Consideration of Minor Nature Matters**

There were no minor nature matters.

## **9 Exclusion of the Public**

### **Resolution 2021/64**

Moved: Ms Keiran Horne

Seconded: Cr Peter Burt

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:

The meeting moved earlier into Public Excluded to ensure the Director of Audit NZ could provide relevant updates in the time available.

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Plain English Reason</b>
<b>10.1 - Public Excluded Minutes of the Audit and Risk Committee Meeting held on 9 March 2021</b>	<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)(b)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</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</p>	<p>To protect a person's privacy</p> <p>To prevent disclosing a trade secret</p> <p>Commercial sensitivity</p> <p>Due to an obligation of confidence and to protect the public interest</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> <p>To enable commercial or industrial negotiations</p>

	<p>person who supplied or who is the subject of the information</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>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>s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	
<p><b>10.2 - Public Excluded Action List</b></p>	<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>To protect a person’s privacy</p>
<p><b>10.3 - Cyber Security Report</b></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>Commercial sensitivity</p>
<p><b>10.4 - Outstanding Items Raised By Various Audits</b></p>	<p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry</p>	<p>To enable commercial activities</p>



	out, without prejudice or disadvantage, commercial activities	
<b>10.5 - Issues Watch Register</b>	<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>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>
<b>10.6 - Insurance</b>	<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>
<b>10.7 - Committee and Auditor only time (agenda placeholder)</b>	<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>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>Due to an obligation of confidence and to protect the public interest</p> <p>To enable commercial activities</p>

<p><b>10.8 - Committee and Chief Executive only time (agenda placeholder)</b></p>	<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>
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**Carried**

**10 Public Excluded Reports**

**10.1 Public Excluded Minutes of the Audit and Risk Committee Meeting held on 9 March 2021**

**10.2 Public Excluded Action List**

**10.3 Cyber Security Report**

**10.4 Outstanding Items Raised By Various Audits**

**10.5 Issues Watch Register**

**10.6 Insurance**

**10.7 Committee and Auditor only time (agenda placeholder)**

**10.8 Committee and Chief Executive only time (agenda placeholder)**

**11 Readmittance of the Public**

**Resolution 2021/65**

Moved: Ms Keiran Horne

Seconded: Mayor Nigel Bowen

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

**Carried**

**The meeting closed at 1.31pm.**

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**Chairperson**