



Notice is given of an Audit and Risk Committee Meeting to be held on:

Date: Tuesday, 16 March 2021
Time: 1.00pm Following the Council Meeting
Location: Council Chambers
Fairlie

AGENDA

Audit and Risk Committee Meeting

16 March 2021

Note: This meeting may be digitally recorded by the minute-taker.

Audit and Risk Committee Membership:

Bruce Mincham (Chair)
James Leslie
Stuart Barwood
Anne Munro
Graham Smith
Emily Bradbury
Murray Cox
Matt Murphy

The purpose of local government:

(1) The purpose of local government is—

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

(2) In this Act, good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are—

- (a) efficient; and
- (b) effective; and
- (c) appropriate to present and anticipated future circumstances.

(Local Government Act 2002)

Order Of Business

1	Opening.....	5
2	Apologies.....	5
3	Declarations Of Interest	5
4	Visitors	5
5	Reports.....	6
5.1	Minutes of Audit and Risk Committee Meeting - 8 December 2020.....	6
5.2	Health and Safety Report	12
5.3	Adoption of Annual Report 2019/20.....	22
5.4	Verbal Update on Long Term Plan Progress	26
6	Public Excluded	27
6.1	Minutes of Public Excluded Audit and Risk Committee Meeting - 8 December 2020	27
6.2	Verbal Updates Requested by Chair	27
6.3	Risk Management Report	27

- 1 OPENING**
- 2 APOLOGIES**
- 3 DECLARATIONS OF INTEREST**
- 4 VISITORS**

5 REPORTS

5.1 MINUTES OF AUDIT AND RISK COMMITTEE MEETING - 8 DECEMBER 2020

Author: **Arlene Goss, Governance Advisor**

Authoriser:

Attachments: **1. Minutes of Audit and Risk December 8, 2021** [!\[\]\(5a132f13505a6571904d622757b7a8f0_img.jpg\)](#) 

RECOMMENDATION

That the Minutes of the Audit and Risk Committee Meeting held on Tuesday 8 December 2020 be received and confirmed as an accurate record of the meeting.



Unconfirmed MINUTES

Audit and Risk Committee Meeting

8 December 2020

**MINUTES OF MACKENZIE DISTRICT COUNCIL
AUDIT AND RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS, FAIRLIE
ON TUESDAY, 8 DECEMBER 2020 AT 9.30AM**

PRESENT: Mr Bruce Mincham, Cr James Leslie, Cr Stuart Barwood, Cr Anne Munro, Mayor Graham Smith, Cr Emily Bradbury, Cr Murray Cox, Cr Matt Murphy

IN ATTENDANCE: Suzette van Aswegen (Chief Executive), Paul Numan (GM Corporate Services), Tim Harty (GM Operations), Adrian Hodgett (Finance Manager), Jo Hurst (Financial Accountant), Katherine Hill (Corporate Planner), Chris Genet (Audit New Zealand), Arlene Goss (Governance Advisor).

1 OPENING

Bruce Mincham welcomed everyone to the meeting.

2 APOLOGIES

There were no apologies.

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 VISITORS

Chris Genet from Audit New Zealand was welcomed to the meeting.

5 REPORTS

5.1 MINUTES OF AUDIT AND RISK COMMITTEE MEETING - 25 AUGUST 2020

COMMITTEE RESOLUTION AUD/2020/47

Moved: Mayor Graham Smith

Seconded: Deputy James Leslie

That the Minutes of the Audit and Risk Committee Meeting held on Tuesday 25 August 2020 be received and confirmed as an accurate record of the meeting.

CARRIED

5.2 VERBAL UPDATE ON THE ANNUAL AUDIT

Paul Numan said in summary there were some technical issues still to be resolved and once those were addressed the council would be able to adopt its annual report.

The Mayor said council staff moved heaven and earth to meet the requirements of audit and now were being held up by Audit New Zealand's process. He felt that the process was being pushed out the same as the previous year, despite having an additional two months to complete the process.

Chris Genet from Audit New Zealand said it was important to the community "to get it right" and he felt this was the priority for auditors. The chief executive said when a council did not meet the deadline it was the council that was mentioned in Parliament, not the auditor. She said Council was a smaller council and was pushed out to the end of the process and she would like an opportunity to do this work earlier in the year so there was an opportunity to push back on some of the rulings of the technical team.

Mr Genet said he was guided by the auditor general with regards to timelines.

Cr Munro read out a sentence in the draft annual report stating increased confidence from the auditors and asked Mr Genet if he was comfortable with that being in the annual report. Mr Genet asked for it to be removed because it was subjective and he wanted to remain objective.

Cr Cox said auditors were raising issues that fell outside the financial year or were immaterial. Audits were expensive and the ratepayer paid, so he asked for Audit New Zealand to be fair.

Cr Barwood suggested Council request a change to the legislation that would allow Audit New Zealand to stagger its workload.

The date of the adoption of the Annual Report was discussed. An extraordinary meeting would need to be called to do this, possibly on December 22nd.

The Mayor asked for an update on the issues.

Downlands Water – this work has been done by Timaru District Council.

Albury Water Supply – Whether this should be treated as a CCO would be resolved next year.

There were a couple of issues outstanding with the roading team regarding the revaluation of some roading assets.

Statement of Service Performance – water supply issues are resolved.

Building team accreditation – waiting for the outcome of this process.

Scale of resident's survey – Audit NZ was looking into this to understand the scale used in the survey.

5.3 VERBAL UPDATE ON LONG TERM PLAN PROGRESS

Paul Numan said the chairman has asked how the annual report extension would affect the delivery of the Long-Term Plan.

The supporting activity management plans and budgets were due by Christmas and staff were currently working on these. It will be a push because there were some deadlines in the new year so it was important to close out the audit and re-direct the resources.

Mr Numan said at this stage he was "as comfortable as I can be" with progress on the Long-Term Plan.

Discussion took place on whether an LTP amendment would be required, and the impact of the spatial plans that were due early in 2021.

6 PUBLIC EXCLUDED

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION AUD/2020/48

Moved: Cr Emily Bradbury

Seconded: Cr Anne Munro

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
6.1 - Minutes of Public Excluded Audit and Risk Committee Meeting - 25 August 2020	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)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.2 - Health and Safety Report	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.3 - Draft Annual Report to 30 June 2020 - for the Mackenzie District Council	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)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

Audit and Risk Committee Meeting Minutes

8 December 2020

	disadvantage, negotiations (including commercial and industrial negotiations)	
6.4 - Risk Management Report	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	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
1.1 - EQUIP Governance/Management Roles and Responsibilities Facilitated Session Notes - 17 November 2020	s6(b) - the making available of the information would be likely to endanger the safety of any person s7(2)(f)(i) - the withholding of the information is necessary to allow free and frank expression of opinions by or between or to members or officers or employees of any local authority	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
CARRIED		

COMMITTEE RESOLUTION AUD/2020/49

Moved: Cr Anne Munro

Seconded: Cr Matt Murphy

That the committee moves out of closed meeting into open meeting.

CARRIED**The Meeting closed at 10.43am.****The minutes of this meeting were confirmed at the Audit and Risk Committee Meeting held on**

.....

CHAIRPERSON

5.2 HEALTH AND SAFETY REPORT

Author: Alexis Gray, People and Culture

Authoriser: Tim Harty, General Manager Operations

Attachments:

1. Incident Report (June 2020 - 03032021) [↓](#) 
2. Lost Time Dashboard (March 2021) [↓](#) 

STAFF RECOMMENDATIONS

That the information be noted.

BACKGROUND

This report provides an update to the Committee on Council Health and Safety matters.

Audit of Health and Safety for Council:

An agreement has been signed with Site Safe to undertake an Audit of the Mackenzie District Council. This audit will assist MDC in identifying where our gaps are (policy, process, PPE, site safety etc) and will provide us with an action plan and a list of tasks / activities that we need to be undertaken in order to be compliant.

Incident Report:

We can now report on Incidents and Near Misses via our online Health and Safety system. Please refer to the attached document for more information.

Please note that some of the information contained within the report relates to our contractors. This is an area that is still in development within the new online health and safety system and once completed these types of incidents will be reported separately.

Hazard Spotting Report:

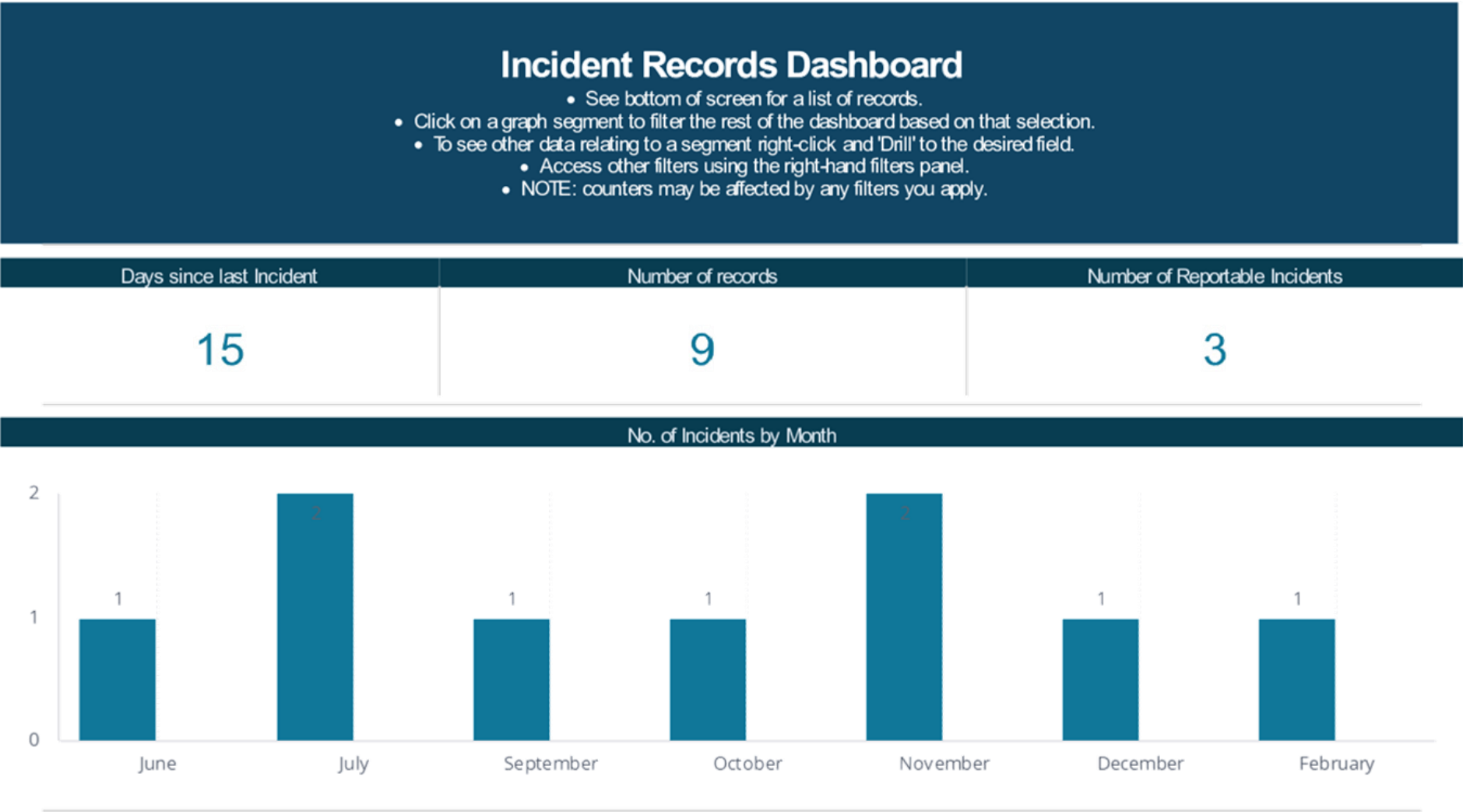
We can now to report Hazards that have been spotted via our online Health and Safety system. Please refer to the attached document for more information. Please note that there is still some configuration to complete within the system so that our reporting is more accurate in the future.

Lost Time Injuries (LTI's):

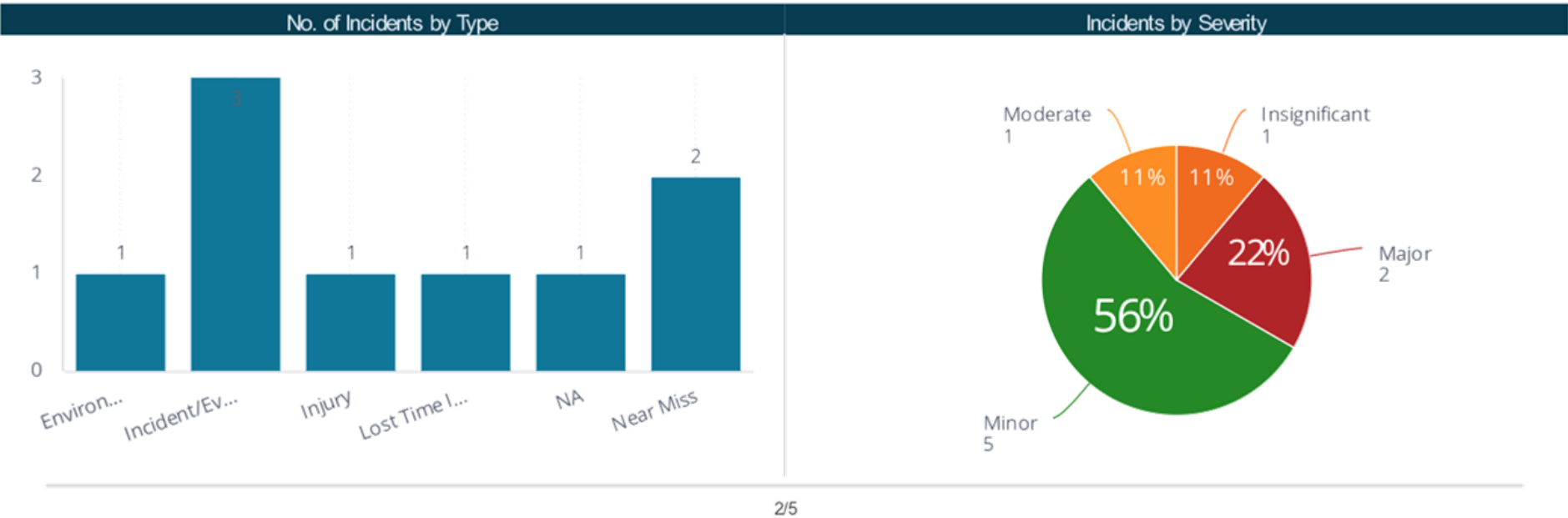
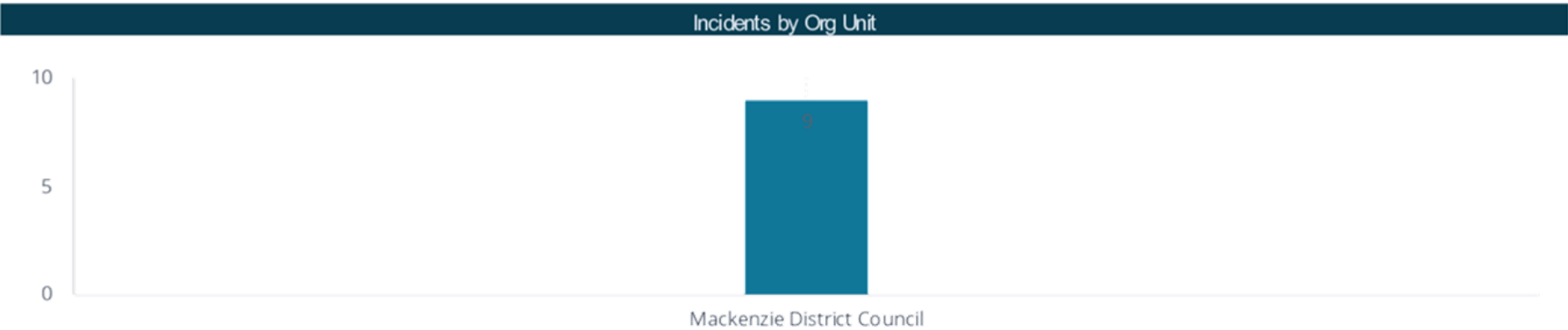
We have had one lost time injury reported for this financial year. The employee tripped at work and injured themselves resulting in three days off work.

CONCLUSION

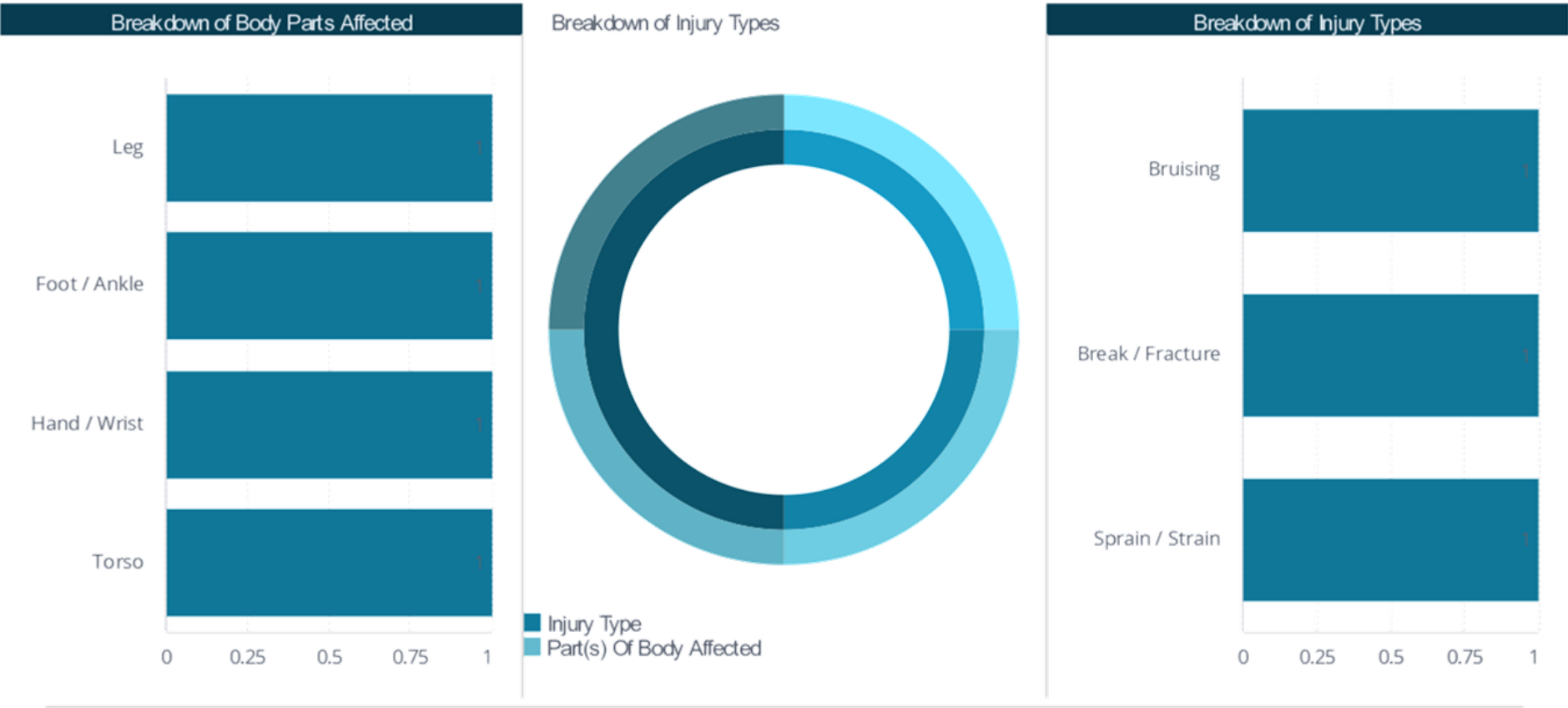
This report provides an update to the Committee on Council health, safety, and wellbeing matters.



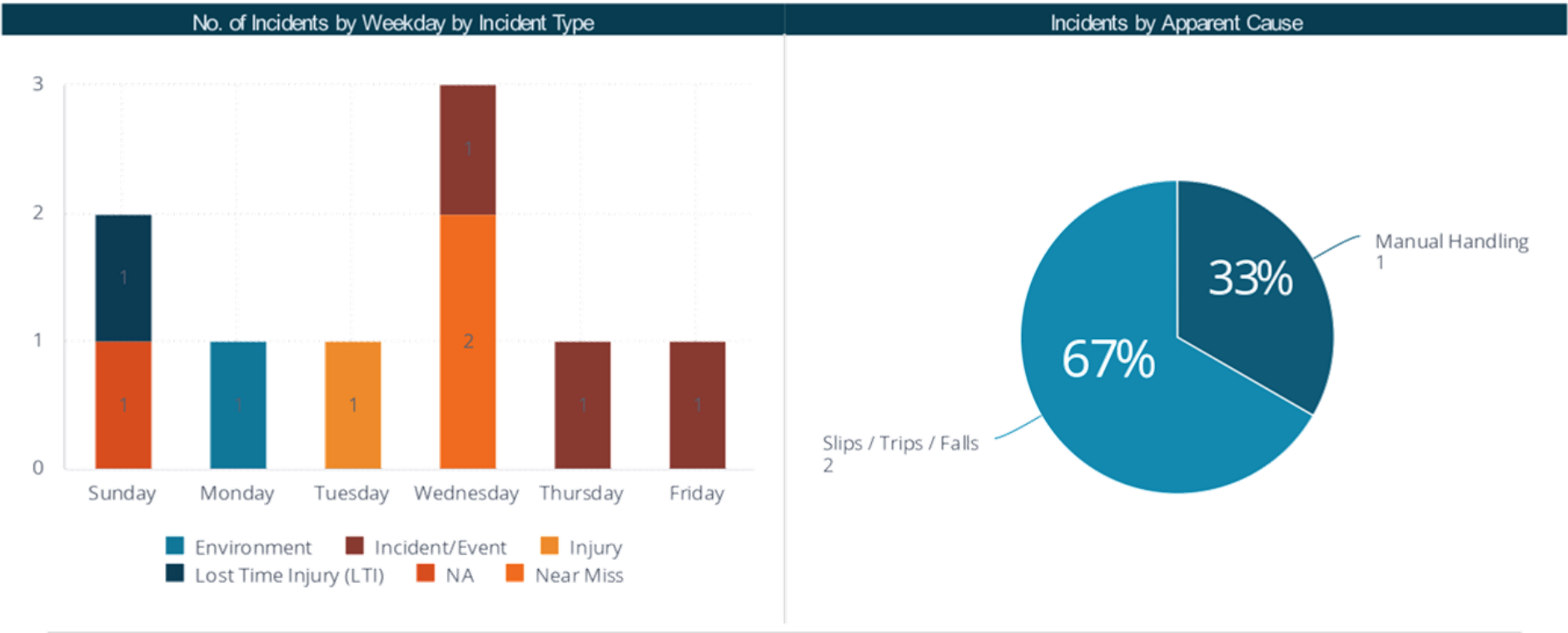
Incident Records - Staff Mar 8, 2021 4:27:43 AM



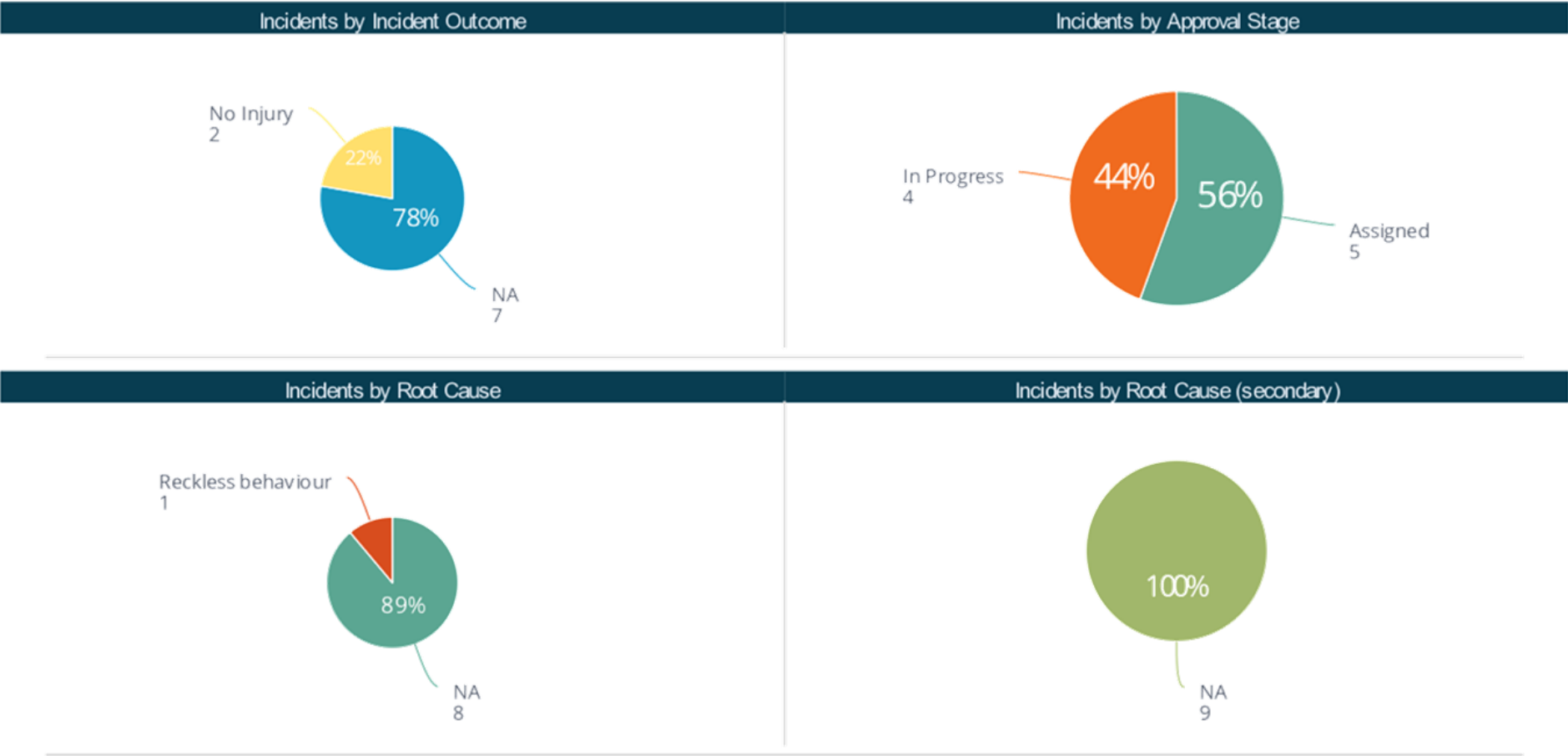
Incident Records - Staff Mar 8, 2021 4:27:43 AM



Incident Records - Staff Mar 8, 2021 4:27:43 AM



Incident Records - Staff Mar 8, 2021 4:27:43 AM



Filters

LOST TIME DASHBOARD

Organisational Unit can be used to filter only Module record logs
Home Organisation Unit (from Users table) can be used to filter both System and Module record logs
- Select a User or Home Organisation Unit below

Total lost time count of Incident

Total LT Is
1

This year - Past Year

LTI (YTD)
0
LTI (Past Year) 1

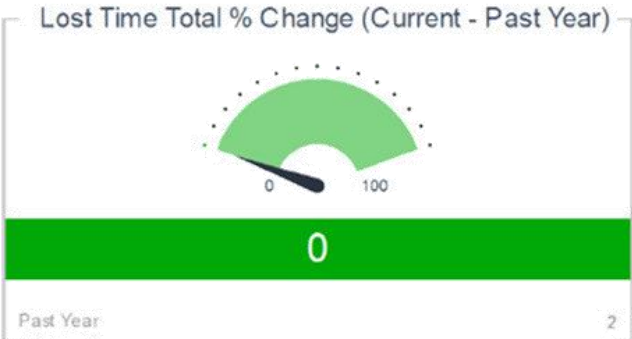
This year - Past Year

Total Lost Time (YTD)
0
Past Year 2

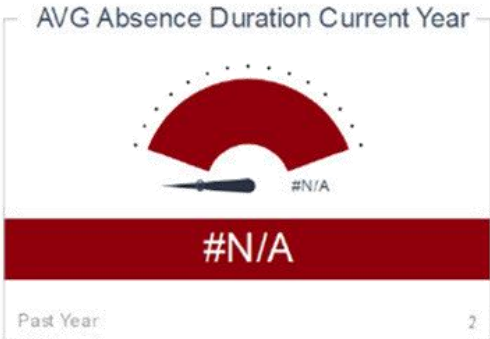
Lost Time Dashboard Mar 8, 2021 4:27:43 AM Incident

Filters

This year - Past Year

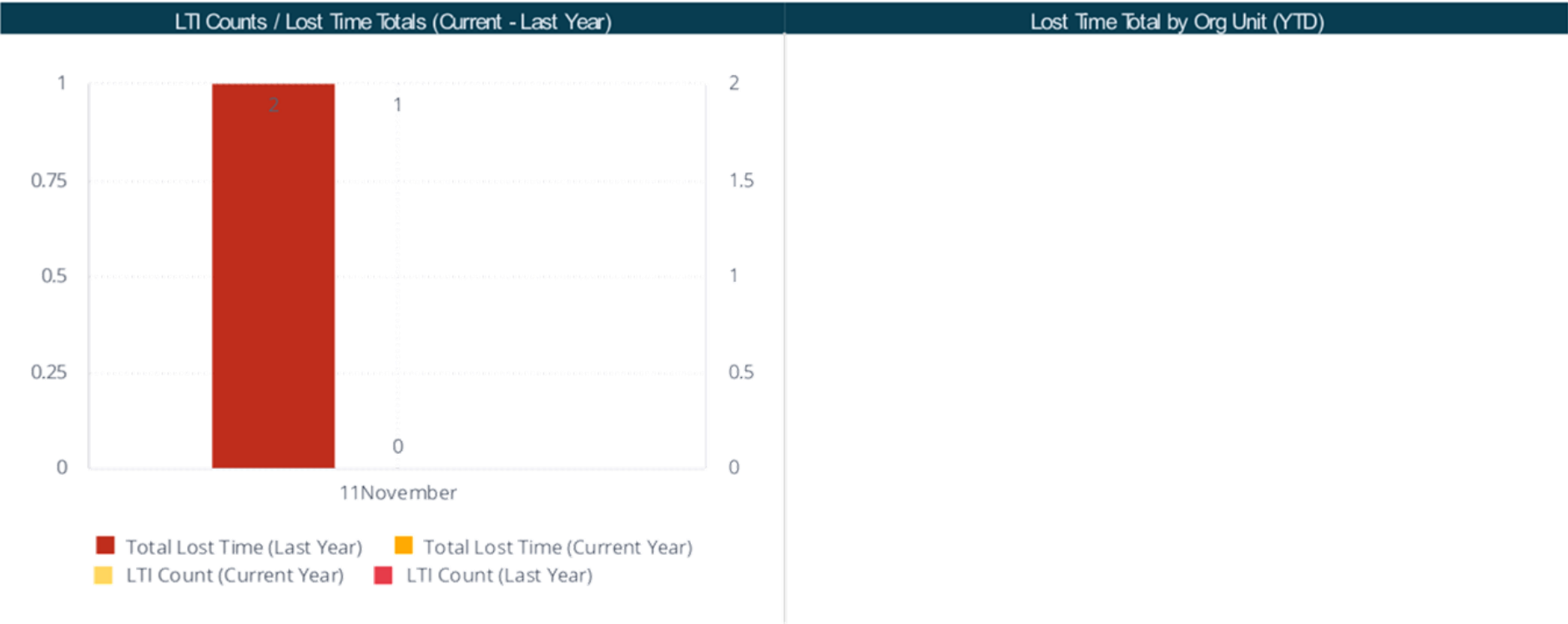


AVG Absence Duration (Current-Past Year)



Lost Time Dashboard Mar 8, 2021 4:27:43 AM [Incident](#)

Filters



Lost Time Totals by Org Unit by Month (with drill-down)

Root	11/2020	Grand Total
Mackenzie District ...	2	2
Grand Total	2	2

Lost Time Dashboard Mar 8, 2021 4:27:43 AM [Incident](#)

Filters

Lost Time Incidents Summary

Lost Time Incident Details

Link1	Reference	Name	Days in Incident Date	Days in Start of Absence Date	Days in ReturnToWorkDate1	Total Lost Time
Link to this record	14	Customer Services	22 Nov 2020	23 Nov 2020	26 Nov 2020	2

5.3 ADOPTION OF ANNUAL REPORT 2019/20

Author: Katherine Hill, Senior Corporate Planner
Authoriser: Paul Numan, General Manager Corporate Services
Attachments: Nil

Council Role:

- ☐ **Advocacy** When Council or Committee advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- ☒ **Executive** The substantial direction setting and oversight role of the Council or Committee e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
- ☐ **Legislative** Includes adopting District Plans and plan changes, bylaws and policies.
- ☐ **Review** When Council or Committee reviews decisions made by officers.
- ☐ **Quasi-judicial** When Council determines an application/matter that directly affects a person's rights and interests. The judicial character arises from the obligation to abide by the principles of natural justice, e.g. resource consent or planning applications or objections, consents or other permits/licences (e.g. under Health Act, Dog Control Act) and other decisions that may be appealable to the Court including the Environment Court.
- ☐ **Not applicable** (Not applicable to Community Boards).

PURPOSE OF REPORT

The purpose of this report is to inform the Audit and Risk Committee that the Council adopted the 2019/20 Annual Report in accordance with section 98 of the Local Government Act 2002 on 23 February 2021.

STAFF RECOMMENDATIONS

1. That the report be received.

BACKGROUND

The Local Government Act 2002 (s98) specifies that the purpose of an Annual Report is:

- a) To compare the annual activities and the actual performance of the local authority in the year with the intended activities and the intended level of performance as set out in respect of the year in the Long Term Plan (LTP) and the Annual Plan (AP); and*
- b) To promote the local authority's accountability to the community for the decisions made through the year by the local authority.*

The Annual Report explains what we have achieved in the last year, and explains how we spent rates and the value the community received. It compares our achievements and progress to what was planned to be achieved, in this case in Year Two of the Long Term Plan 2018-2028. A copy of the Annual Report for 2019/20 will be tabled at the meeting.

Council is also required to prepare a summary of the information contained in its full Annual Report. The Annual Report Summary for 2019/20 has been prepared and is attached to this paper.

Council is normally required to adopt its audited Annual Report within four months of the end of the financial year (30 June 2020). Due to the COVID-19 pandemic Parliament passed legislation in August to extend the statutory reporting timeframes by two months and Local Authorities new deadline was extended from 31 October to 31 December 2020.

Council did not meet the statutory deadline as Audit required investigation into property classification which was deemed material and required a technical review. The formal outcome of the technical review was received in February 2021. The audit process provides a level of comfort that the Council's assets both financial and non-financial are being prudently managed. The Annual Report has been audited by Audit New Zealand and an audit opinion will be issued upon adoption.

Within one month of the adoption of the Annual Report, the Annual Report and Summary is required to be made publicly available.

Key Information Contained in the Annual Report

Snapshot of the Year

The Annual Report and Annual Report Summary tell the story of Councils performance over the last financial year, from 1 July 2019 to 30 June 2020 and covers both financial and non-financial performance for the year. The emphasis in the front section of the Annual Report is on informing the community of progress made with Council's major projects as well as stories and highlights of the past year. These highlights have mainly been compiled from the proposals in Year Two of the Long Term Plan 2018-28. Key highlights for the year included:

- Civil Defence and Emergency Management activities;
- Response to COVID-19;
- Communications improvements;
- Change and Transformation programme;
- Swearing in ceremony and 500th Council meeting;
- Grants and Awards,
- Citizenship Ceremonies.

Non-financial Performance

Each of Council's activities, or group of activities, has performance measures with targets to determine the quality and effectiveness of the services provided by Council. These measures, which are set in the Long Term Plan, include mandatory performance measures.

The following shows Council performance against the 56 measures set in the Long Term Plan 2018-28:

Last year (2018/19) we:

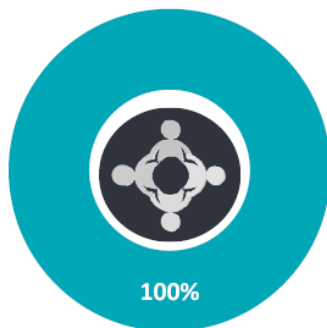
- achieved 41 out of 54 measures (76%)
- did not achieve 11 out of 54 measures (20%)
- measure not applicable: 2 out of 54 measures (4%)

This year (2019/20) we:

- achieved 43 out of 56 measures (**77%**)
- did not achieve 10 out of 56 measures (18%)
- measure not applicable: 3 out of 56 measures (5%)

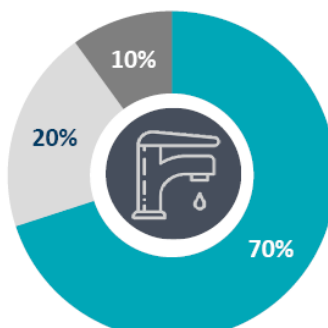
■ Achieved
 ■ Not Achieved
 ■ Not Applicable

Governance and Corporate Services



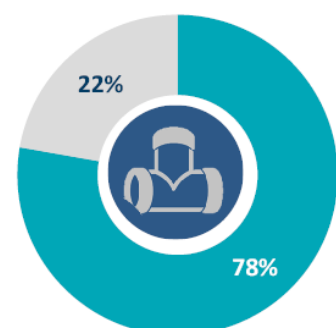
Achieved 5 of 5 measures

Water Services



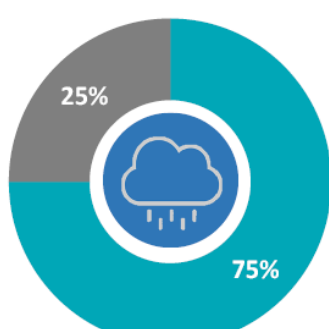
Achieved 7 of 10 measures

Wastewater



Achieved 7 of 9 measures

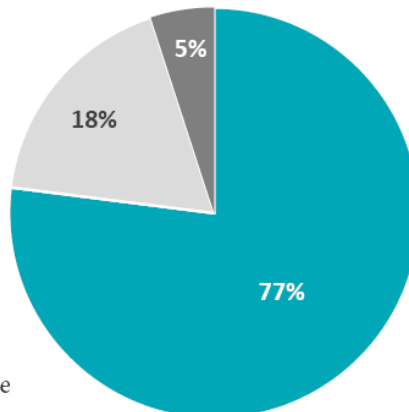
Stormwater



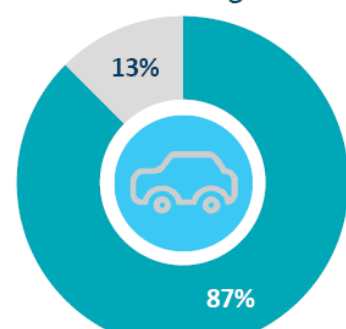
Achieved 6 of 8 measures

*2 out of 8 measures were not applicable

All of Council Activities

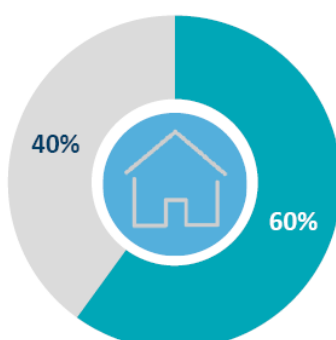


Roading



Achieved 7 of 8 measures

Regulatory Services



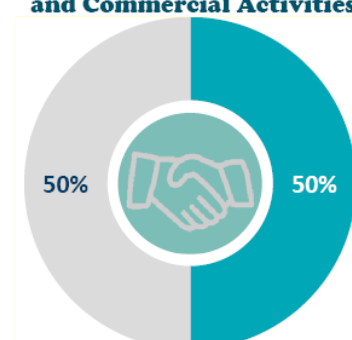
Achieved 6 of 10 measures

Community and Township Services



Achieved 4 of 4 measures

Tourism, Economic Development and Commercial Activities



Achieved 1 of 2 measures

Financial Performance

The financials reflect increased activity in the district over the previous year with an overall surplus after tax of \$5 million compared with the anticipated surplus of \$3.2 million. Of this surplus, there were a number of one-off or unusual events contributing to the surplus. The following table outlines some of these, and notes the surplus from normal Council operations:

Overall surplus after tax	\$5 million
Vested assets	\$1.5 million
Real estate sales (\$68,088) less cost of sales (\$52,919)	\$15,169
Contributions	\$3.2 million
Surplus from normal operations	\$248,000

It should be noted that vested assets and contributions are driven by developer activity and are outside of Council control, and are, as such difficult to anticipate in budgets.

CONCLUSION

The Audit and Risk Committee is asked to note that Council adopted the Annual Report and Annual Report Summary for the 2019/20 financial year in accordance with the requirements of the Local Government Act 2002.

5.4 VERBAL UPDATE ON LONG TERM PLAN PROGRESS

Author: Arlene Goss, Governance Advisor

Authoriser:

Attachments: Nil

STAFF RECOMMENDATIONS

That the information be noted.

Paul Numan, General Manager Corporate Services, will provide a verbal update on the progress of the Long Term Plan.

6 PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
6.1 - Minutes of Public Excluded Audit and Risk Committee Meeting - 8 December 2020	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)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.2 - Verbal Updates Requested by Chair	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.3 - Risk Management Report	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	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7