



Mackenzie

DISTRICT COUNCIL

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

Date: Tuesday, 13 July 2021

Time: 10.00am

Location: Council Chambers

Fairlie

AGENDA

Audit and Risk Committee Meeting

13 July 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)

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1 OPENING

2 APOLOGIES

3 DECLARATIONS OF INTEREST

4 VISITORS

Jerard Cowburn from Marsh will attend the meeting at 11.30am to do a presentation on insurance renewal.

Chris Genet from Audit New Zealand will attend the meeting.

5 REPORTS

5.1 MINUTES OF AUDIT AND RISK COMMITTEE MEETING - 18 MAY 2021

Author: Arlene Goss, Governance Advisor

Authoriser:

Attachments: 1. Minutes of Audit and Risk Committee Meeting - 18 May 2021

RECOMMENDATION

1. That the Minutes of the Audit and Risk Committee Meeting held on Tuesday 18 May 2021 be received and confirmed as an accurate record of the meeting.



Unconfirmed MINUTES

Audit and Risk Committee Meeting

18 May 2021

**MINUTES OF MACKENZIE DISTRICT COUNCIL
AUDIT AND RISK COMMITTEE MEETING
HELD AT THE TWIZEL EVENTS CENTRE LOUNGE, TWIZEL
ON TUESDAY, 18 MAY 2021 AT 12.50PM**

PRESENT: Bruce Mincham (Chairman), Cr James Leslie, Cr Stuart Barwood, Cr Anne Munro, Mayor Graham Smith, Cr Murray Cox, Cr Matt Murphy

IN ATTENDANCE: Suzette van Aswegen (Chief Executive), Paul Numan (General Manager Corporate Services), Tim Harty (General Manager Operations), Alexis Gray (General Manager People and Culture), Katherine Hill (Corporate Planner), Arlene Goss (Governance Advisor), Chris Genet (Audit New Zealand)

1 OPENING

The chairman opened the meeting and welcomed everyone.

2 APOLOGIES

An apology was received from Cr Emily Bradbury.

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 VISITORS

Audit Director Chris Genet, from Audit NZ, was welcomed to the meeting.

5 REPORTS

5.1 MINUTES OF AUDIT AND RISK COMMITTEE MEETING - 16 MARCH 2021

COMMITTEE RESOLUTION AUD/2021/52

Moved: Mr Bruce Mincham

Seconded: Deputy James Leslie

That the Minutes of the Audit and Risk Committee Meeting held on Tuesday 16 March 2021 be received and confirmed as an accurate record of the meeting.

CARRIED

5.2 LONG TERM PLAN 2021-2031 UPDATE

Katherine Hill updated the committee on the project plan for the Long Term Plan. She outlined the main dates in the plan leading up to the adoption on 30th September.

The first rates instalment in the new financial year would be set at the current level, with the new rates level spread out over the remaining three instalments.

Chris Genet confirmed that AuditNZ have agreed to undertake the audit of the LTP consultation document as per the dates as outlined in the Plan and answered questions. He outlined the Office of the Auditor General's five areas of focus and national trends for councils. There was currently a focus on council assets. There had also been a push back on those councils assuming central government funding would be forthcoming when that was not guaranteed in all cases. He then explained the difference between a qualified and unqualified opinion.

The chairman thanked Katherine Hill for her report.

5.3 REPORT TO THE AUDIT AND RISK COMMITTEE ON THE FINAL AUDIT OF MACKENZIE DISTRICT COUNCIL FOR THE YEAR ENDED 30 JUNE 2020

Paul Numan said this report was being presented to the committee for information before staff responded to Audit New Zealand on the details.

The Mayor said he was concerned about Albury Water Supply. Did it need to become a CCO of council? Mr Genet said this was a separate legal entity but was included in council's results. Work needed to be done to assess whether it was a controlled entity or a separate entity. The chief executive asked whether this was a legal opinion or an accounting opinion. Potentially both.

The structure of the water supply committees was discussed. The chairman raised the issue of this matter possibly affecting the outcome of the Long Term Plan.

Mr Numan said he was largely happy with the report from a management view and would act on the recommendations accordingly.

Cr Munro asked about disclosures. At what point did they become material? Mr Genet said he had discovered a couple of things that were below his financial limit. These would become material if they were for a larger amount.

Cr Cox asked if Council still got a legal opinion before setting the rates. Katherine Hill said this had been factored into the Long Term Plan.

The Mayor asked about the recovery of additional costs by Audit NZ due to extra work done by auditors. Mr Genet said the budget was for 682 hours of work. The actual was 1,676 hours. He said there were some things not provided, or not correct up front. Corrections and errors took a lot of time. Covid19 brought into play some complexities that were outside our control. The valuations required more work. And there was some double handling and delays.

The chief executive asked what was meant by working papers in support of the annual report. This was the working figures behind the annual report.

Chris Genet said the budget blow out was not new and had also happened in previous years.

Would it be better next year? Yes, but a level of this was down to preparation. Mr Genet agreed that Audit NZ was changing the goalposts as well, and this contributed to the extra hours.

The chief executive asked if the report was clear enough to help Council get it right next time. Mr Numan said he was confident about the next report. Covid had an impact last time and the council was better resourced now.

Mr Genet talked about a new dashboard tool that would provide clear expectations and recognise the roadblocks. This would be used next time.

The chief executive asked for communication between audit and council staff to be in writing instead of verbal, so this could be tracked. Mr Numan said this was generally done via email.

The chief executive asked why it was not recorded in the report that the technical review was asked for in November and did not come from Audit until February.

The Mayor asked about audit staff charge out rates. These ranged from \$90 to \$300 an hour.

COMMITTEE RESOLUTION AUD/2021/53

Moved: Mr Bruce Mincham

Seconded: Mayor Graham Smith

1. That the report be received.
2. That the Audit and Risk Committee notes the report, findings, and management responses.

CARRIED

6 PUBLIC EXCLUDED

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION AUD/2021/54

Moved: Mayor Graham Smith

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 - 16 March 2021	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege. 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 - Equip Alignment Session - Action Plan	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
6.3 - Health, Safety and Wellbeing	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
6.4 - 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
CARRIED		

<p>COMMITTEE RESOLUTION AUD/2021/55</p> <p>Moved: Cr Anne Munro</p> <p>Seconded: Deputy James Leslie</p> <p>That the Audit and Risk Committee moves out of closed meeting into open meeting.</p> <p style="text-align: right;">CARRIED</p>
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The Meeting closed at 2.50pm.

The minutes of this meeting were confirmed at the Audit and Risk Committee Meeting held on .

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CHAIRPERSON

5.2 LONG TERM PLAN 2021-2031 UPDATE

Author: Paul Numan, General Manager Corporate Services

Authoriser: Suzette van Aswegen, Chief Executive Officer

Attachments: 1. Council Long Term Plan 2021 - 2031 and Risk Register [↓](#) 

STAFF RECOMMENDATIONS

That the information be noted.

BACKGROUND

This report has been prepared based on information provided by the MDC Internal Project Manager (Angela Oosthuizen) and provides the Audit and Risk Committee with an update to the Long-Term Plan 2021-2031 Programme.

Status of the Long-Term Plan

Audit NZ commenced the LTP audit on 30 June 2021.

The attachment at **Appendix 1** provides a high-level summary of the timing and status of the key LTP tasks and also includes a Risk Register.

The Audit is still in progress and the following represents a synopsis of audit queries raised to date;

	Outstanding	Returned	Submitted	Accepted	TOTAL
Total	23	3	58	149	232

Infrastructure strategy and Asset management Plans (AMPs)

Further details have been requested in respect of:

1. Deferred renewals and renewals profiles for three waters and Rooding
2. Asset criticality
3. Data confidence, and condition and performance of assets
4. The rationale for asset investment decisions
5. Impact of the Waka Kotahi funding announcement – this has not been incorporated into the financial model and will be updated into the Transportation AMP.
6. Achievability of the capital programme

Financial Strategy and Financial Model

Audit NZ have provided feedback on the financial strategy and have not raised any major concerns.

Consultation Document

The Consultation Document has been drafted and will be amended and finalised – subject to current audit queries.

Project slippage

As a result of the delay in finalizing the above and fully resolving all audit queries, the timeline to adopt the Draft LTP has moved out. Initially we had aimed to submit the Consultation Document to the OAG for Hot review on the 5 July. We now anticipate that we would only submit this in the week ending 23 July with the adoption of the draft LTP Consultation Document by the end of July.

A council meeting to adopt the LTP is currently scheduled for 19 October 2021.

Impact of the Late adoption of the LTP

- Council will be reliant on section 50 of the Rating Act and will be raising instalment one at 25% of the 20/21 rates for both Council and ECan rates.
- A report will be submitted to Council to approve projects progressing and any concomitant expenditure and funding for the next three months.
- Funding requirements will need to be determined so that if external borrowings are required funds are accessible.

CONCLUSION

The Long-Term Plan is a significant programme of work. This paper provides an update on the programme and timeframes for delivery. Regular updates will be continue to be provided to Council.

Council	Task	Start	Finish	Responsible	Resource	Status
AMP's and Infrastructure strategy Engagement	GM Review of AMPs	23/02/2021	30/04/2021	Exec		0 Underway
	Rūnanga engagement	26/05/2021	13/05/2021	Angela	Sam, Alexis	Underway
	Draft Consultation Document - content	26/02/2021	19/05/2021	Katherine	Rationale	Underway
	Draft 2021-2031 Financial Strategy	2/03/2021	19/05/2021	Angela		0 Underway
	Design of CD	2/03/2021	19/05/2021	Katherine	Rationale	Underway
	Rates modelling - key issues	14/05/2021	19/05/2021	John Allot	Pauline	Underway
	Rates modelling - sample rates	14/05/2021	19/05/2021	John Allot	Pauline	Underway
Mayor	Mayor introduction to CD	17/05/2021	20/05/2021	Mayor		0 Not started
	QA Consultation Document	17/05/2021	20/05/2021	Exec		0 Not started
Engagement	Genco engagement	31/05/2021	25/05/2021	Suzette	Paul	Not started
	Peer review of AMPs	1/04/2021	26/05/2021	Exec	Rationale, Chris Gregory, Kate	Underway
	Draft LTP including activity manager input	6/05/2021	5/06/2021	Katherine	Kate Jackson	Underway
	Develop Engagement Plan	1/06/2021	11/06/2021	Katherine	Chris Clarke, Rationale	Underway
Workshop	LTP Workshop 9: Engagement Plan	14/06/2021	14/06/2021	Council	Chris Clarke, Rationale	Underway
	QA of draft LTP	5/06/2021	16/06/2021	Exec		0 Underway
Audit	Audit of Consultation Document and supporting docs	31/05/2021	5/07/2021	Katherine	AuditNZ	Underway
	Hot Review of Consultation Document and supporting docs	16/07/2021	23/07/2021	Katherine	AuditNZ	Not started
Council Meeting	Adopt Consultation Document for consultation	30/07/2021	30/07/2021	Council	Katherine	Not started
	Printing and distribution of CD	25/07/2021	26/07/2021	Katherine		0 Not started
Engagement	Submission Period	1/08/2021	31/08/2021	Katherine	Council	Not started
	Receipt and acknowledge submissions	1/08/2021	31/08/2021	Katherine	Katherine, Arlene	Not started
	Summarise submissions	6/09/2021	7/09/2021	Katherine	Exec	Not started
Council Meeting	Hearings	12/09/2021	13/09/2021	Council	Katherine	Not started
	Decisions Report	28/09/2021	28/09/2021	Katherine	Exec	Not started
Council Meeting	Adopt Decisions Report	29/09/2021	4/10/2021	Council	Katherine	Not started
	Revise LTP following Council decisions	29/09/2021	4/10/2021	Katherine	Kate Jackson	Not started
	Update supporting documents following decisions	29/09/2021	4/10/2021	Exec	Managers	Not started
	Review rating factors and definitions	29/09/2021	4/10/2021	David	Pauline	Not started
Mayor	Mayor and CE introduction to LTP	29/09/2021	4/10/2021	Suzette	Mayor	Not started
	QA of revised LTP	5/10/2021	7/10/2021	Exec		0 Not started
	Response to submitters	0/01/1900	0/01/1900	Katherine	Katherine, Arlene	Not started
Audit	Audit of LTP	7/10/2021	15/10/2021	Katherine	AuditNZ	Not started
	Prepare for rates strike	0/01/1900	0/01/1900	David	Pauline	TBC
	Legal review of rates strike	0/01/1900	0/01/1900	David		0 TBC
Council Meeting	Adopt LTP	19/10/2021	0/01/1900	Council	Katherine	Not started
Council Meeting	Strike rates	TBA	0/01/1900	Council	Pauline	Not started
	Media release and comms	20/10/2021	20/10/2021	Chris Clarke		0 Not started
	Printing and distribution of LTP (including statutory parties)	20/10/2021	20/10/2021	Katherine		0 Not started

Risk Register

Risk	Status of risk	Detail	Mitigation
Slippage and not meeting statutory timeline	High	High workload and limited resourcing	Additional Hours may be required. Reassessment of deliverables including stocktake.
Big Picture Financial position	Low	Highly dependant on model functioning	Financial Position has been determined Financial Strategy draft and reviewed by audit Prudence and affordability considered for all ratepayers Rates model analysed to determine impact of rates adjustments for all categories
Completion of AMPs	Medium	Limited resourcing and assessment of quality, reliability and valuation – prevent slippage of development of Asset management plans and Infrastructure Strategy. This will be a high focus item for Audit NZ given the system has been recently implemented.	Additional contractor brought on board to assist Project timetable in place to deliver with external contractor Project achievability detailed - currently being assessed by audit NZ
Water reform	Low	The impact of the water reform will create uncertainty in the 10 year plan	SOLGM has provided guidance on this matter
Uncertainty – COVID19 impacts	Low	Further lockdowns will cause time slippage Impact on community and projects	Requires ongoing monitoring but work can continue remotely if needed.
Audit Dates	High	Agree audit dates and approach Understand the audit focus area and key issues for the LTP	Meeting the timelines will be tight but external assistance to expedite. Working openly with Audit to advise of possible issues.
Policy Reviews	Low	Prevent slippage of the policy reviews – Treasury Management, Revenue and Financing and Development Contributions.	Review completed and reviewed by Audit NZ
Resourcing	Medium	Small key team; high reliance on individuals; impacts of staff changes including Engineering Manager (17 June)	Loss of Corporate Planner will result in higher workloads but this has been mitigated with external assistance
Impacts on cashflow	High	Delayed striking of rates will impact on cashflow	GM Finance to determine funding requirements and ensure external borrowings are accessible
Capital delivery	High	Delayed adoption will impact on delivery of projects in Year One	Managers are continuing with projects that are already funded and a report will be submitted to Council for any additional funding/ expenditure

5.3 ANNUAL REPORT TIMETABLE AND RISK REGISTER**File Reference:** NA**Author:** Paul Numan, General Manager Corporate Services**Authoriser:** Suzette van Aswegen, Chief Executive Officer**Attachments:** 1. Annual Report 2020/21 - Timetable and Risk Register [↓](#) **PURPOSE OF REPORT**

This report updates the Audit and Risk Committee on the timetable for the audit of Council's Annual Report Project Plan.

STAFF RECOMMENDATIONS

That the report be received.

BACKGROUND

The Audit and Risk Committee has delegated authority to consider this report under their Terms of Reference in the Delegations Manual including the following;

- Monitor the Council's external and internal audit process.
- Consider and make recommendations to the Council on all year-end financial reporting obligations;

The Auditor-General is the auditor of all 'public entities', including Mackenzie District Council.

Under section 32 and 33 of the Public Audit Act 2001, the Auditor General has appointed Audit New Zealand to carry out the annual audit of the Council's financial statements and performance information for the three years ending 30 June 2020 to 30 June 2022.

Fees for the audit of public entities are set by the Auditor General under section 42 of the Public Audit Act and the nature and scope of these audit engagements are set out in the Audit Engagement Letter.

Audit Approach

The audit of the Council's financial statements and performance information for the year ended 30 June 2021 is normally completed in two separate stages. Stage one comprises of an audit of the effectiveness of Council's systems and internal controls underpinning the financial information and the non-financial performance during 2020/21. Stage two comprises of an audit of the financial statements and the non-financial performance information for the twelve months ended 30 June 2021. Audit have advised that for the 2021 annual report audit there will be no interim audit undertaken and this work will be included in the year end audit scheduled for the week beginning 27 September. The report author is currently negotiating an earlier start date for the audit of 13 September 2021 to assist in the timely completion of the audit and adoption of the annual report by 31 October 2021.

2020/21 Annual Report Project Plan

The attachment at Appendix 1 outlines the high-level dates, tasks, responsibilities and status for the Annual Report. This also includes a Risk Register.

As outlined earlier in this report the author is negotiating an earlier start to the year-end audit and subject to agreement the date as outlined in the appendix may be amended.

The Annual Report is scheduled for adoption on 29 October 2021 and the Audit and Risk Committee will meet on 26 October 2021 to review the Annual Report and recommend this to Council for adoption.

Annual Report meetings have taken place with the Project Sponsor, Project Manager, Communications and the Corporate Planner to formulate a more detailed Annual Report timetable.

An initial meeting with the Mayor, Chair of the Audit and Risk and the Executive is planned for the end of July with ongoing frequency to be discussed and agreed.

CONCLUSION

For the Committee to note the 2020/21 Annual Report Project Plan.

Title 2021 Annual Report Timeline

Goal To adopt a unmodified Audited Annual Report by 31 October 2021

Project Owner Suzette van Aswegen
Tim Harty
Tim Mulcock
Alexis Gray
Paul Numan

Project Sponsor Paul Numan GM Corporate

Project Manager David Codyre - Finance Consultant

Project Leads

Finance Finance Manager - TBC

Corporate Corporate Planner - TBC

Communications Chris Clarke

Budget \$105,000 Audit

Accountable for the Annual Report
Responsible for managing the project timeline and resourcing

Accountable for the Financial Stream Inputs
Accountable for the Corporate Stream Inputs
Accountable for the Communications Plan

Project Timeline			
Date	Description	Responsibility	Status Date Change
24-31 May 2021	Workbook Development	John Allet/Finance Manager	In progress 1/07/2021
30-Jun-21	Workbook training and checking	John Allet/Juanita Brown/Jo Hurst	In progress 1/07/2021
30-Jun-21	Historical Mapiq mapping issues resolved.	Jo Hurst	In progress 9/06/2021
30-Jun-21	Training Completed in Audit Dashboard	David Codyre	In progress 2/07/2021
30-Jun-21	Executive agree on Annual Report Template for Indesign	Chris Clarke	Not Started
31-Jul-21	Accounting Policies reviewed and drafted for Annual Report	PWC	In progress
5-Jun-21	External Valuations Alpine Energy - Terms of Engagement Signed	Paul Numan	In progress 1/07/2021
15-Jul-21	Alpine Energy Valuation - Valuation Completed	Paul Numan	In progress 1/07/2021
15-Jun-21	Arrange Forestry Valuation with District Forester	Paul Numan	In progress 1/07/2021
15-Jun-21	External Valuation Land and Buildings - Term of Engagement signed	Finance Manager	Not Started
15-Jul-21	Land and Building - Valuation received	Finance Manager	Not Started
15-Jul-21	Forestry - Valuation received.	Finance Manager	In progress 2/07/2021
15-Jun-21	Communicate with TOC around Downlands timeframes	Finance Manager	In progress 2/07/2021
15-Aug-21	Downlands Annual Report received	Finance Manager	Not Started
15-Jun-21	Confirm Tax Return and Note timing with PWC	Julie	In progress
20-Aug	Tax Information sent to PWC	Julie	Not Started
27-Aug	Tax Note updated and Tax Return Completed	Juanita/Julie	Not Started
26-Oct-21	Management Report to Audit and Risk	Paul Numan	Not Started
30-Jun-21	Comms Plan developed and signed off by Executive	Chris Clarke	Not Started
10-Jul-21	Bank Audit Letters received		Not Started
10-Jul-21	Albury Water Issues resolved	Paul Numan	In progress 2/07/2021
31-Jul-20	Community Satisfaction Survey completed	Corporate Planner	Not Started
30-Jun-20	Audit New Zealand letter of Engagement letter signed	Paul Numan	Not Started
24-Oct-21	GM Corporate signoff of Annual Report	Paul Numan	Not Started
25-Oct-21	Executive Review of Annual Report	Paul Numan	Not Started
13 Sept - 30 October	Final Annual Report Audit and Debuture Trust Deed	Paul Numan	Not Started
24-Oct-21	Annual Report Clearance - Audit NZ	Paul Numan	Not Started
26-Oct-21	Audit and Risk - Annual Report consideration	Paul Numan	Not Started
29-Oct-21	Annual Report Adoption - Council Meeting	Paul Numan	Not Started
29-Nov-21	Annual Report Published and sent to key stakeholders (including website)	Corporate Planner/Chris	Not Started
29-Nov-21	Summary Annual Report Published	Corporate Planner	Not Started

Risk	Status of risk	Detail	Mitigation
Staff sickness/availability	Medium	High workload and limited resourcing	Additional resourcing may be required. Reassessment of deliverables including stocktake.
New Annual Report Financial Workbook being developed	Medium	Mackenzie transitioning to John Allott Annual Report model	Project Manager in regular contact with John Allott around progress. Completion date one month before year end. Training of key staff to be undertaken in June.
Finance Manager not appointed	Medium	Process may not provide suitable candidate. Start date may be after start of Annual Report finance process	Acting Finance Manager in place for 3 days per week. Additional support will be sought dependant on appointment and start date of new Finance Manager
Delays in LTP impacting Annual Report tasks	Medium	The long term plan process will be running concurrently with the Annual Report putting pressure on resources	The LTP has separate a project plan. Annual Report project plan has been prepared to take into account resource issues with LTP. Finance Manager will concentrate on Annual Report with limited involvement in LTP
Loss of institutional Knowledge and limited engineering resource	Medium	Engineering Manager left organisation 16 June 2021. Additional LTP pressures and flooding has resulted in higher workloads for engineering staff.	Discuss resourcing with the Operations GM and HR Manager
Resignation of Corporate Planner - loss of key resource	Medium	Corporate planner has resigned. Role is key to non financial side and compilation of narrative for Annual Report.	Resourcing currently being engaged
Budget insufficient	High	The use of Contractors will cause overruns on existing budgets.	Expenditure on support will be monitored and will ensure Contractor support is targeted at areas of highest risk.
Rectification of miscoding and other accounting issues	Medium	The lack of senior resourcing in the Finance team for an extended period of time will mean additional time will be needed to check and resolve any accounting issues.	Additional resource will assist resolution
Incorrect accounting treatment of Albury Water Supply in the accounts	Low	Advice had not been sought until late June (accounting and legal advice)	EY and Buddle Findlay engaged to provide Accounting and Legal advice
Delay by Audit NZ	High	Audit NZ have communicated that there is no interim audit. This will increase risk of issues arising from the final audit.	GM Corporate Services in discussion with Audit NZ to be onsite two weeks earlier.
Accounting policy revision	Medium	This will add additional workload and may require prior period restatements.	The change in accounting policies is being currently reviewed to determine the impact.
Impairments of assets	Medium	There is a risk that assets will need impairments give the current flood damage.	Additional time will need to spent reviewing all assets for indicators of impairment.

High	Medium	Low
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5.4 VERBAL UPDATES REQUESTED BY CHAIR

Author: Arlene Goss, Governance Advisor

Authoriser:

Attachments: Nil

STAFF RECOMMENDATIONS

That the information be noted.

Chairman Bruce Mincham has requested verbal updates on the following matters:

- There is a meeting in Christchurch about the review of local government. A report from someone who attended covering any likely risks reform might cause MDC would be appropriate.
- What was the exit meeting points from the CouncilMark visit, or have we now received a draft of the findings?

5.5 INSURANCE UPDATE

Author: Arlene Goss, Governance Advisor

Authoriser:

Attachments: Nil

STAFF RECOMMENDATIONS

That the information be noted.

Jerard Cowburn from Marsh will attend the meeting at 11.30am to do a presentation on insurance renewal.

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

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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
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6.2 - CEO 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 - Health, Safety and Wellbeing	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
6.4 - 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

