



Mackenzie

DISTRICT COUNCIL

MINUTES

Audit and Risk Committee Meeting

5 April 2022

**MINUTES OF MACKENZIE DISTRICT COUNCIL
AUDIT AND RISK COMMITTEE MEETING
HELD ON ZOOM
ON TUESDAY, 5 APRIL 2022 AT 1.30PM**

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

IN ATTENDANCE: Angela Oosthuizen (Chief Executive), David Adamson (Acting General Manager Operations), Paul Numan (General Manager Corporate), Alexis Gray (General Manager People and Culture), Arlene Goss (Governance Advisor), Sandy Hogg (Finance Manager), Joni Johnson (Engineering Manager), Keiller Macduff (Timaru Herald).

1 OPENING

The chairman opened 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 attended the meeting on Zoom.

5 REPORTS

5.1 MINUTES OF AUDIT AND RISK COMMITTEE MEETING - 14 DECEMBER 2021

COMMITTEE RESOLUTION AUD/2022/62

Moved: Mayor Graham Smith

Seconded: Cr Anne Munro

1. That the Minutes of the Audit and Risk Committee Meeting held on Tuesday 14 December 2021 be received and confirmed as an accurate record of the meeting.

CARRIED

5.2 REVIEW OF THE COUNCIL ANNUAL REPORT 2020/21 FOR COUNCIL ADOPTION

The purpose of this report was to inform the Audit and Risk Committee that the Council plans to adopt the 2020/21 Annual Report in accordance with section 98 of the Local Government Act 2002.

The Draft Annual Report was presented to the Audit and Risk Committee for review - with a staff recommendation that the Audit and Risk Committee then recommend to Council that they adopt the Annual Report.

Paul Numan introduced the draft Annual Report, which was still under review with changes to be made. He spoke about challenges faced in writing the report, including audit staff and council staff availability. He thanked the team for working very hard and compiling this in two months.

Mr Numan then outlined the contents of the report and noted Council achieved 77% of its non-financial performance targets.

The chief executive spoke about challenges faced by the council, including Covid in the community and central government changes. These are mentioned in the report.

The Mayor said it was consistent with achievement in previous years. Regarding the financial surplus before tax, this was less than previous years.

The chairman has reviewed the draft and sent some changes to staff. He suggested that staff be careful how they present some issues in the annual report, such as the Twizel kiosk and security system at the events centre, that didn't work. The chief executive said there was a project looking at the risks at the Twizel Events Centre with work ongoing.

Cr Munro asked if the non-financial targets were realistic, and if yes, how would council improve this in future? The chief executive said council could do better in the areas of water supplies and roading. She took the comment on board.

Cr Barwood would like to see the annual report feed into performance measures more closely.

Chris Genet from Audit New Zealand said he believed this was on track for adoption at the Council meeting next Tuesday. He acknowledged an improved process this time.

The audit opinion included a qualification related to a water testing performance measure, related to bacteria testing, due to results not being able to be obtained. The data base is no longer available to all councils, although Mr Genet said it was available on a pay basis.

The audit opinion also mentioned the issue of Three Waters Reform. This was a sector-wide precedent. Also property valuation of investment property – the market is volatile at the time of the report.

The chairman asked if there would be any changes to the numbers in the financial statements. Nothing major.

The chairman asked if there was a plan in place for the current year's Annual Report as we were close to June, 2022. There was a plan currently with the chief executive and early work was underway.

Were the staff resources available? A corporate planner has been employed. Looking to recruit a financial accountant. The chief executive said it was difficult to find an accountant and the current contractor may need to be retained further, if one could not be recruited. The chairman asked for this to happen earlier.

COMMITTEE RESOLUTION AUD/2022/63

Moved: Cr Anne Munro

Seconded: Mayor Graham Smith

1. That the Audit and Risk Committee receives this draft report and attachment.

CARRIED**COMMITTEE RESOLUTION AUD/2022/64**

Moved: Mr Bruce Mincham

Seconded: Cr Stuart Barwood

2. That the Audit and Risk Committee reviews the 20/21 Draft Annual Report.

CARRIED**COMMITTEE RESOLUTION AUD/2022/65**

Moved: Mr Bruce Mincham

Seconded: Mayor Graham Smith

3. That the Audit and Risk Committee recommends to Council that it adopts the 20/21 Draft Annual Report, subject to the known changes that have been requested to Audit New Zealand.

CARRIED**5.3 ANNUAL PLAN 2022-2023 PROCESS AND PROPOSED TIMETABLE**

Sandy Hogg updated the committee on the proposed timetable. Council was not going out for consultation on the annual plan. She would be speaking to the community boards next week and hoped to have the draft annual plan adopted by Council on May 2, and final in June.

The chief executive thanked Sandy Hogg for her work at weekends in order to meet the statutory deadlines.

6 PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION AUD/2022/66**

Moved: Cr Anne Munro

Seconded: Cr Stuart Barwood

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 - Long Term Plan 2021-2031 Audit Fee Recovery	<p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p> <p>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</p>	<p>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</p>
6.2 - Risk Management Report	<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>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</p>
6.3 - Minutes of Public Excluded Audit and Risk Committee Meeting - 14 December 2021	<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 Council to carry out, without prejudice or disadvantage, commercial activities</p>	<p>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</p>

CARRIED

COMMITTEE RESOLUTION AUD/2022/67

Moved: Mayor Graham Smith
Seconded: Deputy James Leslie
That the Audit and Risk Committee moves out of closed meeting into open meeting.

CARRIED

The Meeting closed at 3.08pm.

The minutes of this meeting were confirmed at the Audit and Risk Committee Meeting held on 21 June 2022.

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CHAIRPERSON