



MINUTES OF AN OPOTIKI DISTRICT COUNCIL RISK AND ASSURANCE COMMITTEE MEETING HELD ON MONDAY, 12 DECEMBER 2022, IN THE OPOTIKI DISTRICT COUNCIL CHAMBERS, 108 ST JOHN STREET, OPOTIKI AT 10.00AM

PRESENT:

Philip Jones (Chairperson)
Councillor Tom Brooks
Councillor Steve Nelson
Councillor Dean Petersen

IN ATTENDANCE:

Miles McConway (Interim Chief Executive Officer)
Stace Lewer (Group Manager Engineering and Services)
Peter Bridgwater (Group Manager Finance and Corporate Services)
Gerard McCormack (Group Manager Planning and Regulatory, via Zoom)
Lisa Taiapa (HR/Health & Safety Manager)
Billy Kingi (Financial Controllor)
Gae Finlay (Executive Assistant and Governance Support Officer)

Deputy Mayor Shona Browne
David Walker and Warren Goslett (Audit New Zealand, via Zoom)

MEDIA:

Mike Fletcher (Correspondent)

The Chairperson welcomed everyone to the meeting.

APOLOGY

His Worship the Mayor, David Moore.

RESOLVED

(1) That the apology be sustained.

Brooks/Nelson

Carried

DECLARATION OF ANY INTERESTS IN RELATION TO OPEN MEETING AGENDA ITEMS

Nil.

1. MINUTES – RISK AND ASSURANCE COMMITTEE MEETING 1 AUGUST 2022 **p5**

RESOLVED

- (1) That the minutes of the Risk and Assurance Committee meeting held on 1 August 2022 be received.**

Nelson/Jones

Carried

Item 5 (Audit New Zealand Management Report for the Year Ending 30 June 2022) was considered next.

2. ACTION FROM 1 AUGUST 2022 MEETING **p10**

The HR/Health & Safety Manager spoke to the response included as page 11 of the agenda.

RESOLVED

- (1) That the response to the Action from 1 August 2022 meeting be noted.**

Jones/Nelson

Carried

3. RISK AND ASSURANCE ACTION SHEET **p12**

The Group Manager Finance and Corporate Services spoke to the Action Sheet:

- Capitalisation and Procurement Policies
 - Still some outstanding actions
 - Need to ensure we have appropriate resources
 - Dependent on how much time the LTP itself takes.

In response to a query from the Chairperson, the Group Manager Finance and Corporate Services stated that the updates on the Action Sheet are reasonable. With regard to resourcing, it is what we currently have and what Council's expectations are.

RESOLVED

- (1) That the Risk and Assurance Action Sheet be received.**

Jones/Petersen

Carried

4. QUARTERLY REPORT TO 30 SEPTEMBER 2022 **p13**

The Financial Controllor spoke to the report. He noted that Council is refinancing debt at present.

Three Waters

The Group Manager Finance and Corporate Services advised that, based on current borrowings and expenditure, he would expect most of Council's external debt to go to the Entity in some way. Council does not allocate external debt to specific projects. There is an internal debt register from which we can identify what debt relates to Three Waters. Most of the current Three Waters projects are debt funded.

RESOLVED

(1) That the report titled "Quarterly Report to 30 September 2022" be received.

Nelson/Petersen

Carried

The Interim Chief Executive Officer left the meeting at 11.18am and returned at 11.21am.

5. AUDIT NEW ZEALAND MANAGEMENT REPORT FOR THE YEAR ENDING 30 JUNE 2022 **p21**

David Walker and Warren Goslett from Audit New Zealand joined the meeting via Zoom.

David Walker, the newly appointed auditor, introduced himself to the Committee.

Warren Goslett thanked the Group Manager Finance and Corporate Services, the Financial Controller and their team for their efforts in getting this audit across the line.

Items discussed with the Audit New Zealand representatives:

- Revaluation effective 1 July 2020 – values differences resulting in an adjustment of the opening balances.
- Fair value assessment – from a review of the management assessment it was realised that there was significant movement in roading and footpaths; now correctly recorded and disclosures updated.
- Property, Plant and Equipment – considering the challenges faced, management have closed six of Audit's prior recommendations which needs to be recognised.
- New recommendations from Audit – work has commenced on those; new actions will be added to the Action Sheet and closed items will be removed from subsequent Action Sheets.
- Audit is still facing resourcing issues.

The Group Manager Finance and Corporate Services noted that the Annual Report would usually be adopted by 31 October. The 2022 Annual Report deadline has been extended to 31 December and that deadline is not going to be met.

David Walker advised that the best approach for Council is to get things ready for the audit, and strongly suggested a focus on getting the supporting schedules, accounts, and disclosures finalised and ready for the audit. He further advised that it was hoped to have more idea when the 2022 audit will take place by the end of this week.

Warren Goslett stated that best guess would be mid-January to the end of February based on where Ōpōtiki is on the schedule, however that could change. Audit are working towards having all Council audits completed by the end of March.

The Chairperson noted that the longer the audit is delayed, the more impact it has on other Council business and without the management letter cannot implement Audit's recommendations until after the event.

RESOLVED

- (1) That the Audit New Zealand Management Report for the Year Ending 30 June 2022 be received.**

Jones/Nelson

Carried

Item 7 (Building Control Authority Accreditation Update) was considered next.

6. THREE WATERS REFORM RISKS

p51

RESOLVED

- (1) That the report titled "Three Waters Reform Risks" be received.**

Petersen/Brooks

Carried

7. BUILDING CONTROL AUTHORITY ACCREDITATION UPDATE

p59

Councillor Brooks questioned why accreditation is falling down; is it a staffing issue or software?

The Group Manager Planning and Regulatory advised that as the audit is bi-annual there will always be GNCs found which are not completed. There has been more applications for commercial buildings and we have had to use consultants as we do not have the in-house resource. As Ōpōtiki District Council is a small BCA it does not have the funding for the software systems which bigger Councils have. We have asked for an independent review of the BCA and, potentially, a request to Council for software going

forward. GNCs have more administration involved, rather than technical. The review is expected in February and will be reported to Risk and Assurance with recommendations.

RESOLVED

(1) That the report titled "Building Control Authority Accreditation Update" be received.

Petersen/Nelson

Carried

Item 2 (Action From 1 August 2022 Meeting) was considered next.

The Group Manager Planning and Regulatory left the meeting at 10.55am.

The HR/Health & Safety Manager, the Financial Controllor, David Walker, Warren Goslett and Mike Fletcher left the meeting at 11.29am.

8. RESOLUTION TO EXCLUDE THE PUBLIC

p63

SECTION 48 LOCAL GOVERNMENT OFFICIAL INFORMATION & MEETINGS ACT 1987

THAT the public be excluded from the following parts of the proceedings of this meeting, namely:

9. In-Committee Minutes – Risk and Assurance Committee Meeting 1 August 2022.

The general subject 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(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
9.	In-Committee Minutes – Risk and Assurance Committee Meeting 1 August 2022	That 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 exists.	Section 48(1)(a)

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

9.	Protect the privacy of natural persons Protect information (commercial sensitivity) Protection from improper pressure or harassment Carry out negotiations Prevent disclosure or use of official information	Section 7(2)(a) Section 7(2)(b)(i) &(ii) Section 7(2)(f)(ii) Section 7(2)(i) Section 7(2)(j)
----	--	--

Nelson/Petersen

Carried

RESOLVED

- (1) That the resolutions made while the public was excluded be confirmed in open meeting.**
- (2) That the public be readmitted to the meeting.**

Nelson/Petersen

Carried

RESOLVED

- (1) That the in-committee minutes of the Risk and Assurance Committee meeting held on 12 December 2022 be confirmed as a true and correct record.**

Nelson/Jones

Carried

THERE BEING NO FURTHER BUSINESS THE MEETING CLOSED AT 11.33AM.

**THE FOREGOING MINUTES ARE CERTIFIED AS BEING A
TRUE AND CORRECT RECORD AT A SUBSEQUENT
MEETING OF THE RISK AND ASSURANCE COMMITTEE
HELD ON 28 FEBRUARY 2023**

**PHILIP JONES
CHAIRPERSON**