



MINUTES OF AN ŌPŌTIKI DISTRICT COUNCIL RISK AND ASSURANCE COMMITTEE MEETING HELD ON MONDAY, 7 SEPTEMBER 2020 IN THE ŌPŌTIKI DISTRICT COUNCIL CHAMBERS, 108 ST JOHN STREET, ŌPŌTIKI AT 10.00AM

PRESENT:

Arihia Tuoro (Chairperson)
Councillor Debi Hocart
Councillor Steve Nelson
Mayor Lyn Riesterer

IN ATTENDANCE:

Aileen Lawrie (Chief Executive Officer)
Bevan Gray (Finance and Corporate Services Group Manager)
Greg Robertson (Chief Financial Officer)
Muriel Chamberlain (Corporate Services Manager)
Gae Finlay (Executive Assistant and Governance Support Officer)
Deputy Mayor Shona Browne
Councillor David Moore

GUESTS:

Leon Pieterse (Audit New Zealand)
Kent Duston

APOLOGIES

Nil.

DECLARATION OF ANY INTERESTS IN RELATION TO OPEN MEETING AGENDA ITEMS

Nil.

PUBLIC FORUM

Nil.

The Chairperson welcomed Leon Pieterse from Audit New Zealand to the meeting.

1. MINUTES – RISK AND ASSURANCE COMMITTEE MEETING 18 MAY 2020 **p5**

RESOLVED

- (1) That the minutes of the Risk and Assurance Committee meeting held on 18 May 2020 be received.**

Hocart/Nelson

Carried

2. RISK AND ASSURANCE ACTION SHEET **p10**

The Finance and Corporate Services Group Manager advised that the actions list has been transferred to the Total Assurance wheel, divided into segments, as shown on page 11 of the agenda.

In response to a query, the Finance and Corporate Services Group Manager stated that it is up to the personal responsible for each action in the Action Sheet to add in the date the action is to be completed by.

RESOLVED

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

Tuoro/Hocart

Carried

3. DRAFT ANNUAL REPORT **p12
and separate document**

The Chief Financial Officer spoke to the report.

With regard to NZTA revaluations, the Chief Financial Officer stated that progress on validation has been slow since the lockdown and the validation is still not in RAM, adding that there are issues with the pricing in the system. The issues have been compounded with RAM moving office and our Australian counterparts were not working. A solution may be doing it manually in a spreadsheet. We are not in control of RAM. This is outsourced to WSP – Council is paying them to manage our network. A solution going forward would be to bring roading back in house.

The Finance and Corporate Services Group Manager stated that changing providers had resulted in issues. Bringing roading in house would be the best outcome, however Council has been restricted by resource. We understood the timing issues around the revaluation process so set it as at March. Unfortunately, Covid arrived.

Leon Pieterse acknowledged that this is now a problem. If Audit recommended the revaluations last year, there will have been quite a bit of movement in valuations since then. This means that the revaluations will need to be completed as the values will not be current and will be an Audit Opinion issue.

The Chief Executive Officer stated that assurance from Council's provider was received last week that the revaluations will be completed.

The Chief Financial Officer advised that Asset Finda (Three Waters) was migrated to the cloud which has not gone very well. The work to get the information in the Asset Management System has been done manually and although at the same position, the information is not in Asset Finda. The disposals have not been done and we are thinking of doing that on the material items. The migration issues are out of Council's control and have been compounded by staffing issues.

In relation to income in advance, Council has received \$4.3m for shovel ready funding, but not sure whether to include it in the current year?

Leon Pieterse said there needs to be an understanding of who the asset belongs to; then you have to look at the conditions of the money received.

The Chief Financial Officer noted that comments from the Mayor and CEO need to be added to the Annual Report document. He noted that the auditors will be coming two weeks later this year.

Leon Pieterse stated that there are 'not enough auditors in the world' and Audit struggles to get staff. With the impacts of Covid, there is so much more that needs to be done by entities and by Audit. Audit have a priority system – NZX entities so there is little impact on the markets, with Councils at the next level. Ōpōtiki District Council's audit will be overseen by one of Audit's Hamilton auditors. Audit do a leaner audit but a longer one. Leon Pieterse added that he did not envisage a flow-on effect into LTPs. Audit will get staff in to assist with the tertiary audits, and use its own staff for LTP audits.

Leon Pieterse suggested that if the revaluations are ready and when the Annual Report is at a stage where it is auditable, to get these in so the audit process can begin.

The Chairperson acknowledged that the Annual Report document presented at the meeting is in a very draft form and suggested that the Committee not go through it now, noting that it will go to Council for adoption. She proposed a change to clause 2 of the recommendations that the Committee accepts the Annual Report document is a draft and a more complete and comprehensive document will be presented for audit.

MOTION:

Moved: Tuoro

Seconded: HWTM

That the Committee accepts the Annual Report is draft and that a more complete and comprehensive document will be presented for audit.

The motion was PUT and CARRIED.

RESOLVED

- (1) That the report titled "Draft Annual Report" be received.**
- (2) That the Committee accepts the Annual Report is draft and that a more complete and comprehensive document will be presented for audit.**

Tuoro/HWTM

Carried

Kent Duston entered the meeting at 10.40am.

4. KOHA REPORT

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It was noted that names should be kept out of the report.

Leon Pieterse's advice was to make it clear that a payment is for a marae.

RESOLVED

- (1) That the report titled "Koha Report" be received.**

Hocart/HWTM

Carried

The Resolution to Exclude the Public was amended to allow for Kent Duston to remain in the in-committee section of the meeting.

5. RESOLUTION TO EXCLUDE THE PUBLIC

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SECTION 48 LOCAL GOVERNMENT OFFICIAL INFORMATION & MEETINGS ACT 1987

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

- 6. Confirmation of In-Committee Minutes – Risk and Assurance Committee Meeting 18 May 2020.**
- 7. Health, Safety, Staff Resource and Wellbeing Report.**
- 8. Investment.**

2. THAT the following person be permitted to remain at this meeting after the public has been excluded because of their knowledge of the subject item in relation to the following. This knowledge will be of assistance and is relevant to the matters to be discussed:

Name: Kent Duston.

Item: 8 (Investment).

Business: To provide the Committee with detailed information in relation to Item 8.

Reason: To enable the accurate presentation of sensitive information to the Committee and provide responses to queries.

3. THAT the following person be permitted to remain at this meeting after the public has been excluded because of their expertise in providing guidance to the Committee in relation to the in-committee items. This guidance will be of assistance and is relevant to the matters to be discussed.

Name: Leon Pieterse.

Items: All in-committee items.

Business: To provide guidance to the Committee from an Audit New Zealand perspective.

Reason: To provide responses to queries from the Committee in relation to the sensitive information presented.

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
6.	Confirmation of In-Committee Minutes – Risk and Assurance Committee Meeting 18 May 2020	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)
7.	Health, Safety, Staff Resource and Wellbeing Report	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)
8.	Investment	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:

6.	Protect the privacy of natural persons Protect information (commercial sensitivity) Protection from improper pressure or harassment	Section 7(2)(a) Section 7(2)(b)(ii) Section 7(2)(f)(ii)
7.	Protect the privacy of natural persons Protection from improper pressure or harassment	Section 7(2)(a) Section 7(2)(f)(ii)
8.	Protect the privacy of natural persons Protect information (commercial sensitivity)	Section 7(2)(a) Section 7(2)(b)(ii)

Tuoro/Hocart

Carried

RESOLVED

(1) That the resolutions made while the public was excluded, except for clauses 2, 3 and 4 of Item 8 (Investment), be confirmed in open meeting.

(2) That the public be readmitted to the meeting.

Tuoro/HWTM

Carried

RESOLVED

- (1) That the in-committee minutes of the Risk and Assurance Committee meeting held on 18 May 2020 be confirmed as a true and correct record.

Tuoro/Nelson

Carried

RESOLVED

- (1) That the report titled "Health, Safety, Staff Resources and Wellbeing Report" be received.

Nelson/Hocart

Carried

RESOLVED

- (1) That the report titled "Investment" be received.

Hocart/Nelson

Carried

THERE BEING NO FURTHER BUSINESS THE MEETING CLOSED AT 12.41PM.

**THE FOREGOING MINUTES ARE CERTIFIED AS BEING A
TRUE AND CORRECT RECORD AT A SUBSEQUENT
MEETING OF THE RISK AND ASSURANCE COMMITTEE
HELD ON 7 DECEMBER 2020**

**ARIHIA TUORO
CHAIRPERSON**