

MINUTES

RISK AND ASSURANCE COMMITTEE MEETING

Date: Wednesday, 20 March 2024

Time: 9.30am

Venue: Council Chamber
Rangitikei District Council
46 High Street
Marton

Present

- Mr Philip Jones
- HWTM Andy Watson
- Cr Simon Loudon
- Cr Piki Te Ora Hiroa
- Cr Fi Dalgety
- Cr Dave Wilson (Zoom)

In attendance

- Mr Kevin Ross, Chief Executive
- Mr Arno Benadie, Chief Operating Officer
- Mrs Carol Gordon, Group Manager- Democracy and Planning
- Mr Dave Tombs, Group Manager- Corporate Services
- Ms Gaylene Prince, Group Manager- Community
- Ms Sharon Grant, Group Manager- People and Performance
- Mr Jarrod Calkin, Economic Wellbeing Lead
- Ms Kezia Spence, Governance Advisor
- Mr Mark Barnes, Project Director, Marton Rail Hub
- Ms Fiona Elkington, AuditNZ (Zoom)
- Mr Chris Webby, AuditNZ (Zoom)

Order of Business

1	Welcome / Prayer	3
2	Apologies	3
3	Public Forum	3
4	Conflict of Interest Declarations	3
5	Confirmation of Order of Business	3
6	Confirmation of Minutes	3
7	Follow-up Actions	3
7.1	Follow-up Action Items from Risk and Assurance Meetings.....	3
8	Chair's Report	4
8.1	Chair's Report - March 2024.....	4
9	Reports for Information	4
9.1	Health, Safety and Wellbeing Update	4
9.2	Protected Disclosures Update	4
9.3	Privacy Update	4
9.4	Treasury Reporting	5
9.5	Risk and Assurance Committee Work Programme	5
9.6	Insurance Update	5
9.7	Summary of Management Accounts.....	5
9.8	Internal Audit Programme	6
9.9	2022/23 Audit NZ Management Letter	6
9.10	Audit NZ Management Letter Points	6
9.11	Fraud Reporting.....	6
9.12	Strategic Risk - Capital Programme Falterers - Deep Dive	7
9.13	Marton Rail Hub - Project Risks Review	7
10	Public Excluded	7
9.1	Public Excluded Risk and Assurance - 6 December 2023	8
10.2	Cybersecurity.....	8
10	Open Meeting	8

1 Welcome / Prayer

Mr Jones opened the meeting at 9.30am and read the council prayer.

2 Apologies

No apologies received.

3 Public Forum

There was no public forum.

4 Conflict of Interest Declarations

There were no conflicts of interest declared.

5 Confirmation of Order of Business

Item 9.9 2022/23 Audit NZ Management Letter and item 9.10 Audit NZ Management Letter Points was moved to after the Item 8 Chair's Report.

6 Confirmation of Minutes

Resolved minute number 24/ARK/001

That the minutes of Risk and Assurance Committee Meeting held on 6 December 2023 **without amendment** be taken as read and verified as an accurate and correct record of the meeting, and that the electronic signature of the Chair of this Committee be added to the official minutes document as a formal record.

Cr F Dalgety/Mr Jones. Carried

7 Follow-up Actions

7.1 Follow-up Action Items from Risk and Assurance Meetings

Item 12

Members noted that this item is now completed.

Resolved minute number 24/ARK/002

That the report 'Follow-up Action Items from Risk and Assurance Meetings' be received.

Mr Jones/Cr S Loudon. Carried

8 Chair's Report

8.1 Chair's Report - March 2024

The report was taken as read.

Resolved minute number 24/ARK/003

That the Chair's Report –March 2024 be received.

Mr Jones/Cr F Dalgety. Carried

9 Reports for Information

9.1 Health, Safety and Wellbeing Update

This item was returned to after 9.10 Audit NZ Management Letter Points.

His Worship the Mayor asked about the traffic management plans and the increasing costs associated with traffic management. Staff noted that these questions would sit better with the Assets and Infrastructure committee and that the purpose of this item is to maintain health and safety of staff and contractors.

Resolved minute number 24/ARK/004

That the Health, Safety and Wellbeing Report be received.

Cr F Dalgety/Cr S Loudon. Carried

9.2 Protected Disclosures Update

The report was taken as read.

Resolved minute number 24/ARK/005

That the report 'Protected Disclosures Update' report be received.

Mr Jones/HWTM A Watson. Carried

9.3 Privacy Update

The report was taken as read.

Resolved minute number 24/ARK/006

That the report 'Privacy Update' be received.

Cr F Dalgety/Cr Hiroa. Carried

9.4 Treasury Reporting

Mr Tombs advised that due to the uncertainty surrounding the timing of large payments required for some pending land acquisition, future debt increases may be required at intervals less than 3 months and that this contravenes Council's Treasury Management Policy. The Committee understood the reasons for this.

Resolved minute number 24/ARK/007

That the report 'Treasury Reporting' be received.

Cr S Loudon/HWTM A Watson. Carried

9.5 Risk and Assurance Committee Work Programme

Mr Jones requested an item on the reporting to the committee for the remainder of the year be included in this report.

The committee were concerned about the risks and uncertainty of Three Waters legislation and the impact this will have on Council, specifically on council debt. It was noted that council has made a commitment to capital works in this space regardless in the Long-Term Plan.

It was requested that the Terms of Reference for the committee be ready to review at the next meeting.

Resolved minute number 24/ARK/008

That the report 'Risk and Assurance Committee Work Programme' be received.

Mr Jones/Cr F Dalgety. Carried

9.6 Insurance Update

Mr Tombs responded to questions regarding the theft of the motorbike which was very old and was kept on private property for the rural water schemes use.

Resolved minute number 24/ARK/009

That the report 'Insurance Update' be received.

HWTM A Watson/Mr Jones. Carried

9.7 Summary of Management Accounts

Mr Jones is not concerned about the capital expenditure variance but is concerned that council is not achieving its capital works programme.

Resolved minute number 24/ARK/010

That the report 'Summary of Management Accounts' be received.

Mr Jones/Cr F Dalgety. Carried

9.8 Internal Audit Programme

The report was taken as read.

Resolved minute number 24/ARK/011

That the report 'Internal Audit Programme' be received.

Cr S Loudon/Cr Hiroa. Carried

9.9 2022/23 Audit NZ Management Letter

This item was moved to after Item 8 Chair's Report. Chris Webby and Fiona Elkington joined via zoom.

Mr Webby highlighted that the Annual Report has been completed within the statutory timeframes.

Mr Webby answered questions regarding the determination of CAPEX and OPEX when a project is not completed, that this is part of the assessment at the financial year end.

Resolved minute number 24/ARK/012

That the report '2022/23 Audit NZ Management Letter' be received.

HWTM A Watson/Cr F Dalgety. Carried

9.10 Audit NZ Management Letter Points

Mr Webby noted that the risks can be accepted by council and therefore can be removed from the action list.

The committee thanked the work from Mr Webby over the previous years.

Resolved minute number 24/ARK/013

That the report Audit NZ Management Letter Points be received and noting the associated risks.

HWTM A Watson/Cr Hiroa. Carried

9.11 Fraud Reporting

The report was taken as read.

Resolved minute number 24/ARK/014

That the report 'Fraud Reporting' be received.

Mr Jones/HWTM A Watson. Carried

9.12 Strategic Risk - Capital Programme Falters - Deep Dive

It was noted that it would be beneficial for contractors to attend workshops or meetings and speak to councillors to support the understanding of capital projects. Mr Ross noted that it is important to get as much information in front of councillors as early as possible.

Resolved minute number 24/ARK/015

That the report 'Strategic Risk - Capital Programme Falters - Deep Dive' is received.

Cr Hiroa/Mr Jones. Carried

9.13 Marton Rail Hub - Project Risks Review

It was noted that last night council received a letter from Anderson Llyod from IRO-MAR and this was tabled at the meeting.

Mr Barnes came to the table to explain the report to councillors and that the report lists the top 5 risks to the project.

His Worship the Mayor spoke that Kānoa is genuine in their commitment to project but there is always a risk of a change of direction from central government.

Mr Ross noted that these are payments in arrears and that there is some exposure to the financial risks for Council.

The Chair directed the committee to focus on risks for council not the risks of the project.

Resolved minute number 24/ARK/016

That the 'Marton Rail Hub - Project Risks Review' be received and that the Chief Executive report to the committee on those risks as they are updated.

Mr Jones/HWTM A Watson. Carried

10 Public Excluded

The meeting went into public excluded session 11.23am

Resolution to Exclude the Public**Resolved minute number 24/ARK/017**

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

- 1 Risk and Assurance Committee Meeting - 6 December 2023
2. Cybersecurity

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
9.1 - Risk and Assurance Committee Meeting - 6 December 2023	To consider the minutes relating to matters that were the subject of discussion at the 06 December meeting	S48(1)(a)
10.2 – Cybersecurity	s7(2)(j) - Improper Gain or Improper Advantage	s48(1)(a)(i)

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interests protected by Section 6 or Section 7 of the Act which would be prejudiced by the holding or the whole or the relevant part of the proceedings of the meeting in public as specified above.

HWTM A Watson/Mr Jones. Carried

10 Open Meeting

The meeting went into open session 11.29am.

Resolved minute number **24/ARK/018**

That the public excluded meeting move into an open meeting, and the below recommendations be confirmed in the open meeting:

22/RDC/018 - 22/RDC/019

Cr F Dalgety/Mr Jones. Carried

The meeting closed at 11.29am.

The minutes of this meeting were confirmed at the Risk and Assurance held on 20 June 2024.

.....
Chairperson