

**Minutes of the first meeting of the
Audit, Risk and Finance Committee**

Date: 12 March, 2020
Time: 10:04 a.m. - 2:39 p.m.
Location: Mangawhai Club
219 Molesworth Drive
Mangawhai Heads

Members present: Stana Pezic (Chair)
Councillor Peter Wethey (Deputy Chair)
Deputy Mayor Anna Curnow
Councillor Jonathan Larsen
Councillor David Wills
Councillor Eryn Wilson-Collins
His Worship the Mayor Jason Smith

Non-members: Councillor Victoria del la Varis-Woodcock (present but not voting)

1. Opening

1.1 Karakia

Mayor Smith opened the meeting with a karakia.

1.2 Apologies

No apologies.

1.3 Confirmation of agenda

Moved: Cr Wethey

Seconded: Cr Larsen

That the agenda for 12 March 2020 be confirmed with the following additions, at the request of the Committee:

- a) Verbal update on Council's response to COVID-19 added to item 2.4 health and safety update
- b) Verbal update on the Provincial Growth Fund risks added to item 3.1 organisational risk register.

Carried

1.4 Conflict of interest declaration

Nil.

2. Open minute items

2.1 Proposed work programme to June 2021

Moved: Cr Wethey

Seconded: Cr Larsen

That Audit, Risk and Finance Committee:

- a) Approves the proposed Audit, Risk and Finance Committee reporting work programme for 2020/2021, with the following additions:
 - a. Independent internal audit programme to be commenced annually
 - b. Audit action update to be reported six-monthly (for all audits)
 - c. Risk framework to be reviewed annually
 - d. Annual Plan or Long Term Plan to be reported annually (for information only)
 - e. Northland Transportation Alliance to be reviewed against original business case.
- b) Recommends to Council to make following additions to the Audit, Risk and Finance Committee Terms of Reference:
 - a. 'Policy compliance' [2nd bullet point in risk responsibilities]
 - b. Review effectiveness of risk management and internal control systems [in risk responsibilities]
 - c. Monitor operating and capital expenditure programme [in finance responsibilities].

Carried

2.2 Deloitte independent assurance report

Moved: Deputy Mayor Curnow

Seconded: Mayor Smith

That Kaipara District Council:

- a) Notes the independent assurance report ending June 2019.

Carried

2.3 Proposed risk management framework: policy and process

Moved: Deputy Mayor Curnow

Seconded: Cr Wilson-Collins

That the That Audit, Risk and Finance Committee:

- b) Adopts the Risk Management Framework (with the exception of Appendix 5: Risk Appetite Statements), with the following amendments:

Risk categories (page 15 of the Framework)

- a. Consequence rating changed to:
 - i. 1 Minor
 - ii. 2 Low
 - iii. 3 Moderate
 - iv. 4 High
 - v. 5 Extreme
- b. Financial risks to be moved over 1 column (into higher risk categories)
- c. Minor/environmental risk – change in wording to ‘limited’ damage
- d. Extreme/reputational risk – change to ‘for district-wide issues or implications’

Risk reporting (page 16 of the Framework)

- e. Extreme risks to be reported to Council and the Chair of the Audit, Risk and Finance Committee.
- c) Delegates the Chief Executive and the Chair of the Audit, Risk and Finance Committee to approve the amendments as above and any minor editorial changes that do not change the intent of the Risk Framework.
- d) Requests that a workshop session be held to discuss the Risk Appetite Statement, with all elected members, staff (Executive Team) and the Chair of the Audit, Risk and Finance Committee to be invited.

Carried

Meeting adjourned for morning tea at 11:23 a.m.

Meeting reconvened at 11:33 a.m.

2.4 Health and safety update

[Secretarial note: General Manager People and Capability gave a verbal update on Council's readiness for a possible COVID-19 pandemic during this item.]

Moved: Deputy Mayor Curnow

Seconded: Cr Wethey

That the Audit, Risk and Finance Committee:

- e) Notes the health and safety update for October—December 2019.

Carried

Meeting adjourned for lunch at 12:12 p.m.

Meeting reconvened at 12:43 p.m.

2.5 Legal compliance update

Moved: Mayor Smith

Seconded: Cr Wilson-Collins

That the Audit, Risk and Finance Committee:

- f) Notes the legal compliance update.

Carried

2.10 Public excluded items 12 March 2020

[Secretarial note: With the Chair's approval, the public excluded session was brought forward to accommodate the presenters.]

Moved: Cr Wethey

Seconded: Mayor Smith

- g) That the following items are considered with the public excluded:

Item	Grounds for excluding the public
Review of Organisation Risk Register	Protect the 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 to damage the public interest (Section 7(2)(c)(ii))
Cybersecurity assessment and response	Prevent the disclosure or use of official information for improper gain or improper advantage (Section 7(2)(j))

Contract monitoring and reporting	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Section 7(2)(i))
Investigation update	Protect the privacy of natural persons, including that of deceased natural persons (Section 7(2)(a)) Avoid prejudice to measures protecting the health or safety of members of the public (Section 7(2)(d)) Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities (Section 7(2)(h))

Carried

3. Public excluded session

Meeting went into public excluded session at 1:01 p.m.

In the public excluded session, the Audit, Risk and Finance Committee resolved to make the following information publicly available after the meeting:

3.3 Contract monitoring and reporting

[Secretarial note: With the Chair's approval, this item was brought forward to accommodate the presenters.]

Moved: Cr Wilson-Collins

Seconded: Mayor Smith

That the Audit, Risk and Finance Committee:

- h) Notes the contract monitoring report for period ending December 2019, for the following contracts:*
 - *CON860 Maintenance of Parks, Reserves, Cemeteries, Public Toilets, Buildings and Dargaville Gardens*
 - *CON888 Roding Network Maintenance*
 - *CON798 3 Waters Operations and Maintenance*
 - *CON706 Solid Waste.*
- i) Agrees that this decision be published in the open minutes of this meeting, and that the report will remain confidential due to the commercially sensitive information contained within the report.*

Carried

3.1 Review of Organisation Risk Register

[Secretarial note: The Committee also discussed risks associated with the Provincial Growth Fund.]

Moved: Cr Wethey

Seconded: Deputy Mayor Curnow

That the Audit, Risk and Finance Committee:

- a. Notes the risk registers presented for discussion.*
- b. Agrees that the decision be published the open minutes of this meeting, and that the report remain confidential due to the confidential information contained within the report.*

Carried

3.2 Cybersecurity assessment and response

Moved: Cr Wilson-Collins

Seconded: Cr Wethey

That the Audit, Risk and Finance Committee:

- a. Notes the cybersecurity assessment and response report.*
- b. Agrees that the decision be published in the open minutes of the meeting, and that the report remain confidential due to the confidential information contained within the report.*

Carried

3.4 Investigation update

Moved: Cr Larsen

Seconded: Cr Wethey

That the Audit, Risk and Finance Committee:

- j) Notes the investigation update report.*
- k) Agrees that this decision be published in the open minutes of this meeting, and that the report remain confidential due to the confidential information within the report.*

Carried

2. Open minute items

Meeting returned to open session at 1:58 p.m.

2.6 Policy Register review programme update

Moved: Mayor Smith

Seconded: Deputy Mayor Curnow

That the Audit, Risk and Finance Committee:

- l) Notes the updated Policy Register.
- m) Requests that the Chief Executive review which policies are reported to the committee, separating internal and Council-adopted policies, to be reported to the next meeting.

Carried

2.7 Treasury management report

Moved: Deputy Mayor Curnow

Seconded: Cr Larsen

That the Audit, Risk and Finance Committee:

- n) Notes the treasury management report for January 2020.

Carried

2.8 LGFA draft Statement of Intent

Moved: Cr Wethey

Seconded: Mayor Smith

That the Audit, Risk and Finance Committee:

- o) Notes Local Government Funding Agency's draft Statement of Intent for 2020/2021.

Carried

2.9 Quarterly finance report

Moved: Cr Wethey

Seconded: Cr Wills

That the Audit, Risk and Finance Committee:

- p) Notes the quarterly finance report at 31 January 2020.

Carried

4. Closure

4.1 Karakia

Mayor Smith closed the meeting with a karakia.

Meeting closed at 2:39 p.m.

Confirmed	11 June 2020
Chair	Stana Pezic
Kaipara District Council	

Confirmed