



AGENDA

**Ordinary meeting of the
Nelson Tasman Civil Defence Emergency
Management Group**

**Wednesday 22 May 2019
Commencing at conclusion of CDEM Pigeon Valley Fire - Regional
Multi-Agency Debrief
Nelson Tasman Civil Defence Emergency Management
28 Oxford Street, Richmond**

1. Apologies

Nil

2. Interests

2.1 Updates to the Interests Register

2.2 Identify any conflicts of interest in the agenda

3. Confirmation of Minutes

3.1 20 November 2018

4 - 6

Document number M3920

Recommendation

That the Civil Defence Emergency Management Group

1. Confirms the minutes of the meeting of the Civil Defence Emergency Management Group, held on 20 November 2018, as a true and correct record.

4. Civil Defence and Emergency Management Removal of Requirement for Annual Audit

7 - 12

Document number R10195

Recommendation

That the Civil Defence Emergency Management Group

1. Receives the report Civil Defence and Emergency Management Removal of Requirement for Annual Audit (R10195).

That the Council

- 1. Agrees that a separate audit of the Civil Defence and Emergency Management Annual Report is not necessary and will not be required from the 30 June 2019 financial year onwards, subject to approval by Nelson City Council, Tasman District Council and Audit New Zealand; and***
- 2. Agrees that the operation of the Civil Defence and Emergency Management Group should be included in the audit of the Administering Council and that any additional cost incurred as a result should be recovered from the Civil Defence and Emergency Management Group.***



Minutes of a meeting of the Nelson Tasman Civil Defence Emergency Management Group

Held in the Council Chamber, Civic House, 110 Trafalgar Street, Nelson

On Tuesday 20 November 2018, commencing at 2.00p.m.

Present: Her Worship the Mayor R Reese and His Worship the Mayor of Tasman R Kempthorne

In Attendance: Councillor I Barker, Chief Executive (P Dougherty), Group Manager Community Services (R Ball), Group Manager Corporate Services (N Harrison), and Governance Adviser (R Terry)

Apologies: Councillor Matheson and Councillor King

1. Apologies

Resolved CDEM/2018/010

That the Civil Defence Emergency Management Group

Receives and accepts an apology from Councillor Matheson and Councillor King.

Her Worship the Mayor/His Worship the Mayor of Tasman

Carried

2. Interests

There were no updates to the Interests Register, and no interests with items on the agenda were declared.

3. Confirmation of Minutes

3.1 21 August 2018

Document number M3703, agenda pages 4 - 6 refer.

Resolved CDEM/2018/011

That the Civil Defence Emergency Management Group

Confirms the minutes of the meeting of the Civil Defence Emergency Management Group, held on 21 August 2018, as a true and correct record.

His Worship the Mayor of Tasman/Her Worship the Mayor

Carried

4. Report of the Nelson Tasman Emergency Management Office

Document number R9858, agenda pages 7 - 29 refer.

Manager Emergency Management, Joe Kennedy presented the report and answered questions on the Alpine Fault project, access to fuel in an emergency event and the work programme for 2019.

Resolved CDEM/2018/012

That the Civil Defence Emergency Management Group

Receives the attached Report of the Nelson Tasman Emergency Management Office (R9858).

His Worship the Mayor of Tasman/Her Worship the Mayor

Carried

5. Civil Defence Emergency Management - Coordinating Executive Group (CEG) - 31 October 2018

Document number R9868, agenda pages 30 - 36 refer.

Resolved CDEM/2018/013

That the Civil Defence Emergency Management Group

Receives the unconfirmed minutes of a meeting of the Civil Defence Emergency Management - Coordinating Executive Group (CEG) - 31 October 2018 (R9868) and its attachment (A2094611).

Her Worship the Mayor/His Worship the Mayor of Tasman

Carried

There being no further business the meeting ended at 2.12p.m.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

Civil Defence and Emergency Management Removal of Requirement for Annual Audit

1. Purpose of Report

- 1.1 To receive the report on the removal of the requirement for an annual audit of the Civil Defence and Emergency Management (CDEM) Group, and to recommend to both Tasman District Council (TDC) and Nelson City Council (NCC) that they agree that a separate audit is not required, effective from the upcoming 2018/19 annual report, subject to the final approval of Audit New Zealand (Audit NZ).

2. Summary

- 2.1 In line with recent decisions to cease the annual audit of the Nelson Regional Sewerage Business Unit (NRSBU) and the Nelson Tasman Regional Landfill Business Unit (NTRLBU), the Administering Council wishes also to cease the annual audit of CDEM, with the support of Audit NZ.
- 2.2 An annual report would still be provided, and the operations of the Group would be included in the audit of the Administering Council (NCC).
- 2.3 Considerable resource from both the Administering Council and Audit NZ is currently tied up in this audit which could be used more effectively elsewhere.

3. Recommendation

That the Civil Defence Emergency Management Group

- 1. Receives the report Civil Defence and Emergency Management Removal of Requirement for Annual Audit (R10195).***

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Recommendation to Nelson City Council and Tasman District Council

That the Council

- 1. Agrees that a separate audit of the Civil Defence and Emergency Management Annual Report is not necessary and will not be required from the 30 June 2019 financial year onwards, subject to approval by Nelson City Council, Tasman District Council and Audit New Zealand; and***
- 2. Agrees that the operation of the Civil Defence and Emergency Management Group should be included in the audit of the Administering Council and that any additional cost incurred as a result should be recovered from the Civil Defence and Emergency Management Group.***

4. Background

- 4.1 Until now, the CDEM annual report has been subject to a separate full annual audit (along with NRSBU and NTRLBU).
- 4.2 Both TDC and NCC have recently agreed that annual audits for NRSBU and NTRLBU would cease, with their activity being audited through NCC's final audit (as the administrator of all joint entities).
- 4.3 It has been a matter of frustration for both the Administering Council and Audit NZ that an entity of relatively low financial significance (in 2018 \$385,000 income per Council) takes up so much time from both parties. Audit NZ is required to apply a much lower materiality than it does for the NCC audit, which often leads to concentration on items of very low value and significance. The time it takes to complete the audit is also dramatically extended because it tends to be pushed out in order that either NCC or Audit NZ can complete more important or urgent work. The 2017/18 Annual Report audit was completed in early January 2019.
- 4.4 Discussions with Audit NZ have led council officers to question the requirement for and value received from the separate audit.

5. Discussion

- 5.1 Although the administration of CDEM is very similar to that of the joint business units, the entities are not quite the same as there is separate legislation governing CDEM (Civil Defence and Emergency Management Act 2002).

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- 5.2 NCC officers and Audit NZ have reviewed that act, along with relevant sections of the Local Government Act, the Public Audit Act, and the Crown Entities Act. There is no requirement under these acts for a separate annual audit.
- 5.3 The resolutions passed by both councils in 2003 to form the CDEM Group did not include a requirement for annual audit.
- 5.4 Audit NZ has advised that resolutions to cease the annual audit need to be passed by each Council before 30 June 2019, in order to avoid an audit of the 2018/19 Annual Report.
- 5.5 The resolutions in this report are subject to the approval of Audit NZ as they are in the process of consulting with their technical team to ensure that there is no accounting requirement for the audit. Council has been made aware from Audit NZ that no other civil defence annual reports are separately audited, so it would be a surprise if a requirement was found.
- 5.6 An annual report on the finances of the Group will continue to be provided by the Administering Council.
- 5.7 Tasman District Council's Corporate Services Manager agrees that sufficient oversight and assurance over the CDEM Group transactions and annual report will be gained through the audit of the Administering Council.

6. Options

- 6.1 This report recommends option 1, cease the audit of the CDEM Annual Report.

Option 1: Cease the audit of the CDEM Annual Report	
Advantages	<ul style="list-style-type: none"> Releases resource of the Administering Council and Audit NZ for more significant work No delay in finalising the annual report Savings of up to \$7,500 pa (being the annual audit fee)
Risks and Disadvantages	<ul style="list-style-type: none"> Possible that an issue may be overlooked that a separate audit with lower materiality may have picked up
Option 2: Continue the audit of the CDEM annual report	
Advantages	<ul style="list-style-type: none"> Financial results are very thoroughly inspected
Risks and Disadvantages	<ul style="list-style-type: none"> Ties up considerable NCC and Audit NZ resource for little perceived value by either party

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	<ul style="list-style-type: none">• Delays in finalising the annual report likely to continue
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Author: Tracey Hughes, Senior Accountant

Attachments

Nil

Item 3: Civil Defence and Emergency Management Removal of Requirement for Annual Audit

Important considerations for decision making
1. Fit with Purpose of Local Government Section 99 of the Local Government Act 2002 requires the audit of information contained in the Annual Report and Summary but does not specifically require separate audits of joint committees. Removing the separate audit of the CDEM accounts will achieve greater efficiency in delivery of services to the community at a lower ongoing cost.
2. Consistency with Community Outcomes and Council Policy This report supports the community outcome that our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.
3. Risk There is low risk with simplifying the audit process for the CDEM Annual Report.
4. Financial impact There are no significant budget implications with this recommendation.
5. Degree of significance and level of engagement This matter is of low significance because the information will still be audited as part of NCC audit. Therefore no consultation will occur.
6. Inclusion of Māori in the decision making process No engagement with Māori has been undertaken in preparing this report.
7. Delegations Under Council's Standing Orders 5.1 General Terms of Reference 5.1.3 Each Committee's powers are restricted to the areas of responsibility of that committee. Civil Defence is the CDEM Group's responsibility, conferred directly by legislation under the Civil Defence Emergency Management Act 2002, so although it has no decision making powers relating to this decision, under

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5.1.5 ... Committees may choose to refer matters of high significance to Council for debate and determination.

It is appropriate that it makes a recommendation to both Councils.