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**Minutes of a meeting of the  
Audit, Risk and Finance Committee  
Te Kōmiti Kaute / Tūraru / Pūtea**

**Held in the Council Chamber, Floor 2A, Civic House, 110 Trafalgar Street, Nelson on Thursday 1 June 2023, commencing at 9.03a.m.**

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Present: Ms C Taylor (Chairperson), His Worship the Mayor Hon Dr. N Smith, Councillor R O'Neill-Stevens, M Courtney and R Sanson

In Attendance: Chief Executive (N Philpott), Group Manager Infrastructure (A Louverdis), Group Manager Environmental Management (M Bishop), Group Manager Community Services (A White), Group Manager Corporate Services (N Harrison), Group Manager Strategy and Communications (N McDonald), Team Governance Team Leader (R Byrne) and Senior Governance Adviser (H Wagener)

Apologies : Ms. Shanell Kelly

**Karakia and Mihi Timatanga**

**1. Apologies**

**Apologies**

Resolved ARF/2023/010

***That the Audit, Risk and Finance Committee***

***Receives and accepts the apologies from Ms. Shanell Kelly.***

O'Neill-Stevens/Sanson

Carried

**2. Confirmation of Order of Business**

There was no change to the order of business.

### 3. Interests

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

### 4. Public Forum

There was no public forum.

### 5. Confirmation of Minutes

#### 5.1 24 February 2023

Document number M20013, agenda pages 7 - 13 refer.

Resolved ARF/2023/011

***That the Audit, Risk and Finance Committee***

- 1. Confirms the minutes of the meeting of the Audit, Risk and Finance Committee, held on 24 February 2023, as a true and correct record.***

O'Neill-Stevens/Courtney

Carried

### 6. John Mackey Audit New Zealand

Document number R27736

John Mackey from Audit New Zealand briefed the Committee on the 2021/22 Audit which had been presented to 24 February 2023 meeting. He confirmed that the Council had met the statutory deadlines and no issues of concerns had been raised. He discussed the uncertainty regarding the revaluation of infrastructure assets, potential disclosure the proposed Water Services Reform Programme, the amendment of the drinking water standards by Taumata Arowai and the challenges faced to measure and audit greenhouse gas emissions.

### 7. Privacy Act 2020 - Reporting

Document number R27656, agenda pages 13 - 25 refer.

Group Manager Strategy and Communications, Nicky McDonald, and Manager Governance and Support Services, Devorah Nícuarta-Smith took the report as read and answered questions on completion and updating of the register, investigation of a recent privacy breach incident and proposed training in June 2023 of all staff on compliance.

Resolved ARF/2023/012

***That the Audit, Risk and Finance Committee***

1. ***Receives the report Privacy Act 2020 - Reporting (R27656) and its attachment (1738230957-18024); and***
2. ***Notes that Council's Privacy Policy and Breach Management Plan applies also to elected and appointed members and training on compliance with the Privacy Act has and will be provided as part of induction for elected and appointed members.***

Courtney/Sanson

Carried

## **8. Review of Council's Section 17A service delivery reviews process**

Document number R27716, agenda pages 26 - 33 refer.

Group Manager Strategy and Communications, Nicky McDonald, and Policy Advisor, Ailish Neyland took the report as read and answered questions on the implications of the proposed increase of the value threshold that would trigger a service delivery review under Section 17A of the Local Government Act 2002.

An amendment to the officers' recommendation to Council was proposed by inserting a new clause to request the Chief Executive to provide a report to the Council at the start of the Triennium listing all Section 17A Reviews to be undertaken over the three years, at which time Council would indicate any reviews that should be reported back to Council.

Resolved ARF/2023/013

### ***That the Audit, Risk and Finance Committee***

1. ***Receives the report Review of Council's Section 17A service delivery reviews process (R27716); and***
2. ***Notes the findings from the review of Council's process for Section 17A service delivery reviews contained within this report.***

Sanson/O'Neill-Stevens

Carried

Recommendation to Council ARF/2023/014

### ***That the Council***

1. ***Approves the below changes to Council's Section 17A review process:***

- a. **Increase the value threshold that triggers a service delivery review under Section 17A of the Local Government Act 2002 from \$100,000 to \$1 million per annum; and**
- b. **The Chief Executive provides a report to Council at the start of the Triennium listing all Section 17A Reviews to be undertaken over the three years, at which time Council may indicate any reviews that should be reported back to Council; and**
- c. **Delegate the Chief Executive responsibility to sign off reviews unless they meet a threshold of either:**
  - i. **proposing considerable change to the service's delivery and/or**
  - ii. **is assessed as being of medium or high significance against Council's Significance and Engagement Policy; and**
- d. **An annual report be presented to Council on progress and outcomes of Council's Section 17A reviews.**

Sanson/O'Neill-Stevens

Carried

## 9. Quarterly Internal Audit Report - 31 March 2023

Document number R27624, agenda pages 34 - 38 refer.

Group Manager Environment and Climate, Mandy Bishop and Audit and Risk Analyst, Chris Logan, took the report as read and answered questions on the reasons for neighbouring councils assisting with the review instead of an independent contractor, progress on an external review of the safety at ports and harbours and cash handling at Council and its facilities.

Resolved ARF/2023/015

### ***That the Audit, Risk and Finance Committee***

1. **Receives the report Quarterly Internal Audit Report - 31 March 2023 (R27624) and its attachment (1194974384-3369).**

His Worship the Mayor/Sanson

Carried

The meeting adjourned from 10.09a.m. until 10.19a.m.

## 10. Internal Audit Plan 2023-2024

Document number R27626, agenda pages 39 - 48 refer.

Group Manager Environment and Climate, Mandy Bishop and Audit and Risk Analyst, Chris Logan, took the report as read. Following discussion about the best way to monitor regulatory risks in relation to compliance with fire safety standards, an amendment was made to the officers' recommendation to investigate and report back on progress on an option to include an internal audit on the Building Act requirements for building Warrant of Fitness for next year as part of the Draft Annual Internal Audit Plan.

Resolved ARF/2023/016

***That the Audit, Risk and Finance Committee***

- 1. Receives the report Internal Audit Plan 2023-2024 (R27626) and its attachments (1194974384-3370 and 1194974384-3368); and***
  
- 2. Requests that an internal audit for 2023/24 for the Building Act requirements for building Warrant of Fitness be added to the Draft Annual Internal Audit Plan, subject to other reviews that may be underway, and to report back on progress to the Audit, Risk and Finance Committee by 15 September 2023.***

Courtney/His Worship the Mayor

Carried

Recommendation to Council ARF/2023/017

***That the Council***

- 1. Approves the Draft Annual Internal Audit Plan for the year to 30 June 2024 (1194974384-3368).***

Courtney/His Worship the Mayor

Carried

## 11. Quarterly Finance Report to 31 March 2023

Document number R27695, agenda pages 49 - 76 refer.

Manager Finance, Prabath Jayawardana, took the report as read and answered questions on the infrastructure revaluation impacts and the effect of the unbudgeted weather event. Mr. Jayawardana advised on the reasons for the inclusion in the report of both the annual plan budget and the operating budget. Group Manager Infrastructure, Alec Louverdis

answered questions on green waste income, dry weather overflow measurements of wastewater and public transport patronage improvements.

Resolved ARF/2023/018

***That the Audit, Risk and Finance Committee***

- 1. Receives the report Quarterly Finance Report to 31 March 2023 (R27695) and its attachments (1857728953-779, 839498445-14467 and 839498445-14468).***

Sanson/O'Neill-Stevens

Carried

**12. Quarterly Risk Report - 31 March 2023**

Document number R27625, agenda pages 77 - 103 refer.

Audit and Risk Analyst, Chris Logan, took the report as read and answered questions.

Resolved ARF/2023/019

***That the Audit, Risk and Finance Committee***

- 1. Receives the report Quarterly Risk Report - 31 March 2023 (R27625) and its attachment (1759736513-9).***

Sanson/Courtney

Carried

**13. Health, Safety and Wellbeing Report to 31 March 2023**

Document number R27582, agenda pages 104 - 117 refer.

Health Safety and Wellness Adviser, Malcolm Hughes, took the report as read and answered questions about the lower contract management risk oversight and monitoring, the review of the Health and Safety Governance Charter and the staff survey.

Resolved ARF/2023/020

***That the Audit, Risk and Finance Committee***

- 1. Receives the report Health, Safety and Wellbeing Report to 31 March 2023 (R27582) and its attachment (855153265-3812).***

Courtney/Sanson

Carried

**14. Exclusion of the Public**

Resolved ARF/2023/021

***That the Audit, Risk and Finance Committee***

- 1. Excludes the public from the following parts of the proceedings of this meeting.***
- 2. 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:***

His Worship the Mayor/Sanson

Carried

<b>Item</b>	<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Particular interests protected (where applicable)</b>
<b>1</b>	<b>Audit, Risk and Finance Committee Meeting - Confidential Minutes - 24 February 2023</b>	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7.	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>• Section 7(2)(g) To maintain legal professional privilege</li> <li>• Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person</li> </ul>
<b>2</b>	<b>Health, Safety and Wellbeing to 31 March 2023</b>	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>• Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person</li> </ul>
<b>3</b>	<b>Organisational Risk - Deep Dives</b>	Section 48(1)(a) The public conduct of this matter would be likely to	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>• Section 7(2)(j)</li> </ul>

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
		result in disclosure of information for which good reason exists under section 7	To prevent the disclosure or use of official information for improper gain or improper advantage
4	<b>Quarterly Report on Legal Proceedings</b>	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>• Section 7(2)(g) To maintain legal professional privilege</li> </ul>
5	<b>Quarterly Update on Debts - 31 March 2023</b>	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>• Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person</li> </ul>

The meeting went into confidential session at 11.32 and resumed in public session at 12.05 p.m.

## Karakia Whakamutanga

### 15. Restatements

It was resolved while the public was excluded:

- 1 **CONFIDENTIAL: Health, Safety and Wellbeing to 31 March 2023**
2. *Agrees that Report (R27668) remains confidential at this time.*



**3 CONFIDENTIAL: Quarterly Report on Legal Proceedings**

2. *Agrees that the report Quarterly Report on Legal Proceedings (R27619) and its attachment (142319133-424) remain confidential at this time.*

**4 CONFIDENTIAL: Quarterly Update on Debts - 31 March 2023**

2. *Agrees that the Report and its attachment (1857728953-773) remain confidential at this time.*

There being no further business the meeting ended at 12.06 p.m.

Confirmed as a correct record of proceedings by resolution on 15 September 2023.

***That the Audit, Risk and Finance Committee***

1. ***Confirms the minutes of the meeting of the Audit, Risk and Finance Committee, held on 1 June 2023, as a true and correct record.***