



**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 Wednesday 5 June 2024, commencing at 9.03a.m.

Present: Ms C Taylor (Chairperson), His Worship the Mayor N Smith, Councillors M Courtney, R O'Neill-Stevens, R Sanson and Mr L McKenzie

In Attendance: Chief Executive (N Philpott), Group Manager Environmental Management (M Bishop), Group Manager Corporate Services (N Harrison), Group Manager Strategy and Communications (N McDonald), Acting Group Manager Infrastructure (D Light), Team Leader Governance (R Byrne) and Governance Adviser (A Bryce)

Apologies : Nil

Karakia and Mihi Timatanga

1. Apologies

2. Confirmation of Order of Business

Agenda Item 7 - Annual Procurement update would be considered last on the open agenda to accommodate staff availability.

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 14 February 2024

Document number M20444, agenda pages 8 - 13 refer.

Resolved ARF/2024/015

That the Audit, Risk and Finance Committee

- 1. Confirms the minutes of the meeting of the Audit, Risk and Finance Committee, held on 14 February 2024, as a true and correct record.***

Sanson/McKenzie

Carried

6. Privacy Update

Document number R28506, agenda pages 14 - 16 refer.

Group Manager Strategy and Communications, Nicky McDonald and Manager Governance and Support Services, Devorah Nicuarta-Smith, took the report as read and provided an update to the committee in relation to the compliance investigation themes. They answered questions on the artificial intelligence policy and trials, CCTV cameras, LGOIMA and Privacy Act requests.

Resolved ARF/2024/016

That the Audit, Risk and Finance Committee

- 1. Receives the report Privacy Update (R28506).***

Courtney/His Worship the Mayor

Carried

7. Internal Audit Plan 2024-2025 (Agenda Item 8)

Document number R28460, agenda pages 20 - 29 refer.

Audit and Risk Analyst, Chris Logan, took the report as read and answered questions on the four proposed audit topics: infrastructure physical works procurement, transformation business case for change assistance, insourcing services and annual fraud & conflict of interest testing, in the 2024/25 financial year.

Chief Executive, Nigel Philpott, discussed the Transformation business case program model and monitoring, noting this project was about creating organisational efficiencies rather than cost savings.

Resolved ARF/2024/017

That the Audit, Risk and Finance Committee

- 1. Receives the report Internal Audit Plan 2024-2025 (R28460) and its attachments (1194974384-3678 and 1194974384-3679).***

O'Neill-Stevens/Sanson

Carried

Recommendation to Council ARF/2024/018

That the Council

- 1. Approves the Internal Audit Plan 2024-2025.***

O'Neill-Stevens/Sanson

Carried

8. Quarterly Internal Audit Report - 31 Mar 2024 (Agenda Item 9)

Document number R28462, agenda pages 30 - 33 refer.

Group Manager Corporate Services, Nikki Harrison and Audit and Risk Analyst, Chris Logan, took the report as read and answered questions on the risks, learnings and timing of the implementation of the vertical construction external review.

Resolved ARF/2024/019

That the Audit, Risk and Finance Committee

- 1. Receives the report Quarterly Internal Audit Report - 31 Mar 2024 (R28462) and its attachment (1194974384-3677).***

Courtney/McKenzie

Carried

9. Quarterly Risk Report - 31 Mar 2024 (Agenda Item 10)

Document number R28481, agenda pages 34 - 57 refer.

Audit and Risk Analyst, Chris Logan, took the report as read and answered questions on the change in organisational risk lifeline services from medium to high, related risks procedures and Nelson City Council's risk tolerance reporting.

Chief Executive, Nigel Philpott and Acting Group Manager Infrastructure, David Light, answered questions on the contaminated soil issue and risk notifications.

Resolved ARF/2024/020

That the Audit, Risk and Finance Committee

- 1. Receives the report Quarterly Risk Report - 31 Mar 2024 (R28481) and its attachment (1759736513-17).***

His Worship the Mayor/O'Neill-Stevens

Carried

10. Quarterly Finance Report to 31 March 2024 (Agenda Item 11)

Document number R28489, agenda pages 58 - 80 refer.

Group Manager Corporate Services, Nikki Harrison and Manager Finance, Prabath Jayawardana, took the report as read and answered questions on government funding for kerbside kitchen waste expenses, capital expenditure, monitoring and reporting and the eBus project reporting.

Attendance: His Worship the Mayor Hon Dr Smith left the meeting at 10.25a.m.

Resolved ARF/2024/021

That the Audit, Risk and Finance Committee

- 1. Receives the report Quarterly Finance Report to 31 March 2024 (R28489) and its attachments (839498445-18465 and 839498445-18471).***

Courtney/McKenzie

Carried

The meeting adjourned from 10.30a.m. until 10.48a.m.

11. Audit Report on the Long Term Plan 2024-2034 Consultation Document (Agenda Item 12)

Document number R28569, agenda pages 81 - 99 refer.

Group Manager Strategy and Communications, Nicky McDonald, took the report as read and answered questions on active modes of transport measures, others councils undertaking surveys to measure and monitor active transport statistics, levels of service and measurements of accurate data collected via alternative measures and the draft financial strategy.

Director Audit New Zealand, John Mackey, spoke to the report and the Audit process.

Attendance: His Worship the Mayor returned to the meeting at 10.58a.m.

Resolved ARF/2024/022

That the Audit, Risk and Finance Committee

1. **Receives the report Audit Report on the Long Term Plan 2024-2034 Consultation Document (R28569) and its attachment (1852948764-1132); and**
2. **Notes Council's response to four recommendations from Audit New Zealand on the quality of asset data, active transport level of service, deliverability of the capital programme and asset management maturity, highlighted in sections 2.2, 2.3, 2.6 and 2.10 of the Audit Report (1852948764-1132).**

O'Neill-Stevens/Sanson

Carried

12. Audit New Zealand - Audit Plan 2023-24 (Agenda Item 13)

Document number R28571, agenda pages 100 - 125 refer.

Group Manager Corporate Services, Nikki Harrison, Director Audit New Zealand, Julian Tan and Manager Finance, Prabath Jayawardana, took the report as read and answered questions on the proposed focus areas for the audit.

Resolved ARF/2024/023

That the Audit, Risk and Finance Committee

1. **Receives the report Audit New Zealand - Audit Plan 2023-24 (R28571) and its attachment (2126778665-333).**

Sanson/Courtney

Carried

13. Annual Procurement update (Agenda Item 7)

Document number R28282, agenda pages 17 - 19 refer.

Procurement and Contracts Advisor, Peter Denton, took the report as read and answered questions on reporting on broader outcomes and timing for reviewing the procurement policy.

Resolved ARF/2024/024

That the Audit, Risk and Finance Committee

1. **Receives the report Annual Procurement update (R28282).**

Sanson/McKenzie

Carried

14. Exclusion of the Public

Resolved ARF/2024/025

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:***

Courtney/McKenzie

Carried

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Audit, Risk and Finance Committee Meeting - Confidential Minutes - 14 February 2024	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"> • Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person • Section 7(2)(d) To avoid prejudice to measures protecting the health and safety of members of the public • Section 7(2)(g) To maintain legal professional privilege
2	Quarterly Health, Safety and Wellbeing Report to 31 March 2024	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"> • Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person • Section 7(2)(d) To avoid prejudice to measures protecting the health and safety of members of the public

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
3	Quarterly Report on Legal Proceedings	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"> Section 7(2)(g) To maintain legal professional privilege
4	Insurance Optimisation	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"> Section 7(2)(b)(ii) To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
5	Quarterly Update on Debts - 31 March 2024	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"> Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person
6	Project Management Oversight - eBus Project	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"> Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person

The meeting went into confidential session at 11.34a.m. and resumed in public session at 12.50p.m.

Karakia Whakamutanga

15. Restatements

It was resolved while the public was excluded:

1 CONFIDENTIAL: Project Management Oversight - eBus Project (Agenda Item 6)

2. *Agrees that the decision remains confidential.*

2 CONFIDENTIAL: Quarterly Health, Safety and Wellbeing Report to 31 March 2024 (Agenda Item 2)

2. *Agrees that the Quarterly Health, Safety and Wellbeing Report to 31 March 2024 Report (R28548) and attachment (855153265-4717) remain confidential at this time.*

3 CONFIDENTIAL: Quarterly Report on Legal Proceedings (Agenda Item 3)

2. *Agrees that the report Quarterly Report on Legal Proceedings (R28407) and Attachment (142319133-546) remain confidential.*

4 CONFIDENTIAL: Insurance Optimisation (Agenda Item 4)

1. *Receives the report Insurance Optimisation (R28442) and its attachment (1731786637-3743); and*
2. *Notes that the recommendations are being taken due to increased premiums over the number of years; and*
3. *Notes that these recommendations will result in increased financial risk to the Council; and*
4. *Agrees that Report (R28442) and the decision only be made publicly available; and*
5. *Agrees that Attachment (1731786637-3743) remain confidential at this time.*

6 CONFIDENTIAL: Quarterly Update on Debts - 31 March 2024 (Agenda Item 5)

2. *Agrees that the report Quarterly Update on Debts - 31 March 2024 (R28488) and its attachment (1857728953-1637) remain confidential at this time.*

There being no further business the meeting ended at 12.50p.m.

Confirmed as a correct record of proceedings by resolution on 14 August 2024.

That the Audit, Risk and Finance Committee

1. Confirms the minutes of the meeting of the Audit, Risk and Finance Committee, held on 5 June 2024, as a true and correct record.