



Minutes of a meeting of the Audit, Risk and Finance Subcommittee

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

On Tuesday 25 May 2021, commencing at 9.03a.m.

Present: Mr J Peters (Chairperson), Her Worship the Mayor R Reese, Councillors J Edgar, R Sanson and Mr J Murray

In Attendance: Chief Executive (P Dougherty), Group Manager Infrastructure (A Louverdis), Group Manager Environmental Management (C Barton), Group Manager Corporate Services (N Harrison), Group Manager Strategy and Communications (N McDonald), Governance Adviser (E Stephenson) and Governance Support (P Boutle)

Apology: Councillor Lawrey

1. Apologies

Resolved ARF/2021/015

That the Audit, Risk and Finance Subcommittee

1. Receives and accepts an apology from Councillor Lawrey.

Edgar/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 23 February 2021

Document number M15441, agenda pages 9 - 16 refer.

Resolved ARF/2021/016

That the Audit, Risk and Finance Subcommittee

- 1. Confirms the minutes of the meeting of the Audit, Risk and Finance Subcommittee, held on 23 February 2021, as a true and correct record.***

Murray/Sanson

Carried

6. Chairperson's Report

Document number R25884, agenda pages 17 - 18 refer.

The Chairperson spoke to his report, noting the future challenges and uncertainty relating to the central government review of local government. He acknowledged the decision to appoint an iwi representative to the Subcommittee, which he welcomed.

It was also noted that the repeal of the Resource Management Act and the associated legislation that would change as a result, would impact the organisation and the need for best practice change management implementation was highlighted.

Resolved ARF/2021/017

That the Audit, Risk and Finance Subcommittee

- 1. Receives the report Chairperson's Report.***

Peters/Sanson

Carried

7. **Audit NZ: Audit Plan for year ending 30 June 2021**

Document number R24802, agenda pages 19 - 51 refer.

Group Manager Corporate Services, Nikki Harrison, clarified the Annual Report process.

Audit NZ Appointed Auditor, John Mackey, attended via Zoom. He explained the Audit opinion process and scope.

Resolved ARF/2021/018

That the Audit, Risk and Finance Subcommittee

1. ***Receives the report Audit NZ: Audit Plan for year ending 30 June 2021 (R24802) and its attachments (A2638227 and A2648347).***
2. ***Notes the Subcommittee can provide feedback on the Proposed Audit Fee letter to Audit New Zealand if required, noting the Mayor will sign the letter once the Subcommittee's feedback has been incorporated.***

Murray/Sanson

Carried

8. **Health Safety and Wellbeing Report, January - March 2021**

Document number R23731, agenda pages 52 - 68 refer.

Health and Safety Adviser, Malcolm Hughes, provided an update on matters included in the Health Safety and Wellbeing report and answered questions.

Chief Executive, Pat Dougherty, noted that the Audit, Risk and Finance Subcommittee was the main mechanism for health and safety issues, however, if an issue required governance attention, it would go to the relevant Committee or Subcommittee.

Resolved ARF/2021/019

That the Audit, Risk and Finance Subcommittee

1. ***Receives the report Health Safety and Wellbeing Report, January - March 2021 (R23731) and its attachment (A2621469).***

Murray/Her Worship the Mayor

Carried

9. Key Organisational Risks Report - 1 January 2021 to 31 March 2021

Document number R23745, agenda pages 69 - 106 refer.

Manager Business Improvement, Arlene Akhlaq, and Audit and Risk Analyst, Chris Logan, spoke to the report.

Discussion took place on regarding the need for wide thinking about setting residual risk targets.

Resolved ARF/2021/020

That the Audit, Risk and Finance Subcommittee

- 1. Receives the report Key Organisational Risks Report - 1 January 2021 to 31 March 2021 (R23745) and its attachment (A2587873).***

Her Worship the Mayor/Edgar

Carried

The meeting was adjourned from 10.48a.m. until 11.01a.m.

10. Internal Audit - Quarterly Progress Report to 31 March 2021

Document number R23746, agenda pages 107 - 119 refer.

Manager Business Improvement, Arlene Akhlaq and Risk Analyst, Chris Logan, answered questions regarding the internal audit progress.

Ms Akhlaq confirmed the risk management maturity self-assessment had been completed during 2020 and the Subcommittee requested a report following the next risk management maturity assessment.

Resolved ARF/2021/021

That the Audit, Risk and Finance Subcommittee

- 1. Receives the report Internal Audit - Quarterly Progress Report to 31 March 2021 (R23746) and its attachments (A2601420, A2599893); and***
- 2. Requests staff to report back on the postponement of the planned audit 'effectiveness of crisis management response and business disruption planning and management' and the reviews performed by other councils.***

Edgar/Sanson

Carried

11. Draft Annual Internal Audit Plan for year to 30 June 2022

Document number R24781, agenda pages 120 - 126 refer.

Manager Business Improvement, Arlene Akhlaq, and Audit and Risk Analyst, Chris Logan, answered questions regarding choice of audit topics, contract review and renewal dates and the central contracts register.

Resolved ARF/2021/022

That the Audit, Risk and Finance Subcommittee

- 1. Receives the report Draft Annual Internal Audit Plan for year to 30 June 2022 (R24781) and its attachment (A2601457).***

Edgar/Her Worship the Mayor

Carried

Recommendation to Council ARF/2021/023

That the Council

- 1. Approves the Draft Annual Internal Audit Plan for the year to 30 June 2022 (A2601457).***

Edgar/Her Worship the Mayor

Carried

12. Draft Treasury Management Policy including Liability Management and Investment Policies

Document number R24767, agenda pages 127 - 166 refer.

Group Manager, Nikki Harrison, explained the policy changes and rationale. She answered questions regarding the Nelmac services, policy review, landfill monitoring and reporting, constraints of the Treasury Policy in relation to bidding in the Emissions Trading Scheme Auction, natural hazards including climate change risks and forestry. It was noted that the Carbon Risk Management Strategy, which was specific to the Nelson Tasman Regional Landfill Business Unit (NTRLBU), would be reported to the next NTRLBU meeting.

The meeting was adjourned from 12.14p.m. until 12.19p.m.

Following discussion, it was agreed to amend section 15 of the Policy to note that the Group Manager Corporate Services is authorised to act on

the NTRLBU's behalf as bidder in the auction in line with this policy and reporting will be to the NTRLBU.

Further discussion took place regarding the closed forestry account and distribution of forestry profits. It was noted that a clear mandate from Council was required for officers to undertake analysis on this issue, which was not a matter for this Subcommittee.

Resolved ARF/2021/024

That the Audit, Risk and Finance Subcommittee

- 1. Receives the report Draft Treasury Management Policy including Liability Management and Investment Policies (R24767) and its attachment (A2611223).***

Sanson/Edgar

Carried

Recommendation to Council ARF/2021/025

That the Council

- 1. Adopts the updated Treasury Management Policy (A2611223) as amended at the 25 May 2021 Audit, Risk and Finance Subcommittee meeting.***

Murray/Edgar

Carried

13. Service Delivery Reviews (s17A reviews)

Document number R15914, agenda pages 167 - 175 refer.

Manager Strategy, Mark Tregurtha, and Policy Adviser, Gareth Power Gordon, noted an amendment to paragraph 4.15 of the agenda report, in that there were 41 activities at the \$100,000 and 26 at the \$500,000 thresholds and answered questions regarding the rationale for the thresholds.

Discussion took place on the financial thresholds and it was noted that there were other significant factors, rather than a singular financial metric, which was not required under legislation.

It was agreed that the matter be deferred pending discussion with the relevant Chairs and that a further report be brought back for consideration.

14. Quarterly Finance Report for the nine months ending 31 March 2021

Document number R24820, agenda pages 176 - 200 refer.

Resolved ARF/2021/026

That the Audit, Risk and Finance Subcommittee

1. ***Receives the report Quarterly Finance Report for the nine months ending 31 March 2021 (R24820) and its attachments (A2630218, A2630198, A2620993, A2628832 and A2628831).***

Edgar/Murray

Carried

15. Exclusion of the Public

Resolved ARF/2021/027

That the Audit, Risk and Finance Subcommittee

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:***

Edgar/Sanson

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 Subcommittee Meeting - Public Excluded Minutes - 23 February 2021	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)(g)

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
			To maintain legal professional privilege
2	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
3	Quarterly Update On Debts - 31 March 2021	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)(g) To maintain legal professional privilege

The meeting went into confidential session at 1.04p.m. and resumed in public session at 1.48p.m.

RESTATEMENTS

It was resolved while the public was excluded:

1	CONFIDENTIAL: Quarterly report on legal proceedings
	<p><i>That the Audit, Risk and Finance Subcommittee</i></p> <p>2. <i><u>Agrees</u> that the report (R23759) and its attachment (A2626174) remain confidential at this time.</i></p>

2	CONFIDENTIAL: Quarterly Update On Debts - 31 March 2021
	<p><i>That the Audit, Risk and Finance Subcommittee</i></p> <p>2. <i><u>Notes</u> that the application form for Outdoor Dining Concession rent relief includes that businesses with either an outstanding debt or who have not signed up to a payment plan will not be eligible for the rent relief; and</i></p>

	3. <i>Agrees that the Report (R24796) and its attachment (A2216183) remain confidential at this time.</i>
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There being no further business the meeting ended at 1.48p.m.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date