

Komiti o te Mōrearea me te Tūmaru | Risk & Assurance Committee



Mēneti Wātea | Open Minutes



Minutes of an ordinary meeting of Komiti o te Mōrearea me te Tūmaru | Risk & Assurance Committee held in the Council Chambers, 35 Kenrick Street, TE AROHA on Tuesday 23 January 2024 at 9:00.

Ngā Mema | Membership

Tiamana | Chairperson

Jaydene Kana

Independent Member

Joanne Aoake

Koromatua | Mayor

Adrienne Wilcock, JP

Koromatua Tautoko | Deputy Mayor

James Thomas

Kaunihera ā-Rohe | District Councillors

Bruce Dewhurst

Kevin Tappin

Gary Thompson



Ngā whakapāha | Apologies

Members attending by audio/visual link

| Name | Organisation | Time In | Time Out |
|-----------------|---------------------------------|---------|----------|
| Cr Kevin Tappin | Matamata-Piako District Council | 9.02am | 10.59am |

Kaimahi i reira | Staff Present

| Name | Title | Item No. |
|-------------------|--|-----------------------------------|
| Don Mcleod | Chief Executive Officer | |
| Sandra Harris | Placemaking and Governance Team Leader | |
| Kuljeet Kaur | Governance Support Officer | |
| Niall Baker | Policy Team Leader | 7.1, 7.2, 7.4, 7.5, 8.1, 8.2, 8.3 |
| Larnia Rushbrooke | Finance and Business Services Manager | 7.3 |
| Manaia Te Wiata | Group Manager Business Support | 7.3 |
| Anne Gummer | Policy Advisor | 7.4 |
| Olivia Picard | Graduate Policy Advisor | 7.1, 7.2 |

I reira | In Attendance

| Name | Position/Organisation | Audio/visual link | Item | Time In | Time Out |
|---------------|------------------------------------|-------------------|--------------------|---------|----------|
| Angela Jane | Consultant, Angela Jane Consultant | Teams | 8.3 | 10.40am | 10.50am |
| Rene van Zyl | Audit Director , Audit NZ | Teams | 7.4, 7.5, 8.1, 8.2 | 9.05am | 10.59am |
| Claudia Brink | Audit Manager , Audit NZ | Teams | 7.4, 7.5, 8.1, 8.2 | 9.05am | 10.59am |

1 Whakatūwheratanga o te hui | Meeting Opening

Chair Jaydene Kana welcomed members and staff and declared the meeting open at 9.02am.

2 Karakia

Chair Jaydene Kana performed the opening Karakia.

3 Ngā whakapāha/Tono whakawātea | Apologies/Leave of Absence

WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That the apology from Cr Gary Thompson be accepted and leave of absence from the meeting be granted.

Resolution number YV/2024/00001

Moved by: J Aoake

Seconded by: Mayor A Wilcock

KUA MANA | CARRIED

4 Pānui i Ngā Take Ohore Anō | Notification of Urgent/Additional Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-
 - (i) The reason why the item is not on the agenda; and
 - (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting -

- (a) That item may be discussed at that meeting if-
 - (i) That item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
 - (iii) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

5 Whākī pānga | Declaration of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

6 Whakaaetanga mēneti | Confirmation of Minutes

The minutes from 5 December 2023 will be confirmed at the next Committee meeting.

NGĀ PŪRONGO O NGĀ ĀPIHA | OFFICER REPORTS

7 Pūrongo me whakatau | Decision Reports

7.1 Risk and Assurance Committee Work Programme 2024 (Amended)

CM No.: 2808796

Te Kaupapa | Purpose

The purpose of this report is to set the Committee's Work Programme for the 2024 calendar year.

Rāpopotonga Matua | Executive Summary

This report outlines the work programme for 2024 for the Risk and Assurance Committee. The Committee may wish to suggest amendments or additions to the programme.

Tūtohunga | Recommendation

That:

- 1. The information be received.**
- 2. The Committee approve the draft 2024 Work Programme.**

WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That:

- 1. The information be received.**
- 2. The Committee approve the draft 2024 Work Programme with the inclusion of the following standing items to each meeting:**
 - a. Chief Executive Officer Update**
 - b. Safety & Wellness Update**

Resolution number YV/2024/00002

Moved by: Mayor A Wilcock

Seconded by: J Aoake

KUA MANA | CARRIED

7.2 Long-Term Plan 2024-34 Update and transitional options

CM No.: 2812552

Te Kaupapa | Purpose

The purpose of this report is two-fold. Firstly, it seeks a recommendation from the Committee as to continuation of the Long-Term Plan 2024-34 (LTP) for completion by 30 June 2024 or whether it proactively defers the adoption of the Long Term Plan 2024-34 to no later than 30 September 2024. The report also provides an update on progress the overall; Long-Term Plan 2024-34 project, including the upcoming timeframes.

Rāpopotonga Matua | Executive Summary

Under the Local Government Act 2002 a local authority must have an LTP in place at all times. The structure, timing, information provided, and consultation processes are defined by the legislation. LTPs are audited by the Office of the Auditor-General through Audit NZ, and both Consultation Documents and final LTPs are published with the audit opinion.

The government has announced it will introduce a repeal bill that will restore council ownership and control of water infrastructure and services. To provide flexibility, the repeal legislation will include temporary modifications for the transitional period affecting the 2024 LTPs. Options will be available to have an unaudited Consultation Document and a deferral of the LTP to 30 September 2024 (currently set as 30 June 2024).

Staff recommend the existing programme be continued, with adoption by 30 June 2024 – i.e. the proposed legislative options are not taken up by Council.

WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That:

1. The information be received.
2. The Committee recommend that Council continue with the current programme for Long Term Plan 2024-34 adoption by 30 June 2024.

Resolution number YV/2024/00003

Moved by: J Aoake

Seconded by: Cr B Dewhurst

KUA MANA | CARRIED

7.3 Review of draft Liability Management Policy and draft Investment Policy

CM No.: 2802151

Te Kaupapa | Purpose

The purpose of this report is to present the draft Liability Management Policy and draft Investment Policy to the committee for their review and feedback.

Rāpopotonga Matua | Executive Summary

Council's Liability Management policy and Investment policy are reviewed regularly to ensure the policies remain effective in meeting Council's treasury objectives, and to consider if any amendments to the policies are required. The 150% limit of net debt to revenue set within the policy is raised for discussion considering Council's draft LTP projections. Council's independent external advisors, PWC have reviewed the existing policies and have recommended some minor amendments to tidy up wording and flow of the policy. Other than this, staff are not proposing any further changes to the existing policies. After review by this committee the draft policies will be recommended to Council for adoption.

Tūtohunga | Recommendation

That:

1. The committee receive the report
2. The committee review the draft policies and provide comment

WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That:

1. The committee receive the report.
2. The committee provide feedback to Council to increase the limit of net debt to revenue to 175% to allow flexibility, noting this is not a target.

Resolution number YV/2024/00004

Moved by: J Aoake

Seconded by: Cr K Tappin

KUA MANA | CARRIED

7.4 Review for Audit of Draft Consultation Document for the Long Term Plan 2024-2034

CM No.: 2810781

Te Kaupapa | Purpose

The purpose of this report is to present the draft Long Term Plan 2024-34 Consultation Document for the Committee to review.

Rāpopotonga Matua | Executive Summary

The Consultation Document is prepared based on guidance received through Council decisions throughout 2023. It presents information from other key supporting Long Term Plan (LTP) documents, such as matters from the Infrastructure Strategy.

The purpose of the Consultation Document is to provide key information to communities, and to encourage them to share their views on the most significant issues and choices facing Council, allowing their views to be considered in the LTP decision making process.

Following adoption for audit of the Draft Consultation Document content the document will go to audit for their review. Staff will make changes based on feedback from the auditors, and then the document will be templated/ designed to make it more engaging.

At the 12 March meeting, the Committee will receive the draft auditor's opinion and be requested to recommend the adoption of the Consultation Document by Council (scheduled to occur on 13 March 2024).

Council will receive public submissions between March-April 2024, and hold hearing and deliberations in May 2024, before adopting the final LTP in June.

Attachments will be circulated under separate cover.

Tūtohunga | Recommendation

That:

1. The Committee receives the report.
2. The Committee recommends for auditing, the content of the draft Long-term Plan 2024-34 Consultation Document.
3. The Committee notes the Consultation Document will be reported back to Committee in March, for final review (for public consultation) and issue of Audit opinion.

WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That:

1. The Committee received the report.
2. Committee recommends for auditing the content of the Draft Long-Term Plan 2024-2034 Consultation Document and notes the document will be presented for final review at the March Risk & Assurance Committee hui.

Resolution number YV/2024/00005

Moved by: Chair J Kana

Seconded by: Mayor A Wilcock

KUA MANA | CARRIED

ATTACHMENTS

A LTP Consultation Document - Draft for Audit approval as at 18.01.2024

7.5 Review for Audit of Draft Long Term Plan 2024-2034

CM No.: 2810733

Te Kaupapa | Purpose

The purpose of this report is to present the draft Long Term Plan 2024-2034 (LTP) to the committee for their review. The next step will be for the draft LTP to be presented to Council at which point approval will be sought for the LTP to be approved for audit.

Rāpopotonga Matua | Executive Summary

The Draft LTP 2024-2034 outlines the Council's proposed plans including major projects, levels of service and forecast budgets for the next ten years.

The Draft LTP is made up of a number of key sections, namely 1) Introduction and Overview, 2) Key Assumptions, 3) Financial Strategy, 4) Infrastructure Strategy, 5) What We Do, 6) Financials, 7) Policies, 8) Council Controlled Organisations.

The purpose of this report is to present the Draft LTP to the committee for their review and to seek the committee's recommendation to Council that the Draft LTP be approved for audit.

If the draft LTP is approved for audit at the Council meeting on 24 January 2024, Audit NZ are scheduled to complete the audit from 30 January to 15 February 2024. The Draft LTP (with any changes) and Consultation Document will be presented in March to this committee and then to Council for approval for community consultation.

The Draft LTP makes up part of the supporting documentation that accompanies the LTP consultation document when it goes out to the community for feedback.

WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That:

1. The Committee receives the report.
2. The Committee recommends Council adopt for audit the draft Long Term Plan 2024-34 as supporting documentation for the proposed Consultation Document, including:
 - a) Draft Introduction and Overview (Section 1)
 - b) Draft Key Assumptions (Section 2)
 - c) Draft Financial Strategy (Section 3)
 - d) Draft Infrastructure Strategy (Section 4)
 - e) Draft What We Do (Section 5 – including Groups of Activities and Performance Measures)
 - f) Draft Financials (Section 6)
 - g) Draft Policies (Section 7 – including draft Revenue and Financing Policy)
 - h) Draft Key Relationships (Section 8 – including CCOs)
3. The Committee notes that the supporting information as per resolution 2 above, will be reported back to this Committee and then to Council in March, for adoption (for public consultation) and issue of Audit opinion.

Resolution number YV/2024/00006

Moved by: Deputy Mayor J Thomas

Seconded by: Mayor A Wilcock

KUA MANA | CARRIED

ATTACHMENTS

A DRAFT LTP 2024 compressed & bookmarked - for RAC 23 Jan 2024 and Council 24 Jan

8 Ngā Pūrongo Whakamārama | Information Reports

8.1 Long Term Plan Audit Update Letter

CM No.: 2808249

Te Kaupapa | Purpose

The purpose of this report is to present the attached letter from Audit New Zealand dated 20 December 2023 regarding the Long Term Plan 2024-34 audit update for the Committee review.

Rāpopotonga Matua | Executive Summary

Audit NZ have provided an update on the LTP audit. This includes particular areas of emphasis on:

- Impact of the current economic environment on the Council's forecasts
- Central Government reforms
- Financial strategy and infrastructure strategy
- Quality of asset-related forecasting information
- Assumptions

The letter also outlines the key dates in the audit timetable.

WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That:

1. The information be received.

Resolution number YV/2024/00007

Moved by: Deputy Mayor J Thomas

Seconded by: Cr B Dewhurst

KUA MANA | CARRIED

8.2 Long-Term Plan Quality Assurance - Audit self-assessment & QA checklists

M No.: 2808308

Te Kaupapa | Purpose

The purpose of this report is to provide the Long-Term Plan 2024-34 (LTP) Audit self-assessment, project 'health check', and Quality Assurance (QA) checklist for the Committee to review.

Rāpopotonga Matua | Executive Summary

As part of the LTP Quality Assurance and risk management approach Council staff have completed the Audit self-assessment, LTP project 'health check'. These are attached for the Committee to review.

A Quality Assurance (QA) checklist is currently being completed and will be circulated to the Committee separately.

Section 94 of the Local Government Act 2002 requires the LTP to be audited by and contain a report from the Auditor-General. To deliver an LTP that achieves an unqualified audit opinion, it is critical for the Council to ensure that:

- LTP processes are robust
- information contained in the LTP is materially complete and reliable
- any risks associated with the LTP process are minimised and
- the LTP meets the requirements of all relevant legal requirements, including those set out in the Local Government Act 2002.

Taituarā guidance is that good Quality Assurance (QA) should help Council:

- detect errors and omissions and minimise the amount of re-working
- keep audit fees (both now and in future LTPs) to their lowest level
- minimises the chance of non-compliance (and the risk of associated challenge)
- improve the overall clarity and consistency of the document
- maximise the level of useful feedback received on the document by improving the public's understanding of our proposals.

WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That :

1. The information be received.
2. The Committee review and provided feedback on the following:
 - a) Audit self-assessment
 - b) LTP health check
 - c) LTP Quality Assurance (QA) checklist

Resolution number YV/2024/00008

Moved by: J Aoake

Seconded by: Chair J Kana

KUA MANA | CARRIED

8.3 Long-Term Plan 2024-34 external review

CM No.: 2810488

Te Kaupapa | Purpose

The purpose of this report is to provide the Committee with a report from the external review of the draft Long-Term Plan 2024-24 (LTP).

Rāpopotonga Matua | Executive Summary

An independent review of the LTP has been commissioned. The results of this will be provided to the Committee when available.

The reviewer, Angela Jane, will be in attendance (remotely) to highlight key points within the report and answer any questions Committee members may have.

WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That:

1. The information be received.
2. The Committee provided feedback on the external review for the Long-Term Plan 2024-34.

Resolution number YV/2024/00009

Moved by: Chair J Kana

Seconded by: J Aoake

KUA MANA | CARRIED

ATTACHMENTS

A Independent review report for 2024-34 Long Term Plan

10.59 am

Chairperson Jaydene Kana performed the closing Karakia. The Chairperson thanked Members for their attendance and attention to business and declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
OF THE MEETING OF KOMITI O TE MŌREAREA
ME TE TŪMARU | RISK & ASSURANCE
COMMITTEE HELD ON 23 JANUARY 2024.

KO TE RĀ | DATE:

TIAMANA | CHAIRPERSON: