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**MINUTES**  
of the  
**AUDIT AND RISK COMMITTEE MEETING**  
held  
**11.00am, Monday, 24 August 2020**  
at  
**Tasman Council Chamber, 189 Queen Street, Richmond**

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**1 OPENING, WELCOME, KARAKIA**

Councillor C Hill opened the meeting with a Karakia.

**2 APOLOGIES AND LEAVE OF ABSENCE**

Cr. Mark Greening

**Moved Cr Walker/Cr Mackenzie**

**FNAU20-08-1**

**That the Audit and Risk Committee:**

1. accept the apologies.

**CARRIED**

**3 DECLARATIONS OF INTEREST**

Nil

**4 CONFIRMATION OF MINUTES**

**Moved Cr Mackenzie/Cr Walker**

**FNAU20-08-2**

1. that the minutes of the Audit and Risk Committee meeting held on Wednesday, 3 June 2020, be confirmed as a true and correct record of the meeting.

**CARRIED**

**5 REPORTS OF COMMITTEE**

Nil

**6 PRESENTATIONS**

Nil

**7 REPORTS**

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## **7.1 Building Risks**

The Property Services Manager (PSM) took the report as read and opened the floor to questions. A discussion commenced regarding the National Building Standards and Seismic review of the Council's buildings.

The Property Services Manager (PSM) explained how he has commissioned as part of the Accommodation Review a detailed seismic assessment of the whole building. Internal communication has gone out to all staff and notices have been placed on each door. Staff have been given the option if they feel uncomfortable to not work in these spaces until the problem is resolved. The Committee asked how does the Council communicate this to Independent members and the public who are enter the building. The Corporate & Governance Services Manager (CGSM) highlighted two points, more meetings are being held by Zoom due to the COVID level two restrictions, but also that the areas with the problem are not areas that staff work in. He noted that he would look at other forms of communication, so the message gets to independent members and members of the public that use the building. The Committee wanted noted that they were concerned at such a low rating against the National Building Standard on the buildings and would like to be kept informed on the strengthening progress. The PSM estimated that without delays, the Chamber work could be completed by the end of October 2020.

**Moved Cr Mackenzie/Cr Walker**

**FNAU20-08-3**

**That the Audit and Risk Committee:**

- 1. receives the Building Risks Report RFNAU20-08-1; and**
- 2. notes that the Takaka and Motueka libraries will go through a seismic assessment.**

**CARRIED**

## **7.2 Health and Safety Update Report**

The Human Resources Manager (HRM) took the report as read. She was asked if Staff sick leave within the organisation increased or decreased and if it affected staff performance, due to Covid-19. The HRM noted that the internal statistics didn't have much of a change from last year.

The HRM gave a breakdown of the 14 Health and Safety events that were reported on, between January to June 2020, a member asked for a further break-down. The HRM responded she will provide an email update to the Committee.

**Moved Cr Ogilvie/Cr Mackenzie**

**FNAU20-08-4**

- 1. that the Audit and Risk Committee receives the Health and Safety Update Report RFNAU20-08-2;**

**CARRIED**

**7.3 Risk Report**

The Operational Governance Manager (OGM) took the report as read and opened the floor to questions.

It was asked how Council ensures with 21 functional Risk Registers that nothing gets overlooked. The OGM acknowledged that a number of registers do pose a risk and responded this is mitigated by ensuring the Leadership Team and T3 Managers are trained in questioning what is contained on the Risk Registers. Secondly the language is being changed so Staff see mitigating risk as a tool to raise risks to their Managers and resolve issues, rather than a compliance task.

Regarding Section 4.7 Risk Tool Assessment, it was asked of the OGM if a date had been set for when we expect all risks to go through the new tool. The OGM responded that due to heavy work pressures within the organisation, there is no set date, however, the Governance team are identifying higher priority risks and working with T3 Managers directly, the OGM is comfortable that high priority risks have been mitigated.

**Moved Cr Mackenzie/Cr Walker**

**FNAU20-08-5**

**That the Audit and Risk Committee:**

- 1. receives the Risk Report RFNAU20-08-3;**

**CARRIED**

**7.4 Governance Activity Report**

The Operational Governance Manager (OGM) took the report as read and was available for questions:

The Committee responded how they would like to see a change to the reporting, where they would find it helpful would be to see past year figures, current figures and trends in a single report. The Chair of the Committee asked for an update on the Audit and Risk Committee review. The OGM responded that the draft report will outline some changes to the Terms of Reference and that, the report will go to the Leadership Team; then onto Full Council for review. Regarding LGIOMA requests, it was asked, how does the Council's workload compare to other Councils. The OGM responded that the Council has a higher workload compared to other Councils. As a Council we would like to see ourselves 'proactively releasing' information ahead of time on our public website. This would allow members of the public to find answers to questions directly. It was asked, what amount of time was spent dealing with LGIOMA requests, the Corporate and Governance Services Manager (CGSM) responded that it was hard to know how much time all Council staff members spend within their Departments collecting information, however, currently within the Governance Team 40% of 1FTE is spent on

LGIOMA requests. Accordingly the Committee passed the below resolution.

**Moved Cr Mackenzie/Cr Hill**

**FNAU20-08-6**

**That the Audit and Risk Committee:**

1. receives the Governance Activity Report RFNAU20-08-4;

**CARRIED**

**7.5 Annual Report 2020 - Key Audit and Accounting Matters**

The Senior Financial Accountant (SFA) took the report as read. A discussion began regarding data analysis and business processes.

It was asked if the SFA was confident that she can address the data issues and if the Council will be ready for the Audit. The SFA was confident, even though it would be challenging, that the Council would be ready.

A member of the Committee asked about the impact of Covid-19 on Nelson Airport and Port Nelson and what effect this would have on the Shareholders. The Auditor mentioned because this is a complex issue that will have ongoing implications on Shareholders, this will have to go to Audit NZ's technical team. A Committee member responded to the Auditor as this has a profound impact on the Council's accounts could Audit NZ give Tasman an early consideration, so that the Council may prepare. The Auditor mentioned that he would advocate the case on the Councils' behalf.

In terms of the Waimea Water Limited accounting consolidation, the SFA asked about the timelines of the Audit and does Audit NZ need any other information from the Council. The Auditor mentioned he won't know until he sees what information was prepared, he responded that Audits are moving slower than normal due to Covid-19, once an Audit starts it won't have resources taken away. One question the Auditor raised was regarding the Council's Waimea Community Dam Cost Overruns, it is talked about as a contingent liability, the Auditor didn't understand why. The Corporate Governance Services Manager (CGSM) responded that it's down as a contingent liability as it's yet to crystallise, we currently have a revised cost to complete and there are moving parts to those costs, there is no certainty on where the project will land, so it's just an estimate. It was asked does the Council foresee a cost overrun on the project. The Corporate Governance Services Manager (CGSM) replied it is almost certain there will be a cost overrun, the estimate to date is a total project cost to complete of \$129.4m, that estimate does not include the implications of Covid-19 or the impact of accelerating the work on the Dam. Hopefully, we can get more clarity on that in the next four weeks. The Auditor wanted a point of clarification that the Council needed a provision for cost overruns because the Council entered into an agreement to fund the cost overruns with WIL and WWL.

The Chair thanked the members for their attendance and the Committee wanted noted the hard work that staff have put into the preparation of this Audit to date.

**Moved Cr Mackenzie/Cr Walker**

**FNAU20-08-7**

**That the Audit and Risk Committee:**

1. receives the Annual Report 2020 - Key Audit and Accounting Matters  
RFNAU20-08-5.

**CARRIED**

## **8 CONFIDENTIAL SESSION**

The meeting concluded at 12.15pm

The meeting closed with a Karakia by Cr. C Hill

Date Confirmed:  
2 December 2020

Chair:  
Cr Ogilvie

CONFIRMED