
**MINUTES OF THE AUDIT & RISK COMMITTEE MEETING OF THE
STRATFORD DISTRICT COUNCIL HELD IN THE COUNCIL
CHAMBERS, STRATFORD DISTRICT COUNCIL ON TUESDAY 1
DECEMBER 2020 AT 3PM**

PRESENT

P Jones (the Chair) [by audio visual link], the District Mayor N C Volzke, the Deputy Mayor A L Jamieson, Councillors J M S Erwood and M McKay.

IN ATTENDANCE

The Chief Executive – Mr S Hanne, the Director Community Services – Ms K Whareaitu, the Director Corporate Services – Mrs T Radich, the Director Environmental Services – Mr B Sutherland, the Director Assets – Mrs V Araba, Councillors G W Boyde, G M Webby, W J Sandford and A K Harris, the Administration & Communication Support Officer – Ms R Vanstone, the Health & Safety and Emergency Management Advisor – Mr M Bestall, the Information Management Specialist – Ms Anna Officer and one member of the media (the Daily News).

1. WELCOME

The Chair welcomed the District Mayor, Councillors and staff to the meeting.

2. APOLOGIES

An apology was noted from Councillor P S Dalziel.

RECOMMENDATION

THAT an apology be received from Councillor Dalziel.

JAMIESON/McKAY
Carried
A&R/20/45

3. ANNOUNCEMENTS

No announcements were made.

4. DECLARATION OF MEMBERS INTEREST

The Chair requested councillors to declare any real or perceived conflicts of interest relating to items on this agenda.

There were no declarations of interest relating to items on this agenda.

5. **ATTENDANCE SCHEDULE**

The attendance schedule for Audit and Risk Committee meetings was attached.

6. **PROGRAMME OF WORKS**

D20/33069 Page 7

RECOMMENDATION

THAT the Audit and Risk Committee's rolling programme of works up to the end of 2022 be received.

ERWOOD/McKAY
Carried
A&R/20/46

The Director – Corporate Services noted that the updated programme of works provides for more visibility in the coming years of what the Committee will be focusing on. The LTP – Infrastructure Delivery is currently under preparation and will be brought to the next council workshop. The committee self-review will be informally discussed at the next Audit and Risk committee, at the Chair's suggestion.

Questions/Points of clarification:

- It was clarified that Council had not yet received Audit NZ's letter of engagement for the LTP and that this would be circulated via email amongst committee members when it is received.

7. **CONFIRMATION OF MINUTES**

7.1 **Audit and Risk Committee Meeting Minutes – 6 October 2020**

D20/28222 Pages 8-18

RECOMMENDATION

THAT the minutes of the Audit and Risk Committee Meeting held on Tuesday 6 October 2020 be confirmed, with any amendments, as a true and accurate record.

JAMIESON/ERWOOD
Carried
A&R/20/47

8. **MATTERS OUTSTANDING**

D18/27474 Page 19

RECOMMENDATION

THAT the matters outstanding be received.

JONES/McKAY
Carried
A&R/20/48

9. **INFORMATION REPORT – HEALTH AND SAFETY REPORT**

D20/32914 Pages 20-23

RECOMMENDATION

THAT this report be received.

McKAY/JAMIESON
Carried
A&R/20/49

The Health & Safety and Emergency Management Advisor noted that the long year had taken its toll on staff and was notable in council officer's demeanour.

Questions/Points of clarification:

- It was noted that near miss reporting at the Council farm was not reported to this forum. Councillor Boyde undertook to pass this data on to Mr Bestall following the bi-monthly Farm & Aerodrome Committee meetings.
- The Chief Executive noted, in response to a question from the Chair, that staff took a break during Council's mandatory shutdown period between Christmas and New Year (with the exception of a skeleton crew providing essential services). Mr Hanne was not convinced that this is sufficient time enough for key staff to recover however, there were a number of external pressures following reviews or funding streams. While external consultants were considered, Mr Hanne's view was that they would not assist to mitigate the workload. The Chair noted that knowledge was held reasonably closely in small councils and this was part of the challenge (of staff management).

10. INFORMATION REPORT – RISK REVIEW

D20/33057

Pages 24-28

RECOMMENDATION

THAT the report be received.

RECOMMENDED REASON

To provide an update to the Audit and Risk Committee of any changes to the Council Risk Register and advise the Committee of any incidents in relation to the Top Ten Risk Register from the previous quarter.

VOLZKE/McKAY

Carried
A&R/20/50

The Director – Corporate Services noted the following:

- With regards to the Top 10 Risks, it was discussed at the last meeting whether Council had any top 10 risks with an equal residual risk score and raw risk score. Risk 73 (water supply network is contaminated) fits into this category as the risk mitigation (back flow prevention device installation) is not yet complete. The risk remains as a raw risk in the meantime.
- There have been a few occurrences which fit within the Top 10 Risks – the contractor truck near miss, Covid, elected members decision making and the liquor bylaw lapse.

Questions/Points of clarification:

- Mayor Volzke, in referring to page 26, risk 72 (elected members decision making) asked whether there was an intention to note the loan to the Stratford A&P Association as a separate risk. Mrs Radich clarified that the A&P Association's ability to service the loan would be added as a separate risk, to the risk register. Councillor Erwood supported this suggestion as did the Chair. Mrs Radich added that she would bring a risk analysis back before this committee in March and this was added to matters outstanding.
- The Chair, commenting on workload and stress, asked whether in the current environment, the residual risk is too low. Mr Hanne clarified that a risk assessment would be completed. This matter has been added to the matters outstanding.
- Mayor Volzke, in referring to page 27, risk 78 (liquor bylaw lapse) asked whether a need to review the bylaw had been established. The Director – Environmental Services clarified that this assessment was currently underway and he expected that need could be demonstrated as had previously been done.

11. INFORMATION REPORT – FINANCIAL RISK MANAGEMENT REPORT

D20/33009

Pages 47-53

RECOMMENDATION

THAT the report be received and the Audit and Risk Committee acknowledge that the Council is operating outside of the Treasury Management Policy with regards to investments.

JONES/JAMIESON

Carried
A&R/20/51

The Director – Corporate Services noted the following points:

- Seven per cent of the capital expenditure budget has been spent to date. It is unlikely to reach 100% as the swimming pool, for example, is a two year project.
- In terms of investment, the Council is operating outside of its Treasury Management Policy by investing \$7 million with one bank (currently providing the highest consistent interest rates).

Questions/Points of clarification:

- The Chair considered that this committee should note that Council is operating outside of its Treasury Management Policy and a change to the wording of the drafted recommendation was suggested. There was no further discussion on the resolution.

12. INFORMATION REPORT – PRIVACY ACT CHANGES

D20/31415

Pages 54-57

RECOMMENDATION

THAT the report be received.

Recommended Reason

To provide an update to the Audit and Risk Committee of how Council has prepared for the upcoming changes to the Privacy Act. These come into effect on 1 December 2020.

ERWOOD/VOLZKE

Carried
A&R/20/52

The Information Management Specialist noted the following points:

- Of the notable changes to the Act, it is the new rules around breach notifications which will affect us the most. It is now compulsory for us to alert the Privacy Commissioner and affected parties of any breach that we will or may cause serious harm. To that end, policy updates, guidelines and training around privacy breaches have been developed for staff.

- The Association of Local Government Information Management (ALGIM) had requested Stratford District Council to sit on a Privacy Act 2020 Local Government Panel Discussion as one of the few councils in the country to have produced guidelines in time for the commencement of the new Act.

Questions/Points of clarification:

- It was clarified that a breach had only to be notified (to the person) after consideration to risk of reputation and breach severity, following a question from Councillor McKay. Mrs Officer confirmed that it was a business decision but legislation states that notification only needs to be made in a serious breach situation, possibly to avoid the risk of loss of reputation for non-serious breaches which do not cause harm. She gave the example of cancelled library membership forms being deleted from the library system but not council's content management system. In this situation, we are holding the information for longer than the purpose it was collected for, however it was considered that no benefit would be gained to notifying each affected party. Instead, the organisation has created a process going forward to ensure personal information is not held for longer than is required for the specific purpose for which it was collected.
- Councillor McKay sought clarification about who makes the assessment about whether a breach had occurred. Mrs Officer clarified that this decision was made by the Privacy Officer based on the guidelines produced by the Privacy Commissioner.
- The Chair asked for clarification around the process for managing the risk of reputational damage as a consequence of a serious privacy breach. The Chief Executive responded that the factual, open and honest approach on such matters is the ideal way of dealing with damage which is likely to cause very public harm to the council. This would include notifying elected members.

13. INFORMATION REPORT – IANZ AUDIT

D20/32892

Pages 70-73

RECOMMENDATION

THAT the report be received.

Recommended Reason

As an accredited Building Consent Authority the Stratford District Council must ensure its procedures and practices for building consent matters meet legal requirements.

McKAY/JAMIESON

Carried

A&R/20/53

The Director – Environmental Services noted the following points:

- The audit was completed during a very busy period for the team. Several areas for improvement have been identified however these non-compliances are general rather than serious. An action has been approved and half of the non-compliances have been finalised with the remainder in progress and the team is on track to achieve the 23 December deadline.

Questions/Points of clarification:

- The Chair sought clarification on the notified 11 January 2021 deadline, referred to on page 26. Mr Sutherland clarified that the initial plan was 11 January but this had been pushed back to 23 December by the council team and agreed to by IANZ.

14. GENERAL BUSINESS

No general business was discussed.

The meeting closed at 3.44pm.

P Jones

CHAIRMAN

Confirmed this 1st day of December 2020.

N Volzke

DISTRICT MAYOR