

# **Minutes of the Audit, Finance and Risk Committee (under COVID-19 Red Traffic Light restrictions) on Thursday, 24 February 2022 at 1:32 pm.**

## **Present**

Committee Chair Cr John Sunckell, Tumu Taiao laean Cranwell, Cr Grant Edge, Cr Megan Hands, Cr Ian Mackenzie, Cr Nicole Marshall, Independent Member Graeme McGlinn, Cr Claire McKay, Independent Member Graham Naylor, and Cr Vicky Southworth.

Ex-Officio: Chair Jenny Hughey

\*via MS Teams

Report writers and other staff were also present.

## **1. Mihi / Karakia Timatanga - Opening**

Tumu Taiao laean Cranwell opened the meeting with a karakia.

The Chair welcomed staff from Audit New Zealand and Price Waterhouse Cooper to the meeting.

## **2. Apologies**

An apology for early departure was received from Councillor Megan Hands.

## **3. Conflicts of Interest**

There were no conflicts of interest reported.

## **4. Public Forum, Deputations, and Petitions**

There were no requests for public forum, deputations and petitions.

## **5. Extraordinary and Urgent Business**

There was no extraordinary or urgent business.

## **6. Notices of Motion**

There were no notices of motion.

## 7. Report Items

*The Chair changed the order of business, with report 7.3 to be considered first, followed by 7.5, 7.4, 7.1, 7.2, 7.6, 7.7, 7.8, 7.9, and 7.10.*

### 7.3. Audit Management Letter - Annual Report 2020/2021

It was requested that the following matters in Attachment 7.3.1 were noted (with corresponding Audit, Finance and Risk Committee agenda page numbers):

- 'We concluded that the impairment calculation was fair and reasonable and was supported by appropriate documentation.' (Page 23)
- 'We are satisfied that the Covid-19 shovel-ready funding has been appropriately recognised in the financial statements and appropriate disclosure has been made.' (Page 24)
- 'We found no indications of waste, and lack of probity or financial prudence based on the audit work performed.' (Page 25)
- 'We found no indications of management override that would result in a material misstatement in the financial statements due to fraud.' (Page 25)
- 'No matters have come to our attention that we consider would affect the culture of honesty and ethical behaviour of the Regional Council.' (Page 26)
- Chapter 5: IT General Controls Review (Page 27)

#### Resolved AFRC/2022/1

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. receives the Audit New Zealand Report to Council on the Annual Report for year ended 30 June 2021.
2. notes the management responses and recommendations which will be monitored as part of the Committee's outstanding actions.

Graeme McGlinn/Graham Naylor  
CARRIED

### 7.5. Office of the Auditor-General Risk Management Report

A late presentation was tabled at the meeting 'Our observations on local government risk management practices' (Attachment 7.1.2).

#### Resolved AFRC/2022/2

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. receives the update provided by the Sector Manager, Office of the Auditor-General.

Graeme McGlinn/Councillor Nicole Marshall  
CARRIED

## **7.4. Office of the Auditor-General Long-Term Plan Consultation Document Report**

A late presentation was tabled at the meeting 'Consulting matters: Observations on the 2021-31 consultation documents' (Attachment 7.1.3).

### **Resolved AFRC/2022/3**

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. receives the report from the Office of the Auditor-General on Long-Term Plan consultation documents, and the presentation from the Sector Manager at the Office of the Auditor-General.

Councillor Vicky Southworth/Graeme McGlinn  
CARRIED

## **7.1. Outstanding Actions from Internal Audits and External Reviews**

### **Resolved AFRC/2022/4**

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. receives the update on outstanding actions from previous internal audits and external reviews.

Councillor Megan Hands/Graham Naylor  
CARRIED

## **7.2. Outstanding Actions from Previous Meetings**

### **Resolved AFRC/2022/5**

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. receives the outstanding actions based on confirmed minutes of previous Audit, Finance and Risk Committee meetings.

Councillor Claire McKay/Councillor Vicky Southworth

CARRIED

## **7.6. Health and Safety**

### **Resolved AFRC/2022/6**

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. receives the Health and Safety Report.
2. notes the external review of Environment Canterbury's Health and Safety framework, processes and policies is due to commence in March 2022.

Councillor Grant Edge/Tumu Taiao laean Cranwell

CARRIED

Councillor Megan Hands left the meeting at 3:03pm.

## **7.7. Marine Operator Safety System Audit**

### **Resolved AFRC/2022/7**

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. notes the audit carried out by Maritime New Zealand on Environment Canterbury's Marine Operators Safety System in November 2021.

Graeme McGlinn/Graham Naylor

CARRIED

## **7.8. Financial Health Reports January 2022**

### **Resolved AFRC/2022/8**

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. receives the monthly Financial Health report for the period ended 31 January 2022.

2. notes the table of Council-approved unbudgeted expenditure listed in this report.

Tumu Taiao laean Cranwell/Graeme McGlinn  
CARRIED

## **7.9. Portfolio Financial Report January 2022**

### **Resolved AFRC/2022/9**

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. receives the Portfolio Financial report for the period ended 31 January 2022.

Councillor Ian Mackenzie/Graeme McGlinn  
CARRIED

## **7.10. COVID-19 Recovery Projects**

### **Resolved AFRC/2022/10**

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. notes the report on the current status of Environment Canterbury's Covid Recovery projects.

Councillor Ian Mackenzie/Councillor Vicky Southworth  
CARRIED

## **8. Resolution to go into Public Excluded**

### **Resolved AFRC/2022/11**

1. That Yvonne Yang of Audit New Zealand and James Rees-Thomas of Price Waterhouse Cooper remain after the public have been excluded for item 9.1 and item 9.2 as they have knowledge that is relevant to those items and will assist the Audit, Finance and Risk Committee.
2. That at 3:41pm the resolution to exclude the public set out on pages 195 to 197 of the agenda be adopted.

Councillor Vicky Southworth/Councillor Grant Edge  
CARRIED

The public were re-admitted to the meeting at 4:02pm.

## 11. Next Meeting

The next meeting of the Audit, Finance and Risk Committee will be held on Thursday, 24 March 2022 at 1:00pm.

## 12. Mihi / Karakia Whakamutunga - Closing

A karakia was provided by Tumu Taiao laean Cranwell.

Meeting concluded at 4:03pm.

CONFIRMED:

\_\_\_\_\_  
Committee Chair John Sunckell  
Councillor, Environment Canterbury

\_\_\_\_\_  
Date