

Audit and Risk Committee

AGENDA

Notice of Meeting:

A meeting of the Audit and Risk Committee will be held on:

Date: Thursday 13 May 2021
Time: 1pm
Venue: Council Chamber
137 Havelock Street, Ashburton

Membership

Chairperson	Leen Braam
Deputy Chairperson	John Falloon
Members	Carolyn Cameron Liz McMillan Stuart Wilson Murray Harrington (external appointee) Mayor Neil Brown (ex-officio)

Audit & Risk Committee

Timetable	
1pm	Meeting commences

ORDER OF BUSINESS

1 Apologies

- Cr Carolyn Cameron

2 Extraordinary Business

3 Declarations of Interest

Minutes

4 Audit & Risk Committee – 24/03/21 **3**

Reports

5 Audit of Rural Swimming Pools **4**

Business transacted with the public excluded

6 Audit & Risk Committee 24/03/21 **PE 1**

Section 7(2)(a) Protection of privacy of natural persons

7 Health & Safety **PE 4**

Section 7(2)(a) Protection of privacy of natural persons

6 May 2021

Audit & Risk Committee

24 March 2021



4. *Audit & Risk Committee Minutes*

Minutes of the Audit & Risk Committee meeting held on Wednesday 24 March 2021, commencing at 1pm, in the Council Chamber, 137 Havelock Street, Ashburton.

Present

Mayor Neil Brown; Councillors Leen Braam (Chair), Carolyn Cameron, John Falloon, Liz McMillan and Stuart Wilson; Murray Harrington (external appointee).

Also present:

Dereck Ollsson (Audit NZ Director); Councillors Lynette Lovett, Angus McKay and Diane Rawlinson.

In attendance

Hamish Riach (Chief Executive), Jane Donaldson (GM Strategy & Compliance), Sarah Mosely (Manager People & Capability), Steve Fabish (GM Community Services), Toni Durham (Strategy & Policy Manager), Rachel Sparks (Finance Manager) and Phillipa Clark (Governance Team Leader).

1 Apologies

Nil.

2 Extraordinary Business

The Chair advised that the Audit NZ matter will be taken as the first report in-committee, with Mr Ollsson present.

3 Declarations of Interest

Nil.

4 Confirmation of Minutes – 10/02/21

Cr McMillan's name was corrected in the minutes.

That the minutes of the Audit & Risk Committee meeting held on 10 February 2021, as amended, be taken as read and confirmed.

Falloon/Mayor

Carried

Business transacted with the public excluded – 1.03pm

That the public be excluded from the following parts of the proceedings of this meeting, namely – 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:

Item No	General subject of each matter to be considered:	In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:	
5	Audit & Risk committee 10/02/21	Section 7(2)(a)	Protection of privacy of natural persons
6	ACL draft Statement of Intent 2021-22	Section 7(2)(h)	Commercial activities
7	Audit NZ – Audit Management Letter	Section 7(2)(h)	Commercial activities
8	Health & Safety	Section 7(2)(a)	Protection of privacy of natural persons
9	Valuer General Audit	Section 7(2)(h)	Commercial activities

Mayor/McMillan

Carried

The Committee resumed in open meeting and concluded at 2.22pm.

5. Audit of Rural Swimming Pools

Author *Richard Wood; Recreation Services Manager*
Activity Manager *Kate Fowler; Sports Facility Manager*
Group Manager *Steve Fabish, GM Community Services*

Summary

- The purpose of the report is to inform council of the outcome of the condition assessment that was completed on the district's community pool assets, undertaken by Architecture HDT and Powell Fenwick. It also outlines options and improvements to ensure the future of the assets.

Recommendation

1. **That** the Audit & Risk Committee receives the Ashburton District Council Pools Status Report 2021.

Attachments

Appendix 1 Ashburton District Council Pools Status Report 2021 compiled by Architecture HDT and Powell Fenwick

Appendix 2 Condition assessment template- annual renewal planning - site specific

Background

The current situation

1. Ashburton District Council has responsibility for six District pools due to them being on Council land.
 - Hinds Memorial Pool
 - Rakaia Community Pool
 - Mt Somers Community Pool
 - Mayfield Community Pool
 - Ruapuna Pool
 - Tinwald Pool
2. Tinwald Pool is overseen by the Tinwald Reserve Board and operated by Ashburton District Council as an activity of EA Networks Centre. The remaining five pools are on Council land and operated under various models, either by the various pool committees associated with reserve boards or by the reserve board of each area.
3. Each pool is well utilised by its local community and a number of casual patrons.
4. The assessment attached was completed by Architecture HDT and Powell Fenwick Mechanical Services. Both parties have significant experience in pool operations and projects.
5. The assessment included a thorough inspection of all plant, physical assets and the general operation.
6. The pools are currently closed as swim season has finished.

Pools Status Report Summary

7. Tinwald Pool
 - Tinwald Pool is displaying considerable deterioration in its coating, poor circulation for the size of the pool and significant dating to some plant items.
 - Seismic assessment recommended for the brick building.
 - Solar heating system needs comprehensive servicing.
8. Rakaia Pool
 - Rakaia Pool is showing obvious seismic issues with the building, poor circulation for pool size and questions over the safety of the pool slide.
7. Hinds Pool
 - Hinds Pool is showing obvious seismic issues with the building and poor circulation for the size of the pool.

8. Ruapuna Pool

- Ruapuna Pool is generally of a good quality for the size of the pool however it is noted that the circulation and water treatment is not sufficient.

9. Mayfield Pool

- Mayfield Pool lacks toilet facilities on site and also requires seismic assessment. The circulation is insufficient for the size of the pool.

10. Mt Somers Pool

- Mt Somers pool has good ground covering over damaged concrete pool surrounds. The pool is showing signs of deterioration, has had recent patching to the surfaces and requires improved circulation for its size.
- Lacks on site toilet facilities.

Planned actions moving forward

11. Staff have identified the following actions to progress the concerns outlined in the condition report.

- Staff to engage with relevant pool committees/ reserve boards to share the report and recommendations
- Jointly look at options to address immediate issues and produce a longer term plan
- Identify funding options including external funding
- Report back to Council on progress

Legal/policy implications

Legislation

12. New Zealand safety standards and legislation that applies to swimming pools

- NZS 5826:2010 Pool water quality
- NZS 4441:2008 Swimming pool design
- Building Act 2004 Site buildings
- Health and Safety at Work Act 2015 Staff and contractors

Financial implications

13. A total of \$1,476,180 has been identified as costs for the upgrade of buildings, pools and pool support services over the next 15 years(average \$98,000 per year)

14. Current Reserve Boards and Pool Committees are unable to meet this cost with existing funds.

15. Council’s current financial support for district pools on Council land is,

- \$30,000 for district pools for Health and Safety needs
- \$15,000 for district pools for capital /larger operating projects.

Requirement	Explanation
What is the cost?	\$1,476,180 has been identified as costs for the upgrade of buildings, pools and pool support services over the next 15 years(average \$98,000 per year)
Is there budget available in LTP / AP?	No set budget but the option of applying to Council’s grants of, \$30,000 for district pools for Health and Safety needs \$15,000 for district pools for capital /larger operating projects. Reserve Boards and swimming committees have not budgeted for works of this scale.
Where is the funding coming from?	As no rate funding is in the LTP for pool upgrade work (outside the of the pool grants mentioned above), the work would likely need to be loan funded if no external funding can be found. .
Are there any future budget implications?	As no rate funding is in the LTP for pool upgrade work (outside the of the pool grants mentioned above), the work would likely need to be loan funded if no external funding can be found. This will impact rates (repayment of the principal + interest each year), but the effect on rates cannot be easily calculated without a schedule of when spend would happen (which drives when loans would be taken out). The rates effect would also depend on which department within ADC completed this work – if Reserve Boards, the rates impact would likely be felt mostly by rural ratepayers due to the Hinds / Ruapuna / Mayfield / Mt Somers Reserve Boards being funded by rural ratepayers.
Reviewed by Finance	Rachel Sparks, Finance Manager

Significance and Engagement assessment

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Medium; not significant
Level of engagement selected	2. Comment
Rationale for selecting level of engagement	Receiving the report in and of itself is not considered significant. However, the steps and actions of Council from here in giving effect to the report findings will be of high public interest given the high regard of how the respective communities view their swimming pools. Officers will need to ensure an open and transparent process with the community.
Reviewed by Strategy & Policy	Toni Durham; Strategy & Policy Manager

Next steps

Date	Action / milestone
13 May 2021	Report presented to Audit and Risk Committee
June/July 2021	Staff to engage with relevant pool committees/ reserve boards
June/July 2021	Jointly look at options to address immediate issues and produce a longer term plan
August/ September 2021	Identify funding options
November 2021	Report back to Council on progress

Audit and Risk Committee

Terms of Reference

Purpose

The purpose of the Audit & Risk Committee is to provide oversight of Council's audit processes, statutory compliance and internal risk management in a manner that promotes the current and future interests of the community (Local Government Act 2002).

Membership

Membership of the Committee comprises:

- Cr Leen Braam (Chair)
- Cr John Falloon (Deputy Chair)
- Cr Carolyn Cameron
- Cr Liz McMillan
- Cr Stuart Wilson
- External appointee
- The Mayor, Neil Brown (ex-officio)

The quorum is four members.

Meeting Frequency

The Audit & Risk Committee will meet on a six-seven weekly cycle, or on an as-required basis as determined by the Chair and Group Manager Business Support.

Committee members shall be given not less than 5 working days' notice of meetings.

Delegations

The Audit & Risk Committee has no delegated authority to make decisions. Its role is to consider and review matters of strategy, policy or significance in its sphere of Council business, and (if appropriate) to make recommendations to full Council.

Sphere of business

- To receive and consider the project plan and timetable for the following projects –
 - Long Term Plan (LTP) and any amendments
 - Annual Plan & Budget
 - Annual Report and Audit
- To receive progress reports on the above projects, where appropriate, and review significant issues and risks arising.
- To establish and maintain effective relationships with Council's auditors, including meeting with the audit representatives regarding significant policy and planning processes as appropriate, reviewing the Annual Audit Plan, and considering matters of significance raised by Council's auditors and action required.
- To receive reports on all external party audits of any and all Council activities, and review significant issues and risks arising.

- To be the primary monitoring mechanism for Council's Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs) and shareholdings. Review the CCOs' draft statements of intent and advise CCOs of any comments.
- To provide overview of Council's performance management framework as included in the Council's LTP and Annual Plan documents.
- To provide overview of Council's statutory compliance and legal matters, monitoring any areas of statutory non-compliance.
- To provide overview of risk management and insurance. Review corporate risk assessment and internal risk management practices. Review insurance arrangements annually and monitor insurance claims.
- Monitor and review Health & Safety related matters. Participate in national risk management practices and implementation of risk management processes.
- To consider matters of organisational services in the area of Health & Safety

Reporting

The Audit & Risk Committee will report to the Council.

Adopted

17/12/20