

MINUTES	MEETING HELD ON	TIME
<b>AUDIT AND RISK SUBCOMMITTEE</b>	<b>THURSDAY, 18 AUGUST 2016</b>	<b>2.02PM</b>

**MINUTES** of a meeting of the **Audit and Risk Subcommittee**, held in the Council Chambers, Ground Floor, 175 Rimu Road, Paraparaumu, on **Tuesday, 18 August 2016**, commencing at 2.02pm.

**PRESENT:**

Cr	G	Welsh	Chairperson
Cr	M	Bell	Deputy Chairperson
Cr	M	Cardiff	
Mayor	R	Church	
Mr	W	Tuck	Appointed Member

**IN ATTENDANCE:**

Mr	W	Maxwell	Acting Chief Executive
Mr	M	de Haast	Acting Group Manager Corporate Services
Mr	S	Mallon	Group Manager Infrastructure Services
Ms	D	Andrew	Organisational Development Manager
Ms	A	Horn	Manager, Financial Accounting
Mrs	J	Nock	Executive Secretary, Corporate Services
Mr	M	Henry	Ernst & Young
Cr	D	Scott	

**Apologies:** Cr M Scott

The Chair welcomed everyone to the meeting.

ARS 16/08/108

**(a) APOLOGIES**

There were no apologies from Members of the Subcommittee.

Cr Michael Scott's apology was noted.

**(b) DECLARATIONS OF INTEREST RELATING TO ITEMS ON THE AGENDA**

There were no declarations of interest.

ARS 16/08/109

**PUBLIC SPEAKING TIME**

There were no public speakers.

ARS 16/08/110

**MEMBERS' BUSINESS**

(a) Public Speaking Time Responses  
None required.

(b) Leave of Absence  
There were no leave of absence requests.

(c) Matters of an Urgent Nature  
There were no matters of an urgent nature.

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ARS 16/08/111

**HEALTH AND SAFETY REPORT (CE-16-1976)**

Dianne Andrew, Organisational Development Manager spoke to the report and responded to Members' questions.

**MOVED (Bell/Cardiff)**

**That the Audit and Risk Subcommittee notes the Health and Safety Annual Report, including references to the April-June Quarterly Report information as included as Appendix 1 to Report CE-16-1976.**

**CARRIED**

ARS 16/08/112

**LEADERSHIP CHARTER AND HEALTH AND SAFETY PLAN (CE-16-1982)**

Ms Andrew spoke to the report and responded to Members' questions.

Members recommended a few word changes within the Plan and these would be actioned.

It was clarified there were no legal implications in the report because it was within the current legislative framework.

**MOVED (Welsh/Mayor)**

**That the Audit & Risk Subcommittee recommends to Council that Council adopts the Leadership Charter and Health and Safety Plan 2016-2018.**

**CARRIED**

ARS 16/08/113

**PROGRESS UPDATE OF INLAND REVENUE COMPLIANCE REVIEW (Corp-16-1965)**

Mark de Haast, Acting Group Manager Corporate Services and Anelise Horn, Manager, Financial Accounting spoke to the report and responded to Members' questions.

The Chair, on behalf of the Subcommittee, gave thanks and congratulations to all involved for a positive outcome.

**MOVED (Bell/Tuck)**

**The Audit and Risk Subcommittee notes that the Inland Revenue Department has completed their review of Council's risk review questionnaire and has found that no further investigation/audit is required.**

**The Audit and Risk Subcommittee notes that regular progress reports on implementing the tax compliance recommendations will be provided.**

**CARRIED**

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ARS 16/08/114

**REGULAR PROGRESS UPDATE ON 2014/15 KEY AUDIT FINDINGS (Corp-16-1966)**

Mr de Haast spoke to the report and responded to Members' questions.

Members were concerned on the possibility of 'hacking' of the radio network used by Council's Treatment Plant and requested a brief report on the possible high/low risks of its security system.

The Subcommittee requested a detailed report back on KPI reporting and IT security. This was to include project scope, timetable and target completion dates.

**MOVED (Bell/Mayor)**

**That the Audit & Risk Subcommittee notes the progress made against the action plans developed to remedy the control findings arising from the 2015 audit, as set out in Appendix 1 of report Corp-16-1966.**

**That the Audit & Risk Subcommittee notes the progress made to address the Information Technology General Control issues raised by Audit, as set out in Appendix 2 of report Corp-16-1966.**

**CARRIED**

*Cr D Scott arrived at the meeting at 2.50pm.*

ARS 16/08/115

**DRAFT FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (Corp-16-1967)**

Mr de Haast and Marcus Henry, Ernst & Young, spoke to the report and responded to Members' questions.

**MOVED (Bell/Mayor)**

**That the Audit and Risk Subcommittee note:**

**the draft 2015/16 statutory financial statements will be reviewed by Ernst & Young and that their comments and recommendations will be reflected in the final financial statements to be presented to the Audit and Risk Subcommittee at its meeting on 15 September 2016.**

**the draft 2016 Financial Overview will be reviewed by Ernst & Young and that their comments and recommendations will be reflected in the final 2016 Financial Overview to be presented to the Subcommittee at its next meeting to be held on 15 September 2016.**

**that the draft 2016 Disclosure Statement will be reviewed by Ernst & Young and that their comments and recommendations will be reflected in the final 2016 Disclosure Statement to be presented to the Audit and Risk Subcommittee at its meeting to be held on 15 September 2016.**

**the agreed change in accounting treatment of the landfill after-care provision and corresponding asset, as agreed with Ernst & Young.**

**the non-audit identified differences since 30 June 2016 are considered immaterial and will not be included in Council's financial performance and position for the year ended 30 June 2016.**

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the fair value of land parcels vested to Council in 2015/16 are now subject to valuation from a registered valuer and adjustments may be required to the draft statutory financial statements for the year ended 30 June 2016.

**CARRIED**

*Cr Bell left the meeting at 3.27pm.*

The Chair, on behalf of the Subcommittee, gave congratulations to staff and acknowledged the effort involved in this report.

ARS 16/08/116

**CONFIRMATION OF MINUTES: 5 May 2016**

**MOVED (Cardiff/Mayor)**

That the Audit and Risk Subcommittee minutes of 5 May 2016 are accepted as a true and correct record.

**CARRIED**

ARS 16/08/117

**CONFIRMATION OF PUBLIC EXCLUDED MINUTES: 5 May 2016**

**MOVED (Mayor/Tuck)**

That the Audit and Risk Subcommittee public excluded minutes of 5 May 2016 are accepted as a true and correct record.

**CARRIED**

**Matters Under Action**

Mr de Haast spoke to the paper and responded to Members' questions.

*Cr Bell returned to the meeting at 3.29pm*

Council staff, including the minute taker, left the meeting to enable Ernst & Young to address the Audit & Risk Subcommittee. This was a standard meeting procedure that enabled the Auditor to raise any issues or concerns directly with Members.

The Audit and Risk Subcommittee meeting closed at 3.40pm.

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Chair

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Date