

MINUTES	MEETING HELD ON	TIME
<b>AUDIT AND RISK SUBCOMMITTEE</b>	<b>THURSDAY, 6 AUGUST 2015</b>	<b>10.00AM</b>

**MINUTES** of a meeting of the **Audit and Risk Subcommittee**, held in the Council Chambers, Ground Floor, 175 Rimu Road, Paraparaumu, on **Thursday, 6 August 2015**, commencing at 10.00am.

**PRESENT:**

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

**IN ATTENDANCE:**

Mr	W	Maxwell	Group Manager Corporate Services
Mr	M	de Haast	Financial Controller
Mr	K	Currie	Group Manager Regulatory Services
Mr	S	Mallon	Group Manager Infrastructure Services
Ms	S	Foss	Acting Group Manager Community Services
Mrs	J	McDougall	Communications Manager
Ms	J	Dallinger	Health & Safety Advisor
Mrs	J	Nock	Executive Secretary, Corporate Services
Mr	G	Taylor	Partner, Ernst & Young
Ms	A	McLaughlin	Democracy Services

The Chair welcomed everyone to the meeting including a special welcome to the new external member of the Audit & Risk Subcommittee Warwick Tuck.

ARS 15/08/61

**(a) APOLOGIES**

There were no apologies.

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

There were no declarations of interest.

ARS 15/08/62

**PUBLIC SPEAKING TIME**

There were no public speakers.

ARS 15/08/63

**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 15/08/64

**Update: Weathertightness Claims**

Mark de Haast, Financial Controller gave a brief summary and advised that a report would be included in the next Audit & Risk Subcommittee agenda.

ARS 15/08/65

**DRAFT FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (CORP-15-1655)**

Mr de Haast spoke to the report.

All feedback from Members were noted and clarification given. Members were advised that the audited financial statements would be part of the Agenda at the next Audit & Risk Subcommittee.

**MOVED (Welsh/Cardiff)**

**That the Audit and Risk Subcommittee:**

- **Note the proposed format and disclosures for the draft 2014/15 financial statements.**
- **Note that the draft 2014/15 financial statements template is currently being 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 29 September 2015.**
- **Note that the draft 2014/15 financial statements may be subject to change following further review by Finance and the completion of the audit by Ernst & Young.**
- **Note that the draft 2015 Financial Overview will be reviewed by Ernst & Young and that their comments and recommendations will be reflected in the final 2015 Financial Overview to be presented to the Subcommittee at its meeting on 29 September 2015.**
- **Note that the draft 2015 Disclosure Statement will be reviewed by Ernst & Young and that their comments and recommendations will be reflected in the final 2015 Disclosure Statement to be presented to the Audit and Risk Subcommittee at its meeting on 29 September 2015.**

**CARRIED**

ARS 15/08/66

**RISK MANAGEMENT FRAMEWORK UPDATE (CORP-15-1645)**

Mr de Haast spoke to the report and noted that due to staff resources a draft policy had yet to be finalised.

**MOVED (Welsh/Cardiff)**

**That the Audit and Risk Subcommittee notes the progress against the revised Enterprise Risk Management Implementation Priorities.**

**CARRIED**

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ARS 15/08/67

**REGULAR PROGRESS UPDATE ON CLOSING 2013/14 KEY AUDIT FINDINGS (CORP-15-1647)**

Mr de Haast spoke to the report.

**MOVED (Bell/Mayor)**

That the Audit and Risk Subcommittee note the progress made on the recommendations in Ernst & Young's Report on Control Findings for the year ended 30 June 2014 as per the Work Programme in Appendix 1 to this report Corp-15-1647.

**CARRIED**

ARS 15/08/68

**IT CONTROL ENVIRONMENT ASSESSMENT AND RECOMMENDATIONS REPORT (CORP-15-1644)**

Wayne Maxwell, Group Manager Corporate Services spoke to the report.

**MOVED (Tuck/Mayor)**

That the Audit & Risk Subcommittee notes the progress of the formal work programme that is being implemented to address the issues raised by Ernst & Young in its Report on IT Control Environment Assessment and Recommendations.

That the Audit & Risk Subcommittee notes that in the second quarter of the current financial year, Ernst & Young will review the Council's progress against its recommendations and brought back to this Subcommittee by 31 March 2015.

**CARRIED**

ARS 15/08/69

**AMENDMENT TO THE SETTING OF RATES FOR 2014/15 (CORP-14-1149) – (CORP-15-1654)**

Mr de Haast spoke to the report.

**MOVED (Mayor/Tuck)**

That the Audit and Risk subcommittee notes that the 2014/15 rates resolution incorrectly makes reference to area maps amended on 27 June 2014, instead of 27 June 2013.

That the Audit & Risk Subcommittee notes that Council's legal counsel has confirmed that there is no need to re-adopt the 2014/15 rates resolution.

That the Audit & Risk Subcommittee notes that to best prevent this minor error in future years, specific dates pertaining to the Council's rating area maps (including drainage rating area maps) have been omitted from all rating policy and rate setting documentation for financial years 2015/16 onwards.

**CARRIED**

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ARS 15/08/70

**HEALTH & SAFETY QUARTERLY REPORT (CE-15-1653)**

Jill Dallinger, Health and Safety Advisor spoke to the report and gave a brief summary of the changes in legislation to the Health & Safety Reform Bill.

Members were advised that more recent quarterly reports would be available to the Subcommittee going forward.

**MOVED (Welsh/Mayor)**

**That the Audit and Risk Subcommittee notes the Health and Safety Quarterly Report for 1 January 2015 to 1 March 2015.**

**CARRIED**

The meeting adjourned at 11.31am and reconvened at 11.42am

ARS 15/08/71

**CONFIRMATION OF MINUTES**

**MOVED (Bell/Mayor)**

**That the Audit and Risk Subcommittee minutes of 5 May 2015 are accepted as a true and correct record.**

**CARRIED**

ARS 15/08/72

**PUBLIC EXCLUDED RESOLUTION**

**MOVED (Bell/Mayor)**

**That the Audit & Risk Subcommittee move into a Public Excluded meeting:**

**PUBLIC EXCLUDED RESOLUTION**

**That, pursuant to Section 48 of the Local Government Official Information and Meetings Act 1987, the public now be excluded from the meeting for the reasons given below, while the following matters are considered:**

- **Internal Audit Progress Update (Corp-15-1660)**
- **Confirmation of Public Excluded Minutes: 12 February 2015**

**The general subject of each matter to be considered, while the public are 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:**

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General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Grounds under Section 48(1) for the passing of this resolution
<b>Internal Audit Progress Update (Corp-15-1660)</b>	<p>Section 7(2)(a) – to protect the privacy of natural persons.</p> <p>Section 7(2)(b)(ii) – would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>Section 7(2)(f)(ii) – the protection of such members, officers, employees, and persons from improper pressure or harassment.</p>	48(1)(a): That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.
<b>Confirmation of Public Excluded Minutes: 5 May 2015</b>	<p>Section 7(2)(a) – to protect the privacy of natural persons.</p> <p>Section 7(2)(f)(i) – to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to members or officers or employees of any local authority in the course of their duty.</p>	48(1)(a): That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.

**CARRIED**

The meeting went into public excluded session at 11.45am

*The meeting came out of public excluded session at 12.32pm*

The public session of the Audit and Risk Subcommittee meeting closed at 12.32pm

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Chair

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Date