

MINUTES	MEETING HELD ON	TIME
<b>AUDIT AND RISK SUBCOMMITTEE</b>	<b>TUESDAY, 29 SEPTEMBER 2015</b>	<b>10.08AM</b>

**MINUTES** of a meeting of the **Audit and Risk Subcommittee**, held in the Council Chambers, Ground Floor, 175 Rimu Road, Paraparaumu, on **Tuesday, 29 September 2015**, commencing at 10.08am.

**PRESENT:**

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

**IN ATTENDANCE:**

Mr	P	Dougherty	Chief Executive
Mr	W	Maxwell	Group Manager Corporate Services
Mr	M	de Haast	Financial Controller
Mr	S	McArthur	Group Manager Strategy and Planning
Mr	S	Mallon	Group Manager Infrastructure Services
Mrs	D	Andrew	Organisational Development Manager
Mr	T	Power	Senior Legal Counsel
Mr	G	Taylor	Partner, Ernst & Young, Auditors
Mr	A	Sofo	Manager, Ernst & Young, Auditors
Ms	A	Horne	Manager, Financial Accounting
Mr	G	Roberts	Contractor, Finance
Ms	J	Dallinger	Health and Safety Advisor
Ms	S	Haddleton	Executive Secretary, Regulatory Services

**Apologies** Cr M Cardiff

The Chair welcomed everyone to the meeting.

ARS 15/09/73

**(a) APOLOGIES**

**MOVED (Welsh/Mayor)**

**That an apology be accepted from Cr Mike Cardiff.**

**CARRIED**

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

There were no declarations of interest.

ARS 15/09/74

**PUBLIC SPEAKING TIME**

There were no public speakers.

ARS 15/09/75

**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 15/09/76

**CLOSING REPORT FROM AUDIT FOR THE YEAR ENDED 30 JUNE 2015 (Corp-15-1710)**

Mark de Haast, Financial Controller, opened the discussion and Grant Taylor, Partner, Ernst & Young and Ahmed Sofe, Manager, Ernst & Young spoke to the report.

It was requested that:

- 'Guru' be removed from K Gurunathan listed in Note 30 (remuneration and employees); and
- 'Operating expenses' be included in Note 34 (major variances from budget).

**MOVED (Mayor/Tuck)**

**That the Audit and Risk Subcommittee receives the Closing Audit Report from Ernst & Young and notes that there are no significant accounting issues that have not been agreed and adjusted in the draft financial statements.**

**That the Audit and Risk Subcommittee receives the draft financial overview, the draft financial statements and the draft annual report disclosure statement for consideration.**

**That the Audit and Risk Subcommittee notes that subject to any change requests, the draft financial overview, the draft financial statements and the draft annual report disclosure statement will be included in the draft 2014/15 Annual Report for consideration by the Corporate Business Committee at its next meeting on 8 October 2015.**

**CARRIED**

ARS 15/09/77

**AUDIT REPORT TO MANAGEMENT FOR THE YEAR ENDED 30 JUNE 2015 (Corp-15-1711)**

Mr Taylor spoke to report.

**MOVED (Welsh /Bell)**

**That the Audit & Risk Subcommittee receives Ernst & Young's Report on Control Findings for the year ended 30 June 2015 and notes that Council agrees with the seven internal control recommendations.**

**That the Audit and Risk Subcommittee notes that action plans are being implemented to remedy these control findings and progress updates will be provided at each Audit and Risk Subcommittee meeting.**

**That the Audit & Risk Subcommittee notes the progress to address the ITGC issues raised by Ernst & Young.**

**CARRIED**

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ARS 15/09/78

**HEALTH AND SAFETY ANNUAL REPORT: 1 JULY 2014 – 30 JUNE 2015 (CE-15-1695)**

Dianne Andrew, Organisational Development Manager, spoke to the report.

**MOVED (Welsh/Mayor)**

**That the Audit and Risk Subcommittee notes the Health and Safety Annual Report for 1 July 2014 – 30 June 2015.**

**CARRIED**

ARS 15/09/79

**OUTLINE OF THE STATUS OF COUNCIL BYLAWS (SP-15-1705)**

Stephen McArthur, Group Manager Strategy & Planning, spoke to the report. This was a new report that the Chief Executive requested be put on this Subcommittee's agenda to ensure there was clarity around when bylaw reviews are required. .

It was agreed that an extra column would be added to the report to indicate when each bylaw was due to go through the community consultation process.

New bylaws were required to be reviewed after a period of five years. After bylaws have been reviewed, for the first time, they are then valid for ten years from the time of review.

**MOVED (Bell/Tuck)**

**That the Audit and Risk Subcommittee note the current status of the Council bylaws.**

**CARRIED**

ARS 15/09/80

**AUDITOR-GENERAL'S REPORT ON LOCAL AUTHORITIES' CONSULTATION DOCUMENTS FOR 2015/35 LONG TERM PLANS (Corp-15-1715)**

Mark de Haast spoke to the report.

**MOVED (Welsh/Tuck)**

**That the Audit and Risk Subcommittee note the matters raised by the Office of the Auditor-General in its report on 'Consulting the community about local authorities' 10 year plans'.**

**That the Audit and Risk Subcommittee note the matters raised by the Office of the Auditor-General in its report did not include any specific views or data on the Kapiti Coast District Council.**

**CARRIED**

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ARS 15/09/81

**CONFIRMATION OF MINUTES**

**MOVED (Mayor/Bell)**

That the Audit and Risk Subcommittee minutes of 6 August 2015 are accepted as a true and correct record.

**CARRIED**

ARS 15/09/82

**PUBLIC EXCLUDED RESOLUTION**

**MOVED (Welsh/Mayor)**

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

<b>PUBLIC EXCLUDED RESOLUTION</b>		
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:		
<ul style="list-style-type: none"> <li>• Quarterly Update on Statutory Compliance Issues and Investigations (SP-15-1583)</li> <li>• Weathertight Claims – Update as at 30 August 2015 (RS-15-1554)</li> <li>• Update on Current Legal Proceedings</li> <li>• Confirmation of Public Excluded Minutes: 6 August 2015</li> </ul>		
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:		
<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Grounds under Section 48(1) for the passing of this resolution</b>
Quarterly Update on Statutory Compliance Issues and Investigations (SP-15-1583)	Section 7(2)(a) – to protect the privacy of natural persons. 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, or any persons to whom section 2(5) of this Act applies, in the course of their duty.	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.

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<b>Weathertight Claims – Update as at 30 August 2015 (RS-15-1554)</b>	Section 7(2)(i) – to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations.	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>Update on Current Legal Proceedings</b>	Section 7(2)(g) – to maintain legal professional privilege.	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: 6 August 2015</b>	Section 7(2)(a) – to protect the privacy of natural persons. 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.	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 11.13am

*The meeting came out of public excluded session at 11.57pm*

The report, appendix and resolutions to report SP-15-1583 was released into the public arena

**Quarterly Update on Statutory compliance Issues and Investigations (SP-15-1583)**

**MOVED (Bell/Welsh)**

**That the Audit and Risk Subcommittee note there were no statutory compliance issues associated with legislative compliance declarations for the second, third and fourth quarters of the 2014/15 year.**

**That the Audit and Risk Subcommittee note the current status of the Ombudsman investigations.**

**That the Audit and Risk Subcommittee note the status of the Council's legal compliance for the second, third and fourth quarters of the 2014/15 year.**

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**That this report, appendices and resolutions be released from public excluded business.**

**CARRIED**

The report (excluding appendix) and resolution to report RS-15-1554 was released into the public arena

**Weathertight Claims – Update as at 30 August 2015 (RS-15-1554)**

**MOVED (Bell/Tuck)**

**That the Audit and Risk Subcommittee note that most weathertight claims arising from leaky homes were settled via the Financial Assistance Package in the last 12 months and that weathertight claims are being managed appropriately to minimise the risk to Council.**

**That this resolution and report RS-15-1554 (excluding Appendix 1) are released from Public Excluded business.**

**CARRIED**

The public session of the Audit and Risk Subcommittee meeting closed at 11.57pm

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Chair

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Date