

MINUTES	MEETING HELD ON	TIME
AUDIT AND RISK COMMITTEE	THURSDAY, 3 MAY 2018	1.00PM

MINUTES of a meeting of the **Audit and Risk Committee**, held in the Council Chambers, Ground Floor, 175 Rimu Road, Paraparaumu, on **Thursday, 3 May 2018**, commencing at 1.00pm.

PRESENT:	Cr	M	Cardiff	Chair
	Cr	J	Cootes	
	Mayor	K	Gurunathan	
	Cr	M	Scott	
	Cr	F	Vining	Deputy Chair
	Mr	W	Tuck	Appointed Member (Independent)
IN ATTENDANCE:	Mr	W	Maxwell	Chief Executive
	Mr	K	Black	Acting Group Manager Strategy & Planning
	Mr	S	Mallon	Group Manager Infrastructure Services
	Ms	J	McDougall	Acting Group Manager Corporate Services
	Ms	N	Tod	Group Manager Regulatory Service
	Ms	J	Straker	Chief Financial Officer
	Ms	A	Horn	Manager, Financial Accounting
	Ms	D	Andrew	Organisational Development Manager
	Mr	E	Church	Chief Information Officer
	Cr	A	Buswell	
	Cr	J	Holborow	
	Mr	B	Randall	Member, Paraparaumu/Raumati Community Board
	Mrs	J	Nock	Executive Secretary, Corporate Services
	Mr	G	Butler	Risk Management Advisor
	Mr	D	Borrie	Ernst & Young, Auditors
	Mr	A	Sofo	Ernst & Young, Auditors
Apology	Mr	J	Westbury	Member, Waikanae Community Board

The Chair welcomed everyone and declared the meeting open.

ARC 18/05/064

(a) Apologies

MOVED (M Scott/Mayor)

That an apology be accepted from James Westbury.

CARRIED

(b) Declarations of Interest Relating to Items on the Agenda

There were no declarations of interest.

ARC 18/05/065

PUBLIC SPEAKING TIME

There were no public speakers.

ARC 18/05/066

MEMBERS' BUSINESS

- (a) Public Speaking Time Responses
None required.

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- (b) Leave of Absence
There was no leave of absence.
- (c) Matters of an Urgent Nature
There were no matters of an urgent nature.

ARC 18/05/067

ENTERPRISE RISK MANAGEMENT BUSINESS UPDATE (Corp-18-368)

The report was taken as read and Jacinta Straker, Chief Financial Officer introduced Garry Butler, Risk Management Advisor.

Ms Straker clarified that an external advisor was being used until appropriate staff within the finance team can be up-skilled in risk management.

Mr Butler gave a brief summary of the Corporate Risk Register, as at Appendix 1 and responded to Members' questions.

It was agreed that a verbal update of the risk profile, comprising a risk register and risk treatment plan, would be included in every meeting of this Committee and the Senior Leadership Team will review on a quarterly basis.

It was noted that this report covered the corporate-wide profile from an internal prospective and it was recognised that a future plan was to collaborate with iwi through to Te Whakaminenga o Kāpiti to ensure the iwi perspective of risk is incorporated into the risk register.

Cr Buswell left the meeting at 1.28pm and returned at 1.37pm.

Bernie Randall left the meeting at 1.34pm and returned at 1.37pm.

MOVED (M Scott/Tuck)

That the Audit and Risk Committee notes the progress update regards the Council's Enterprise Risk Management Framework.

That the Audit and Risk Committee endorses the revised business assurance programme timeline.

CARRIED

ARC 18/05/068

HEALTH AND SAFETY QUARTERLY REPORT (OD-18-437)

The report was taken as read and Dianne Andrew, Organisational Development Manager responded to Members' questions.

Cr Holborow left the meeting at 1.36pm and returned at 1.39pm.

Members were advised that:

- the Health and Safety Officer vacancy had now been filled;
- an additional resource, from another part of the Council, was helping with a significant piece of work on one of the major factors within this report; and
- a more detailed action plan and work programme would be included in the next report.

MINUTES	MEETING HELD ON	TIME
AUDIT AND RISK COMMITTEE	THURSDAY, 3 MAY 2018	1.00PM

MOVED (Vining/Tuck)

That the Audit & Risk Committee notes the Health and Safety Report for the period 1 January – 31 March 2017 and the draft Action Plan and Work Programme included as Appendix One and Appendix Two to Report OD-18-465.

CARRIED

The order of the Agenda was slightly changed.

ARC 18/05/069

ERNST & YOUNG AUDIT PLAN FOR THE YEAR ENDING 30 JUNE 2018 (Corp-18-473)

Anelise Horn, Manager, Financial Accounting introduced David Borrie and Ahmed Sofe from Ernst & Young. Mr Borrie gave a brief summary of the Audit Plan and responded to Members' questions.

Cr Cootes left the meeting at 1.46pm and returned at 1.48pm.

MOVED (Mayor/Cootes)

That the Audit and Risk Committee receives and notes the Ernst & Young Audit Plan for the year ended 30 June 2018.

CARRIED

ARC 18/05/070

REGULAR PROGRESS REPORT UPDATE ON KEY 2014/15 AUDIT FINDINGS (Corp-18-422)

The report was taken as read and Ewen Church, Chief Information Officer responded to Members' questions.

MOVED (Tuck/M Scott)

That the Audit and Risk Committee notes the progress made to address the Ernst & Young's Control Findings for the year ended 30 June 2015 relating to IT general system security settings – the review and assessment phases of the project are on track as per the project timeline.

CARRIED

The original order of the Agenda resumed.

ARC 18/05/071

AUDITOR-GENERAL'S REPORT ON THE RESULTS OF THE 2016/17 AUDITS OF LOCAL AUTHORITIES (Corp-18-475)

The report was taken as read and Jacinta Straker, Chief Financial Officer responded to Members' questions.

MOVED (Tuck/M Scott)

That the Audit and Risk Committee note the matters raised by the Office of the Auditor-General in its report on the 'Results of the 2016/17 Audits' as at Appendix 1 of this report (Corp-18-475).

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AUDIT AND RISK COMMITTEE	THURSDAY, 3 MAY 2018	1.00PM

That the Audit and Risk Committee notes that Kāpiti Coast District Council is part of the 2017/18 Performance Audit of how well the Council is ensuring the provision of drinking water to meet consumers' needs by managing demand and supply.

CARRIED

ARC 18/05/072

QUARTERLY TREASURY MANAGEMENT COMPLIANCE (Corp-18-481)

The report was taken as read and Anelise Horn, Manager, Financial Accounting responded to Members' questions.

Following a question around carbon credit risk from the last meeting, Members were advised that this Council does not currently hold any carbon credits but as this may change in the future the wording in the policy would remain.

Members were pleased with this report and gave their congratulations to staff.

MOVED (M Scott/Vining)

That the Audit and Risk Committee notes that the Council was fully compliant with its Treasury Management Policy for the quarter ended 31 March 2018.

CARRIED

ARC 18/05/073

CONFIRMATION OF MINUTES – 8 February 2018

MOVED (M Scott/Mayor)

That the minutes of the Audit and Risk Committee meeting held on 8 February 2018 be adopted as a true and correct record.

CARRIED

ARC 18/05/074

PUBLIC EXCLUDED RESOLUTION

MOVED (Mayor/Vining)

That the Audit and Risk Committee move into a Public Excluded meeting:

<p>PUBLIC EXCLUDED RESOLUTION</p> <p>That, pursuant to Section 48 of the Local Government Official Information and Meetings Act 1987, the public now be excluded from the meeting (with the exception of Community Board representatives) for the reasons given below, while the following matters are considered:</p> <ul style="list-style-type: none"> • Update: Protected Disclosure Act progress • Presentation: Water Safety Programme • Update on Statutory Compliance issues, investigations and status of Council Bylaws for 1 January 2018 to 31 March 2018 (SP-18-461) • Confirmation of Public Excluded Minutes 8 February 2018

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AUDIT AND RISK COMMITTEE	THURSDAY, 3 MAY 2018	1.00PM

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:

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
Update: Protected Disclosure Act progress	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.
Presentation: Water Safety Programme	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.
Update on Statutory Compliance (SP-18-461)	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. Section 7(2)(g) – 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.
Confirmation of Public Excluded Minutes – 8 February 2018	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. Section 7(2)(g) – 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.

CARRIED

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The Audit and Risk Committee moved into a public excluded session at 2.20pm.

It was agreed that the Water Safety Programme presentation be removed from the public excluded part of the meeting and be discussed in the public arena. Members agreed to come out of the public excluded session at 2.28pm.

ARC 18/05/075

Presentation: WATER SAFETY PROGRAMME

Martyn Cole, Water and Wastewater Asset Manager gave a presentation on Public Drinking Water Supplies.

Jim Graham, Principal Advisor Water Quality at Water New Zealand gave a presentation showing core areas of recommendations from the Havelock North Inquiry.

Cr Holborow left the meeting at 2.42pm and returned at 2.50pm.

Members questioned the cost to the Council in delivering on any new changes in monitoring and reporting. It was advised that monitoring for any potential changes was included in day to day activities. Should changes be made a plan would be put in place to monitor costs.

Cr Vining left the meeting at 3.02pm and returned at 3.23pm.

Bernie Randall left the meeting at 3.14pm and returned at 3.15pm.

It was noted that this Council was one of four Councils being audited by the Office of the Auditor General as part of their water management works programme.

The presentation updated Members on the current status and a report, giving details of the outcome of the review, would be brought back to Council at a later date. After this time, it was agreed that communication would go out to the public and it needed to be stressed that ownership of water was not changing.

It was agreed that water service delivery would be included in the Council's Risk Register going forward to ensure that measures remain in place.

Warwick Tuck left the meeting at 3.24pm and returned at 3.27pm.

The meeting moved back into a public excluded meeting at 3.24pm.

MOVED (M Scott/Mayor)

That the Audit and Risk Committee move back into a Public Excluded meeting:

CARRIED

The Audit and Risk Committee came out of public excluded session at 3.35pm.

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The following report, appendices C and D and resolutions were released from the public excluded part of the meeting:

UPDATE ON STATUTORY COMPLIANCE ISSUES, INVESTIGATIONS AND THE STATUS OF COUNCIL BYLAWS FOR 1 JANUARY 2018 TO 31 MARCH 2018 (SP-18-461)

MOVED (M Scott/Cootes)

That the Audit and Risk Committee:

note that there were no statutory compliance issues associated with the ‘key’ acts identified in the third quarter of the 2017/18 year;

note the current status of Ombudsman and Privacy Commissioner investigations, official information requests, bylaws and litigation;

agree that this report, appendices (C) and (D) and resolutions only be released from public excluded business; and

agree that appendices (A) and (B) be excluded from public release.

CARRIED

The Audit and Risk Committee meeting closed at 3.35pm.

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Chairperson

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Date