

MINUTES	MEETING HELD ON	TIME
AUDIT AND RISK COMMITTEE	THURSDAY, 28 FEBRUARY 2019	10.00AM

MINUTES of a meeting of the **Audit and Risk Committee**, held in the Council Chambers, Ground Floor, 175 Rimu Road, Paraparaumu, on **Thursday, 28 February 2019**, commencing at 10.02am.

PRESENT:	Cr	M	Cardiff	Chair
	Cr	J	Cootes	
	Mayor	K	Gurunathan	
	Cr	M	Scott	
	Cr	F	Vining	Deputy Chair
	Mr	G	Simpson	Appointed Member (Independent)
	Mr	W	Tuck	Appointed Member (Independent)
IN ATTENDANCE:	Mr	W	Maxwell	Chief Executive
	Mr	M	de Haast	Group Manager Corporate Services
	Mr	J	Jefferson	Group Manager Place and Space
	Mr	S	Mallon	Group Manager Infrastructure Services
	Mrs	J	McDougall	Group Manager People and Partnerships
	Ms	N	Tod	Group Manager Regulatory Services
	Ms	D	Andrew	Organisational Development Manager
	Ms	A	Horn	Manager, Financial Accounting
	Mr	T	Power	Senior Legal Counsel
	Ms	J	Straker	Chief Financial Officer
	Cr	A	Buswell	
	Cr	J	Howson	
	Mr	B	Randall	Member, Paraparaumu/Raumati Community Board
	Ms	M	Hakaraia	Iwi Relationship Manager
	Ms	L	Belcher	Democracy Services Manager
	Mr	P	Beverley	Buddle Findlay
	Mr	B	O'Malley	Director Aon
Mr	T	Owen	Deputy Director Aon	
Mr	G	Butler	Risk Management Advisor	
Mr	D	Borrie	Ernst and Young	

The Chair welcomed everyone to the meeting and declared the meeting open.

ARC 19/02/107

(a) Apologies

There were no apologies.

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

There were no declarations of interest.

ARC 19/02/108

PUBLIC SPEAKING TIME

There were no public speakers.

ARC 19/02/109

MEMBERS' BUSINESS

(a) Public Speaking Time Responses

None required.

(b) Leave of Absence

There was no leave of absence.

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

ARC 19/02/110

PRESENTATION: Obligations for the Council arising from the Treaty of Waitangi

Tim Power, Senior Legal Counsel gave a brief introduction and welcomed Paul Beverley from Buddle Findlay. Mr Beverley tabled a presentation covering:

- the broader context, the importance of relationships and understanding the Māori lens;
- the Treaty and local government;
- Treaty settlements;
- statutory provisions;
- Marine and Coastal Area (Takutai Moana) Act; and
- Mana Whakahomo a Rohe.

Members' questions were responded to.

The Chair thanked Mr Beverley for his presentation and requested this topic remain as a key risk on the Risk Register for continual monitoring.

ARC 19/02/111

PRESENTATION: Insurance

Mark de Haast, Group Manager Corporate Services gave a brief introduction and welcomed Brett O'Malley, Executive Director and Tony Owen, Deputy Managing Director of Aon who tabled a presentation covering:

- Aon history with Kāpiti Coast District Council;
- insurance programme structure;
- summary of current programme;
- renewal process;
- 2018 Renewal;
- 2017 Global Catastrophe Losses;
- insurance market conditions;
- risk engineering; and
- three waters resilience project.

It was explained that some of the councils' most significant insurance policies with off shore insurers, which had historically renewed in October, had now changed to a May renewal date to better align with the annual planning process and provide more certainty around the cost of insurance.

Members' questions were responded to.

The Chair thanked Mr O'Malley and Mr Owen for their presentation.

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ARC 19/02/112

RISK MANAGEMENT – BUSINESS ASSURANCE UPDATE (Corp-19-726)

Jacinta Straker, Chief Financial Officer gave a brief summary of the report and Garry Butler, Risk Management Advisor gave an overview of significant changes in the Risk Register. Members' questions were responded to.

It was confirmed that it can be anticipated that a different regime will be developed for the way council buildings are managed and the kinds of investigations that need to be carried out on a regular basis.

MOVED (M Scott/Gurunathan)

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

CARRIED

The meeting adjourned at 12.15pm and reconvened at 12.41pm.

ARC 19/02/113

TIMETABLE FOR THE AUDIT OF THE 2018-19 Annual Report (Corp-19-728)

Anelise Horn, Manager, Financial Accounting introduced the report which was taken as read.

MOVED (M Scott/Tuck)

That the Audit and Risk Committee notes the timetable for the audit of the Council's Annual Report and the Council's Debenture Trust Deed for the year ended 30 June 2019.

CARRIED

ARC 19/02/114

ERNST AND YOUNG AUDIT PLAN FOR THE YEAR ENDED 30 JUNE 2019 (Corp-19-725)

Ms Horn introduced Mr David Borrie of Ernst and Young who gave a brief summary of the report and together they responded to Members' questions.

Mayor Gurunathan left the meeting at 12.49pm.

MOVED (Vining/Tuck)

That the Audit and Risk Committee receives and notes the Ernst and Young Audit Plan for the year ended 30 June 2019.

CARRIED

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ARC 19/02/115

QUARTERLY TREASURY COMPLIANCE REPORT (Corp-19-727)

Ms Horn gave a brief summary of the report and together with Ms Straker responded to Members' questions.

A correction was noted at paragraph 32 of the report (201.9% was replaced with 198%).

MOVED (M Scott/Cootes)

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

CARRIED

ARC 19/02/116

HEALTH AND SAFETY QUARTERLY REPORT: 1 October 2018 – 31 December 2018 (CE-19-737)

Dianne Andrew, Organisational Development Manager introduced the report and provided an update on the relocation of Waikanae Library staff and the medical and financial support offered as a result of their work in the Library. Progress would be included in the next Health and Safety Quarterly Report.

Ms Andrew responded to Members' questions

MOVED (Vining/Cardiff)

That the Audit and Risk Committee notes the Health and Safety Quarterly Report for the period 1 October 2018 – 31 December 2018 attached as Appendix One to Report CE-19-737.

That the Audit and Risk Committee note and endorse the Health and Safety Leadership Charter which will provide a continuous transparent platform in preparation for the new triennium, attached as Appendix Two to Report CE-19-737.

CARRIED

ARC 19/02/117

AUDIT AND RISK COMMITTEE FORWARD AGENDA PROGRAMME (PP-19-742)

The report was taken as read. Members requested that a report be added to a future agenda about the learnings from the Waikanae Library and their impact on the way Council buildings are to be managed in the future.

MOVED (M Scott/Tuck)

That the Audit and Risk Committee receives this report PP-19-742 and notes the attached Audit and Risk Committee forward agenda programme.

CARRIED

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ARC 19/02/118

CONFIRMATION OF MINUTES – 1 November 2018

MOVED (M Scott/Vining)

That the minutes of the Audit and Risk Committee meeting held on 1 November 2018 be adopted as a true and correct record.

CARRIED

ARC 19/02/119

PUBLIC EXCLUDED RESOLUTION

MOVED (M Scott/Simpson)

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

PUBLIC EXCLUDED RESOLUTION		
<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 on Statutory Compliance Issues, Investigations and status of Council Bylaws 1 July 2018 to 31 December 2018 (Corp-19-691) Confirmation of Public Excluded Minutes – 1 November 2018 <p>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:</p>		
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 on Statutory Compliance Issues, Investigations and status of Council Bylaws 1 July 2018 to 31 December 2018 (Corp-19-691)	<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, or any persons to whom section 2(5) of this Act applies, in the course of their duty.</p> <p>Section 7(2)(g) – maintain legal professional privilege</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.
Confirmation of Public Excluded Minutes – 1 November 2018	<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, or any persons to whom section 2(5) of this Act applies, in the course of their duty.</p> <p>Section 7(2)(g) – maintain legal professional privilege.</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

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The Audit and Risk Committee moved into a public excluded session at 1.17pm.

The Audit and Risk Committee came out of public excluded session at 2.18pm.

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

UPDATE ON STATUTORY COMPLIANCE ISSUES, INVESTIGATIONS AND STATUS OF COUNCIL BYLAWS 1 JULY 2018 TO 31 DECEMBER 2018 (Corp-19-691)

MOVED

That the Audit and Risk Committee:

note that there was one statutory non-compliance with the 'key' acts identified in the first quarter of the 2018/19 year, as outlined in paragraph 5 and 6 of this report;

note that there were no statutory compliance issues associated with the 'key' acts identified in the second quarter of the 2018/19 year;

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

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

agree that appendix (A) be excluded from public release.

CARRIED

The Audit and Risk Committee meeting closed at 2.19 pm.

MW Cavell

 Chairperson

30.05.19

 Date