

**MINUTES OF KAPITI COAST DISTRICT COUNCIL  
AUDIT AND RISK COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBER, GROUND FLOOR, 175 RIMU ROAD, PARAPARAUMU  
ON THURSDAY, 12 SEPTEMBER 2019 AT 10.03AM**

**PRESENT:** Cr Fiona Vining, Mayor K Gurnathan, Cr James Cootes, Cr Michael Scott, Mr Gary Simpson (Independent), Mr Bryan Jackson (Independent).

**IN ATTENDANCE:** David Borrie (Mr), Jackie Elliott (Cr), Angela Buswell (Cr), Janet Holborow (Cr), Mark de Haast (Mr), Natasha Tod (Ms), Sean Mallon (Mr), Janice McDougall (Mrs), Dianne Andrew (Ms), Jacinta Straker (Ms), Anelise Horn (Ms), Chris Pearce (Mr), Joy Murray (Ms), Jayne Nock (Mrs)

**APOLOGIES:** Nil

**LEAVE OF ABSENCE:** Cr Mike Cardiff

## **1 WELCOME**

The Chair welcomed everyone to the meeting and gave a special welcome to Bryan Jackson as the new Independent Member of the Audit and Risk Committee.

## **2 COUNCIL BLESSING**

The Chair read the Council blessing.

## **3 APOLOGIES**

Nil

## **4 DECLARATIONS OF INTEREST RELATING TO ITEMS ON THE AGENDA**

Nil

## **5 PUBLIC SPEAKING TIME FOR ITEMS RELATING TO THE AGENDA**

Nil

## **6 MEMBERS' BUSINESS**

(a) Public Speaking Time Responses

Nil

(b) Leave of Absence

Nil

(c) Matters of an Urgent Nature (advise to be provided to the Chair prior to the commencement of the meeting)

Nil



**7 UPDATES**

Nil

**8 UPDATES**

Nil

**9 REPORTS**

The Chair advised that, due to the attendance of Auditors Ernst & Young, the order of reports would change to enable the Audit papers to be discussed first.

**9.5 CLOSING REPORT FROM AUDIT FOR THE YEAR ENDED 30 JUNE 2019**

David Borrie, Partner, Ernst & Young gave a brief summary of the closing report and responded to Members' questions.

**COMMITTEE RESOLUTION 2019/1**

Moved: Cr Michael Scott  
Seconder: Cr James Cootes

That the Audit and Risk Committee receives the Closing Audit Report from Ernst & Young and notes that there are no unadjusted audit differences in either the statements of service performance and the draft financial statements of the draft Annual Report 2018/19.

**CARRIED****9.2 AUDIT REPORT TO MANAGEMENT FOR THE YEAR ENDED 30 JUNE 2019**

The report was taken as read. Anelise Horn, Manager, Financial Accounting highlighted the control findings and Mr Borrie gave a brief summary of their audit findings and responded to Members' questions.

**COMMITTEE RESOLUTION 2019/2**

Moved: Mayor K Gurnathan  
Seconder: Cr Michael Scott

That the Audit & Risk Committee receives Ernst & Young's Report on Control Findings for the year ended 30 June 2019 and notes the eight open control risk recommendations.

That the Audit & Risk Committee notes that action plans to remedy these control findings and that progress updates will be provided to the Committee on a regular basis.

**CARRIED****9.3 DRAFT ANNUAL REPORT 2018/19**

Chris Pearce, Manager, Corporate Planning and Reporting and Jacinta Straker, Chief Financial Officer gave a presentation covering a brief summary of the draft Annual Report and responded to Members' questions.



The Presentation covered:

- Achievements in 2018/19;
- Service Performance Summary;
- Operating position and rates surplus – key drivers;
- Water account;
- Capital Programme; and
- Borrowings.

*Cr Elliott left the meeting at 10.47am.*

The Chair, on behalf of the Committee, acknowledged staff time and congratulated everyone involved in this report.

#### **COMMITTEE RESOLUTION 2019/3**

Moved: Cr Michael Scott  
Seconder: Mayor K Gurunathan

That the Committee

**Recommends** the draft Annual Report 2018/19 (at Appendix 1) for consideration and adoption by Council on 26 September 2019.

**Delegates** the Mayor, Chief Executive and Chair of the Operations and Finance Committee, the authority to approve minor editorial changes to the material contained in the draft Annual Report 2018/19 prior to it being submitted to the Council for adoption.

**CARRIED**

Council staff, including the minute taker, left the meeting at 10.53am to enable Ernst & Young to address the Audit & Risk Committee in a closed session. This was a standard meeting procedure that enabled the Auditors to raise any issues or concerns directly with Members. The meeting reconvened at 11.21am.

#### **9.1 RISK MANAGEMENT - BUSINESS ASSURANCE UPDATE**

Mr de Haast spoke to the report, gave a brief summary of the Corporate Risk Register and responded to Members' questions.

Members felt the Independent Organisational Review should be included in the section 'Iwi Relationships', on the basis that it included a review of whether the Council was meeting its obligations as per the Treaty of Waitangi.

#### **COMMITTEE RESOLUTION 2019/4**

Moved: Mr Gary Simpson  
Seconder: Cr Michael Scott

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

**CARRIED**



#### 9.4 QUARTERLY TREASURY MANAGEMENT COMPLIANCE REPORT

The report was taken as read.

The Chair congratulated staff on the extraordinary good work contained in this report.

**COMMITTEE RESOLUTION 2019/5**

Moved: Cr Michael Scott

Seconder: Cr James Cootes

That the Audit and Risk Committee notes that the Council was fully compliant with its Treasury Management Policy for the quarter ended 30 June 2019.

**CARRIED**

The order of the Agenda was changed to allow a staff member time to join the meeting.

#### 10 CONFIRMATION OF MINUTES

##### 10.1 CONFIRMATION OF MINUTES - 30 MAY 2019

**COMMITTEE RESOLUTION 2019/6**

Moved: Cr Michael Scott

Seconder: Mr Gary Simpson

That the minutes of the Audit and Risk Committee meeting held on 30 May 2019 be adopted as a true and correct record.

**CARRIED**

#### 9.6 HEALTH AND SAFETY QUARTERLY REPORT 1 APRIL - 30 JUNE 2019

The report was taken as read.

In addition to the report, Dianne Andrew, Organisational Development Manager gave an update on the following:

- First Aid training - Excellent feedback had been received following the CPR and Defibrillator (AED) training by Wellington Free Ambulance;
- Emergency Evacuations and Drills - All the Council buildings, that require the Fire Evacuations scheme to be lodged with Fire and Emergency New Zealand (FENZ), have now all been lodged.
- Risk Management - Asbestos Health Management to staff and the initial screening had been completed and those staff will be on five year rotation and new staff coming in will be brought into the programme.
- Total Council Reported Incidents – the reference 'chemical exposure' was in reference to an odour of a product that was being used by a Contractor on one of their sites.

It was confirmed that the Health and Safety induction for Elected Members, in the new triennium, includes community board members.



**COMMITTEE RESOLUTION 2019/7**

Moved: Mr Gary Simpson  
 Seconder: Cr Michael Scott

That the Audit and Risk Committee notes both the Health and Safety Quarterly Report for the period 1 April 2019 – 30 June 2019 attached as Appendix One and the Health and Safety Events Analysis for the period 1 July 2018 – 30 June 2019.

**CARRIED**

**11 PUBLIC EXCLUDED REPORTS**

**RESOLUTION TO EXCLUDE THE PUBLIC**

**PUBLIC EXCLUDED RESOLUTION 2019/8**

Moved: Mayor K Gurnathan  
 Seconder: Cr Michael Scott

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.

The general subject matter of each matter to be considered while the public is 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	Ground(s) under section 48 for the passing of this resolution
11.1 - Annual Tax Update	Section 7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	Section 48(1)(a)(i) - the public conduct of 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 under section 6 or section 7
11.2 - Update on Statutory Compliance Issues, Investigations and Status of Council Bylaws 1 April 2019 to 30 June 2019	Section 7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons  Section 7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information  Section 7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege  Section 7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	Section 48(1)(a)(i) - the public conduct of 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 under section 6 or section 7



<p>11.3 - Confirmation of Public Excluded Minutes - 30 May 2019</p>	<p>Section 7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>Section 7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information 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)(g) - the withholding of the information is necessary to maintain legal professional privilege</p> <p>Section 7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	<p>Section 48(1)(a)(i) - the public conduct of 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 under section 6 or section 7</p>
<p><b>CARRIED</b></p>		

*The Audit and Risk Committee moved into a public excluded session at 11.23am*

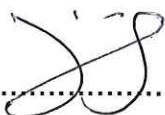
*The Audit and Risk Committee came out of public excluded session at 12.00pm.*

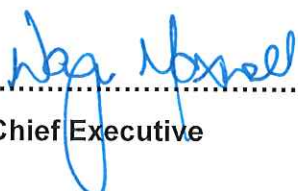
The following report (including Appendix (B) and (C)) and resolutions were released from the public excluded part of the meeting:

**MOTION**

<p><b>COMMITTEE RESOLUTION 2019/9</b></p> <p>Moved: Cr Michael Scott                  Seconder: Mr Gary Simpson</p> <p>That the Audit and Risk Committee:</p> <p>note that there was no statutory non-compliance with the 'key' acts identified in the fourth quarter of the 2018/19 year;</p> <p>note the current status of Ombudsman and Privacy Commissioner investigations, official information requests, bylaws and litigation;</p> <p>agree that this report, appendices (B) and (C) and resolutions only be released from public excluded business; and</p> <p>agree that appendix (A) be excluded from public release.</p> <p><b>CARRIED</b></p>
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**The Audit and Risk Committee meeting closed at 12.54pm.**

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 Chair

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 Chief Executive