

MINUTES	MEETING HELD ON	TIME
<b>AUDIT AND RISK COMMITTEE</b>	<b>THURSDAY, 13 SEPTEMBER 2018</b>	<b>10AM</b>

**MINUTES** of a meeting of the **Audit and Risk Committee**, held in the Council Chambers, Ground Floor, 175 Rimu Road, Paraparaumu, on **Thursday, 13 September 2018**, commencing at 10am.

<b>PRESENT:</b>	Cr	F	Vining	Chair
	Cr	J	Cootes	
	Mayor	K	Gurunathan	
	Cr	M	Scott	
	Mr	G	Simpson	Appointed Member (Independent)
	Mr	W	Tuck	Appointed Member (Independent)
<b>IN ATTENDANCE:</b>	Mr	W	Maxwell	Chief Executive
	Mr	K	Black	Acting Group Manager Strategy and Planning
	Mr	S	Mallon	Group Manager Infrastructure Services
	Mrs	J	McDougall	Acting Group Manager Corporate Services
	Ms	N	Tod	Group Manager Regulatory Services
	Ms	D	Andrew	Organisational Development Manager
	Mr	E	Church	Chief Information Officer
	Mr	M	Cole	Water and Wastewater Asset Manager
	Ms	A	Horn	Manager, Financial Accounting
	Mr	C	Pearce	Acting Manager Corporate Planning and Reporting
	Ms	J	Straker	Chief Financial Officer
	Cr	A	Buswell	
	Cr	J	Elliott	
	Mrs	J	Nock	Executive Secretary, Corporate Services
	Mr	D	Borrie	Ernst & Young
	Mr	G	Butler	Risk Management Advisor
<b>Leave of Absence:</b>	Cr	M	Cardiff	
<b>Apologies:</b>	Mrs	J	Prvanov	Chair, Waikanae Community Board
	Mr	B	Randall	Member, Paraparaumu/Raumati Community Board

The Chair welcomed everyone to the meeting, giving a special welcome to newly appointed Independent Member Gary Simpson and declared the meeting open.

ARC 18/09/085

**(a) Apologies**

There were no apologies from the Committee.

It was noted that Cr Cardiff was on leave of absence and apologies were received from Jocelyn Prvanov and Bernie Randall.

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

There were no declarations of interest.

ARC 18/09/086

**PUBLIC SPEAKING TIME**

There were no public speakers.

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ARC 18/09/087

**MEMBERS' BUSINESS**

- (a) Public Speaking Time Responses  
None required.
- (b) Leave of Absence  
There was no leave of absence.
- (c) Matters of an Urgent Nature  
There were no matters of an urgent nature.

*Due to consideration of external visitors, the Chair changed the order of the Agenda.*

ARC 18/09/088

**AUDIT REPORT TO MANAGEMENT FOR THE YEAR ENDED 30 JUNE 2018 (Corp-18-599)**

Anelise Horn, Manager, Financial Accounting introduced David Borrie, Partner at Ernst & Young who spoke briefly to the summary of the report and responded to Members' questions.

**MOVED (Mayor/M Scott)**

**That the Audit & Risk Committee receives Ernst & Young's Report on Control Findings for the year ended 30 June 2018 and notes that Audit has raised six new control risks in 2017/18, deemed to be of low risk to the Council's control environment.**

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

**CARRIED**

ARC 18/09/089

**CLOSING REPORT FROM AUDIT FOR THE YEAR ENDED 30 JUNE 2018 (Corp-18-600)**

The report was taken as read. Mr Borrie gave a brief summary of the closing report and together with Ms Horn responded to Members' questions.

**MOVED (Tuck/M Scott)**

**That the Audit and Risk Committee receives the Closing Audit Report from Ernst & Young and notes that there is one unadjusted audit difference in the draft financial statements or draft 2017/18 Annual Report.**

**CARRIED**

The Chair thanked the Auditors for their attendance.

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ARC 18/09/090

**DRAFT ANNUAL REPORT TO 30 JUNE 2018 (SP-18-603)**

The report was taken as read. Chris Pearce, Acting Manager Corporate Planning and Reporting gave a brief summary on the highlights of the report and an update to KPI measures and together with Jacinta Straker, Chief Financial Officer and Ms Horn responded to Members' questions.

It was agreed that although it was good to read positive feedback from the community, the Council needed to acknowledge any dissatisfaction of Council services and these should also be included in the Annual Report.

*Cr M Scott left the meeting at 10.30am and returned at 10.31am.*

**MOVED (M Scott/Tuck)**

**That the Audit and Risk Committee considers the draft Annual Report 2017/18 (see Appendix 1) and recommends, subject to any final changes from audit, the Annual Report be adopted by the Council on 27 September 2018**

**That the Audit and Risk Committee delegates to the Mayor, Chair of the Operations and Finance Committee and Chief Executive the authority to approve minor editorial changes to the material contained in Appendix 1 to this report SP-18-603 prior to its being submitted to the Council for adoption on 27 September 2018.**

**CARRIED**

Members acknowledged the work involved in this report and congratulated staff.

ARC 18/09/091

**RISK MANAGEMENT UPDATE – BUSINESS ASSURANCE UPDATE (Corp-18-597)**

The report was taken as read. Ms Straker advised that the Procurement Policy, templates and manuals were now complete and well established within the organisation. Garry Butler, Risk Management Advisor gave a brief summary of the report and responded to Members' questions.

*Cr M Scott left the meeting at 11.03am and returned at 11.05am.*

**MOVED (Simpson/Tuck)**

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

**CARRIED**

*Cr Elliott left the meeting at 11.23am.*

*The meeting adjourned at 11.23am and reconvened at 11.37am.*

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**PRESENTATION: Paraparaumu Wastewater Treatment Plant Consenting**

Sean Mallon, Group Manager Infrastructure Services and Martyn Cole, Water and Wastewater Asset Manager gave a presentation showing an overview of the Paraparaumu Wastewater Treatment Plant consenting process.

The presentation showed:

- 2015-2017 consent strategy;
- risk management;
- initial risk assessment;
- tasks identified;
- 2017/2018 contract; and
- key issues/risks.

Members' questions were responded to.

It was confirmed that:

- communication plans and engagement strategy were being developed; and
- drinking water safety plans could come to a future meeting.

Members gave their suggestions for topics to be discussed in more detail at future meetings:

- iwi relationships;
- business disruptions;
- risks with severe consequences;
- any Central Government changes which could impact on our operations; and
- climate change and coastal responses.

ARC 18/09/092

**REGULAR PROGRESS REPORT UPDATE ON KEY 2014/15 AUDIT FINDINGS (Corp-18-596)**

Ewen Church, Chief Information Officer spoke to the report and responded to Members' questions.

**MOVED (Cootes/Tuck)**

**That the Audit and Risk Committee notes the completion of the project to address the Ernst & Young's Control Finding for the year ended 30 June 2015 relating to IT general system security settings.**

**That the Audit and Risk Committee notes that the Ernst & Young review audit in June 2018 highlighted three new findings categorised as low risk which have since been resolved.**

**CARRIED**

Members were pleased with the completion of this report.

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ARC 18/09/093

**TREASURY MANAGEMENT COMPLIANCE (Corp-18-598)**

The report was taken as read. Ms Horn spoke to the report and responded to Members' questions.

**MOVED (M Scott/Mayor)**

**That the Audit and Risk Committee notes that the Council was fully compliant with its Treasury Management Policy for the quarter ended 30 June 2018.**

**CARRIED**

ARC 18/09/094

**HEALTH AND SAFETY ANNUAL REPORT: 1 July 2017 - 30 June 2018 (OD-18-605)**

The report was taken as read.

**MOVED (Mayor/Cootes)**

**That the Audit and Risk Committee notes the Health and Safety Annual Report for the period 1 July 2017 – 30 June 2018 and the Health and Safety Draft Action Plan 2018 – 2020 included at Appendix One and Appendix Two to Report OD-18-605.**

**CARRIED**

ARC 18/09/095

**CONFIRMATION OF MINUTES – 19 July 2018**

**MOVED (Tuck/M Scott)**

**That the minutes of the Audit and Risk Committee meeting held on 19 July 2018 be adopted as a true and correct record.**

**CARRIED**

ARC 18/09/096

**PUBLIC EXCLUDED RESOLUTION**

**MOVED (Mayor/M Scott)**

**That the Audit and Risk Committee 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 (with the exception of Community Board representatives) for the reasons given below, while the following matters are considered:**

- **Update on Statutory Compliance Issues, Investigations and Status of Council Bylaws 1 April 2018 to 30 June 2018 (SP-18-570)**
- **Confirmation of Public Excluded Minutes 19 July 2018**

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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
<b>Update on Statutory Compliance Issues, Investigations and Status of Council Bylaws 1 April 2018 to 30 June 2018 (SP-18-570)</b>	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.
<b>Confirmation of Public Excluded Minutes – 19 July 2018</b>	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**

The Audit and Risk Committee moved into a public excluded session at 12.38pm.

The Audit and Risk Committee came out of public excluded session at 12.47pm.

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

### **UPDATE ON STATUTORY COMPLIANCE ISSUES, INVESTIGATIONS AND STATUS OF COUNCIL BYLAWS 1 APRIL TO 30 JUNE 2018 (SP-18-570)**

#### **MOVED (Simpson/Mayor)**

That the Audit and Risk Committee:

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

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

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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 12.47pm.

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Chairperson

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Date