

MINUTES	MEETING HELD ON	TIME
AUDIT AND RISK COMMITTEE	THURSDAY, 30 MAY 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, 30 May 2019**, commencing at 10am.

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
Ms	K	Wheeler	Building Team Manager
Mrs	J	Nock	Executive Secretary
Ms	S	Foote	Democracy Services Coordinator
Ms	J	Murray	Democracy Services Advisor
Mr	S	Bickers	Procurement Advisor
Mr	G	Butler	Risk Management Advisor

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

ARC 19/05/120

(a) Apologies

There were no apologies.

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

There were no declarations of interest.

ARC 19/05/121

PUBLIC SPEAKING TIME

There were no public speakers.

ARC 19/05/122

MEMBERS' BUSINESS

(a) Public Speaking Time Responses

None required.

(b) Leave of Absence

There was no leave of absence.

MINUTES	MEETING HELD ON	TIME
AUDIT AND RISK COMMITTEE	THURSDAY, 30 MAY 2019	10.00AM

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

ARC 19/05/123

PRESENTATION: Weathertight Claims

Katharine Wheeler, Building Team Manager spoke to a presentation covering:

- Leaky homes;
- Government response;
- KCDC current state; and
- Future claims.

Ms Wheeler and Tim Power, Senior Legal Counsel responded to Members' questions.

Members gave their concerns around changes the High Court had made in terms of timelines and how potentially a number of buildings would now be open for leaky home resolution claims.

It was advised that even though there was potential liability there was no certainty of liability so there was nothing to capture. The Council was aware of these concerns and would continue to monitor and understand what the implications may be but believed it was a sector-wide issue.

In respect of the Limitation Act, which effectively extended the scope of buildings, it was not considered practical to establish just how many more buildings within the District were within scope of potential buildings that could be subject to a claim.

The Chair thanked Ms Wheeler for the presentation.

ARC 19/05/124

PRESENTATION: Procurement Improvement Plan

Steve Bickers, Procurement Advisor, introduced himself and spoke to a presentation that included procurement:

- functions assessed;
- improvements;
- achievements so far;
- challenges; and
- next steps.

Members' questions were responded to.

The Mayor left the meeting at 10.44am and returned at 10.44am.

It was clarified that Mr Bickers, as the Council's Procurement Advisor, will remain with the Council for the next year to ensure guides, templates and improvements are in place, including coaching and training staff.

The Chair thanked Mr Bickers for the presentation.

MINUTES	MEETING HELD ON	TIME
AUDIT AND RISK COMMITTEE	THURSDAY, 30 MAY 2019	10.00AM

ARC 19/05/125

RISK MANAGEMENT – BUSINESS ASSURANCE UPDATE (Corp-19-801)

The report was taken as read and Garry Butler, Risk Management Advisor gave an overview of changes in the Risk Register and the Business Continuity Programme and together with Jacinta Straker, Chief Financial Officer responded to Members' questions.

Cr M Scott left the meeting at 11.09am and returned at 11.10am.

Members were advised that:

- an internal audit programme was being looked into;
- internal improvements continue around a tax compliance programme;
- PricewaterhouseCoopers (PwC) will attend a future Audit and Risk Committee meeting to give an update on risks around tax;
- fraud awareness was ongoing and training is planned for next year;
- iwi engagement/relationships continues to be reviewed and will be brought back to Members when a paper is finalised; and
- recognition associated around building and property maintenance would be clarified more clearly in the section under Asset Investment Decisions.

Mayor left the meeting at 11.15am and returned at 11.17am.

In regard to the Paraparaumu Wastewater Treat Plant Consent, Members requested an update on the challenges.

MOVED (M Scott/Mayor)

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

CARRIED

ARC 19/05/126

UPDATE ON KEY 2017/2018 AUDIT FINDINGS (Corp-19-809)

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

MOVED (M Scott/Mayor)

That the Audit and Risk Committee notes the progress update in regards to Ernst & Young's Report on Control Findings for the year ended 30 June 2018 and that Ernst & Young will reassess these as part of their control findings for the year ended 30 June 2019.

CARRIED

MINUTES	MEETING HELD ON	TIME
AUDIT AND RISK COMMITTEE	THURSDAY, 30 MAY 2019	10.00AM

ARC 19/05/127

QUARTERLY TREASURY COMPLIANCE REPORT (Corp-19-802)

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

Members acknowledged the extraordinary work the finance team had done in terms of the green line and reporting and keeping Councillors fully aware of not only what had been happening but also the details behind them.

MOVED (M Scott/Cardiff)

That the Audit and Risk Committee notes that the Council was fully compliant with its Treasury Management Policy for the quarter ended 31 March 2019.

CARRIED

ARC 19/05/128

HEALTH AND SAFETY QUARTERLY REPORT: 1 January 2019 – 31 March 2019 (CE-19-790)

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

Additional updates to the report were:

- Emergency Evacuation drills – the Council had now received confirmation through the Consultant's report that the Civic building, Paraparaumu Library and Maple building emergency evacuation plans had been lodged and approved with Fire and Emergency New Zealand and the Te Newhanga Community Centre and Ōtaki Library and Hall were in the process of awaiting confirmation.
- Risk Management – the critical risk bowtie analysis pilot workshops had now been completed.

MOVED (Tuck/Vining)

That the Audit and Risk Committee notes the Health and Safety Quarterly Report for the period 1 January 2019 – 31 March 2019 attached as Appendix One to Report CE-19-790.

CARRIED

ARC 19/05/129

CONFIRMATION OF MINUTES – 28 February 2019

MOVED (M Scott/Mayor)

That the minutes of the Audit and Risk Committee meeting held on 28 February 2019 be adopted as a true and correct record.

CARRIED

The Chair, on behalf of everyone, gave a special mention to Warwick Tuck who was attending his last Audit and Risk Committee. Mr Tuck gave his thanks.

MINUTES	MEETING HELD ON	TIME
AUDIT AND RISK COMMITTEE	THURSDAY, 30 MAY 2019	10.00AM

ARC 19/05/130

PUBLIC EXCLUDED RESOLUTION

MOVED (Mayor/M Scott)

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 on Statutory Compliance Issues, Investigations and status of Council Bylaws 1 January 2019 to 31 March 2019 (Corp-19-780) • Confirmation of Public Excluded Minutes – 28 February 2019 <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
<p>Update on Statutory Compliance Issues, Investigations and status of Council Bylaws 1 January 2019 to 31 March 2018 (Corp-19-780)</p>	<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>	<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.</p>
<p>Confirmation of Public Excluded Minutes – 28 February 2019</p>	<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>	<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.</p>

CARRIED

The Audit and Risk Committee moved into a public excluded session at 11.58am.

The Audit and Risk Committee came out of public excluded session at 12.19pm.

MINUTES	MEETING HELD ON	TIME
AUDIT AND RISK COMMITTEE	THURSDAY, 30 MAY 2019	10.00AM

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 STATUS OF COUNCIL BYLAWS 1 JANUARY 2019 TO 31 MARCH 2019 (Corp-19-780)

MOVED

That the Audit and Risk Committee:

note that there was no statutory non-compliance with the 'key' acts identified in the third 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 (C) and (D) and resolutions only be released from public excluded business; and

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

CARRIED

The Audit and Risk Committee meeting closed at 12.19pm.

.....
Chairperson

.....
Date