

MINUTES	MEETING HELD ON	TIME
AUDIT AND RISK COMMITTEE	THURSDAY, 10 AUGUST 2017	2.00 PM

MINUTES of a meeting of the **Audit and Risk Committee**, held in the Council Chambers, Ground Floor, 175 Rimu Road, Paraparaumu, on **Thursday, 10 August 2017**, commencing at 2.00 pm.

PRESENT:	Cr	M	Cardiff	Chair
	Cr	J	Cootes	
	Mayor	K	Gurunathan	
	Cr	M	Scott	
	Cr	F	Vining	Deputy Chair
	Mr	W	Tuck	Appointed Member
IN ATTENDANCE:	Mr	P	Dougherty	Chief Executive
	Mr	W	Maxwell	Group Manager Corporate Services
	Mr	M	de Haast	Chief Financial Officer
	Mr	K	Currie	Group Manager Regulatory Service
	Mr	S	Mallon	Group Manager Infrastructure Services
	Ms	K	Wheeler	Building Team Manager
	Mr	K	Black	Manager, Corporate Planning and Reporting
	Mr	E	Church	Chief Information Officer
	Ms	D	Andrew	Organisational Development Manager
	Mr	T	Power	Senior Legal Counsel
	Cr	A	Buswell	
	Cr	J	Holborow	
	Mr	B	Randall	Member, Paraparaumu/Raumati Community Board
	Mrs	J	Nock	Executive Secretary, Corporate Services
APOLOGIES:	Cr	M	Benton	
	Cr	J	Elliott	
	Mr	J	Westbury	Member, Waikanae Community Board

The Chair welcomed everyone and declared the meeting open.

ARC 17/08/023

(a) APOLOGIES

MOVED (Mayor/M Scott)

Apologies were received from Cr Benton, Cr Elliott and James Westbury and Cr Cootes for lateness.

CARRIED

(b) DECLARATIONS OF INTEREST RELATING TO ITEMS ON THE AGENDA

There were no declarations of interest.

ARC 17/08/024

PUBLIC SPEAKING TIME

Mr Paul Dunmore was unable to attend the meeting and his paper was tabled regarding the ongoing legal dispute between Kāpiti Coast District Council and Coastal Ratepayers United Inc.

MINUTES	MEETING HELD ON	TIME
AUDIT AND RISK COMMITTEE	THURSDAY, 10 AUGUST 2017	2.00 PM

ARC 17/08/025

MEMBERS' BUSINESS

- (a) Public Speaking Time Responses

MOVED (M Scott/Tuck)

That the Audit & Risk Committee agree to acknowledge receipt of Mr Dunmore's letter.

CARRIED

- (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 17/08/026

PRESENTATION: IANZ AUDIT OF BUILDING CONTROL FUNCTION

Katharine Wheeler, Building Team Manager, gave a presentation giving details of methodology changes to the upcoming Building Consent Authority IANZ Accreditation Audit.

Cr Cootes joined the meeting at 2.09pm.

Due to new regulations and system changes, it was advised there would be some expected numerical increases in non-compliances.

ARC 17/08/027

HEALTH AND SAFETY QUARTERLY REPORT (CE-17-252)

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

In addition to the Report, Ms Andrew added:

- External Auditors were looking at internal processes and feedback would be presented at the December Audit and Risk committee meeting.
- There had been a high increase of sick leave in this quarter and this was consistent with the national trend.
- Risk Management had implemented a Care Register, which brings all known risk factors and properties into one place and is accessible by staff. The Care Register was regularly reviewed and access monitored. To date the process was working well.

MOVED (M Scott/Tuck)

That the Audit and Risk Committee notes the Health and Safety Quarterly Report included as Appendix 1 to Report CE-17-252.

CARRIED

Members thanked staff on a detailed report.

MINUTES	MEETING HELD ON	TIME
AUDIT AND RISK COMMITTEE	THURSDAY, 10 AUGUST 2017	2.00 PM

ARC 17/08/028

RISK MANAGEMENT FRAMEWORK UPDATE (Corp-17-256)

The report was taken as read and Mark de Haast, Chief Financial Officer and staff responded to Members' questions.

Members requested a briefing/presentation on fraud policy, framework and awareness and it was confirmed this would be tabled at the December Audit and Risk Committee meeting.

It was advised that the Council was working with PricewaterhouseCooper on developing an Internal Audit Programme.

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 notes the corrective measures and/or safeguards implemented by the Council in direct response to the two identified events.

CARRIED

ARC 17/08/029

2014-15 KEY AUDIT FINDINGS UPDATE (Corp-17-257)

Kevin Black, Manager, Corporate Planning and Reporting and Ewen Church, Chief Information Officer spoke to the report and responded to Members' questions.

MOVED (Vining/Cootes)

That the Audit and Risk Committee notes the progress made to address the Ernst & Young's Control Finding for the year ended 30 June 2015 relating to:

- **non-financial performance reporting – the review is on track and proving worthwhile with a stocktake and review of KPI reporting quality and robustness has been completed and, where appropriate, system and operational improvements have been delivered.**
- **IT general system security settings – the review and assessment phases of the project are on track as per the project timeline.**

CARRIED

ARC 17/08/030

REGULAR PROGRESS UPDATE ON 2015-16 KEY AUDIT FINDINGS (Corp-17-255)

The report was taken as read and Mr de Haast responded to Members' questions.

In addition to the Report, Mr de Haast added:

- Auditors were currently working through their processes including auditing of Council's assets and Council staff were finalising their internal due diligence work on the Council's 2016/17 asset revaluations by independent valuers;
- At the next Operations and Finance Committee meeting there would be a detailed presentation on the revaluation findings and key drivers.

MINUTES	MEETING HELD ON	TIME
AUDIT AND RISK COMMITTEE	THURSDAY, 10 AUGUST 2017	2.00 PM

The Chair advised he had liaised with Ernst & Young and they had confirmed they did not need to attend the meeting as they had no concerns to discuss.

Members gave their compliments to staff for this report.

MOVED (Cootes/Vining)

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 2016 and that Ernst & Young will reassess these as part of their control findings for the year ended 30 June 2017.

CARRIED

ARC 17/08/031

AUDITOR-GENERAL'S REPORT ON THE RESULTS OF THE 2015/16 AUDITS OF LOCAL AUTHORITIES (Corp-17-253)

The report was taken as read and Mr de Haast highlighted an error on page 96 at paragraph 7; the percentage of financing costs was 14.6% and not 4.6% as stated.

MOVED (Mayor/Tuck)

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 2015/16 Audits'.

That the Audit and Risk Committee notes that all changes required to the rates assessments from 1 July 2017 to best comply with the Local Government (Rating) Act 2002 have been made and implemented for the 2017/18 rating year.

CARRIED

ARC 17/08/032

NZTA FUNDING AUDIT (IS-17-268)

Sean Mallon, Group Manager Infrastructure Services spoke to the report.

Members agreed that the New Zealand Transport Agency Investment Audit Report was good news for the Council and needed to be communicated externally.

MOVED (Mayor/Vining)

That the Audit and Risk Committee receives the IS-17-268 report.

CARRIED

ARC 17/08/033

CONFIRMATION OF MINUTES – 27 April 2017

MOVED (Vining/Tuck)

That the minutes of the Audit and Risk Committee meeting held on 27 April 2017 be adopted as a true and correct record.

CARRIED

MINUTES	MEETING HELD ON	TIME
AUDIT AND RISK COMMITTEE	THURSDAY, 10 AUGUST 2017	2.00 PM

ARC 17/08/034

PUBLIC EXCLUDED RESOLUTION

MOVED (Cootes/Mayor)

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 the Status of Council Bylaws for 1 April 2017 to 30 June 2017 (SP-17-246) • Confirmation of Public Excluded Minutes – 27 April 2017 <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 the Status of Council Bylaws for 1 April 2017 to 30 June 2017 (SP-17-246)</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 – 27 April 2017</p>	<p>Section 7(2)(a) – to protect the privacy of natural persons.</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 in the course of their duty.</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 3.38pm.

MINUTES	MEETING HELD ON	TIME
AUDIT AND RISK COMMITTEE	THURSDAY, 10 AUGUST 2017	2.00 PM

The Audit and Risk Committee came out of public excluded session at 4.08pm.

The following report (including Appendix B) 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 APRIL 2017 TO 30 JUNE 2017 (SP-17-246)

MOVED (M Scott/Mayor)

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 2016/17 year.**
- **note the current status of Ombudsman and Privacy Commissioner investigations, official information requests, bylaws and litigation;**
- **agree that this report, appendix (B) and resolutions only be released from public excluded business; and**
- **agree that appendices (A), (C) and (D) be excluded from public release.**

CARRIED

The Audit and Risk Committee meeting closed at 4.08pm.

.....
Chairperson

.....
Date