

MINUTES	MEETING HELD ON	TIME
AUDIT AND RISK COMMITTEE	THURSDAY, 30 NOVEMBER 2017	1.13PM

MINUTES of a meeting of the **Audit and Risk Committee**, held in the Council Chambers, Ground Floor, 175 Rimu Road, Paraparaumu, on **Thursday, 30 November 2017**, commencing at 1.13pm.

PRESENT:	Cr	M	Cardiff	Chair
	Cr	J	Cootes	
	Mayor	K	Gurunathan	
	Cr	M	Scott	
	Cr	F	Vining	Deputy Chair
	Mr	W	Tuck	Appointed Member (Independent)
IN ATTENDANCE:	Mr	P	Dougherty	Chief Executive
	Ms	A	Law	Acting Group Manager Community Services
	Mr	S	Mallon	Group Manager Infrastructure Services
	Mr	W	Maxwell	Group Manager Corporate Services
	Ms	S	Stevenson	Group Manager Strategy & Planning
	Ms	N	Tod	Group Manager Regulatory Service
	Mr	M	de Haast	Chief Financial Officer
	Mr	E	Church	Chief Information Officer
	Mr	K	Black	Manager, Corporate Planning and Reporting
	Ms	D	Andrew	Organisational Development Manager
	Mr	T	Johnstone	Simpson and Grierson
	Ms	F	Carney	Simpson and Grierson
	Mr	D	Nalder	PricewaterhouseCoopers
	Mr	D	Borrie	Ernst and Young
	Cr	A	Buswell	
	Cr	J	Elliott	
	Cr	J	Holborow	Deputy Mayor
	Ms	C	Papps	Chair, Ōtaki Community Board
	Mr	B	Randall	Member, Paraparaumu/Raumati Community Board
	Ms	S	Warwick	Member, Ōtaki Community Board
	Mrs	J	Nock	Executive Secretary, Corporate Services
APOLOGIES:	Cr	M	Benton	
	Mr	J	Westbury	Member, Waikanae Community Board

The Chair welcomed everyone and declared the meeting open.

ARC 17/11/044

(a) APOLOGIES

MOVED (Mayor/Vining)

That apologies be accepted from Cr Benton and James Westbury and Cr Elliott and Cr Cootes for leaving early.

CARRIED

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

There were no declarations of interest.

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ARC 17/11/045

PUBLIC SPEAKING TIME

There were no public speakers.

ARC 17/11/046

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.

ARC 17/11/047

HEALTH AND SAFETY REVIEW (CE-17-373)

Dianne Andrew, Organisational Development Manager introduced Terry Johnstone and Fiona Carney from Simpson and Grierson. Ms Carney gave a presentation showing a brief summary of the Review and Members' questions were responded to.

Elected Members were aware that whilst carrying out their roles they were protected under the Health and Safety at Work Act and it was requested they receive detail of this in writing. Mr Johnstone confirmed that paperwork would be provided covering the legal status of Elected Members on their obligations, due diligence and protection under the Act.

Members were pleased with the report and presentation and requested that Council focus on a Workplan going forward and an additional recommendation was suggested.

The Mayor left the meeting at 1.52pm and returned at 1.54pm.

Cr Cootes left the meeting at 1.52pm.

MOVED (Tuck/M Scott)

That the Audit & Risk Committee notes the information contained in this report.

That the Audit & Risk Committee notes the Council will develop a Workplan to address the Simpson and Grierson findings and improvement recommendations with a report back to the Committee in early 2018.

CARRIED

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ARC 17/11/048

VERBAL UPDATE: ŌTAKI GORGE ROAD, WATERFALL ROAD, PAKĀKĀRIKI HILL ROAD

Mr Sean Mallon, Group Manager Infrastructure Services gave a verbal update on the three current high risk roads most likely to experience slips and responded to Members' questions.

It was advised that geological investigations had been carried out and reports had noted that if mitigation work took place there was no guarantee the work would prevent further slips in the future. Monitoring of these roads would continue and alternative access to Waterfall Road could be looked into. Goodmans will start work on Waterfall Road early January with a proposed completion date of end of March 2018.

Bernie Randall left the meeting at 2.15pm and returned at 2.19pm.

Shelly Warwick and Cr Elliott left the meeting at 2.17pm.

Cr M Scott left the meeting at 2.20pm and returned at 2.22pm.

ARC 17/11/049

PRESENTATION: FRAUD AWARENESS - PricewaterhouseCoopers

Mark de Haast, Chief Financial Officer introduced David Nalder of PricewaterhouseCoopers and a presentation was given showing a brief overview on Fraud Risk. Members' questions were responded to.

The Chair thanked PricewaterhouseCoopers for their attendance.

Christine Papps left the meeting at 2.49pm.

ARC 17/11/050

FRAUD CONTROL FRAMEWORK (Corp-17-367)

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

MOVED (Vining/Mayor)

That the Audit and Risk Committee notes the key findings and improvement recommendations provided by PricewaterhouseCoopers (see Appendix 1 of this report Corp-17-367) following their assessment of the Council's current fraud control framework.

That the Audit and Risk Committee notes the Council will develop a work plan to address the PricewaterhouseCoopers findings and improvement recommendations, with report back to the Committee in early 2018.

CARRIED

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ARC 17/11/051

COUNCIL'S INSURANCE PROGRAMME FOR 2017/18 (Corp-17-369)

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

MOVED (Vining/M Scott)

That the Audit and Risk Committee notes the limitations currently placed on the Wellington Insurance market.

That the Audit and Risk Committee notes that the Council has secured sufficient insurance cover for the period 1 October 2017 to 1 October 2018 and is actively seeking to reduce its financial risk exposures on an on-going basis.

CARRIED

ARC 17/11/052

REGULAR PROGRESS UPDATE ON KEY 2014/15 AUDIT FINDINGS (Corp-17-353)

The report was taken as read and Wayne Maxwell, Group Manager Corporate Services responded to Members' questions.

MOVED (Tuck/Mayor)

That the Audit and Risk Committee notes the progress made to address the Ernst and Young's Control Finding for the year ended 30 June 2015 relating to IT general system security settings – the review and assessment phases of the project are on track as per the project timeline.

CARRIED

The Chair gave his congratulations to this report.

ARC 17/11/053

AUDIT ENGAGEMENT LETTER - 2018-2038 LONG TERM PLAN (SP-17-379)

Kevin Black, Manager, Corporate Planning and Reporting and David Borrie, Ernst and Young spoke to the report and responded to Members' questions.

MOVED (Vining/M Scott)

That the Audit and Risk Committee:

- i. **Recommend to Council that it adopts the Audit Engagement Letter at its next meeting which is schedule for 7 December 2017**
- ii. **Notes that there is insufficient time for the Long Term Plan and Audit Management reports to be considered by the Audit and Risk Committee in advance of its consideration by Council in late June 2018.**

CARRIED

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ARC 17/11/054

CONFIRMATION OF MINUTES – 21 September 2017

MOVED (M Scott/Tuck)

That the minutes of the Audit and Risk Committee meeting held on 21 September 2017 be adopted as a true and correct record.

CARRIED

ARC 17/11/055

PUBLIC EXCLUDED RESOLUTION

MOVED (M Scott/Mayor)

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 and Consultants) 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 July 2017 to 1 September 2017 (SP-17-355) • Confirmation of Public Excluded Minutes – 21 September 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 July 2017 to 1 September 2017 (SP-17-355)</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 – 21 September 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

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The Audit and Risk Committee moved into a public excluded session at 3.02pm.

The Audit and Risk Committee came out of public excluded session at 3.28pm.

The following report, 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 JULY 2017 TO 1 SEPTEMBER 2017 (SP-17-355)

MOVED (M Scott/Mayor)

That the Audit and Risk Committee:

note that there was one statutory compliance issue associated with the ‘key’ acts identified in the first quarter of the 2017/18 year, as outlined in paragraph 14 and 15 of report SP-17-355;

note that there was one statutory non-compliance issue with the ‘key’ acts identified in the fourth quarter of the 2016/17 year, as outlined in paragraph 14 and 15 of report SP-17-246;

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 3.28pm.



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Chairperson

08.02.18

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Date