
Minutes of a meeting of the Audit, Risk and Finance Subcommittee

Held in the Council Chamber, Floor 2A, Civic House, 110 Trafalgar Street, Nelson

On Tuesday 10 May 2016, commencing at 11.09am

Present: Mr J Murray (Chairperson), Her Worship the Mayor R Reese, Councillors I Barker and B McGurk

In Attendance: Councillors P Matheson and G Noonan, Chief Executive (C Hadley), Group Manager Corporate Services (N Harrison), Group Manager Infrastructure (A Louverdis), and Administration Adviser (E-J Ruthven)

Apology: Mr John Peters

It was noted that a resolution was required to appoint a chairperson for the meeting.

Resolved AUD/2016/030

THAT Mr John Murray chair the Audit, Risk and Finance Subcommittee meeting of 10 May 2016.

Barker/Her Worship the Mayor

Carried

1. Apologies

Resolved AUD/2016/031

THAT an apology be received and accepted from Mr John Peters.

Murray/Her Worship the Mayor

Carried

2. Confirmation of Order of Business

There was no change to the order of business.

3. Interests

There were no updates to the Interests Register, and no interests with items on the agenda were declared.

4. Public Forum

There was no public forum.

5. Confirmation of Minutes

5.1 31 March 2016

Document number M1801, agenda pages 6 - 12 refer.

Resolved AUD/2016/032

THAT the minutes of the meeting of the Audit, Risk and Finance Subcommittee, held on 31 March 2016, be confirmed as a true and correct record.

McGurk/Her Worship the Mayor

Carried

6. Status Report - Audit, Risk and Finance Committee - 10 May 2016

Document number R5861, agenda pages 13 - 14 refer.

Resolved AUD/2016/033

THAT the Status Report Audit, Risk and Finance Subcommittee 10 May 2016 (R5861) and its attachment (A1324298) be received.

Barker/McGurk

Carried

7. Chairperson's Report

There was no Chairperson's Report.

8. Council's Key Organisational Risks - Progress Report 2

Document number R5490, agenda pages 15 - 31 refer.

Group Manager Corporate Services, Nikki Harrison, and Manager Organisational Assurance and Emergency Management, Roger Ball, presented the report.

In response to questions, Mr Ball explained how the magnitude of risks was calculated, and the next steps officers would be taking in this area.

Resolved AUD/2016/034

THAT the report Council's Key Organisational Risks - Progress Report 2 (R5490) and its attachment (A1519755) be received.

Barker/McGurk

Carried

9. Balance Sheet reconciliation review

Document number R5505, agenda pages 32 - 38 refer.

Group Manager Corporate Services, Nikki Harrison, and Senior Accountant, Tracey Hughes, presented the report. Ms Hughes explained that the risk column in the reconciliation table related to accounting classifications.

There was a discussion regarding the status of the loan to the Theatre Royal. In response to questions, Ms Harrison noted this was an interest free loan, for which no repayments had been received to date, and Ms Hughes explained that the risk column in the table did not evaluate individual loans, but recognised all community loans as a risk.

Attendance: the meeting adjourned from 11.36am to 11.40am.

It was noted that a report would be brought to the next subcommittee meeting regarding the status of the Theatre Royal loan.

In response to further questions, Ms Hughes explained the references on the table relating to the loan to Rainbow Ski Field, reserve funds, a non-current suspensory loan, and holiday pay accrual.

Resolved AUD/2016/035

THAT the report Balance Sheet reconciliation review (R5505) and its attachment (A1540192) be received.

McGurk/Barker

Carried

10. Audit, Risk and Finance subcommittee work plan

Document number R5654, agenda pages 39 - 41 refer.

Group Manager Corporate Services, Nikki Harrison, presented the report. She said that the task list represented a three year work plan, but that items were only scheduled for meetings until the end of the triennium.

In response to questions, Ms Harrison gave updates relating to the tax governance framework, tax review, sensitive expenditure policy, procurement policy and conflicts of interest policy. She confirmed there

was a current conflicts of interest policy for officers, and said this would be brought to the next subcommittee meeting.

Resolved AUD/2016/036

THAT the report Audit, Risk and Finance subcommittee work plan (R5654) and its attachment (A1389278) be received;

Her Worship the Mayor/Barker

Carried

11. Internal Audit Report to 31 March 2016

Document number R5793, agenda pages 42 - 48 refer.

Internal Audit Analyst, Lynn Anderson presented the report. She said good progress had been made on a number of internal audits, but that completing them was taking longer than anticipated. She added that there had been few significant findings.

In response to questions, Ms Anderson explained that issues noted as part of the cash handling internal audit were unlikely to be linked to banking controls. She added that the initial audits had a stronger focus on best practice, rather than being compliance checking.

The subcommittee discussed the timeframe for internal audits, and a suggestion was made that the Senior Leadership Team consider resourcing constraints in the next Internal Audit Annual Plan.

Resolved AUD/2016/037

THAT the Internal Audit Report to 31 March 2016 (R5793) and its attachments (A1533053 and A1532989) be received.

Barker/McGurk

Carried

Recommendation to Governance Committee and Council AUD/2016/038

THAT Council note the internal audit findings, recommendations and status of action plans up to 31 March 2016 (R5793).

Barker/McGurk

Carried

12. Corporate Report to 31 March 2016

Document number R5872, agenda pages 49 - 61 refer.

Senior Accountant, Tracey Hughes, presented the report.

In response to questions regarding operational expenditure, Ms Hughes said that the underspend would likely be outside the 5% variance, as there were several large items that were unlikely to attract full budgeted spend by the end of financial year.

In response to questions regarding capital expenditure, Mr Louverdis explained that many projects currently had work on-site, with invoices expected prior to the end of financial year. He added that the KPI relating to completion of the capital programme should be met.

In response to further questions, Mr Louverdis gave updates relating to forestry, use of water for fire-fighting purposes, installation of membranes at the water treatment plant, and the Corder Park pump station, and Mrs Hadley explained the reasons for the delay in backpay for officers on individual employment agreements.

A question was raised about debtors.

Attendance: The meeting adjourned from 12.29pm to 12.31pm, during which time Councillor Barker left the meeting.

It was noted that the four general debtors listed were being managed, and had appropriate repayment plans in place.

Attendance: Councillor Barker returned to the meeting at 12.32pm.

There was a discussion regarding the transfer of budget in relation to the proposed Progressive Enterprises Limited private Plan Change, and Mrs Hadley explained the process and requirement for expert economic and traffic evidence.

Resolved AUD/2016/039

THAT the report Corporate Report to 31 March 2016 (R5872) and its attachments (A1544370 and A1544028) be received.

Her Worship the Mayor/McGurk

Carried

Recommendation to Governance Committee and Council AUD/2016/040

THAT the transfer of legal budget from the Corporate activity to the Planning activity in 2015/16 in order to obtain economic and traffic evidence for the submission to Tasman District Council on the proposed Progressive Enterprises Ltd Private Plan Change be noted.

Her Worship the Mayor/McGurk

Carried

There being no further business the meeting ended at 12.40pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date