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

**Held in the Council Chamber, Civic House, 110 Trafalgar Street,
Nelson**

On Tuesday 27 June 2017, commencing at 9.04am

Present: Mr J Peters (Chairperson), Her Worship the Mayor R Reese,
Councillor B Dahlberg, and Mr J Murray

In Attendance: Councillors P Matheson and S Walker, Acting Chief Executive
(David Hammond), Group Manager Infrastructure (A
Louverdis), Group Manager Community Services (C Ward),
Group Manager Corporate Services (N Harrison), Internal Audit
Analyst (L Anderson), Manager Organisational Assurance and
Emergency Management (R Ball), Manager Consents and
Compliance (M Bishop), Health and Safety Adviser (M Hughes),
Senior Accountant (T Hughes), Risk and Procurement Analyst
(S Vaughan), Manager People and Capability (S Vincent), and
Administration Adviser (L Canton)

Apology: Councillor I Barker

1. Apologies

Resolved AUD/2017/013

That the Subcommittee

***Receives and accepts an apology from Councillor
Barker.***

Dahlberg/Murray

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 18 May 2017

Document number M2590, agenda pages 10 - 15 refer.

Resolved AUD/2017/014

That the Subcommittee

Confirms the minutes of the meeting of the Committee, held on 18 May 2017, as a true and correct record.

Dahlberg/Her Worship the Mayor

Carried

6. **Status Report - Audit, Risk and Finance Subcommittee - 27 June 2017**

Document number R7943, agenda pages 16 - 18 refer.

Resolved AUD/2017/015

That the Subcommittee

Receives the Status Report Audit, Risk and Finance Subcommittee 27 June 2017 (R7943) and its attachment (A1753947).

Murray/Dahlberg

Carried

7. **Chairperson's Report**

The Chairperson acknowledged the new Acting Chief Executive, David Hammond.

8. **Corporate Report to 30 April 2017**

Document number R6999, agenda pages 19 - 31 refer.

Group Manager Corporate Services, Nikki Harrison presented the report and answered questions.

It was noted that the subcommittee would like to see profit and loss accounts for operating accounts to ascertain that all income was being recorded.

Resolved AUD/2017/016

That the Subcommittee

Receives the report Corporate Report to 30 April 2017 (R6999) and its attachments (A1766296 and A1771251).

Her Worship the Mayor/Dahlberg

Carried

Resolved AUD/2017/017

That the Subcommittee

Requests that profit and loss accounts for the forestry, marina, and camping grounds consolidated accounts be brought to a future meeting.

Murray/Dahlberg

Carried

9. Balance Sheet reconciliation review

Document number R7002, agenda pages 32 - 39 refer.

Senior Accountant, Tracey Hughes, presented the report. Ms Hughes and Group Manager Community Services, Chris Ward, answered questions.

Resolved AUD/2017/018

That the Subcommittee

Receives the report Balance Sheet reconciliation review (R7002) and its attachment (A1774923).

Murray/Dahlberg

Carried

10. Liability Management Policy review

Document number R7529, agenda pages 40 - 58 refer.

Group Manager Corporate Services, Nikki Harrison, presented the report and answered questions.

Resolved AUD/2017/019

That the Subcommittee

Receives the report Liability Management Policy review (R7529) and its attachment (A1765543).

Her Worship the Mayor/Dahlberg

Carried

Recommendation to Council AUD/2017/020

That the Council

Adopts the amended Liability Management Policy (A1765543).

Her Worship the Mayor/Dahlberg

Carried

11. Carry Forwards (Interim) 2016/17

Document number R7555, agenda pages 59 - 68 refer.

Senior Accountant, Tracey Hughes, presented the report. Ms Hughes and Acting Chief Executive, David Hammond, answered questions.

Resolved AUD/2017/021

That the Subcommittee

Receives the report Carry Forwards (Interim) 2016/17 (R7555) and its attachments (A1770607).

Dahlberg/Murray

Carried

Recommendation to Council AUD/2017/022

That the Council

Approves continuing work on 2016/17 projects within the 2016/17 approved budgets, noting a final report on carry forwards will come to the Audit, Risk and Finance subcommittee on 8 September 2017.

Dahlberg/Murray

Carried

12. Council Risk Management Policy and Risk Criteria

Document number R7572, agenda pages 69 - 82 refer.

Risk and Procurement Analyst, Steve Vaughan, presented the report and answered questions about the governance role in risk management.

Resolved AUD/2017/023

That the Subcommittee

Receives the report Council Risk Management Policy and Risk Criteria (R7572) and its attachments: Risk Management Policy (A1553263) and Council Risk Criteria (A1545157).

Her Worship the Mayor/Murray

Carried

Mr Murray, seconded by Councillor Dahlberg, moved the recommendation to Council in the officer report.

It was noted that the policy should also address the governance body's role in the areas of risk management.

It was further noted that the term 'value' in clause 5.6 of the policy was not limited to monetary value.

Attendance: The meeting adjourned from 10.58am until 11.14am.

It was suggested that the Chairperson work with Mr Vaughan to amend the policy to clarify the role of governance in the policy's areas of responsibility.

Mr Peters, seconded by Her Worship the Mayor moved an amendment:

That the Council

Approves the Risk Management Policy (A1553263) as amended by the Chairperson of the Audit, Risk and Finance Subcommittee and the Risk & Procurement Analyst to include clarification of escalation of continued tolerance (table 3 of the Policy) and the role of governance in the areas of responsibility (clause 6 of the Policy), and adopts the Council Risk Criteria (A1545157).

The amendment was put and carried and became the substantive motion.

Recommendation to Council AUD/2017/024

That the Council

Approves the Risk Management Policy (A1553263) as amended by the Chairperson of the Audit, Risk and Finance Subcommittee and the Risk & Procurement Analyst to include

clarification of escalation of continued tolerance (table 3 of the Policy) and the role of governance in the areas of responsibility (clause 6 of the Policy), and adopts the Council Risk Criteria (A1545157).

Murray/Dahlberg

Carried

13. Internal Audit - Annual Audit Plan to 30 June 2018

Document number R7587, agenda pages 83 - 91 refer.

Internal Audit Analyst, Lynne Anderson, presented the report. Ms Anderson and Group Manager Corporate Services, Nikki Harrison answered questions.

Resolved AUD/2017/025

That the Subcommittee

Receives the report Internal Audit - Annual Audit Plan to 30 June 2018 (R7587) and its attachment (A1748975);

Dahlberg/Murray

Carried

Recommendation to Council AUD/2017/026

That the Council

Approves the Internal Audit – Annual Audit Plan to 30 June 2018 (A1748975).

Dahlberg/Murray

Carried

14. Health and Safety Governance Charter review

Document number R7622, agenda pages 92 - 99 refer.

Manager Organisational Assurance and Emergency Manager, Roger Ball, and Health and Safety Adviser, Malcolm Hughes, presented the report.

Resolved AUD/2017/027

That the Subcommittee

Receives the report Health and Safety Governance Charter review (R7622) and its attachment (A1767136);

Murray/Her Worship the Mayor

Carried

Recommendation to Council AUD/2017/028

That the Council

Approves the revised Health and Safety Governance Charter (A1767136).

Murray/Her Worship the Mayor

Carried

15. Protected disclosure policy

Document number R7631, agenda pages 100 - 111 refer.

Group Manager Corporate Services, Nikki Harrison presented the report. Ms Harrison, Acting Chief Executive, David Hammond, and Manager People and Capability, Stephanie Vincent, answered questions.

It was noted that the issue of protected disclosures also applied to governance, and a suggestion that officers investigate how the policy could be expanded to include elected members.

Resolved AUD/2017/029

That the Subcommittee

Leaves the report to lie on the table awaiting further advice from the Chief Executive on amending the policy to cover elected members.

Her Worship the Mayor/Dahlberg

Carried

16. Trafalgar Park Seating and Sale of the Punawai

Document number R7383, agenda pages 112 - 138 refer.

Group Manager Community Services, Chris Ward, and Manager Consents and Compliance, Mandy Bishop presented the report and answered questions.

Resolved AUD/2017/030

That the Subcommittee

Receives the report Trafalgar Park Seating and Sale of the Punawai (R7383) and its attachments (A345448, A1311242, R6448 and A1412442); and

Notes that the purchase of the Trafalgar Park

Seats complied with Council's Procurement Policy 2015 (A345448); and

Notes that the Council approved the private sale of the Punawai for reasons of timeliness and efficiency, and recognised at the time of the sale that this approach departed from Council's Asset Disposal Policy 2015 (A1412442).

Dahlberg/Murray

Carried

17. Interim audit letter for the year ending 30 June 2017

Document number R7627, agenda pages 139 - 147 refer.

Director, Audit NZ, Bede Kearney presented the report.

Resolved AUD/2017/031

That the Subcommittee

Receives the report Interim audit letter for the year ending 30 June 2017 (R7627) and its attachment (A1775216); and

Notes the suggested responses to the recommendations.

Dahlberg/Murray

Carried

18. Exclusion of the Public

It was noted that Bede Kearney, of Audit NZ would be in attendance for Item 3 of the Public Excluded agenda to answer questions and, accordingly, the following resolution was passed:

Resolved AUD/2017/032

That the Subcommittee

Confirms, in accordance with section 48(5) of the Local Government Official Information and Meetings Act 1987, Bede Kearney of Audit NZ remains after the public has been excluded, for Item 3 of the Public Excluded agenda (Bad debts for the year ending 30 Jun 2017), as he has knowledge that will assist the Council;

Notes, in accordance with section 48(6) of the Local Government Official Information and

Meetings Act 1987, the knowledge that Bede Kearney possesses relates to Council's level of bad debt.

Murray/Peters

Carried

Resolved AUD/2017/033

That the Subcommittee

Excludes the public from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is 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:

Her Worship the Mayor/Dahlberg

Carried

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Bad debts for the year ending 30 June 2017	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person • Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

The meeting went into public excluded session at 12.32pm and resumed in public session at 12.39pm.

19. Re-admittance of the Public

Resolved AUD/2017/034

That the Subcommittee

Re-admits the public to the meeting.

Dahlberg/Murray

Carried

There being no further business the meeting ended at 12.39pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date