



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

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

On Tuesday 25 June 2019, commencing at 9.00a.m.

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

In Attendance: Councillors P Matheson, B McGurk and G Noonan, Chief Executive (P Dougherty), Group Manager Corporate Services (N Harrison), and Governance Adviser (E-J Ruthven)

Apologies : Nil

1. Apologies

There were no apologies.

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 21 May 2019

Document number M4225, agenda pages 6 - 13 refer.

Resolved AUD/2019/027

That the Audit, Risk and Finance Subcommittee

- 1. Confirms the minutes of the meeting of the Audit, Risk and Finance Subcommittee, held on 21 May 2019, as a true and correct record.***

Murray/Dahlberg

Carried

6. Chairperson's Report

Mr Peters noted that the interim audit letter had been received, with no significant issues raised.

He added that subcommittee members would be asked to complete a survey, which would be used to provide information to the incoming subcommittee following the Local Elections.

Resolved AUD/2019/028

That the Audit, Risk and Finance Subcommittee

- 1. Receives the oral Chairperson's Report.***

Peters/Her Worship the Mayor

Carried

7. Interim audit letter for the year ending 30 June 2019

Document number R10240, agenda pages 14 - 25 refer.

Group Manager Corporate Services, Nikki Harrison, presented the report. She noted that Council and Audit New Zealand had recently agreed to terminate annual audits of the Nelson Regional Sewerage Business Unit, the Nelson Tasman Regional Business Unit, and Nelson Tasman Civil Defence Emergency Management.

Ms Harrison answered questions regarding the assessment of Council's control environment, procurement procedures and policies, system restrictions or controls to prevent unauthorised data editing for call out time measures, third party contracts involving the collection of revenue, such as the Parking Revenue contract, the Project Management Policy, valuation of Council assets, and Council's pursuit of bad debtors.

It was noted that discussions regarding specific debtors should be held in public excluded session, especially when Council was receiving legal advice regarding appropriate next steps to take.

Resolved AUD/2019/029

That the Audit, Risk and Finance Subcommittee

- 1. Receives the report Interim audit letter for the year ending 30 June 2019 (R10240) and its attachment (A2206215); and***

2. Notes the status updates to previous audit recommendations.

Murray/Dahlberg

Carried

8. Draft Annual Internal Audit Plan - 30 June 2020

Document number R10266, agenda pages 26 - 31 refer.

Internal Audit Analyst, Lynn Anderson, presented the report. She noted that the budget for the financial year was \$40,000.

Ms Anderson answered questions regarding potential audits that external contractors could be utilised for, and the corresponding timeframes.

Resolved AUD/2019/030

That the Audit, Risk and Finance Subcommittee

- 1. Receives the report Draft Annual Internal Audit Plan - 30 June 2020 (R10266) and its attachment (A2202709).***

Barker/Dahlberg

Carried

Recommendation to Council AUD/2019/031

That the Council

- 1. Approves the Draft Annual Internal Audit Plan - 30 June 2020 (A2202709).***

Barker/Dahlberg

Carried

9. Exclusion of the Public

There was a discussion regarding whether items relating to bad debts should be considered in public excluded or open session.

Committee members also requested an update on legal proceedings be provided in public excluded session.

The meeting was adjourned from 9.38a.m to 9.43a.m.

10. Additional agenda item - Update on legal proceedings

The Chairperson acknowledged the subcommittee's request for an additional item in public excluded session for an update on legal proceedings. He said that, as a minor matter not on the agenda, the subcommittee could discuss the item, but not make a resolution, decision or

recommendation about the item, except to refer it to a subsequent meeting for discussion.

He added that a procedural resolution should be passed to allow the item to be discussed.

Resolved AUD/2019/032

That the Audit, Risk and Finance Subcommittee

- 1. Considers the public excluded item regarding Update on Legal Proceedings at this meeting as a minor item not on the agenda, pursuant to Section 46A(7A) of the Local Government Official Information and Meetings Act 1987.***

Murray/Barker

Carried

6. Exclusion of the Public

Resolved AUD/2019/033

That the Audit, Risk and Finance Subcommittee

- 1. Excludes the public from the following parts of the proceedings of this meeting.***
- 2. 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/Barker

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	Audit, Risk and Finance Subcommittee Meeting - Public Excluded Minutes - 21 May 2019	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)(g) To maintain legal professional privilege • Section 7(2)(h) To enable the local authority to carry out,

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
			without prejudice or disadvantage, commercial activities
2	Bad debt write-off for year ending 30 June 2019	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
3	Update on Legal Proceedings	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)(g) To maintain legal professional privilege

The meeting went into public excluded session at 9.45a.m. and resumed in public session at 11.06a.m.

There being no further business the meeting ended at 11.06a.m.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date