



## **Minutes of a meeting of the Audit and Risk Subcommittee**

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

**On Tuesday 18 February 2020, commencing at 2.00p.m.**

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**Present:** Mr J Peters (Chairperson), Her Worship the Mayor R Reese, Mr J Murray (Deputy Chairperson), Councillor J Edgar and Councillor R Sanson

**In Attendance:** Chief Executive (P Dougherty), Group Manager Corporate Services (N Harrison) and Governance Adviser (E Stephenson)

**Apologies :** Nil

### **1. 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**

#### **4.1 Sue Grey, Brook Valley Community Group - Legal Proceedings**

Sue Grey, representing the Brook Valley Community Group, was present to talk about the Group's legal proceedings. Supporting information was tabled (A2342297).

Ms Grey noted there were different views on the matter. She reiterated that the Group's only debt was court costs and clarified that the Group was requesting that Council withdraw its application to wind-up the Group and undertake an enquiry on lessons learned.

#### **Attachments**

- 1 A2342297 - Brook Valley Community Group public forum supporting information

## 5 Chairperson's Report

The Chairperson, Mr John Peters, welcomed members to the first subcommittee meeting of the triennium. He noted that the Audit NZ report to be received at this meeting was largely positive and congratulated staff.

Mr Peters said that he was pleased to see future focus in areas that the Subcommittee had been interested in. He raised the issue of the current significant risk of Covid-19, the coronavirus.

Resolved AR/2020/001

***That the Audit and Risk Subcommittee***

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

Murray/Sanson

Carried

## 6. Internal Audit Quarterly Progress Report to 31 December 2019

Document number R13707, agenda pages 7 - 10 refer.

Internal Audit Analyst, Lynn Anderson, presented the report.

Manager Business Improvement, Arlene Akhlaq, answered questions regarding asset registers and gap analysis.

Group Manager Corporate Services, Nikki Harrison, answered questions regarding accounting systems.

Resolved AR/2020/002

***That the Audit and Risk Subcommittee***

***1. Receives the report Internal Audit Quarterly Progress Report to 31 December 2019 (R13707) and its attachment (A2278558).***

Murray/Sanson

Carried

**7. New and Outstanding Significant Risk Exposures and Control Issues Identified from Internal Audits - 31 December 2019**

Document number R13708, agenda pages 11 - 16 refer.

Internal Audit Analyst, Lynn Anderson, presented the report and answered questions.

Health and Safety Adviser, Malcolm Hughes, answered questions regarding Council's response to the emerging coronavirus risk.

Resolved AR/2020/003

***That the Audit and Risk Subcommittee***

- 1. Receives the report New and Outstanding Significant Risk Exposures and Control Issues Identified from Internal Audits - 31 December 2019 (R13708) and its attachment (A2316401).***

Her Worship the Mayor/Sanson

Carried

**8. Key Organisational Risks Report - 01 July to 31 December 2019**

Document number R13718, agenda pages 17 - 44 refer.

Manager Business Improvement, Arlene Akhlaq, presented the report and answered questions regarding earthquake-prone buildings and fire risk on reserves.

In response to a question, Chief Executive, Pat Dougherty, confirmed that Council did have a duty of care to people using public buildings and it was subsequently confirmed that notices were required to be displayed on them.

Resolved AR/2020/004

***That the Audit and Risk Subcommittee***

- 1. Receives the report Key Organisational Risks Report - 01 July to 31 December 2019 (R13718) and its attachment (A2332487).***

Murray/Sanson

Carried

**9. Health, Safety and Wellbeing Report, July to December 2019**

Document number R13724, agenda pages 45 - 58 refer.

Health and Safety Adviser, Malcolm Hughes, answered questions on the report.

Mr Hughes answered questions regarding marina hardstand risks and discussion took place regarding the need to improve monitoring and enforce conditions at the Marina and on Elected Members' due diligence and site visits.

The following health and safety site visits were noted:

- Councillor Noonan - the Maitai Bridge works
- Mr John Murray, Forestry Advisory Group Chair; Group Manager Infrastructure, Alec Louverdis; and Independent Forestry Expert, Peter Gorman - a forestry site visit on 10 September 2019.

Resolved AR/2020/005

***That the Audit and Risk Subcommittee***

1. ***Receives the report Health, Safety and Wellbeing Report, July to December 2019 (R13724) and its attachment (A2323649).***

Edgar/Sanson

Carried

**10. Letter from Audit NZ on Annual Report for year ending 30 June 2019**

Document number R13731, agenda pages 59 - 95 refer.

In response to a question, Group Manager Corporate Services, Nikki Harrison, confirmed that the GST audit actions would be reported through the Annual Tax Review.

Resolved AR/2020/006

***That the Audit and Risk Subcommittee***

1. ***Receives the report Letter from Audit NZ on Annual Report for year ending 30 June 2019 and its attachment (A2320712); and***

**2. Notes Audit New Zealand's responses on the Annual Report for year ending 30 June 2019.**

Edgar/Sanson

Carried

**11. Exclusion of the Public**

Resolved AR/2020/007

***That the Audit and Risk 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:***

Sanson/Her Worship the Mayor

Carried

<b>Item</b>	<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Particular interests protected (where applicable)</b>
<b>1</b>	<b>Quarterly Update On Debts - 31 December 2019</b>	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"> <li>• Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person</li> <li>• Section 7(2)(g) To maintain legal professional privilege</li> </ul>
<b>2</b>	<b>Quarterly Update on Legal Proceedings</b>	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"> <li>• Section 7(2)(g) To maintain legal professional privilege</li> </ul>

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
3	<b>Internal Audit - Investigation into the Calculation of Reserves Contributions</b>	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"> <li>• Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person</li> <li>• Section 7(2)(g) To maintain legal professional privilege</li> </ul>

The meeting went into confidential session at 3.30p.m. and resumed in public session at 5.26p.m.

**RESTATEMENTS**

It was resolved while the public was excluded:

	<b>CONFIDENTIAL: Quarterly Update On Debts - 31 December 2019</b>
	<p><i>That the Audit and Risk Subcommittee</i></p> <p><b>3. <u>Agrees</u> that the Report (R13726) and its attachment (A2216183) remain confidential at this time.</b></p>

	<b>CONFIDENTIAL: Quarterly Update on Legal Proceedings</b>
	<p><i>That the Audit and Risk Subcommittee</i></p> <p><b>2. <u>Agrees</u> that the Report (R13737) and its attachment (A2333508) remain confidential at this time.</b></p>

	<b>CONFIDENTIAL: Internal Audit - Investigation into the Calculation of Reserves Contributions</b>
	<p><i>That the Audit and Risk Subcommittee</i></p> <p><b>3. <u>Agrees</u> that the report Internal Audit - Investigation into the Calculation of Reserves Contributions (R13745) remain confidential at this time.</b></p>

There being no further business the meeting ended at 5.26p.m.

Confirmed as a correct record of proceedings:

\_\_\_\_\_ Chairperson \_\_\_\_\_ Date

Unconfirmed