



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

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

On Tuesday 23 February 2021, commencing at 9.02a.m.

Present: Mr J Peters (Chairperson), Her Worship the Mayor R Reese,
Councillors J Edgar, M Lawrey, R Sanson and Mr J Murray

In Attendance: Group Manager Environmental Management (C Barton), Group
Manager Corporate Services (N Harrison) and Governance
Adviser (J Brandt) and Governance Support (P Boutle)

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 2 December 2020

Document number M15319, agenda pages 8 - 12 refer.

Resolved ARF/2021/001

That the Audit, Risk and Finance Subcommittee

- 1. Confirms the minutes of the meeting of the Audit, Risk and Finance Subcommittee, held on 2 December 2020, as a true and correct record.***

Edgar/Sanson

Carried

6 Chairperson's Report

Audit, Risk and Finance Subcommittee Chairperson, John Peters gave a verbal report. He spoke about the Officer of the Auditor General (OAG) online meetings he had attended in 2020. The first meeting addressed the Subcommittee's role during COVID-19, which was deemed appropriate, and the second, the Subcommittee's role in preparation of the 2021 Long Term Plan (LTP). Mr Peters noted that for the 2024 LTP process, earlier and more appropriate involvement of this Subcommittee would be sought.

A request was made for officers to bring the next OAG review to the subcommittee in order for OAG recommendations and timelines relating to the LTP to be noted.

Resolved ARF/2021/002

That the Audit, Risk and Finance Subcommittee

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

Peters/Lawrey

Carried

7. Nelson Port and Harbour Safety Management System

Document number R22563, agenda pages 13 - 97 refer.

Manager, Consents and Compliance, Mandy Bishop, and Harbourmaster, Andrew Hogg, presented the report. Mr Hogg answered questions about steps taken to make improvements to address shortcomings identified in the Nelson Port and Harbour Safety Management System review. Mr Hogg noted that the frequency of external reviews was moving from five to three years, and that working closely with Maritime New Zealand overall would bring improvements.

Attendance: Her Worship the Mayor Reese joined the meeting at 9.10a.m.

Group Manager Corporate Services, Nikki Harrison, confirmed the process for reporting identified gaps in the Port and Harbour Safety Management System via the Council's Risk Register.

A request was made for officers to provide progress updates to the following two Subcommittee meetings.

Resolved ARF/2021/003

That the Audit, Risk and Finance Subcommittee

- 1. Receives the report Nelson Port and Harbour Safety Management System (R22563) and its attachment (A2553588); and***
- 2. Agrees the identified gaps in the Port and Harbour Safety Management System are to be included in Council's Risk Register.***

Sanson/Lawrey

Carried

8. Health Safety and Wellbeing Report, October to December 2020

Document number R22561, agenda pages 98 - 112 refer.

Health and Safety Adviser, Malcolm Hughes, presented the report. He answered questions about notifiable events, mental health, threats made to officers, and safe work observation site visits for Subcommittee members.

Resolved ARF/2021/004

That the Audit, Risk and Finance Subcommittee

- 1. Receives the report Health Safety and Wellbeing Report, October to December 2020 (R22561) and its attachment (A2552487).***

Lawrey/Her Worship the Mayor

Carried

9. Key Organisational Risks Report - 01 September to 31 December 2020

Document number R22526, agenda pages 113 - 143 refer.

Manager Business Improvement, Arlene Akhlaq, presented the report. She noted a correction to paragraph 4.2, i.e. that the review referred to for quarter 3 had been pushed out to quarter 4 (April 2021).

Ms Akhlaq answered questions about the risk summary sheets in attachment 1 of the report, and took feedback from members on how future reporting on the key organisational risks could be improved.

Resolved ARF/2021/005

That the Audit, Risk and Finance Subcommittee

- 1. Receives the report Key Organisational Risks Report - 01 September to 31 December 2020 (R22526) and its attachment (A2547697).***

Edgar/Sanson

Carried

10. New and Outstanding Significant Risk Exposures and Control Issues Identified from Internal Audits - 31 December 2020

Document number R22532, agenda pages 144 - 147 refer.

Newly appointed Audit and Risk Analyst, Chris Logan, was introduced to the Subcommittee.

Group Manager Corporate Services, Nikki Harrison, answered questions regarding asset management for council owned property and facilities management, Information Management Maturity and cloud based services.

Resolved ARF/2021/006

That the Audit, Risk and Finance Subcommittee

- 1. Receives the report New and Outstanding Significant Risk Exposures and Control Issues Identified from Internal Audits - 31 December 2020 (R22532) and its attachment (A2538210).***

Edgar/Murray

Carried

11. Internal Audit - Quarterly Progress Report to 31 December 2020

Document number R22531, agenda pages 148 - 151 refer.

Manager Business Improvement, Arlene Akhlaq, presented the report.

Resolved ARF/2021/007

That the Audit, Risk and Finance Subcommittee

- 1. Receives the report Internal Audit - Quarterly Progress Report to 31 December 2020 (R22531) and its attachment (A2537934).***

Murray/Sanson

Carried

12. Quarterly Finance Report for the six months ending 31 December 2020

Document number R22575, agenda pages 152 - 171 refer.

Manager Finance, Clare Knox, presented the report and answered questions.

Manager Environmental Planning, Maxine Day, gave a verbal update on upcoming legislative changes regarding the Resource Management Act and anticipated major flow-on effects for the Whakamahere Whakatū Nelson Plan. It was noted that there was an expectation for significant risk change for Nelson City Council from this legislative reform, especially in the areas of housing and freshwater and thought would need to be given how to best monitor these risks.

Group Manager Corporate Services, Nikki Harrison, answered questions about the Waimea Dam capital grant and progress regarding economic development contributions.

Resolved ARF/2021/008

That the Audit, Risk and Finance Subcommittee

- 1. Receives the report Quarterly Finance Report for the six months ending 31 December 2020 (R22575) and its attachments (A2554847, A2561298, A2561235 and A2563228).***

Edgar/Sanson

Carried

13. Letter from Audit NZ on Annual Report for year ending 30 June 2020

Document number R22559, agenda pages 172 - 199 refer.

Manager Finance, Clare Knox, presented the report. She answered questions about the Nelson Airport land evaluation.

Resolved ARF/2021/009

That the Audit, Risk and Finance Subcommittee

1. ***Receives the report Letter from Audit NZ on Annual Report for year ending 30 June 2020 (R22559) and its attachment (A2570817); and***
2. ***Notes Audit NZ's comments (A2570817) and how officers intend to address the issues raised.***

Sanson/Her Worship the Mayor

Carried

14. Exclusion of the Public

Sarah Macky, of Heaney & Partners, was in attendance for Item 1 of the confidential agenda to answer questions and, accordingly, the following resolution was required to be passed:

Resolved ARF/2021/010

That the Audit, Risk and Finance Subcommittee

1. ***Confirms, in accordance with sections 48(5) and 48(6) of the Local Government Official Information and Meetings Act 1987, that Sarah Macky, from Heaney & Partners, remains after the public has been excluded, for Item 1 of the Confidential agenda (Quarterly Report on Legal Proceedings), as she has knowledge that will assist the meeting.***

Sanson/Edgar

Carried

Resolved ARF/2021/011

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:
Edgar/ Sanson***

Edgar/Sanson

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	Quarterly report 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
2	Quarterly Update On Debts - 31 December 2020	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

The meeting went into confidential session at 10.46a.m. and resumed in public session at 12.13p.m.

RESTATEMENTS

It was resolved while the public was excluded:

1	CONFIDENTIAL: Quarterly report on legal proceedings
	<p><i>That the Audit, Risk and Finance Subcommittee</i></p> <p>2. <i>Agrees that the Report (R22555) and its attachment (A2563217) remain confidential at this time.</i></p>

2	CONFIDENTIAL: Quarterly Update On Debts - 31 December 2020
	<p><i>That the Audit, Risk and Finance Subcommittee</i></p> <p>2. <i>Agrees that the Report (R22568) and its attachment (A2216183) remain confidential at this time.</i></p>

There being no further business the meeting ended at 12.13p.m.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date