



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

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

On Tuesday 19 February 2019, commencing at 1.00p.m.

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

In Attendance: Councillors B McGurk, G Noonan, M Rutledge, S Walker, T Skinner, Chief Executive (P Dougherty), Acting Group Manager Infrastructure (M Parfitt), Acting Group Manager Community Services (R Bartlett), Group Manager Corporate Services (N Harrison), Group Manager Strategy and Communications (N McDonald) and Governance Adviser (J Brandt)

Apologies : Her Worship the Mayor for lateness

1. Apologies

Resolved AUD/2019/001

That the Audit, Risk and Finance Subcommittee

Receives and accepts an apology from Her Worship the Mayor R Reese for lateness.

Peters/Barker

Carried

2. Confirmation of Order of Business

There were no changes 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 13 November 2018

Document number M3892, agenda pages 7 - 12 refer.

A correction was made to the minutes to reflect that Her Worship the Mayor was present at the meeting held on 13 November 2018.

Resolved AUD/2019/002

That the Audit, Risk and Finance Subcommittee

Confirms the minutes of the meeting of the Audit, Risk and Finance Subcommittee, held on 13 November 2018, as a true and correct record, subject to the correction being made that the Mayor was not on leave of absence for the meeting and did attend.

Barker/Murray

Carried

6. Chairperson's Report

Document number R10004, agenda page 13 refers.

The Chairperson presented his report and reminded members that their feedback was valued to keep improving the reporting format of the quarterly report.

Attendance: Councillor Skinner joined the meeting at 1.03p.m.

Recommendation AUD/2019/003

That the Audit, Risk and Finance Subcommittee

Receives the report Chairperson's Report (R10004).

Peters/Dahlberg

Carried

7. Quarterly Report 1 October - 31 December 2018

Document number R9976, agenda pages 14 - 38 refer.

Senior Accountant Tracey Hughes tabled replacement pages for agenda pages 28 and 30 (A2142779 and A2142783).

It was noted that these changes were due to staff capacity being compromised due to the civil defence response to the Pigeon Valley Fire.

Ms Hughes highlighted the changes made to the reporting format and answered questions regarding forestry harvesting activity, public transport and water metering income.

Discussion regarding the early release of the roading maintenance contractor took place and included the delegations for this decision, information flow to Elected Members and consequences for rate payers.

Group Manager Corporate Services, Nikki Harrison, answered questions about cross-committee reporting on budgets relating to Bay Dreams.

Attendance: Her Worship the Mayor joined the meeting at 1.33p.m.

A question was asked regarding the debtor analysis (refer agenda page 25) and the Chairperson decided that would be more appropriately answered in the public excluded section due to the need to protect privacy.

Resolved AUD/2019/004

That the Audit, Risk and Finance Subcommittee

Receives the report Quarterly Report 1 October - 31 December 2018 (R9976) and its attachments (A2119970, A2122871 and A2127285).

Dahlberg/Barker

Carried

Attachments

- 1 A2142779 - replacement page 28 (tabled)
- 2 A2142783 - replacement page 30 (tabled)

8. Quarterly Key Risks Report - 1 October to 31 December 2018

Document number R9884, agenda pages 39 - 58 refer.

Manager Business Improvement, Arlene Akhlaq presented the report.

Discussion took place regarding reputational risk, with a request to include reputational risk in future reports, as well as consider taking a broader perspective i.e. by incorporating stakeholder feedback. It was recommended to refer to 'trust and confidence' rather than 'reputational risk'.

Further discussion took place regarding Lifeline Service failure with a particular view to the effects of climate change.

Resolved AUD/2019/005

That the Audit, Risk and Finance Subcommittee

Receives the report Quarterly Key Risks Report - 1 October to 31 December 2018 (R9884) and its attachment (A2126109).

Dahlberg/Murray

Carried

Attendance: Her Worship the Mayor left the meeting from 1.57p.m. to 2.06p.m.

9. Health & Safety Quarterly Performance Report 1 October to 31 December 2018

Document number R9893, agenda pages 59 - 74 refer.

Health and Safety Adviser, Malcolm Hughes presented the report and answered questions about the Halifax access to the Customer Services Centre, the assaults on EIL staff in January, and staff wellbeing in regards to the Pigeon Valley Fire response and incidents noted in the report.

Discussion took place regarding due diligence activities and the wish for a more structured approach to safe work observations undertaken by members was expressed.

Attendance: Councillor Barker left the meeting from 2.17p.m. until 2.19p.m.

Resolved AUD/2019/006

That the Audit, Risk and Finance Subcommittee

Receives the report Health & Safety Quarterly Performance Report 1 October to 31 December 2018 (R9893) and its attachment (A2118120).

Barker/Dahlberg

Carried

10. Internal Audit - Quarterly Progress Report to 31 December 2018

Document number R9971, agenda pages 75 - 78 refer.

Lynn Anderson, Internal Audit Analyst, noted an error on agenda page 77, where the ratings in the column entitled 'Findings/Ratings' were the wrong way round for the two audits listed under the 2017/18 Annual Audit Plan. The first one should read High – 3; Medium – 1 and the second one High – 1; Medium – 5.

A further correction was noted for the bottom of page 77 under "Work Proposed" which should read 'MagiQ's contract management module', not MagiQ's risk management module.

Ms Anderson answered questions about the timeframe for business improvement of project management, noting the audit was to be completed by the end of this financial year.

Resolved AUD/2019/007

That the Audit, Risk and Finance Subcommittee

Receives the report Internal Audit - Quarterly Progress Report to 31 December 2018 (R9971) and its attachment (A2123169).

Barker/Her Worship the Mayor

Carried

11. Internal Audit - Summary of New or Outstanding Significant Risk Exposures and Control Issues to 31 December 2018

Document number R9938, agenda pages 79 - 84 refer.

Lynn Anderson, Internal Audit Analyst, presented the report and answered questions regarding the need for a central contracts register. The Chief Executive answered questions regarding water contamination risk and water supply.

Attendance: Councillor Barker left the meeting from 2.47p.m. to 2.53p.m.

Resolved AUD/2019/008

That the Audit, Risk and Finance Subcommittee

Receives the report Internal Audit - Summary of New or Outstanding Significant Risk Exposures and Control Issues to 31 December 2018 (R9938) and its attachment (A2119039).

Her Worship the Mayor/Dahlberg

Carried

12. Letter from Audit NZ on Annual Report for year ending 30 June 2018

Document number R9978, agenda pages 85 - 113 refer.

Group Manager Corporate Services, Nikki Harrison, answered questions regarding the streamlining of audit processes. Ms Harrison agreed to prepare a report recommending audit process changes for Nelson Regional Sewerage Business Unit, Nelson Regional Landfill Business Unit and Civil Defence.

Resolved AUD/2019/009

That the Audit, Risk and Finance Subcommittee

Receives the report Letter from Audit NZ on Annual Report for year ending 30 June 2018 and its attachment (A2104464).

Murray/Barker

Carried

13. Exclusion of the Public

Resolved AUD/2019/010

That the Audit, Risk and Finance 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:

Barker/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	Quarterly 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
2	Quarterly report 1 Oct -1 Dec 2019 Debtor discussion	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.

The meeting went into public excluded session at 3.11p.m. and resumed in public session at 3.43p.m.

There being no further business the meeting ended at 3.43p.m.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date