



Minutes

of the

Audit Committee

Ordinary meeting

Date 24 August 2015
Venue Council Chamber
515 Mackay Street
Thames

Present

LA Fox (Chairperson)

MK McLean JP
HD Bartley
P Jones
D Walker

In attendance

Steve Baker, Donna Holland, Graham McDermott, Ariana Wickliffe, Michael Dobie.

Apologies

Councillor Brljevich.

Meeting commenced 09:00am

Adjournments

Adjournment	Start	Finish	Reason
Chairperson Fox	10:20	10:33	Morning Tea
Chairperson Fox	12:42	13:14	Lunch

Table of Contents

Item Business	Page No.
1 Meeting Conduct	3
1.1 Apologies	3
1.2 Public forum	3
1.3 Items not on the agenda	3
1.4 Conflict of interest	3
1.5 Audit Committee minutes for confirmation	3
2 Audit Committee work programme	4
2.1 August 2015 - external audit work programme and action schedule	4
3 Reports	4
3.1 2014-2015 Annual Report - Non-Financial Performance Results	4
3.2 Application of the Lifemark TM assessment to existing second dwellings between 50-60m2	5
3.3 Members' Reports	7
4 Public Excluded	7

1 Meeting conduct

1.1 Apologies

Apologies were received from Councillor Brljevich for this Committee meeting and for the next committee meeting held on 19 October 2015.

Resolved

That the Audit Committee receives the apologies from Councillor Brljevich for this meeting and the next Audit Committee meeting held on 19 October 2015.

Moved/seconded by: Fox/McLean

1.2 Public forum

No speakers attended the public forum.

1.3 Items not on the agenda

No additional items were received.

1.4 Conflict of interest

No conflicts of interests were declared.

1.5 Audit Committee minutes for confirmation

Resolved

That the Audit Committee confirms the minutes of the meeting held 22 April 2015 as a correct recording of proceedings.

Moved/seconded by: Fox/Bartley

2 Audit Committee work programme

2.1 August 2015 - external audit work programme and action schedule

The Audit Committee was presented with the external audit work programme and action schedule.

Project management

Chief Financial Officer, Steve Baker briefly discussed the project management framework initiative and noted the position that had been created to manage the quality assurance and train staff in Council's Project Management Policy had been fulfilled.

Development contributions

Staff noted that the Whangamata Community Board had been investigating the use of reserve contributions for Williamson Park. A redevelopment project had been identified for this park which addressed the increased demand in neighbourhood reserve requirements within the Whangamata area arising from growth.

Procurement policy

Members advised that with the review staff should consider reducing the size of the policy to a maximum of twenty pages. The operational manual should be the resource that contains the details of the Policy. Member suggested that staff look at the Ministry of Business, Innovation and Employment.

Asset management

Philip Jones questioned how much money was committed to this project? Staff responded that close to half a million had been approved and would be allocated over the few years. Developing an asset management system was the main priority for the next few years. Staff noted that identification of renewal priorities would change once the conditions of the assets were known.

Resolved

That the Audit Committee:

1. Receives the 'August 2015 - External Audit Work Programme and Action Schedule' report dated 3 August 2015.
2. Notes the progress made to date; and
3. Confirms that the items indicated as complete be removed from the action schedule.

Moved/seconded by: Fox/Jones

3 Reports

3.1 2014-2015 Annual Report - Non-Financial Performance Results

The Audit Committee was presented with the interim 2014-2015 Annual Report non-financial performance results for review prior to the audit.

Senior Strategic Planning and Policy Analyst, Graham McDermott presented the results and noted that the information was prepared earlier to the committee this year. This was to provide the committee the opportunity to review and have input prior to it being made available to Audit New Zealand.

Chair Fox complimented staff for providing the information ahead of time and in stages as it made it easier for the members to receive and digest the information. He noted one concern under the Community Leadership Activity Group: District Leadership and Local Advocacy. Chair Fox explained that he would like to see a better working relationship between the managers and elected arm which required them to be on the same page and unified on issues for the community.

Committee member Philip Jones queried why dashboards were not in the report? He suggested that this be included to provide a snapshot of the activity groups. Chair Fox agreed with the suggestion. Discussion focussed on other potential on-going improvements to reporting, and requested that a dollar value also be added. Philip Jones advised that the dollar value be split into capital and operation which would provide good overview of reporting. Staff responded that the feedback would be taken on board, and did not anticipate any major issues meeting this request as the information was currently prepared monthly.

Councillor Bartley queried the performance measures for cemeteries. Staff noted that the summary table had not been updated to reflect a result which was received shortly before the paper was prepared and distributed.

Resolved

That the Audit Committee receives the '2014-2015 Annual Report - Non-Financial Performance Results' report, dated 30 July 2015.

Moved/seconded by: Fox/Bartley

Public excluded

At 10:34 Chair Fox noted that item 4.4 Public excluded - Internal Audit - Presentation on Risk Management process and indicative audit plan be taken at this point to enable KMPG to present.

Resolved

That the public be excluded from the following parts of the proceedings of this meeting namely:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of the resolution
4.4 Internal audit presentation on risk management process and indicative audit plan	(7)(2)(c)(i) – Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the	(48)(1)(a) – That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of

	authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.	information for which good reason for withholding would exist.
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Moved/seconded by: Fox/Bartley

Resolved

1. That the following items are to remain in the public excluded minute book.

Item Business

4.4 Internal audit presentation on risk management

2. That members move out of public excluded at 10:59 and continue with ordinary meeting

Moved/seconded by: McLean/Fox

3.2 Application of the Lifemark assessment to existing second dwellings between 50-60m2

Guidance was sought from the Audit Committee on a proposed solution of applying the Lifemark™ or similar certification to existing second dwellings in the district: The Audit Committee questioned why the Lifemark assessment would be applied instead of the Building Act (2004) legislative requirement. Staff noted that this assessment was considered to keep it consistent with the Proposed District Plan. The Committee requested that staff further investigate with Council's Building Manager for other solutions, and report back at a later date.

Resolved

That the Audit Committee:

1. Receives the Application of the Lifemark TM assessment to existing second dwellings between 50-60m2" report, dated 6 August 2015.
2. Instructs staff to further investigate the assessment to existing second dwellings between 50-60m2 with Council's Building Manager and report to the Committee at a later date.
3. Let the matter lay on the table.

Moved/seconded by: Fox/Bartley

3.3 Members' reports

The Chairperson invited members to provide a brief verbal report on activities undertaken and meetings attended in the period since the last meeting.

Councillor Bartley noted that he was encouraged by the risk management process and plan undertaken by KPMG.

Committee member Philip Jones tabled and spoke to his summary of the Controller and Auditor-General's reports to Parliament and to the public in 2015.

Resolved

That the Audit Committee receives the members' reports.

Moved/seconded by: Fox/Bartley

4 Public excluded

At 11:18 Chair Fox noted the remainder of the public excluded items be considered at this time.

Resolved

That the public be excluded from the following parts of the proceedings of this meeting for the reasons stated:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of the resolution
Public excluded minutes	<p>(7)(2)(i) – Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p> <p>7)(2)(c)(i) – Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to</p>	<p>(48)(1)(a) – That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p> <p>(48)(1)(a)(i) – That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist. Where the local authority is named or specified in the First Schedule to this Act, under section 6 or section 7 (except section 7(2)(f)(i) of this Act.</p>

	<p>be supplied.</p> <p>(7)(2)(f)(ii) - Maintain the effective conduct of public affairs through the protection of such members, officers, employees, and persons from improper pressure or harassment.</p> <p>(7)(2)(f)(ii) - Maintain the effective conduct of public affairs through the protection of such members, officers, employees, and persons from improper pressure or harassment.</p>	
Public excluded - Audit Committee action schedule	<p>(7)(2)(c)(i) – Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.</p>	<p>(48)(1)(a) – That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
Public excluded - Council Risk Register	<p>(7)(2)(g) – Maintain legal professional privilege.</p> <p>(7)(2)(c)(i) – Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.</p>	<p>(48)(1)(a) – That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
Internal audit - Deloitte payroll recommendation action schedule	<p>(7)(2)(f)(ii) - Maintain the effective conduct of public affairs through the protection of such members, officers,</p>	<p>(48)(1)(a)(i) – That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to</p>

	<p>employees, and persons from improper pressure or harassment.</p>	<p>result in the disclosure of information for which good reason for withholding would exist. Where the local authority is named or specified in the First Schedule to this Act, under section 6 or section 7 (except section 7(2)(f)(i) of this Act.</p>
<p>TaxTeam PAYE compliance review recommendations action schedule</p>	<p>(7)(2)(c)(i) – Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.</p> <p>(7)(2)(f)(ii) - Maintain the effective conduct of public affairs through the protection of such members, officers, employees, and persons from improper pressure or harassment.</p> <p>(7)(2)(h) – Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.</p>	<p>(48)(1)(a)(i) – That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist. Where the local authority is named or specified in the First Schedule to this Act, under section 6 or section 7 (except section 7(2)(f)(i) of this Act.</p>
<p>Application for remission for two separate habitable units</p>	<p>(7)(2)(c)(i) – Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.</p>	<p>(48)(1)(a) – That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

Audit Committee self-evaluation	(7)(2)(c)(i) – Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.	(48)(1)(a) – That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.
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Moved/seconded by: Fox/Bartley

Resolved

1. That the following items are to remain in the public excluded minute book.

Item	Business
4.1	Public excluded minutes
4.2	Audit Committee action schedule
4.3	Council Risk Register
4.5	Internal Audit - Deloitte payroll recommendation action schedule
4.6	TaxTeam Review recommendations action schedule
4.7	Applications for remission for two separate habitable units
4.8	Audit Committee self-evaluation

Meeting closed at 13:49

The foregoing minutes were certified as being a true and correct record of the meeting of the Audit Committee held on 24 August 2015.

Chairperson _____ **Date** _____