



Minutes

of the

Audit Committee

Ordinary Meeting

Date 19 October 2015
Venue Council Chamber
515 Mackay Street
Thames

Present

LA Fox (Chairperson) MK McLean JP
HD Bartley
P Jones

In Attendance

Peter French, David Walker, David Hammond, Steve Baker, Donna Holland, Michelle Baker, Rob McNaughton and Michael Dobie.

Meeting Commenced 9:03am

Adjournment	Start	Finish	Reason
Chairperson Fox	10:51	11:10	Morning Tea
Chairperson Fox	12:33	13:03	Lunch

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1 Meeting conduct

1.1 Apologies

Apologies were received from Councillor Brljevich.

Resolved

That the Audit Committee receives the apology from Councillor Brljevich.

Moved/seconded by: McLean/Bartley

1.2 Public forum

There were no public forum speakers.

1.3 Items not on the agenda

There were no additional items added to the agenda.

1.4 Conflict of interest

No conflicts of interest were declared.

1.5 24 August 2015 - Audit Committee minutes for confirmation

Resolved

That the Audit Committee confirms the minutes of the meeting held 24 August 2015 as a correct record of proceedings.

Moved/seconded by: Fox/Bartley

2 Audits and reviews

2.1 October 2015 - External Audit work programme and action schedule

- The Capex programme had been considered by the Chief Executive, Deputy Chief Executive and Chief Financial Officer. They had established that October/November were the big months for capex which was slipping into December and then April/May which was a similar trend to previous years.
 - Chair Fox requested that moving capex project timelines needed to flow through to the Community Boards and asked that this be added to the action schedule.
- It was raised that there was a National Policy Statement which did not allow reclamation without Ministry approval. Council would be able to do piles or for a wharf without triggering this requirement however Council could not do anything which was not for the purpose of marine access.
 - The Committee asked that the National Policy Statement on reclamation be brought to Council.
- The Committee asked that a corporate business plan hold key performance indicators for the capex programme; and be developed prior to the draft annual plan which would address the resourcing required.
- The Committee asked that Council's legal compliance be followed up with legal counsel to establish progress and a regular request to the Committee.
- Council's Legal Counsel had done a desktop audit of the earthquake prone buildings and no issues had been raised out of that.
 - Chair Fox requested staff investigate getting a list of accredited engineers who were able to do an assessment of Council buildings by December 2015.
 - The Committee also raised the risk with the Wintec building, given there was no action date for its assessment. An action date was requested so that it did not just keep rolling on.

Resolved

That the Audit Committee:

1. Receives the report 'October 2015 - External Audit Work Programme and Action Schedule' dated 4 October 2015.
2. Notes the progress made to date; and
3. Confirms that the items indicated as complete be removed from the action schedule.
4. Requests the Chief Executive consider the merits of developing a corporate business plan to assist in reducing the risks of non-delivery of projects and that the Chief Executive report back at the next Audit Committee meeting.

Moved/seconded by: Jones/Fox

3 Audit Committee work programme

3.1 October 2015 - Audit Committee action schedule

Staff had been considering the Lifemark assessment and had established that it was not just about the elderly or disabled but about being a liveable house. In the Proposed District Plan a minor dwelling was less than 50m² if it was 50-60m² they had to meet the Lifemark assessment.

Staff had identified only 10-30 affected and therefore were looking to do further work on this particular remission.

Resolved

That the Audit Committee 'October 2015 - Audit Committee Action Schedule' dated 4 October 2015.

Moved/seconded by: McLean/Fox

4 Reports

4.1 Update on recent IS Audits and Rocket report recommendations

Resolved

That the Audit Committee receives the report 'Update on recent IS Audits and Rocket Report recommendations' dated 5 October 2015.

Moved/seconded by: Fox/Jones

4.2 Year ending June 2015 - Rates remission and postponement report

Resolved

That the Audit Committee receives the 'Rates Remission and Postponement Report for the Year ending June 2015' dated 4 October 2015.

Moved/seconded by: Fox/Bartley

4.3 Request to Audit Committee to endorse the audited 2014-2015 Annual Report

Staff advised of some minor changes made to the Annual Report since it was distributed to the Committee:

- Page 133 – funding impact statement for Council to include a line for other dedicated capital funding and remove internal charges and overheads applied which has a zero effect.
- Page 162 – property, plant and equipment note the revaluation surplus column had taken 37,391,000 thousand as assets reclassified
- Page 202 –the council control organisations page was completed.

Philip Jones requested that staff consider repositioning the whole Council Funding Impact statement in future Annual Reports.

Resolved

That the Audit Committee:

1. Receives the 'Request to Audit Committee to Endorse the Audited 2014-2015 Annual Report ' dated 1 October 2015.
2. Endorses the audited 2014-2015 Annual Report with the following minor amendments tabled to the Committee:
 - Page 133 – funding impact statement for Council to include a line for other dedicated capital funding and remove internal charges and overheads applied which has a zero effect.
 - Page 162 – property, plant and equipment note the revaluation surplus column has taken 37,391,000 thousand as assets reclassified
 - Page 202 –The completed council control organisations page.

Moved/seconded by: Fox/Bartley

4.4 Comparison of Council's Statement of Comprehensive Income 2009- 2015

The Audit Committee was provided with a comparison of Council's Statement of Comprehensive Income for the period 2009 - 2015.

- The Committee requested that the report should show three years only with comparison to budget and also include capital expenditure by renewal increased level of service and additional capacity components.

Resolved

That the Audit Committee:

1. Receives the 'Comparison of Council's Statement of Comprehensive Income 2009 - 2015 - Briefing' report dated, 4 October 2015.
2. Requests that the next Statement of Comprehensive Income include capital expenditure over the same period broken down into the three components over a three year period.

Moved/seconded by: Jones/Fox

4.5 Members' reports

Chair Fox noted his reflections on the organisations current structure.

Resolved

That the Audit Committee receives the Members' Report from Chair Fox.

Moved/seconded by: Bartley/McLean

5 Public excluded

Resolved

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

Item	Business
5.1	Public excluded minutes
5.2	Council risk register
5.3	Public excluded Audit Committee action schedule
5.4	Internal Audit Deloitte payroll review recommendations action schedule
5.5	TaxTeam review recommendations action schedule
5.6	Council debtors write off report (excluding Rates and Water)
5.7	Council debtors aged trial balance
5.8	Funding and Interest Rate Strategy
5.9	Application for remission for increased wastewater charges for eight large scale B&B operators

<i>General subject of each matter to be considered</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under section 48(1) for the passing of the resolution</i>
17 August 2015 - Public Excluded Audit Committee minutes for confirmation	<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)(g) – Maintain legal professional privilege.</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) – 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>
Council Risk Register - Update October 2015	(7)(2)(g) – Maintain legal	(48)(1)(a) – That the public conduct of the whole or the

	<p>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>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>Public Excluded - Updated after 25 May 2015 - Audit Committee 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>(48)(1) – Subject to subsection (3) of this section, a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on one or more of the following grounds:</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>Internal Audit - Deloitte Payroll Audit Review</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>(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>(7)(2)(h) – Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.</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>Council Debtors write off Report (Excluding Rates and Water) for the year ending 30 June 2015 - Briefing</p>	<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>(48)(1)(a) – That the public conduct of the whole or the relevant part of the proceedings would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
<p>Council's Debtors Aged Trial Balance as at 30 June 2012 - Briefing</p>		
<p>Briefing on the October 2015 Funding and Interest Rate Strategy</p>		
<p>Application for Remission for increased wastewater charges for eight large scale B&B operators.</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,</p>	

	or information from the same source, and it is in the public interest that such information should continue to be supplied.	
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Moved/seconded by: Fox McLean

Resolved

That the public be re-admitted to the meeting and resolutions taken with the public excluded be confirmed in the public session except for the following items which were to remain in the Public Excluded Minute Book.

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5.1	Public excluded minutes
5.2	Council risk register
5.3	Public excluded Audit Committee action schedule
5.4	Internal Audit Deloitte payroll review recommendations action schedule
5.5	TaxTeam review recommendations action schedule
5.6	Council debtors write off report (excluding Rates and Water)
5.7	Council debtors Aged Trial Balance
5.8	Funding and Interest Rate Strategy
5.9	Application for remission for increased wastewater charges for eight large scale B&B operators

Moved/seconded by: Fox/McLean

Meeting closed at 14.10

The foregoing minutes were certified as being a true and correct record of the meeting of the Audit Committee held on 19 October 2015.

Chairperson _____ **Date** _____