



# Minutes

of the

## Audit Committee

# Ordinary Meeting

Date	18 July 2016
Venue	Council Chamber 515 Mackay Street Thames

**Present**

LA Fox (Chairperson)

MK McLean JP  
HD Bartley  
PA Brljevich  
P Jones

**In attendance**

Steve Baker, Donna Holland, Michelle Baker

**Meeting commenced** 9:02am

**Adjournment**  
Chairperson Fox

**Start**  
10:41

**Finish**  
11:00

**Reason**  
Morning Tea

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# 1 Meeting conduct

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## 1.1 Apologies

All members were present.

## 1.2 Public forum

No speakers were received in public forum.

## 1.3 Items not on the agenda

No additional items were added to the agenda.

## 1.4 Conflict of interest

No conflicts of interest were received.

## 1.5 30 May 2016 - Audit Committee minutes for confirmation

46/16  
AC

### Resolved

That the Audit Committee confirms the minutes of the meeting held on 30 May 2016 as a correct record of proceedings.

Moved/seconded by: Fox/McLean

## 2 Audits and Reviews

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### 2.1 Request for review of excess water being declined - 200 Jellicoe Crescent SH25 Thames

47/16 Resolved

AC That the Audit Committee:

1. Receives the 'Request for review of excess water being declined - 200 Jellicoe Crescent SH25 Thames' report, dated 30 June 2016.
2. Declines the application for an excess water remission for 200 Jellicoe Crescent for the period 30 March 2015 to 2 November 2015.

Moved/seconded by: McLean/Fox

### 2.2 Request for review of excess water remission - 65 Wharf Road Coromandel

48/16 Resolved

AC That the Audit Committee:

1. Receives the 'Request for review of excess water remission - 65 Wharf Road Coromandel' report, dated 30 June 2016.
2. Grants a 50% excess water remission for the amount of \$679.45 for the period 21 April 2015 to 24 November 2015 for 65 Wharf Road Coromandel.

Moved/Seconded By: Brljevich/McLean

### 2.3 Application to review decision for excess water not granted 305 Lillis Lane Coromandel

49/16 Resolved

AC That the Audit Committee:

1. Receives the 'Application to review decision for excess water not granted 305 Lillis Lane Coromandel' report, dated 8 June 2016.
2. Grants a 100% excess water remission for the amount of \$334.01 for the period 28 April 2015 to 28 November 2015 and a 50% excess water remission for the amount of \$85.09 for the period 8 December 2014 to 28 April 2015 for 305 Lillis Lane Coromandel.

Moved/seconded by: Fox/Bartley

## 2.4 July 2016 - Internal audit update

Staff requested additional areas for review be deferred to allow improvements to be initiated for those already completed (procurement, key finance processes, contract management, performance monitoring and reporting).

Concern was raised by the Committee that under the proposal the two or the three scheduled internal audits would be deferred twelve months due to a lack of human resource or budget constraints.

Staff advised the Committee that a number of the potential areas that had been identified for consideration (page 43 of the agenda) had previously undergone internal audit. Also, that this list of possible candidates would alter over time as risks and priorities of the organisation changed. An example of this in action was the request to promote the 'fit for purpose' review of the Council's financial system.

The Committee requested the Chief Executive and his senior management team provide assurance on how they were seeking to address some of these issues.

50/16 **Resolved**

AC That the Audit Committee:

1. Receives the 'July 2016 - Internal Audit Update' report dated 29 June 2016.
2. Approves the 'fit for purpose' review of Council's financial system in 2016/17 by KPMG.
3. Approves the redirection of the balance of the 2016/17 internal audit budget to the delivery of strategies and policies in the areas of Risk Procurement and Contract Management.
4. Requests that the Chief Executive provide a report to the 5 September 2016 Audit Committee meeting providing assurance to the Committee that the issues identified in the KPMG Internal audit reports, Long Term Plan debrief report, the Audit New Zealand management reports and any other high risks are being addressed.

Moved/seconded by: Fox/Brljevich

## 3 Reports

### 3.1 July 2016 - Audit Committee self-evaluation

The Committee noted a number of amendments to be made to the self-evaluation for review at the 5 September 2016 meeting. The Committee requested that a review be completed at the 5 September 2016 meeting of the internal auditors' work from the past year.

51/16 **Resolved**

AC That the Audit Committee:

1. Receives the 'Audit Committee self-evaluation' report dated 8 July 2016.
2. Requests that the Chief Executive and senior managers meet informally with the Committee to enhance the Committee's knowledge of corporate risk.
3. Requests that the updated self-evaluation be brought back to the Committee for review at the 5 September 2016 Audit Committee meeting.

Moved/seconded by: Fox/McLean

## **3.2 Members' reports**

Philip Jones noted for the Committee that the 2014-15 audit summary and reflections from all local government audits and a report on governance and accountability were available on the Office of the Auditor General's website. The Committee Advisor would distribute to the Committee for their awareness.

The Committee requested that the variance on capital expenditure budgets for the 2015/16 financial year, as part of the Annual Report, be brought to the 5 September 2016 meeting.

52/16  
AC

### **Resolved**

That the Audit Committee receives the members' report from Philip Jones.

**Moved/seconded by:** Fox/McLean

## 4 Public excluded

52/16  
 AC

### Resolved

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

<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>Ground(s) under Section 48(1) for the passing of the resolution</b>
4.1	Public excluded - 30 May 2016 - 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)(b)(ii) – Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>(7)(2)(h) – Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.</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)(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 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>

Moved/seconded by: McLean/Jones

52/16  
AC

**Resolved**

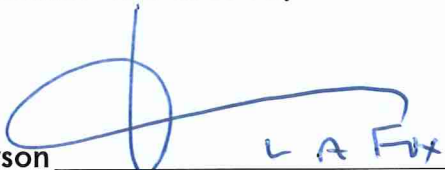
That the public be re-admitted to the meeting and resolutions taken with the public excluded be confirmed in the public session except for the following items which are to remain in the public excluded minute book.

Item	Description
4.1	Public excluded - 30 May 2016 - Audit Committee minutes for confirmation

**Moved/seconded by:** McLean/Fox

**Meeting closed at 12:33pm**

The foregoing minutes were certified as being a true and correct record of the meeting of the Audit Committee held on 18 July 2016.

Chairperson  L A Fox Date 5 September 2016