



AUDIT AND RISK COMMITTEE

Open Minutes

Meeting Date: Friday 13 September 2019

Time: 9.00am – 9.24am

Venue Ikatere Boardroom
Level 2, Capeview Building
265 Marine Parade
Napier

Present John Palaret (In the Chair), Acting Mayor Faye White,
Councillor Claire Hague and Councillor Kirsten Wise

In Attendance Chief Executive, Director Corporate Services, Chief Financial
Officer, Director Infrastructure Services, Director City Services,
Director Community Services [from 9.08am], Manager
Communications and Marketing

Administration Governance Team

Apologies

Acting Mayor White / Councillor Hague

That the apologies from Mayor Dalton and David Pearson be accepted.

Carried

Conflicts of interest

Nil

Public forum

Nil

Announcements by the Acting Mayor

The Acting Mayor gave a brief update to the Committee on current work underway.

Announcements by the Chairperson

Nil

Announcements by the management

The Chief Executive advised that Napier City Council has recently received accreditation as a White Ribbon organisation, recognising Council's policies and kaupapa in relation to relationship violence. Three people have also received specific accreditation as leaders in this space – the Chief Executive, the Manager Community Strategies and the Building Maintenance Lead.

Confirmation of minutes

Councillors Wise / Hague

That the Minutes of the meeting held on 20 June 2019 were taken as a true and accurate record of the meeting.

Carried

AGENDA ITEMS

1. HEALTH AND SAFETY REPORT

Type of Report: Operational

Legal Reference: Health and Safety at Work Act 2015

Document ID: 823535

Reporting Officer/s & Unit: Sue Matkin, Manager People & Capability

1.1 Purpose of Report

The purpose of this report is to provide Audit and Risk with an overview of the health and safety performance as at 31 July 2019.

At the Meeting

There was no discussion on this item.

Committee's recommendation

Councillors Hague / Wise

The Audit and Risk Committee:

- a. Receive the Health and Safety report as at 31 July 2019.

Carried

2. RISK MANAGEMENT REPORT AUGUST 2019

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	829299
<i>Reporting Officer/s & Unit:</i>	Ross Franklin, Consultant

2.1 Purpose of Report

To provide the Audit and Risk Committee with an update on progress with risk management work and to report on the highest paid risks.

At the Meeting

It was noted that a risk management focussed role is currently being advertised. This role will have responsibility for risk management and will also contribute to work underway for business continuity planning.

As the reporting function of the project module in Sycle is implemented information will be provided both to project managers and also this Committee for an independent and politically focussed perspective.

In response to questions from the committee it was noted that there has been no softening in the construction market nationally.

The Bluff Hill fencing project is now being aligned with road widening on Lighthouse Road so as not to create longer impacts on residents than absolutely necessary.

Committee's recommendation

Councillors Hague / Wise

The Audit and Risk Committee:

- a. Note the Risk Management Work being undertaken by Napier City Council Staff and Management
- b. Note the current Major risks
- c. Receive the Risk Report Dated 26 August 2019

Carried

3. EXTERNAL AUDIT: AUDIT NZ INTERIM MANAGEMENT REPORT

Type of Report: Legal

Legal Reference: Local Government Act 2002

Document ID: 823537

Reporting Officer/s & Unit: Caroline Thomson, Chief Financial Officer

3.1 Purpose of Report

To consider the Audit NZ Interim Management Report for the year ending 30 June 2019.

At the Meeting

The Auditors are currently completing the year end audit; they have made positive comment about the transparent ethical environment. Small matters identified are already being actioned. A compulsory and comprehensive induction programme which takes into account feedback from current elected members is being prepared for the incoming council; this will include information on interests including a new application to facilitate declarations.

Some discussion took place on the management of higher leave levels, noting that while pay out of some leave was an option it was preferred for wellbeing reasons that the leave was actually taken. The overall levels of outstanding leave have reduced over the last couple of years through working with staff in this way.

Committee's recommendation

Councillors Hague / Wise

The Audit and Risk Committee:

- a. Receive the Audit NZ Interim Management Report for the year ending 30 June 2019.

Carried

4. LEGISLATIVE COMPLIANCE: ANNUAL TAX UPDATE TO 30 JUNE 2019

Type of Report: Operational

Legal Reference: Local Government Act 2002

Document ID: 823538

Reporting Officer/s & Unit: Caroline Thomson, Chief Financial Officer

4.1 Purpose of Report

To provide the Audit and Risk Committee with the annual tax update on progress made during the period up to 30 June 2019.

At the Meeting

The Chief Executive noted that a proposal for FBT to be scaled based on organisation size has been raised to our local MP.

It was noted that the tax position for elected members is not well understood, even by personal accountants, such as GST implications, what can be claimed for etc. and it would be useful to have this information provided to incoming councillors as part of the induction programme.

Committee's recommendation

Acting Mayor White / Councillor Hague

The Audit and Risk Committee:

- a. Receive the report from PwC titled 'Napier City Council Annual Tax Update year to 30 June 2019'.

Carried

5. EXTERNAL ACCOUNTABILITY: INVESTMENT AND DEBT REPORT

Type of Report: Operational

Legal Reference: N/A

Document ID: 827499

Reporting Officer/s & Unit: Caroline Thomson, Chief Financial Officer

5.1 Purpose of Report

To consider the snapshot report on Napier City Council's Investment and Debt as at 31 July 2019.

At the Meeting

A brief discussion took place in relation to any impacts of changing interest rates on investments.

Committee's recommendation

Councillor Hague / Acting Mayor White

The Audit and Risk Committee:

- a. Receive the snapshot report on Napier City Council's Investment and Debt as at 31 July 2019.

Carried

PUBLIC EXCLUDED ITEMS

Councillor Hague / Acting Mayor White

That the public, excepting Stephen Lucy of Audit NZ be excluded from the following parts of the proceedings of this meeting, namely:

1. External Accountability: Draft Annual Report 2018/19
2. Legislative Compliance: Legal Update as at 30 June 2019
3. Review of Audit and Risk Committee
4. Cloud Vendor Security Review by DIA
5. IT Firewall Penetration Test
6. Relocation of Offsite Archives

Carried

The general subject of each matter to be considered while the public was excluded, the reasons 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 were as follows:

General subject of each matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground(s) under section 48(1) to the passing of this resolution.
1. External Accountability: Draft Annual Report 2018/19	7(2)(g) Maintain legal professional privilege 7(2)(i) Enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	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: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.

<p>2. Legislative Compliance: Legal Update as at 30 June 2019</p>	<p>7(2)(g) Maintain legal professional privilege</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: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.</p>
<p>3. Review of Audit and Risk Committee</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: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.</p>
<p>4. Cloud Vendor Security Review by DIA</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>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: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.</p>

<p>5. IT Firewall Penetration Test</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>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: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.</p>
<p>6. Relocation of Offsite Archives</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>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: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.</p>

The meeting moved into committee at 9.24am

Approved and adopted as a true and accurate record of the meeting.

Chairperson

Date of approval