



MINUTES OF AN ŌPŌTIKI DISTRICT COUNCIL AUDIT AND RISK COMMITTEE MEETING HELD ON MONDAY, 27 NOVEMBER 2017 IN THE OPOTIKI DISTRICT COUNCIL CHAMBERS, 108 ST JOHN STREET, ŌPŌTIKI AT 9.30AM

PRESENT:

Councillor Arihia Tuoro (Chairperson)
Councillor Ken Young
David Love
Mayor John Forbes

Deputy Mayor Lyn Riesterer

IN ATTENDANCE:

Aileen Lawrie (Chief Executive Officer)
Bevan Gray (Finance and Corporate Services Group Manager)
Gerard McCormack (Planning and Regulatory Manager)
Gae Newell (Personal Assistant to CEO and Mayor)

APOLOGIES

Nil

DECLARATION OF ANY INTERESTS IN RELATION TO OPEN MEETING AGENDA ITEMS

David Love noted that he is a Bay of Plenty Regional Councillor and is also a member of the Regional Council's Audit and Risk Committee.

PUBLIC FORUM

Nil.

1. CONFIRMATION OF MINUTES – AUDIT AND RISK COMMITTEE MEETING **p5**
26 OCTOBER 2017

RESOLVED

- (1) That the minutes of the Audit and Risk Committee meeting held on 26 October 2017 be confirmed as a true and correct record.**

Young/Love

Carried

Item 3 was considered before Item 2.

2. ACTION SCHEDULE **p9**

RESOLVED

- (1) That the Action Schedule be received.**

HWTM/Love

Carried

3. DRAFT MANAGEMENT REPORT TO 30 JUNE 2017 **p10**

David Love expressed concern with some of the contents of the draft Management Report. There are a number of outstanding issues and some of the responses are not going to satisfy Audit New Zealand. He noted that there is a large project on the horizon and suggested that Council consider engaging additional assistance to clear the backlog of outstanding issues prior to the commencement of the major new project.

The Chief Executive Officer advised that Council has made a very large step, despite staffing issues, but needs to take another large step up to shift the culture of the organisation appropriately. Resourcing, along with attracting people to come to Ōpōtiki, is difficult and costly.

It was noted that Health and Safety is an item which needs more awareness.

The Finance and Corporate Services Group Manager highlighted the progress on some items since the report was prepared.

In response to a query regarding there being no management comment for item 4.2 in the report, the Finance and Corporate Services Group Manager stated that was an omission and provided the comment verbally to the Committee, being:

A review process will be developed for Annual Plans, and a draft set will be sent to audit for comment ahead of adoption to avoid this situation in future. A legal review of rates setting documentation was done this year.

RESOLVED

- (1) **That the report titled "Draft Management Report to 30 June 2017" be received.**
- (2) **That the Committee approve the suggested commentary for reply to Audit NZ.**

Love/Young

Carried

4. QUARTERLY REPORT TO 30 SEPTEMBER 2017

p34

The Finance and Corporate Services Manager noted some minor amendments to the report.

David Love would like to see clearer reporting to show where things are at, i.e. budget v expenditure. It is important that we know where we are at with projects and expenditure. This is particularly important in relation to the Harbour Project, otherwise we will not be able to manage this large project ahead.

The Chief Executive Officer advised that things need to move quickly in relation to getting capability in the organisation. Council currently has a person seconded from MBIE with expertise in procurement, contract management and project management who the Chief Executive Officer is keen to get on the team.

The Committee acknowledged that there are staffing resourcing issues.

Deputy Mayor Riesterer stated that the Chief Executive Officer has been raising resourcing issues with Council for a year and not enough has been done to support her.

RESOLVED

- (1) **That the report titled "Quarterly Report to 30 September 2017" be received.**

Love/Young

Carried

His Worship the Mayor left the meeting at 10.30am and returned at 10.33am.

5. SENSITIVE EXPENDITURE POLICY UPDATE **p47**

RESOLVED

- (1) That the report titled "Sensitive Expenditure Policy Update" be received.**
- (2) That the Audit and Risk committee recommend Council adopt the revised Sensitive Expenditure Policy for use.**

Love/HWTM

Carried

The Chief Executive Officer left the meeting at 10.48am.

6. DRAFT ENFORCEMENT POLICY **P65**

HWTM stated that he would like to see something in the Policy around willingness to comply. He commended The Planning and Regulatory Manager for the good work he has done on the policy document and the report.

RESOLVED

- (1) That the report titled "Draft Enforcement Policy" be received.**
- (2) That the Draft Enforcement Policy be adopted.**

Tuoro/Love

Carried

7. EVOLUTION NETWORKS UPDATE **Verbal Item**

The Finance and Corporate Services Manager advised that the Annual General Meeting of Evolution Networks is coming up. He will be attending as a director and asked for shareholder representation from an elected member.

David Love signalled that he would be happy to attend the Annual General Meeting in his capacity as an independent member of the Audit and Risk Committee. The Committee agreed that it would be worthwhile for David Love to attend the meeting.

Councillor Young said that Evolution Networks did not have a profile locally and suggested something be included in Council's Panui.

With regard to the issue of shares for director's remuneration, the Finance and Corporate Services Manager advised that he has asked Cookson Forbes to look at how any remuneration or issue of shares would come to Council.

David Love thought that Council should maintain a 1/3rd investment and suggested a paper be brought to the Audit and Risk Committee or go to Council.

When a date has been set for the Evolution Networks Annual General Meeting, the Finance and Corporate Services Manager will bring a paper back to the Committee.

His Worship the Mayor moved that the Audit and Risk Committee recommend to Council that David Love be authorised to attend the Annual General Meeting of Evolution Networks as Council's proxy. The motion was seconded by Councillor Young.

RESOLVED

- (1) That the Audit and Risk Committee recommends to Council that David Love be authorised to attend the Annual General Meeting of Evolution Networks as Council's proxy.**

HWTM/Young

Carried

8. RESOLUTION TO EXCLUDE THE PUBLIC

p79

SECTION 48 LOCAL GOVERNMENT OFFICIAL INFORMATION & MEETINGS ACT 1987

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

- 9. In-Committee Minutes – Audit and Risk Committee Meeting 14 August 2017.**

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:

Item No	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 this resolution
9.	In-Committee Minutes – Audit and Risk Committee Meeting 14 August 2017	That the public conduct of 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 exists.	Section 48(1)(a)

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section

6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

9.	Maintain effective conduct of public affairs Protect Information	Section 7(2)(f)(i) & (ii) Section 7(2)(b)(i), (d) and (e)
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Tuoro/HWTM

Carried

RESOLVED

- (1) That the in-committee minutes of the Audit and Risk Committee meeting held on 14 August 2017 be confirmed as a true and correct record.**

Love/Young

Carried

RESOLVED

- (1) That the resolutions made while the public was excluded be confirmed in open meeting.**
(2) That the public be readmitted to the meeting.

HWTM/Love

Carried

THERE BEING NO FURTHER BUSINESS THE MEETING CLOSED AT 11.15AM.

THE FOREGOING MINUTES ARE CERTIFIED AS BEING A TRUE AND CORRECT RECORD AT A SUBSEQUENT IN-COMMITTEE MEETING OF THE AUDIT AND RISK COMMITTEE ON 19 MARCH 2018.

**COUNCILLOR ARIHIA TUORO
CHAIRPERSON**