

PALMERSTON NORTH CITY COUNCIL

Minutes of the Audit and Risk Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 20 November 2017, commencing at 9.00am.

Members Present: Councillors Vaughan Dennison (in the Chair), Brent Barrett, Susan Baty, Adrian Broad, Gabrielle Bundy-Cooke, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Karen Naylor, Bruno Petrenas and Tangi Utikere.

Apologies: The Mayor (Grant Smith) and Councillors Rachel Bowen and Aleisha Rutherford.

Councillor Duncan McCann entered the meeting at 10.32am when the meeting resumed. He was not present for clause 27.

27-17 Apologies

Moved Vaughan Dennison, seconded Bruno Petrenas.

The COMMITTEE RESOLVED

1. That the Committee receive the apologies.

Clause 27-17 above was carried 12 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Karen Naylor, Bruno Petrenas and Tangi Utikere.

The meeting adjourned at 9.01am.

The meeting resumed at 10.32am.

Councillor Duncan McCann was present when the meeting resumed.

28-17 Confirmation of Minutes

Moved Bruno Petrenas, seconded Lorna Johnson.

The COMMITTEE RESOLVED

1. That the minutes of the Audit and Risk Committee meeting of 21 August 2017 Part I Public be confirmed as a true and correct record.

Clause 28-17 above was carried 12 votes to 0, with 1 abstention, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann and Karen Naylor and Bruno Petrenas.

Abstained:

Councillor Tangi Utikere.

29-17 Alter A Resolution Previously Passed

Memorandum, dated 27 October 2017 from the Senior Internal Auditor, Vivian Watene.

Moved Vaughan Dennison, seconded Brent Barrett.

The **COMMITTEE RESOLVED**

1. That the Committee approve the correction to the Resolution clause 23-17 of the August 2017 Audit and Risk Committee meeting to read 'That Risk 15 residual risk remain as critical (i.e. Likelihood: Almost Certain; Impact: Moderate), and
2. That "excluding those programmes which are subject to third party funding" to be deleted from the risk description.'

Clause 29-17 above was carried 12 votes to 0, with 1 abstention, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann and Karen Naylor and Bruno Petrenas.

Abstained:

Councillor Tangi Utikere.

30-17 LED Street Lighting Compliance Review

Report, dated 2 November 2017 from the Road Planning Team Leader, David Lane.

In discussion it was suggested that a business case for the upgrading of the street light networks needed to be developed sooner rather than waiting on the Long Term Plan.

Moved Vaughan Dennison, seconded Bruno Petrenas.

The **COMMITTEE RECOMMENDS**

1. That Council confirm continued delivery of programme 1086 allowing upgrading of LED luminaires in both compliant and non-compliant parts of the network; thereby rescinding Resolution 6.3(b) adopted on 25 May 2017.
2. That Council notes that a proposed programme 1367 will be included for consideration in the Draft 2018-28 Ten Year Plan to allow for upgrading of street lights to meet the relevant standard.

Clauses 30.1 and 30.2 above were carried 13 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

Moved Lorna Johnson, seconded Leonie Hapeta.

3. That the Chief Executive develop a business case for the upgrading of street light networks with the aim of delivering the programme within the next financial year 2018/19.

Clause 30.3 above was carried 7 votes to 6, the voting being as follows:

For:

Councillors Brent Barrett, Gabrielle Bundy-Cooke, Lew Findlay QSM, Leonie Hapeta, Lorna Johnson, Duncan McCann and Tangi Utikere.

Against:

Councillors Susan Baty, Adrian Broad, Vaughan Dennison, Jim Jefferies and Karen Naylor and Bruno Petrenas.

31-17

Health and Safety July - September 2017

Memorandum, dated 6 November 2017 from the Human Resources Manager, Wayne Wilson.

Moved Vaughan Dennison, seconded Bruno Petrenas.

The **COMMITTEE RESOLVED**

1. That the Audit and Risk Committee note the information contained within this report.

Clause 31-17 above was carried 11 votes to 1, with 1 abstention, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Karen Naylor, Bruno Petrenas and Tangi Utikere.

Against:

Councillor Leonie Hapeta.

Abstained:

Councillor Duncan McCann.

32-17

Management Agreed Audit Corrective Actions Progress Status - September 2017

Memorandum, dated 24 October 2017 from the Senior Internal Auditor, Vivian Watene.

Moved Vaughan Dennison, seconded Susan Baty.

The **COMMITTEE RESOLVED**

1. That the Committee receive the Memorandum titled "Management Agreed Audit Corrective Actions Progress Status – September 2017" and dated 24 October 2017, from the Senior Internal Auditor, Vivian Watene, for information.

Clause 32-17 above was carried 13 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

33-17

Two New Internal Audits - Earthquake Strengthening, and Accounts Receivable and Aged Debtors

Memorandum, dated 24 October 2017 from the Senior Internal Auditor, Vivian Watene.

Moved Vaughan Dennison, seconded Bruno Petrenas.

The **COMMITTEE RESOLVED**

1. That the Committee receive these two audit reports: Earthquake Strengthening, and Accounts Receivable and Aged Debtors audits, for information.
2. That the Committee note the audit issues identified and the related Management responses to the audit recommendations.

Clause 33-17 above was carried 13 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

34-17

Delegations Manual - Amendment to Powers of Chief Executive

Memorandum, dated 3 November 2017 from the Legal Counsel, John Annabell.

Moved Vaughan Dennison, seconded Bruno Petrenas.

The **COMMITTEE RECOMMENDS**

1. That the Council's Delegations Manual be amended by adding the following sub-clause (c) to clause 201 relating to delegations to the Chief Executive:

“(c) Does not involve the revocation or alteration of any decision previously made by the Council unless expressly permitted; and”.

Clause 34-17 above was carried 13 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

35-17

Auditor Engagement and FY 2017 Final Management Report

Memorandum, dated 1 November 2017 from the Financial Accountant, Keith

Allan.

In discussion it was suggested that a robust performance framework needed to be established and included in the Long Term Plan.

Moved Vaughan Dennison, seconded Susan Baty.

The **COMMITTEE RESOLVED**

1. That the Committee receive the 2017 Final Audit Management Report.

Moved Brent Barrett, seconded Leonie Hapeta.

2. That the Chief Executive be directed to work with Council in establishing a robust performance framework, for inclusion in the Long Term Plan.

Clause 35-17 above was carried 13 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

36-17 Committee Work Schedule

Moved Vaughan Dennison, seconded Leonie Hapeta.

The **COMMITTEE RESOLVED**

1. That the Audit and Risk Committee receive its Work Schedule dated November 2017.

Clause 36-17 above was carried 13 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

The meeting finished at 12.03pm

Confirmed 19 February 2018

Chairperson