

## **AUDIT COMMITTEE**

**MINUTES:** of a meeting of the Audit Committee which commenced at 11.30 a.m. in the Committee Room, Centreway Road, Orewa on Friday, 12 June 2009.

**PRESENT:** Stuart Bauld (Chairperson)  
Alan Curtis  
Cr John Kirikiri (Deputy Mayor)  
Roy Tiffin

**IN ATTENDANCE:** Director: Corporate Services (Kevin Ramsay)  
Committee Adviser (Elise Heyns)  
Committee Adviser (Elaine Stephenson)

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11.30 a.m. Chief Legal Officer (Rob Goldsbury), Manager: Business Services (Lynne Booth) and Group Manager: Financial Services (Warren Stevens) in attendance.

The Chairperson welcomed everyone present to the first meeting of the Audit Committee.

### **351/06/09 APOLOGIES**

**AGENDA ITEM NO.** 1

There were no apologies.

### **352/06/09 CHARTER FOR AUDIT COMMITTEE**

**FILE REF** CF/1/1

**AGENDA ITEM NO.** 2

**Bauld/ Tiffin**

**That the charter for the Audit Committee as adopted by the Council be received.**

**Carried**

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**353/06/09**                      **RISK MANAGEMENT POLICY AND FRAMEWORK**  
**FILE REF**                      CF/1/1  
**AGENDA ITEM NO.**        3

Manager: Business Services (Lynne Booth) summarised the agenda report and emphasised that the risk framework was a moving database that required ongoing reviewing and monitoring. During discussion, the following was noted:

- The Council should endeavour to establish a controlled risk awareness throughout all levels of the organisation.
- A communication plan should be prepared for those risks with a large public perception component.
- Regular updates of the top classes of risks (Classes 3 and 4) would be presented to the Audit Committee on a regular basis, with special reference to changes in the order that might have occurred, or new risks that might have been identified.
- The Council should look at the possibility of adding risk implications to the standard agenda template.

**Curtis/Bauld**

**That the report be received.**

**Carried**

**354/06/09**                      **LEGISLATIVE / LEGAL COMPLIANCE**  
**FILE REF**                      CF/1/1  
**AGENDA ITEM NO.**        4

Chief Legal Officer (Rob Goldsbury) described the events that lead to the formulation of the Council's seven-staged legal compliance programme and said the draft programme was integrated in the risk management framework. The formal adoption of the programme would occur by the end of June 2009 and it was envisaged that implementation of the programme would take place during 2009/10, depending on what might happen during the Auckland reorganisation.

It was agreed that the Audit Committee would be updated on a regular basis in regards to progress made in the implementation of the programme and milestones reached.

**Bauld/Tiffin**

**That the report be received.**

**Carried**

**355/06/09**                      **AUCKLAND TRANSITION AGENCY**  
**FILE REF**                      CF/1/1  
**AGENDA ITEM NO.**        5

Chief Legal Officer (Rob Goldsbury) gave a summary of the agenda report. Special reference was made to Section 31 that set out the specific and general decisions which might be subject to the Auckland Transition Agency's approval.

Director: Corporate Services (Kevin Ramsay) referred to the importance of the adoption of the LTCCP in light of the Auckland reorganisation and advised that the CE was required to sign a letter of certification that the Council's LTCCP complies with Section 31.

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It was decided that the Auckland Transition Agency should feature as a permanent agenda item on the Audit Committee agenda.

**Bauld/Curtis**

**That the report be received.**

**Carried**

12.40 a.m. Chief Legal Officer (Rob Goldsbury) retired from the meeting.

**356/06/09**                      **2009 – 2019 LONG TERM COUNCIL COMMUNITY PLAN**  
**FILE REF**                      CF/1/1  
**AGENDA ITEM NO.**        8

Group Manager: Financial Services (Warren Stevens) distributed hard copies of four PowerPoint slides (copy on File: CF/1/1), and discussed implications reflected in the LTCCP of the key project Penlink, of the rating impact and the sale of unneeded properties.

It was decided that the Committee would receive regular updates in regards to the implications of key projects reflected in the LTCCP.

The Audit Committee agreed with the suggestion made by Warren Stevens that a capital expenditure approval system including detailed cash flow is best practice.

**Bauld/Curtis**

**That the report be received for information.**

**Carried**

1.05 p.m.                      Manager: Business Services (Lynne Booth) and Group Manager: Financial Services (Warren Stevens) retired from the meeting.

1.05 – 1.35 p.m.              Luncheon adjournment

**357/06/09**                      **REPORT FROM AUDIT NEW ZEALAND ON FINDINGS OF INTERIM  
AUDIT FOR 2008/2009**  
**FILE REF**                      CF/1/1  
**AGENDA ITEM NO.**        7

1.35 p.m.                      Manager: Finance (Morna Macfarlane) in attendance.

Manager: Finance (Morna Macfarlane) reported that the Council had not yet received an interim audit report. The auditors had verbally confirmed that it had been drafted.

The Chairperson said the Audit Committee's expectation had been to have the report before the meeting and to have members of the auditors present.

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**358/06/09**                    **EXTERNAL AUDIT ARRANGEMENTS**  
**FILE REF**                    CF/1/1  
**AGENDA ITEM NO.**        6

Several issues in the Letter of Undertaking and Audit Arrangements Letter were discussed. Questions were also asked about the fees charged and the hours spent by the auditors. Director: Corporate Services (Kevin Ramsay) said the fees charged were comparable to those charged to other councils.

1.50 p.m.            Manager: Business Services (Lynne Booth) in attendance.

The new date for the review of the Annual Report by the Audit Committee was set for 20 October 2009 and an Extraordinary Council meeting to adopt the Report for 27 October 2009.

**Bauld/Curtis**

**That the Letter of Undertaking and Audit Arrangements Letter be recommended for signing, subject to the following comments made at the meeting:**

- **That the Audit Arrangement Letter be updated**
- **That the auditors be present for discussion of the letters at the next meeting of the Audit Committee on 19 August.**

**Carried**

**359/06/09**                    **FUTURE AGENDA ITEMS**  
**FILE REF**                    CF/1/1  
**AGENDA ITEM NO.**        9

It was decided that the following issues be placed on the next agenda for discussion:

- Risk Management Policy and Framework Update;
- Auckland Transition Agency.

Director: Corporate Services (Kevin Ramsay) advised that Rob Goldsbury had confirmed that the CE had delegation powers to request an investigation into the Whangaparaoa Community Hall.

Cr Kirikiri declared a conflict of interest and said he would not take part in any discussion on or investigation of the issue.

**Bauld/Curtis**

**That the Director: Corporate Services prepare a position paper and draft terms of reference to the external members of the Audit Committee in regards to an investigation of the Whangaparaoa Community Hall.**

**Carried**

The meeting closed at 2.20 p.m.

CONFIRMED AS A TRUE AND CORRECT RECORD THIS 2ND DAY OF JULY 2009

MAYOR

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