

REPORT of a MEETING of the AUDIT COMMITTEE, held in the Council Chambers,
Level 3, Civic Administration Building, 838-842 Fergusson Drive, Upper Hutt,
on TUESDAY 13 SEPTEMBER 2011 commencing at 4.32pm

PRESENT: CRS N M GILLIES (CHAIR), J C GWILLIAM, G T MCARTHUR AND P M MCCARDLE

APOLOGY: HIS WORSHIP THE MAYOR MR W N GUPPY

IN ATTENDANCE: CHIEF EXECUTIVE, DIRECTOR OF INFRASTRUCTURE SERVICES, DIRECTOR OF CORPORATE SERVICES, DIRECTOR OF ENVIRONMENTAL SERVICES, DIRECTOR OF COMMUNITY SERVICES, DIRECTOR OF BUSINESS DEVELOPMENT SERVICES AND DEMOCRATIC SERVICES ADVISOR

A. PUBLIC BUSINESS:

1. **PUBLIC FORUM**

Nil.

2. **GENERAL BUSINESS**

Nil.

3. **CONFLICT OF INTEREST DECLARATION**

Nil.

4. **JUNE 2011 ASSET MANAGEMENT PLANS** (310/01/012)

Report by the Director of Asset Management and Operations Services dated 25 August 2011 (agenda pages A4-1 to A4-6).

RESOLVED TO RECOMMEND

THAT the report be received.

5. **AUDIT COMMITTEE CHARTER** (306/02/001)

Report by the Director of Corporate Services dated 17 August 2011 (agenda pages A5-1 to A5-4).

RESOLVED TO RECOMMEND

THAT the Audit Committee Charter, Scope and Mandate document be recommended for approval to Council having been reviewed and no amendments proposed.

6. **CORPORATE RISK MANAGEMENT**
STATUS REPORT YEAR ENDED 30 JUNE 2011 (301/25/000)

Report by the Director of Corporate Services dated 1 September 2011 (agenda pages A6-1 to A6-19).

Councillor Gwilliam noted his concern that Council seemed to be exposed to costs due to having no insurance. The Director of Corporate Services will provide an update of this matter at the Policy Committee meeting to be held on Wednesday 14 September 2011.

RESOLVED TO RECOMMEND

THAT the report be received.

7. **COUNCIL LOAN REQUIREMENTS 2011/2012** (310/03/010)

Report by the Director of Corporate Services dated 19 August 2011 (agenda pages A7-1 to A7-3).

The Director of Corporate Services noted that there were some minor typos in the first paragraph of the report. It should read 30 June 2012 and refer to the 2011/12 Annual Plan.

Following discussion, the Committee agreed that in recommendation five of the officer's report the word 'officers' be changed to 'the Deputy Chief Executive'.

RESOLVED TO RECOMMEND

1. **THAT the Council borrows up to \$3,939,580 (the borrowed sum), being a maximum amount to be financed by the Council for the purposes stated in the Council's 2019 Long Term Council Community Plan and 2011/2012 Annual Plan for the financial year ended 30 June 2012, and maintains and utilises an overdraft facility (the overdraft), and may repay and redraw under that facility, for the Council's cashflow management up to a maximum outstanding at any time under such facility of \$600,000.**
2. **THAT the Chief Executive be hereby delegated authority to negotiate and agree the terms, interest rate payable by the Council, frequency of interest payments, timing of drawdowns, number of loans, facilities or issues of stock which make up the borrowed sum and the overdraft and all other terms and conditions of such loans or facilities or stock including whether such loans, facilities or stock will be secured under the Debenture Trust Deed, as may be necessary for the obtaining of such loans facilities or stock, and to execute any agreements, documents and certificates in respect of such loans, facilities or stock on behalf of the Council in accordance with the Council's Liability Management Policy.**
3. **THAT the Chief Executive be hereby delegate authority to approve all transactions contemplated by the documents required to facilitate the financing of the borrowed sum and the overdraft.**
4. **THAT the authorities delegated to the Chief Executive under recommendations 2 and 3 above are also delegated to the Chief Executive to enable the drawdown of any subsequent loans necessary to facilitate the continued financing of the borrowed sum and no additional resolution is necessary.**
5. **THAT the Chief Executive be authorised to sub-delegate powers, duties and discretions delegated to him under the resolutions above to the Deputy Chief Executive.**

8. 2011/2012 INSURANCE RENEWAL (310/08/003)

Report by the Director of Corporate Services dated 17 August 2011 (agenda pages A8-1 to A8-5).

The Director of Corporate Services noted that the cover for above ground infrastructure assets – material damage is limited to \$150,000,000 and not \$150,000 as stated in the report.

RESOLVED TO RECOMMEND

THAT the report be received.

9. DIRECTOR'S REPORT: CORPORATE SERVICES DEPARTMENT - SEPTEMBER 2011 (301/25/004)

Report by the Director of Corporate Services dated 6 September 2011 (agenda pages A9-1 to A9-4).

The Director of Corporate Services advised the Committee that the Annual Report will be adopted at an Extraordinary Council meeting to be held on Wednesday 26 October 2011.

RESOLVED TO RECOMMEND

THAT the report be received.

10. PUBLIC EXCLUSION

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

B.1 INTERIM AUDIT MANAGEMENT LETTER – 2010/2011 AUDIT

B.2 DEBTORS REPORT

B.3 DIRECTOR'S REPORT: CORPORATE SERVICES DEPARTMENT – SEPTEMBER 2011

THAT 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:

(A)	(B)	(C)
GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASONS FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER	GROUND UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
Interim Audit Management Letter – 2010/11 Audit	To protect information subject to an obligation of confidence.	Section 48(1)(a)(i)
Debtors Report	To protect the privacy of natural persons.	Section 48(1)(a)(i)

Director's Report:
Corporate Services
Department – September
2011

To protect members,
officers, employees, and
persons from improper
pressure or harassment.

Section 48(1)(a)(i)

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of the Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified in Column (B) above.

The Public Business Section of the meeting concluded at 5.11pm.

The Public Excluded Section of the meeting concluded at 5.31pm.

Cr N M Gillies
CHAIR