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**MINUTES**  
of the  
**AUDIT SUBCOMMITTEE MEETING**  
held  
**2.10 pm, Thursday, 18 April 2013**  
at  
**Tasman Council Chamber, 189 Queen Street, Richmond**

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**Present:** Councillors G A Glover (Chair), J L Inglis, T B King, C M Maling and P F Sangster.

**In Attendance:** Chief Executive Officer (L McKenzie)  
Corporate Services Manager (M J Drummond)  
Finance Manager (R Holden)  
Administration Officer (G Woodgate)

**1 OPENING, WELCOME**

**2 APOLOGIES AND LEAVE OF ABSENCE**

Moved Cr Maling/Cr Inglis  
FNAU13-04-1

That apologies for absence from Cr T E Norriss be accepted.  
**CARRIED**

**3 DECLARATIONS OF INTEREST**

Nil.

**4 CONFIRMATION OF MINUTES**

Moved Cr King/Cr Maling  
FNAU13-04-2

That the minutes of the Audit Subcommittee meeting held on Thursday, 7 March 2013, be confirmed as a true and correct record of the meeting.  
**CARRIED**

**5 REPORTS OF COMMITTEE**

Nil.

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## 6 PRESENTATIONS

Nil.

## 7 REPORTS

### 7.1 Report of Audit Engagement Letter, Report RFN13-04-17.

Corporate Services Manager, Mike Drummond, tabled and spoke to an Updated Report of Audit Engagement Letter.

The purpose of the report was to receive the Audit Engagement Letter for the audit of Council's Annual Reports for the year ended 30 June 2013.

The Corporate Services Manager highlighted the following matters contained within the Audit New Zealand Proposal to Conduct the Audit of Tasman District Council letter dated 10 April 2013:-

- There is a 5% increase in the audit budget due to the number of audit hours required and that the proposed total audit fee for 2013 was \$103,000
- The proposed Audit fee of the Mayoral Relief Fund Tasman/Nelson was \$2,535.

The Corporate Services Manager was requested by the Chair to take Subcommittee members through the Terms of Engagement.

2.30 pm: Cr Sangster departed.

Items of note included:-

- Pg 31 Last paragraph of Point 2  
Subcommittee members asked if Council was following the correct process with regards to the Jackett Island budget and were advised by the Chief Executive Officer that the process was now open and transparent and that cost reports are tabled within each Engineering Services Committee meeting agenda.
- Pg 33 Item 3.1.3 Funding Impact Statements (FIS)  
The Corporate Services Manager advised that Council's FIS report should be completed on time.
- Pg 36 Asset Management Plans (AMPs)  
The Corporate Services Manager advised that AMPs are to be reviewed.
- Pg 37 Emissions Trading Scheme  
The Corporate Services Manager advised that this is the first year Council has to buy New Zealand Units (NZUs) and that a NZU strategy is required. The Chair requested a report on the proposed NZU strategy.
- Pg 39 Statements of Intent (SOI) for Council Controlled Organisations (CCOs)  
The Corporate Services Manager advised that he was uncomfortable with Nelson Airport's decision not to revalue its assets which is out of line with other Council CCOs.
- Pg 39 Sensitive Expenditure  
The Corporate Services Manager advised that he is to draft a policy on sensitive expenditure.
- Pg 41 Funding Arrangements and Procurement and Contract Management  
The Chair advised that procurement was a big area of risk for Council that needed good, sound procedures to be followed. The Chief Executive Officer advised that the majority of procurement risk mainly fell within the Engineering Services department and that a single cross organisational procurement policy is to be drafted.

The Chair asked if an Interests Register or Gifts Register for staff existed and was advised by the Chief Executive Officer that this was being initiated.

2.56 pm: Chief Executive Officer departed.

The Chair advised that the biggest issues are accounting for depreciation and renewals and requested these be addressed in the Audit Report.

The Corporate Services Manager concluded by stating that the Interim Audit work would commence in June 2013 and that the final Audited Annual Report would be tabled for approval at Council's September meeting.

**Moved Cr Inglis/Cr Maling  
FNAU13-04-3**

**That the Audit Subcommittee:**

- 1) Receives the Report of Audit Engagement Letter Update Report RFN13-04-17; and**
- 2) Authorises the Mayor Kempthorne to sign the agreement for the audit.**

**CARRIED**

## **7.2 Action Sheet from 7 March 2013 Meeting, Report RFN13-04-16.**

Corporate Services Manager, Mike Drummond, spoke to the report which was included in the agenda.

The Chair requested Recommendation FNAU13-03-5 from the Audit Subcommittee meeting of 7 March 2013 regarding the risk management framework be placed on the Action Sheet List.

**Moved Cr King/Cr Inglis  
FNAU13-04-4**

**That the Audit Subcommittee receives the Action Sheet from the 7 March 2013 Meeting, Report RFN13-04-16.**

**CARRIED**

The meeting concluded at 3.09 pm.

Date Confirmed:

Chair: