

HAURAKI DISTRICT COUNCIL

AUDIT & RISK COMMITTEE

MINUTES OF A MEETING OF THE AUDIT & RISK COMMITTEE HELD IN THE HAURAKI ROOM, PAEROA OFFICE, WILLIAM STREET, PAEROA ON TUESDAY 18 AUGUST 2015 COMMENCING AT 9.00AM

PRESENT Mr P Bennett (In the Chair), His Worship the Mayor Mr J P Tregidga, Crs B A Gordon, G R Leonard, D A Adams and A A Tubman

IN ATTENDANCE Messrs L D Cavers (Chief Executive), D Peddie (Finance Manager), Ms Katina Conomos (Strategic Planner) and Ms C Black (Council Secretary)

APOLOGIES

RESOLVED

THAT the apology for lateness of Cr Tubman be received and sustained.

ARC15/42

Adams/Leonard

CARRIED

LATE ITEMS

There were no late items.

DECLARATIONS OF INTEREST

There were no declarations of interest.

CONFIRMATION OF MINUTES

AUDIT & RISK COMMITTEE MEETING HELD TUESDAY 16 JUNE 2015 (1375613)

RESOLVED

THAT the minutes of Tuesday 16 June 2015 be taken as read and are a true and correct record.

ARC15/43

Tregidga/Gordon

CARRIED

BUSINESS / DISCUSSION

TREASURY REPORT AS AT 31 JULY 2015 (1400461)

The Corporate Services Manager reported on and provided an update on the current position of the Loan and Interest Swap status.

Cr Tubman attended the meeting 9.15am.

It was requested that the Corporate Services Manager forward a report to the next meeting on internal debt.

The Corporate Services Manager also offered to meet with committee members on an individual basis for further explanation.

The Chief Executive suggested that a representative from PWC be invited to run a workshop for the Audit & Risk Committee on Swaps. The Committee suggested that alternatively as a cost saving measure, they seek an explanation by way of a circulated document from PWC or the Corporate Services Manager to provide information on the subject which is easily understood. The Committee also suggested that a workshop on the topic of depreciation is needed.

RESOLVED

THAT the report be received.

ARC15/44

Leonard/Bennett

CARRIED

AUDIT NZ MANAGEMENT REPORT – PROGRESS UPDATE (1397617, 1319214)

The Strategic Planner and Corporate Services Manager provided a report updating on the progress of items raised by Audit New Zealand in their Audit report, year ended 30 June 2014.

The Corporate Services Manager explained the list provided from Audit NZ Management letters for year ended 30 June 2014.

RESOLVED

THAT the report be received.

ARC15/45

Bennett/Tregidga

CARRIED

CYBER SECURITY (1400533, 1400542)

The Strategic Planner provided information about Cyber Security, received from Audit NZ, for the Committee's information.

The Corporate Services Manager advised that Audit NZ undertake cyber security testing annually which was conducted this week.

The Committee discussed that Council management need to identify potential cyber security issues and/or risks and add them to the risk register when developed to be reported back to the Committee.

RESOLVED

THAT the report be received.

ARC15/46

Bennett/Tubman

CARRIED

RISK MANAGEMENT PROJECT (1397625, 1319214, 1382946)

The Strategic Planner provided the Committee with an update on the Risk Management project and sought support 'in principle' for the draft risk matrix.

RESOLVED

THAT the report be received, and

THAT the Audit and Risk Committee endorse 'in principle' the work undertaken thus far on the Risk Matrix as presented.

ARC15/47

Tubman/Tregidga

CARRIED

INTERNAL AUDIT UPDATE (1397622)

The Strategic Planner and Corporate Services Manager reported on and provided an update regarding the request for proposal for an Internal Audit provider.

Proposals were requested from five different companies.

Paul Bennett, in his capacity as CEO of Braemar Hospital, declared existing relationships with a number of companies who have submitted proposals to HDC, as follows: Braemar Hospital have relationships with Deloitte and BDO, and Graham Naylor is the Chairman of Braemar Hospital Ltd.

The Committee noted these relationships but didn't regard these as a conflict of interest.

Council staff advised that the proposals have been reviewed and further clarification regarding price attributes is being sought. The decision to appoint an internal auditor will need to be reported to Council and the Committee expressed a desire to be involved in this decision.

The Committee discussed the process from here and agreed that staff will prepare a report to the Chair with recommendations from the "Request for Proposal" process. The Chair will then decide whether a special meeting of the Audit and Risk Committee is required to consider the matter further.

RESOLVED

THAT the report be received.

ARC15/48

Adams/Leonard

CARRIED

The meeting adjourned at 10.43am
The meeting reconvened at 11.00am

ANALYSIS OF COMMITTEE'S SELF ASSESSMENT SURVEY RESULTS (1399038, 1399059)

The Strategic Planner reported on and presented the compiled results of the Audit & Risk's self assessment survey and provided an opportunity for discussion around the results.

The members were taken through each page of the survey.

Independence

- The Committee discussed that it would be good practice to have 'Committee only time' with Audit NZ without Council staff in attendance. It was considered that this would be appropriate to happen once per year, or as required.
- The Committee discussed that it would also be good practice to have 'Committee only time without staff'. Again, this was considered appropriate on an as-needs basis.
- The Committee discussed that these items could be standing items or questions on the agenda that are used if required.

Open and effective relationships

- Councillor Adams noted that Paul Bennett's contact details have not been made available to the Committee. It was agreed that the Council Secretary circulate Paul Bennett's contact details to the Committee.
- It was also requested that the Chair update the Committee on any pertinent activity or correspondence that the Chair has been involved in with staff or Audit NZ, in between Committee meetings.

Meeting organisation

- The members raised no significant issues in this area.

Training Needs

- The Committee members stated that they would like more training as regards to financial literacy.

Frequency of reports on self assessment results

It was agreed that the Committee's self assessment survey be undertaken every 12 months and that this be added to the forward work programme.

RESOLVED

THAT the report be received, and

THAT the Committee agree to include standing questions at the start of their meeting agendas from here forward regarding Committee only time, and Committee only time with Audit NZ being required.

ARC15/49

Leonard/Gordon

CARRIED

AUDIT & RISK COMMITTEE WORK PROGRAMME (INCLUDES TERMS OF REFERENCE - TOR) (1397615, 1252510)

The Strategic Planner reported on the Audit & Risk Committee's work programme and Terms of Reference document as requested by the members at the 16 June meeting. No amendments were made to the work programme and the current TOR.

The Committee discussed whether the Deputy Chair should be the Mayor rather than the Deputy Mayor, but decided that it should remain as is, on the basis that it is recommended good practice not to have the Mayor as the Chair of the Audit and Risk Committee.

RESOLVED

THAT the report be received.

ARC15/50

Gordon/Adams

CARRIED

MATTERS TO BE TAKEN WITH THE PUBLIC EXCLUDED

RESOLVED

THAT the public be excluded from the following parts of the proceedings of this meeting.

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
1	Progress Report Regarding Rating Sales	Section 7(2)(a) – Protect the privacy of natural persons, including that of deceased natural persons.	Section 48(1)(a) 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 would exist.

ARC15/51

Gordon/Leonard

CARRIED

RESOLVED

THAT the public be re-admitted to the meeting and that the business in committee discussed be confirmed.

ARC15/53

Tubman/Gordon

CARRIED

The meeting closed at midday.

CONFIRMED

P Bennett
Chairperson

20 October 2015