

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 WEDNESDAY 9 DECEMBER 2015 COMMENCING AT 2.00PM

PRESENT

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

IN ATTENDANCE

Cr P A Milner, Messrs L D Cavers (Chief Executive), D Peddie (Corporate Services Manager), Ms Katina Conomos (Strategic Planner), Ms K Hurd (Policy Analyst) and Ms C Black (Council Secretary)

APOLOGIES

There were no apologies.

The Chairperson advised that the Audit NZ representatives, Naude Kotze and Leon Pieterse would not be attending the meeting.

LATE ITEMS

There were no late items.

DECLARATIONS

There were no declarations.

CONFIRMATION OF MINUTES

AUDIT & RISK COMMITTEE MEETING HELD ON WEDNESDAY 20 OCTOBER 2015 (1447617)

RESOLVED

THAT the minutes of the meeting held on Wednesday 20 October 2015 be taken as read and confirmed.

ARC15/71

Tregidga/Tubman

CARRIED

MATTERS ARISING FROM THE MINUTES

There were no matters arising from the minutes.

BUSINESS / DISCUSSION

TREASURY REPORT AS AT 30 NOVEMBER 2015 (1459863)

The Corporate Services Manager provided an update on the current position of the loan/debt status, against the parameters outlined in the Council's Financial Strategy and Liability Management Policy.

RESOLVED

THAT the report be received.

ARC15/72

Tubman/Tregidga

CARRIED

The Corporate Services Manager advised that the Local Government Funding Agency are now offering a short-term borrowing facility, which the Council will take advantage of.

The Committee requested that in future Treasury reports, the report show debt projections.

The Committee requested that future Treasury reports also provide a current balance for the community organisation loans (i.e. Goldfields Railway and Paeroa Promotions Trust).

The Committee requested that the Loan Guarantee to the Paeroa Centennial Park Board be cancelled as the loan was paid some time ago.

AUDIT AND RISK COMMITTEE – 2016 WORK PROGRAMME (1449782, 1252510)

The Strategic Planner presented the Audit & Risk Committee Work Programme for 2016. Also attached were the Terms of Reference as adopted in November 2014 for the members to consider.

RESOLVED

THAT the report be received.

ARC15/73

Tubman/Leonard

CARRIED

The members were invited to comment on the proposed frequency of Committee meetings for 2016 and the proposed draft 2016 Work Programme.

RESOLVED

THAT the Committee recommend to Council that for 2016, the Audit and Risk Committee meet five times throughout the year, in February, April, June, August, and December, and as required, and

THAT the Committee approves the draft 2016 Audit and Risk Committee Work Programme as presented.

ARC15/74

Tubman/Adams

CARRIED

DRAFT DELEGATIONS MANUAL 2015 (1456990, 1410403)

The Policy Analyst reported on and presented recommendations to amend the current Delegations Manual. A copy of the Delegations Manual showing amendments in tracked changes was available. The Delegations Manual will be submitted to Council on 16 December 2016 for its adoption.

RESOLVED

THAT the report be received.

ARC15/75

Tubman/Adams

CARRIED

The CEO went through additions to staff delegations, in particular:

- New delegations relating to Council property sales
- New delegations for a corporate credit card
- New delegations relating to Civil Defence Emergency Management groups.

RESOLVED

THAT the Audit and Risk Committee consider the changes to the Draft Delegations Manual and provide feedback for the Council's consideration at its meeting of 16th of December 2015.

ARC15/76

Leonard/Gordon

CARRIED

HEALTH & SAFETY REFORM BILL (1461730)

The Chief Executive presented the report from the Health & Safety & Quality Assurance Co-ordinator and HR Advisor on the Health & Safety Act Reform Bill.

RESOLVED

THAT the report be received.

ARC15/77

Tregidga/Adams

CARRIED

The Chief Executive advised that interpretations of the draft Health and Safety legislation have shifted and that the Council will have duty of care obligations. The Chief Executive, some elected members and other managers attended a recent training session held by the Employer and Manufactures Association and presented by Paul Jarvie where the message was made clear that Governance would be responsible for:

- Leading the business and establishing the strategic direction
- Setting values and standards, clear objectives for management and delineating limits of responsibility
- Holding management to account
- Upholding obligations to shareholders and other interested parties, and
- Overseeing internal controls.

The Chief Executive presented the Councils Safety and Wellbeing Charter which has been developed by staff on the basis that it was to be an internal document. However, given the shift in thinking regarding the level of oversight and responsibility of elected members, it is being brought to the Committee for their input and ultimate adoption as a Council Strategy.

The Mayor suggested that the Council take a lead role in advocating for health and safety, and present at a staff meeting or similar. Other Committee members noted their support and suggested that the entire Council be involved in a meeting with staff on this matter.

RESOLVED

THAT the Committee confirms that it has a key role with regard to health and safety, and advise staff of any specific requirements it believes would help the Committee to meet its responsibilities, and

THAT the Committee recommend to Council the option of adopting the Safety and Wellbeing Charter (with any amendments) as part of the Council strategy.

ARC15/78

Leonard/Tubman

CARRIED

The meeting adjourned at 3.10pm
The meeting reconvened at 3.20pm

RISK MANAGEMENT PROJECT (1460294, 1452559)

The Strategic Planner provided an update on the Risk Management Project.

RESOLVED

THAT the report be received.

ARC15/79

Bennett/Leonard

CARRIED

The Strategic Planner advised that staff have been supportive of the risk identification process.

RESOLVED

THAT the Committee recommends to Council that the Risk Management Policy be adopted.

ARC15/80

Tregidga/Adams

CARRIED

The role of the Audit and Risk Committee was discussed (the wording in Appendix A on Page 168 of the agenda under Roles and Responsibilities). The Committee raised concerns that there was a lack of clarity between the role of the Council and the role of the Committee and requested that staff seek a discussion with Council to clarify expectations and reword this section to clarify the Audit & Risk Committee's role.

RESOLVED

THAT the Top 10 Corporate Risks are accepted as presented.

ARC15/81

Gordon/Tregidga

CARRIED

The members discussed the top 10 corporate risks and risk ratings which have been identified by the Management Team. The Committee requested that time is allocated at the next meeting to go through these top 10 corporate risks in more detail so that the Committee can have a better understanding of how the risks were identified and assessed.

Staff advised that at the next Audit and Risk Committee meeting all identified risks will be brought forward for the Committee's information and consideration.

Cr Tubman commented that project risks need to be presented to the Council. The Strategic Planner advised that standardising reporting on project risk is noted as a future improvement item for risk management.

RATES AND COLLECTION AND BILLING (1461037, 1455445)

The Strategic Planner reported on and presented the draft Terms of Reference for consideration of the Committee for the Rates Billing Working Party. The report also presented the current guidelines that the Rates Team adhere to when engaging with ratepayers regarding overdue rates.

RESOLVED

THAT the report be received.

ARC15/82

Leonard/Tubman

CARRIED

The Committee requested an amendment to the draft Terms of Reference, so that the membership of the Working Party consists of members of the Audit and Risk Committee and Cr Milner.

It was agreed that a meeting of the Rates Billing Working Party be held following the next Audit & Risk Committee meeting on 16 February 2016.

RESOLVED

THAT the Rates Billing Working Party's draft Terms of Reference be accepted as amended, and

THAT the Rates Billing Working Party be made up of the Audit & Risk Committee members to include Cr Paul Milner.

ARC15/83

Leonard/Tregidga

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	Rates in Arrears as at November 2015	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.

ARC15/84

Tregidga/Gordon

CARRIED

RESOLVED

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

ARC15/87

Bennett/Tregidga

CARRIED

PRESENTATION: DEPRECIATION

A PowerPoint presentation was provided by the Corporate Services Manager on depreciation.

A presentation will be provided to the February 2016 meeting on interest rate swaps.

CONFIRMED

P Bennett
Chairperson

16 February 2016