

# HAURAKI DISTRICT

## AUDIT AND RISK COMMITTEE

MINUTES OF A MEETING OF THE COMMUNITY SERVICES AND DEVELOPMENT COMMITTEE HELD IN THE HAURAKI ROOM, WILLIAM STREET, PAEROA ON WEDNESDAY 12 DECEMBER COMMENCING AT 9.00 AM

### **PRESENT**

Mr P Bennett (In the Chair), His Worship the Mayor Mr J P Tregidga, Crs D A Adams (from 9.00am – 9.50am and 11.45am- 11.50am), G R Leonard, P A Milner and D Smeaton

### **IN ATTENDANCE**

Messrs L D Cavers (Chief Executive), D Peddie (Group Manager - Corporate Services), S Baker (Finance Manager) and Ms C Black (Council Secretary)

### **APOLOGIES**

There were no apologies.

### **LATE ITEMS**

There were no late items.

### **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

### **CONFIRMATION OF AUDIT AND RISK COMMITTEE MINUTES - 17-10-17 (2289707)**

The Chairman presented the minutes.

### **RESOLVED**

THAT the minutes of the Audit and Risk Committee meeting held on Tuesday 12 December 2017 be received and confirmed and are a true and correct record.

ARC17/102

Milner/Leonard

**CARRIED**

### **AUDIT NZ - MANAGEMENT REPORT (2312484)**

The Finance Manager presented the Audit Management Report for the year ended 30 June 2017 along with staff responses to matters raised in the report.

### **RESOLVED**

THAT the report be received.

ARC17/103

Bennett/Tregidga

**CARRIED**

A discussion was held as to 'who' can determine if an interest should be declared. David Walker provided an explanation on pecuniary and non-pecuniary interests, advising that the general.

For transparency, the Chair suggested that a register of elected member interests be tabled to Council more frequently than is presently the case. (Referred Committee members to ECAN Environment Canterbury Policy/Register) as an example.

It was requested that a report be prepared by staff on the register of interests and that it be submitted to the Audit and Risk Committee for further consideration in early 2018.

#### PROGRESS AGAINST AUDIT NZ RECOMMENDATIONS (2312344)

The Finance Manager presented the progress report in relation to Audit NZ's recommendations.

#### **RESOLVED**

THAT the report be received.

ARC17/104

Bennett/Adams

**CARRIED**

Audit NZ - David Walker commented that he was satisfied with the progress Council are making to date with the addressing Audit NZ's recommendations.

#### *Expenditure Controls – Self Approvals*

In response to a question regarding what process is in place to ensure self-approved purchase orders are being undertaken correctly the members were advised that the planned software upgrade will remedy the matter.

In the interim, a weekly system generated report of all such transactions is reviewed by the Finance Manager. Any issues identified are reported to the Group Manager Corporate Services and Chief Executive.

#### RISK REPORT TO AUDIT AND RISK COMMITTEE (2312347)

The Chief Executive presented the risk report and corporate risk register for the consideration of the Committee.

#### **RESOLVED**

THAT the report be received.

ARC17/105

Bennett/Adams

**CARRIED**

At the last Audit and Risk Committee meeting, it was requested that a priority list of controls that had a 'not acceptable' status be compiled and presented the Committee. This has been completed. A summary of the risk register (including controls) was attached for the member's information.

#### *Risk – Impacts of Climate Change*

It was requested that a report be prepared on the impacts of climate change and tsunamis on Council and its communities and what level of risk this could present for Council.

Cr Adams left the meeting at 9.50am.

#### TREASURY REPORT (2312348) FINANCIAL QUICK FACTS (2312339) 2018-28

The Finance Manager presented the Treasury Report as at 30 November 2017.

**RESOLVED**

THAT the report be received.

ARC17/106

Bennett/Milner

**CARRIED**

It was asked if the Treasury Report should be reported to Council as well as the Audit and Risk Committee as a matter of course.

The meeting adjourned at 10.15am  
The meeting reconvened at 10.27am

**LONG TERM PLAN - UPDATE ON THE DRAFT FINANCIAL STATEMENTS (2312787)**

**RESOLVED**

THAT the report be received.

ARC17/107

Milner/Bennett

**CARRIED**

**HEALTH AND SAFETY REPORT DECEMBER 2017 (2308751)**

The HR Advisor/Health and Safety was in attendance and updated the Committee on the implementation of the 'HDC Health & Safety at Work Action Plan' developed by the HDC Health and Safety Team and reporting against the HDC Health, Safety & Wellbeing Charter goals, accountabilities and reporting framework.

**RESOLVED**

THAT the report be received.

ARC17/108

Bennett/Leonard

**CARRIED**

Key accident prevention actions being currently taken:

- Improved matting for swimming pools to reduce slips on wet surfaces.

The report also provided statistical information in relation to:

Reported events  
Event investigation  
Corrective actions  
First Aid and Medical Treatment Incidents  
Lost Time due to Incidents

**WORK PROGRAMME (2312349)**

The Finance Manager presented the key dates in the scheduled work programme for adoption of the 2018 Long Term Plan.

**RESOLVED**

THAT the report be received.

ARC17/109

Bennett/Leonard

**CARRIED**

A member asked for an explanation of what a 'hot review' was. David Walker provided explanation of this process. The hot review is undertaken on a selection of Councils LTP's by the Office of the Auditor-General to support auditors in consistent risk identification across the sector. Consultation document is also reviewed at this time.

Audit NZ will review LTP in January 2018. If they are satisfied with the document, the Office of Auditor General will then review it and another hot review will then be undertaken by Audit NZ at this stage.

At the first meeting of Audit & Risk Committee in February 2018, it was proposed that consideration be given to the formation of another committee with delegation to deal specifically with financial aspects of Council.

It was agreed that the Audit and Risk Committee Chair, CEO, Group Manager – Corporate Services and Mayor meet in early 2018 to review this proposition.

The Group Manager – Corporate Services provided an update water income and on the technical aspects of meter reading. He advised that the engineering team is assisting with this. Staff have received prices from contractors who can undertake Councils meter reading. Their costs appear to lower than Councils Construction and Maintenance Business Unit.

**Matters to be taken with the Public Excluded**

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	KPMG Internal Audit Reviews - Progress Report	<p>Section 7(2)(f)(i) – Maintain the effective conduct of public affairs through:</p> <p>(i) The free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom section 2(5) of this Act applies, in the course of their duty.</p>	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.
2	Rates in Arrears	<b>Section 7(2)(a)</b> – 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.
3	Rates Arrears Subject Property	<b>Section 7(2)(a)</b> – 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.

ARC17/110

Bennett/Leonard

**CARRIED**

**RESOLVED**

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

ARC17/114

Milner/Bennett

**CARRIED**

The Mayor thanked Chair, Paul Bennett for his input into the Audit & Risk Committee meetings throughout the year and wished all him and the Committee members a happy Xmas and new year.

The meeting closed at 11.50am.

CONFIRMED

P R Bennett  
Chairperson

21 February 2018