

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 14 FEBRUARY 2017 COMMENCING AT 9.00AM

PRESENT

Mr P Bennett (Chairperson), His Worship the Mayor J P Tregidga, Crs D A Adams, G R Leonard, P A Milner and D Smeaton

IN ATTENDANCE

Messrs L D Cavers (Chief Executive), D Peddie (Group Manager Corporate Services), Ms K Vatselias (Finance Manager), Ms K Conomos (Strategic Planner), Mrs J Nicholls (Health & Safety Officer), Mrs J Sweeney (Human Resources) and Ms C Black (Council Secretary)

APOLOGIES

There were no apologies.

LATE ITEMS

There were no late items.

DECLARATIONS OF INTEREST

There were no declarations of interest.

CONFIRMATION OF MINUTES

AUDIT AND RISK COMMITTEE MINUTES - 16 DECEMBER 2016 (2153274)

RESOLVED

THAT the minutes of the Audit & Risk Committee held on Friday, 16 December 2016 be received and are true and correct record.

ARC17/01

Leonard/Tregidga

CARRIED

AUDIT AND RISK COMMITTEE - TREASURY REPORT AS 31 DECEMBER 2016 (2167277)

The Group Manager – Corporate Services presented the Treasury report as at 31 December 2016.

RESOLVED

THAT the report be received.

ARC17/02

Bennett/Tregidga

CARRIED

The Committee was advised that the liquidity ratio had been breached as at 31 December 2016, with the ratio being 107% at that date, compared to the policy's $\geq 110\%$ minimum.

The Group Manager – Corporate Services noted this breach will be rectified before the end of February 2017, as a rates instalment is due, and long term borrowings are being increased through the next Local Government Funding Agency (LGFA) tender in February.

INFORMATION REPORT - PROGRESS AGAINST AUDIT NZ RECOMMENDATIONS (2167365 & 2167342) APPENDIX A - PROGRESS ON MATTERS RAISED BY AUDIT NZ (2167342)

The Finance Manager took the members through progress on matters raised by Audit NZ following their 30 June 2016 interim audit and final audit report as at 31 January 2017.

RESOLVED

THAT the report be received.

ARC17/03

Leonard/Milner

CARRIED

AUDIT AND RISK COMMITTEE - RISK REGISTER REPORT (2168405 & 2168409)
APPENDIX A – HDC RISK REGISTER - CORPORATE RISKS WITH CONTROLS –
AS AT 7 FEBRUARY 2017 (2168409)

The Senior Strategic Planner presented the Risk Register report.

RESOLVED

THAT the report be received.

ARC17/04

Bennett/Leonard

CARRIED

Ms Conomos took the Committee through the report explaining the status of areas of risk identified, their assessment and what controls are in place to address these.

Cr Milner suggested that the key changes in the controls are highlighted in the document in future.

RESOLVED

THAT staff ensure any change in 'controls' are highlighted in the Corporate Risk Register document in future.

ARC17/05

Milner/Smeaton

CARRIED

HEALTH AND SAFETY REPORT TO AUDIT AND RISK COMMITTEE - 2 FEBRUARY 2017
(2167763)

Julie Sweeney (Human Resources Advisor) and Judy Nicholls (Health and Safety Officer) were in attendance to provide an update report on how health and safety reporting is progressing within the organisation.

RESOLVED

THAT the report be received

ARC17/06

Bennett/Leonard

CARRIED

They advised that there has been good staff uptake in entering incidents into Vault.

The Mayor commended the health and safety staff for their efforts in changing the culture within the organisation and to increasing awareness of good health and safety practices.

RATES AFFORDABILITY INFORMATION REPORT (2153139)

The Group Manager – Corporate Services presented the report on rates affordability.

RESOLVED

THAT the report be received.

ARC17/07

Bennett/Tregidga

CARRIED

DRAFT COMMUNITY ENGAGEMENT ON RATES INSTALMENTS (2163832)

The Group Manager – Corporate Services presented a report following up on the Committee's request to investigate the option of more frequent rates instalments.

RESOLVED

THAT the report be received.

ARC17/08

CARRIED

RESOLVED

THAT due to the nature of software changes required for bi-monthly instalments, the Committee recommends to Council that its rates instalment schedule be increased from three times per year to four times per annum to be effective from 1 July 2017, and

THAT staff report back on the cost of software changes required to move to bi-monthly instalments with a view to implementing this in time for the next LTP, and

THAT the Committee recommends to Council that this decision would not be significant, and

THAT the Committee recommends to Council that the decision be communicated to ratepayers as outlined in the report.

THAT a working party be formed consisting of members of the Audit & Risk Committee to review options on how Council can address rates affordability.

ARC17/09

Tregidga/Adams

CARRIED

AUDIT AND RISK COMMITTEE - SUBDIVISIONS (2156634)

The Group Manager – Corporate Services presented the report on Councils subdivisions.
The Group Manager – Community Services was in attendance in support of the report.

RESOLVED

THAT the report be received

ARC17/10

Bennett/Milner

CARRIED

AUDIT AND RISK COMMITTEE - WORK PROGRAMME REPORT (2168601)

The Audit & Risk Committee work programme was presented for the Committee's consideration.

RESOLVED

THAT the report be received.

ARC17/11

Milner/Leonard

CARRIED

RESOLVED

THAT the Committee approves the work programme as presented.

ARC17/12

Bennett/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	KPMG Internal Audit Reviews - Progress report - Jan	Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	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	Audit and Risk Committee - PWC GST Review Report	Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	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	Potential Issue with Water Rates Dates 2017-02-08-11-17	Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	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.

4	Rates in Arrears - 14 Feb 2017	Maintain the effective conduct of public affairs through the protection of members or officers or employees of the Council, and persons to whom Section 2(5) of the Local Government Official Information and Meetings Act 1987 applied in the course of their duty, from improper pressure or harassment)schedule (7) (2) (f) (ii).	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.
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ARC17/13

Bennett/Milner

CARRIED

RESOLVED

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

ARC17/21

Bennett/Smeaton

CARRIED

The meeting closed at 11.55am.

CONFIRMED

P Bennett
Chairperson

4 April 2017