

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 TUESDAY, 17 OCTOBER 2017 COMMENCING AT 9.00 AM

PRESENT

Mr P Bennett (In the Chair), His Worship the Mayor Mr J P Tregidga (9.00-10.00am), Crs D A Adams, G R Leonard (9.00-11.30am), P A Milner and D Smeaton

IN ATTENDANCE

Cr R Harris, Cr C Daley, Mr David Walker (Audit NZ), Ms Jaimala Singh (Audit NZ), Messrs L D Cavers (Chief Executive), D Peddie (Group Manager - Corporate Services), Mr S Baker (incoming Finance Manager), Ms K Vatselias (outgoing Finance Manager), Mr M Radford (Information Services Manager), Mrs J Nicholls (Health and Safety Advisor) 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 - 22-08-17 (2267585)

RESOLVED

THAT the minutes of the Audit and Risk Committee meeting held on Tuesday, 22 August 2017 be confirmed and are a true and correct record.

ARC17/84

Milner/Tregidga

CARRIED

2016-17 DRAFT ANNUAL REPORT (2285175)
APPENDIX A - DRAFT 2016-17 ANNUAL REPORT (2285338)

The Group Manager - Corporate Services presented the Draft Annual Report 2016-17 for the consideration of the Committee.

RESOLVED

THAT the report be received.

ARC17/

Bennett/Adams

CARRIED

On 27th September 2017, Council considered the draft Annual Report developed to date excluding financials. The final Annual Report and Summary Annual Report are scheduled for adoption at the Council meeting of 25 October 2017.

A member raised a concern regarding the low water income which was significantly down on previous years while production was similar to previous years. It was requested that staff further investigate what has caused this result. The Group Manager explained that the reason for this may be due to increased losses and under reading of water meters.

It was requested that staff put together a report to Council for 25 October meeting providing an explanation for the lower water income and that this report is reviewed by the Audit and Risk Committee Chair prior to submission to Council.

RESOLVED

THAT the Audit and Risk Committee recommends to Council that it adopts the Draft Annual Report and Summary at its meeting of 25 October 2017 subject to an explanation being provided by staff on the lower water supply income. The Audit and Risk Committee Chair to review and approve the report prior to the Council meeting on 25 October.

ARC17/85

Adams/Leonard

CARRIED

WLASS 2016 - 17 ANNUAL REPORT (2285162)

APPENDIX A - WLASS - ANNUAL REPORT 2016 -17 (2284339)

The Group Manager - Corporate Services presented a report on the WLASS 2016/17 Annual Report for the Committee's consideration.

A copy of the WLASS 2016/17 Annual Report (attached) was adopted by the Board of Directors on 22 September 2017.

RESOLVED

THAT the report be received.

ARC17/86

Adams/Bennett

CARRIED

PROGRESS AGAINST AUDIT NZ RECOMMENDATIONS OCTOBER 2017 (2285164)

APPENDIX A - PROGRESS ON MATTERS RAISED BY AUDIT NZ OCTOBER 2017 (2285173)

The Finance Manager presented a progress report against the matters raised by Audit New Zealand as a result of the 2015/16 audit.

RESOLVED

THAT the report be received.

ARC17/87

Leonard/Bennett

CARRIED

Staff have been working to clear a number of issues raised in the report. The Finance Manager provided an update on progress to date on the status of matters requiring corrective action.

Key changes:

P-Cards (purchase cards) are currently being trialled to replace the use of purchase orders for minor purchases.

David Walker (Audit NZ) advised that he was satisfied with the progress being made by Council staff to address areas requiring action as per Audit NZ recommendations.

Matters to be Taken with the Public Excluded

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 Progress Report - October 2017	Section 6(a) – Maintenance of Law	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 - October 2017	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.
3	Rates in Arrears – Subject Property - September 2017	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.

ARC17/88

Adams/Bennett

CARRIED

RESOLVED

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

C17/94

Adams/Bennett

CARRIED

The meeting adjourned at 10.15am.

The meeting reconvened at 10.25am.

WATER BILLING (2285316)

A report from the Revenue Team Leader was presented which advised the Committee of the issue with incorrect water meter reading and the impact it is having.

RESOLVED

THAT the report be received.

ARC17/95

Adams/Bennett

CARRIED

The Group Manager explained the correct process for undertaking meter reading and advised of options available to Council to address accuracy of meter reads.

There appears to have been an issue with staff reading meters incorrectly. He advised that if there is a variance in the reading, the meter is re-read.

A discussion was held around investigating alternative meter reading suppliers such as Wells and DataCol Group. Currently, Councils Construction and Business Unit is doing the meter readings.

The aim in future is to change the manual process of meter reading to a technology based system such as Bluetooth.

RISK REPORT TO AUDIT AND RISK COMMITTEE (2285732)

A report was presented on the Corporate Risk Register for the Committee's consideration.

RESOLVED

THAT the report be received.

ARC17/96

Leonard/Bennett

CARRIED

At the August meeting, it was requested that a priority list of controls that had a 'not acceptable' status be compiled and presented to the next meeting of the Committee. This has been undertaken and was shown in the attached document.

The members advised that were satisfied with the system of ranking being used.

David Walker left the meeting at 11.00am.

CYBER SECURITY REPORT FOR AUDIT AND RISK OCTOBER 2017 (2285022)

The Information Services Manager was in attendance provided an overview of the security systems and measures that are in place to protect the Council from cyber threats.

RESOLVED

THAT the report be received.

ARC17/97

Bennett/Leonard

CARRIED

Key processes in place to address issues of security.

- Robust firewall system to minimise cyber risk
- IT department has engaged a well-respected network security specialist to assist Council with security matters
- Anti-virus protection
- Installation of patch management solutions
- IT policy for all staff to follow - network users and councillors
- Training programme being organised for all users
- Benchmarking process has been initiated to gauge how many people are opening unsafe attachments.
- Backup regime - authority system is backed up every 15 minutes

AUDIT AND RISK COMMITTEE - TREASURY REPORT 30 SEPTEMBER 2017 (2285170)

The Group Manager - Corporate Services presented a report which updated on the current position of the Loan/debt status against the parameters outlined in the Councils Financial Strategy and Liability Management Policy.

RESOLVED

THAT the report be received.

ARC17/98

Leonard/Milner

CARRIED

INTERNAL DEBT AT 30 JUNE 2017 (2285318)

The Group Manager - Corporate Services presented a report which provided an update on Councils Internal debt position.

RESOLVED

THAT the report be received.

ARC17/99

Bennett/Milner

CARRIED

HEALTH AND SAFETY REPORT AUDIT AND RISK - OCT 2017 (2285341)

The Health and Safety Advisor was in attendance. Judy Nicholls briefed the Committee on key activities within the health and safety area of Council.

RESOLVED

THAT the report be received.

ARC17/100

Adams/Leonard

CARRIED

An overview was provided on the implementation of the 'Health and Safety at Work - Action Plan' and on the results of the 'Attitudes and Culture Survey of Health, Safety and Wellbeing' survey which had been undertaken. The results of the staff survey were shown in the report.

Judy answered questions from the councillors around key health and safety matters of note within Council and what is being done to ensure staff are aware of the processes in place so that they and their colleagues are safe in their workplace particularly outdoor staff operating machinery.

Cr Leonard left the meeting at 11.30am.

AUDIT AND RISK COMMITTEE WORK PROGRAMME - OCTOBER 2017 (2285180)

The Finance Manager presented the updated work programme and terms of reference for the Committee's consideration.

RESOLVED

THAT the report be received.

A RC17/101

Adams/Bennett

CARRIED

The Committee requested that two more points to be added to work programme:

1. Water Income
2. Water meter reading progress

The meeting closed at 11.40am

CONFIRMED

P A Bennett
Chairperson

12 December 2017