

# HAURAKI DISTRICT COUNCIL

## AUDIT AND RISK COMMITTEE

MINUTES OF A MEETING OF THE AUDIT & RISK COMMITTEE HELD IN THE HAURAKI ROOM, COUNCIL OFFICE, WILLIAM STREET, PAEROA ON TUESDAY 4 APRIL 2017 COMMENCING AT 9.00AM

### PRESENT

Mr P Bennett (In the Chair), His Worship the Mayor Mr J P Tregidga, G R Leonard, P A Milner and D Smeaton (9.20am – 12.45pm)

### IN ATTENDANCE

Mrs M Procter - Audit NZ, M D Sutton and Ms B Nand (KPMG), Cr R Harris, Messrs L D Cavers (Chief Executive), D Peddie (Group Manager – Corporate Services), Mrs K Vatselias (Finance Manager), Mrs J Nicholls (Health & Safety Advisor), Mrs J Sweeney (HR Advisor) and Ms C Black (Council Secretary)

### APOLOGIES

#### RESOLVED

THAT the apologies for absence of Cr Adams and for the lateness of Cr Smeaton be received and sustained.

ARC17/22

Milner/Leonard

**CARRIED**

### LATE ITEMS

Pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, the Chairperson called for late items to be accepted.

#### RESOLVED

THAT pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, the following late items be accepted for discussion.

- **Fixed Assets Review – Internal Audit Report - KPMG**
- **Audit Arrangements Letter and Audit Engagement Letter – Audit NZ**

The items were not on the agenda because the items were unavailable at the time of the agenda deadline.

Discussion on the item could not be delayed as KPMG and Audit NZ representatives were in attendance, and it was an opportune time to have them present on the items to the Audit and Risk Committee.

ARC17/23

Leonard/Milner

**CARRIED**

### DECLARATIONS OF INTERESTS

There were no interests declared.

CONFIRMATION OF MINUTES: AUDIT AND RISK COMMITTEE MINUTES - 14.02.17 (2170637)

#### RESOLVED

THAT the minutes of the Audit & Risk Committee Meeting held on Tuesday 14 February 2017 be confirmed and are a true and correct record.

ARC17/24

Leonard/Smeaton

**CARRIED**

## **LATE ITEM**

### **FIXED ASSETS REVIEW – INTERNAL AUDIT REPORT - KPMG (Docs. # 2194357 and 2194368)**

KPMG Partner, Mr David Sutton and Director, Ms Bineeta Nand were in attendance.

The KPMG representatives spoke on the internal audit review which had been undertaken to assess Councils processes in relation to asset management. A copy of the internal audit report (dated March 2017) was tabled and distributed along with a document showing common areas of focus for all councils both current and emerging.

Cr Smeaton attended the meeting at 9.20am

Mr Sutton and Ms Nand left the meeting at 9.40am

## **RESOLVED**

THAT staff prepare a report for the next Audit and Risk Committee meeting recommending further areas for internal audit, and

THAT the report is not released to the public.

ARC17/25

Bennett/Tregidga

**CARRIED**

## **LATE ITEM**

### **AUDIT ARRANGEMENTS LETTER AND AUDIT ENGAGEMENT LETTER – AUDIT NZ (Doc. # 2187744)**

Maree Procter of Audit NZ introduced herself to the Committee. She advised that should will be taking over the Audit Manager role from Mr Naude Kotze. Maree presented the audit arrangement and engagements letters.

## **RESOLVED**

THAT Audit and Risk Committee approve the audit arrangements, and audit engagement letters for signing by the Mayor.

ARC17/26

Bennett/Tregidga

**CARRIED**

### **AUDIT AND RISK COMMITTEE FINANCIAL QUICK FACTS (2167883)**

The Group Manager – Corporate Services, for the information of the Committee, presented a report which provided them with quick financial facts reference guides for the current year.

## **RESOLVED**

THAT the report be received.

ARC17/27

Leonard/Milner

**CARRIED**

### **INFORMATION REPORT - PROGRESS AGAINST AUDIT NZ RECOMMENDATIONS (2186674, 2187056) APPENDIX A: PROGRESS ON MATTERS RAISED BY AUDIT NZ (2187056)**

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

**RESOLVED**

THAT the report be received.

ARC17/28

Bennett/Milner

**CARRIED**

**FORECAST INTERNAL DEBT AT 30 JUNE 2017 (2187054)**

The Group Manager – Corporate Services provided an update on Council’s internal debt position.

**RESOLVED**

THAT the report be received.

ARC17/29

Bennett/Tregidga

**CARRIED**

**HEALTH AND SAFETY REPORT TO AUDIT AND RISK COMMITTEE - 4 APRIL 2017 (2187030)**

Human Resources Advisor Julie Sweeney and Health & Safety Advisor, Judy Nicholls were in attendance as part of their regular reporting to the Committee on key health and safety matters to ensure Council continues to meet its health and safety responsibilities under the Act.

**RESOLVED**

THAT the report be received.

ARC17/30

Leonard/Milner

**CARRIED**

Maree Procter left the meeting at 11.12am.

## **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:

<b>Item No.</b>	<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) Under Section 48(1) for the Passing of this Resolution</b>
<b>1</b>	KPMG Internal Audit Reviews Progress report - March 2017	<b>Section 7(2)(f)(i)</b> – Maintain the effective conduct of public affairs through: (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.	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.
<b>2</b>	Rates in arrears – (various ratepayers) 4 April 2017	<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.
<b>3</b>	Rates in arrears – (individual ratepayer) 4 April 2017	<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.

ARC17/31

Milner/Leonard

**CARRIED**

## RESOLVED

THAT the public be readmitted to the meeting and that the business in committee discussed is confirmed.

ARC17/37

Bennett/Tregidga

**CARRIED**

## AUDIT AND RISK COMMITTEE TREASURY REPORT AS AT 28 FEBRUARY 2017 (2186670)

The Group Manager - Corporate Services 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.

Representatives from Price Waterhouse Coopers, Mr Brett Johansen and Mr Alex Wondergem were in attendance at 11.30am to provide a presentation on the Treasury function.

## RESOLVED

THAT the report be received.

ARC17/38

Bennett/Milner

**CARRIED**

Cr Harris left the meeting at 12.06pm and returned at 12.28pm.

## Acknowledgement of Katina Conomos (Contracted Strategic Planner)

The Chairperson acknowledged and thanked Katina Conomos for her expertise in assisting with the formation of the Audit & Risk Committee and her valued input over her time as Strategic Planner supporting staff and the Audit & Risk Committee.

Due to time constraints, it was agreed that the risk and work programme reports be deferred until the next meeting in June.

The meeting closed at 12.45pm.

CONFIRMED

P Bennett  
Chairperson

20 June 2017