

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, 21 FEBRUARY 2018 COMMENCING AT 9.00 AM

PRESENT

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

IN ATTENDANCE

Cr R Harris, Messrs L D Cavers (Chief Executive), D Peddie (Group Manager - Corporate Services), S Baker (Finance Manager), Mrs J Sweeney (HR/Health & Safety Advisor), 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.

CONFIRMATION OF AUDIT AND RISK COMMITTEE MINUTES - 12-12-18 (2324390)

The Chairperson presented the minutes.

RESOLVED

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

ARC18/01

Tregidga/Leonard

CARRIED

TREASURY REPORT AS AT 31 JANUARY 2018 (2345420)

The Group Manager – Corporate Services presented the report which updated 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.

ARC18/02

Tregidga/Adams

CARRIED

The Chief Executive asked the Corporate Services staff to add another column which shows the balance to financial strategy debt caps.

AUDIT & RISK TERMS OF REFERENCE (2345458)

The Chief Executive updated the members on the proposal to have an Audit & Risk Committee to consider risk and advise the framework of financial reporting.

The Mayor believed financial reporting should go to full Council. He proposed that Cr Adams be appointed to the portfolio of 'finance' and requested the member's feedback on this proposal. The members supported that Cr Adams become finance portfolio holder which will in turn would be approved by Council.

Financial Reporting to Council

A discussion was held as to whether the Audit & Risk Committee continue to meet 2 monthly and if the formation of a separate Finance Committee be formed.

Cr Leonard supported that the areas of risk and financial reporting, a committee be formed to consider risk and another committee for finance.

The Chief Executive suggested the members go through the financial framework report included in the agenda first to assist them in evaluating what is the best configuration to deal with financial reporting and managing risk.

RESOLVED

THAT the report be received.

ARC18/03

Leonard/Milner

CARRIED

At this point, the members were referred to the financial framework report and discussion on the Audit and Risk Terms of Reference was adjourned.

Chair, Paul Bennett highlighted the need for an effective and efficient way of reporting on risk and finance and invited feedback from the members on how they saw the framework working and what delegations they considered would be required.

RESOLVED

THAT corporate services staff report back to the Audit and Risk Committee in April on Audit and Risk delegations.

ARC18/04

Tregidga/Smeaton

CARRIED

AUDIT & RISK COMMITTEE - FINANCIAL REPORT FRAMEWORK DISCUSSIONS (2345640)

The Finance Manager presented the financial framework report continuing on from the previous discussion. He described the concept of how he believed the financial framework could work using a flow diagram within the report. He expressed the view that different audiences within Council will have different financial reporting requirements in terms of content format and frequency.

RESOLVED

THAT the report be received.

ARC18/05

Adams/Leonard

CARRIED

The Committee were supportive of the 'dashboard' concept of key indicators presented and also supported the traffic light indicators as an effective methodology to evaluate financial risk. The key is 'elevation' of risk. It was proposed that the following process be adopted as a way of evaluating financial risk of high level projects.

Highest level - Council to consider high level projects which hold a high financial risk level and level of detail.

Next level down – Executive Leadership Team

Next level down – Portfolio Holder

Next level down - Budget Managers

The Committee supported that more structured and detailed reports be produced by staff particularly for high level projects to allow for better evaluation.

In relation to delegations, the Committee members agreed that it's the Audit & Risk role should be 'risk' and that Council should deal with financial reporting.

The meeting adjourned at 10.25am.

The meeting reconvened at 10.40am.

Consideration and discussion of the Terms of Reference report resumed.

RESOLVED

Staff to bring back a proposed Terms of Reference for the Committee based on discussions held at this meeting.

ARC18/06

Bennett/Adams

CARRIED

PROGRESS AGAINST AUDIT NZ RECOMMENDATIONS FEBRUARY 2018 (2345413)

PROGRESS MATTERS RAISED AUDIT NZ IN THE 30 JUNE 2017 - APPENDIX A (2345463)

The Finance Manager presented a report which showed the progress against matters raised by Audit NZ as a result of the 2016-17 audit process.

The members were advised that staff continue to work towards clearing the outstanding items. There are some items which are dependent on resourcing, specifically project management and contract management.

RESOLVED

THAT the report be received.

ARC18/07

Bennett/Milner

CARRIED

RISK REPORT TO AUDIT AND RISK COMMITTEE (2345419)

RISK REPORT TO AUDIT AND RISK COMMITTEE FEBRUARY 2018- APPENDIX A (2345416)

The Chief Executive presented the risk report to February 2018.

Staff were asked to report back on the cyber security and business continuity risks to Council.

RESOLVED

THAT the report be received.

ARC18/08

Bennett/Tregidga

CARRIED

HEALTH SAFETY AUDIT AND RISK COMMITTEE REPORT FEB 2018 (231884)

The HR Advisor/Health and Safety and Health and Safety Officer were in attendance and updated the Committee on the implementation of the following key matters:

- Update on stress and fatigue experienced by staff due to Hauraki House renovations which was compounded by severe weather events. Health and safety team provided extra assistance to staff during this time to help alleviate stress levels.
- Update on the implementation of the 'Health and Safety at Work - Action Plan'.
- Launch of staff Health and Safety Culture Survey.
- Upgrade of Vault (Council's health and safety incident reporting system).

Included in the report were some new statistics which health and safety staff will continue to present for comparative purposes in future report to the Audit and Risk Committee meetings. The table explained the statistics which are commonly used in health and safety forums.

RESOLVED

THAT the report be received.

ARC18/09

Bennett/Smeaton

CARRIED

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 - January 2018	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 Arrears: Subject Property - January 2018	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.

ARC18/10

Leonard/Milner

CARRIED

RESOLVED

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

C18/14

Adams/Tregidga

CARRIED

AUDIT & RISK 2018 WORK PROGRAMME (2345457)

The Finance Manager took the Committee through the 2018 work programme.

RESOLVED

THAT the report be received.

ARC18/15

Bennett/Adams

CARRIED

The Chair requested that cyber risk and business continuity be added to the programme as discussed earlier in the meeting.

The meeting closed at 11.40am.

CONFIRMED

P R Bennett
Chairperson

10 April 2018