

# HAURAKI DISTRICT

## AUDIT AND RISK COMMITTEE

MINUTES OF A MEETING OF THE AUDIT AND RISK COMMITTEE HELD IN THE HAURAKI ROOM, WILLIAM STREET, PAEROA ON TUESDAY, 20 AUGUST 2019 COMMENCING AT 9.00 AM

### **PRESENT**

Mr P Bennett (in the Chair), Cr D A Adams (9.47am-10.35am and 11.05am-11.15am), Cr R Harris, Cr P A Milner and Cr D Smeaton

### **IN ATTENDANCE**

Ms Maree Proctor (Audit Manager - Audit NZ), Messrs D Peddie (Group Manager – Corporate Services), S Baker (Finance Manager), Mrs J Sweeney (Human Resources/Health and Safety Advisor), S Fabish (Group Manager – Community Services and Development) and Ms C Black (Council Secretary)

### **APOLOGIES**

### **RESOLVED**

THAT the apology for the absence of His Worship the Mayor, and for the lateness of Cr Adams be received and sustained.

ARC19/59

Harris/Milner

**CARRIED**

### **LATE ITEMS**

There were no late items.

### **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

CONFIRMATION: AUDIT AND RISK COMMITTEE MINUTES – 18-06-19 (2600115)

### **RESOLVED**

THAT the minutes of the Audit and Risk Committee meeting held on Tuesday, 18 June 2019 be received and confirmed as a true and correct record.

ARC19/60

Bennett/Milner

**CARRIED**

ARC - WORK PROGRAMME REPORT AUGUST 2019 (2629263)

The Group Manager – Corporate Services presented the updated 2019 Work Programme for the balance of 2019.

### **RESOLVED**

THAT the report be received.

ARC19/61

Harris/Smeaton

**CARRIED**

## Quorum

In the Terms of Reference, it was requested that there be a change to wording to state that the quorum be (3) being half the membership of the Committee.

## October Meeting

It was agreed that a meeting be scheduled for 8 October for the following items:

- Audit NZ to attend to update the Committee on progress of the Annual Report audit (if required).
- Review of draft Annual Report (to recommend adoption by the Council).
- Updated quick facts report based on 2019/20 Annual Plan.

## ANNUAL REPORT 2018/19 PROJECT PLAN AND TIMETABLE (2629266)

In April, Audit were onsite for the first interim Audit as a precursor to the Annual Report. In preparation for the second audit beginning 24 September and the legislative requirement to have the Annual Report adopted by Council by the 31 October, a project plan and timetable has been prepared and was attached for the member's consideration.

### **RESOLVED**

THAT the report be received.

ARC19/62

Bennett/Milner

**CARRIED**

## PROGRESS AGAINST AUDIT NZ RECOMMENDATIONS AUGUST 2019 (2629268) APPENDIX A - AUDIT NZ MANAGEMENT LETTER ACTION SCHEDULE (AUGUST-2019) (2629273)

The Finance Manager presented the progress report against the matters raised by Audit New Zealand as a result of the 2017/18 audit and the 2018/19 Interim audit.

### **RESOLVED**

THAT the report be received.

ARC19/63

Harris/Smeaton

**CARRIED**

It was requested that the stats from the previous month be included into the following month's report to show a comparison and to inform how matters raised by Audit NZ are being progressed.

## AUDIT AND RISK COMMITTEE - TREASURY REPORT AS AT 31 JULY 2019 (2629277)

The Group Manager – Corporate Services 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.

ARC19/64

Bennett/Smeaton

**CARRIED**

## AUDIT AND RISK COMMITTEE - SELF ASSESSMENT RESULTS 2019 (2629281)

At its meeting on 18 June, the Committee confirmed that it would undertake a self-assessment questionnaire in order to measure its effectiveness.

The Finance Manager presented the compiled results of that survey and provided an opportunity for discussion around the results. Commentary regarding comparison to the previous year's survey results was also included.

### **RESOLVED**

THAT the report be received.

ARC19/65

Smeaton/Milner

**CARRIED**

### Self-Assessment Results

It was proposed that the form be modified and that a discussion be held in committee on how the assessments are put together.

## HEALTH SAFETY REPORT TO AUDIT RISK COMMITTEE - AUGUST 2019 (2611090)

The Human Resources/Health and Safety Advisor presented the bi-monthly report that showed how the organisation is tracking in the areas of health, safety and wellbeing.

### **RESOLVED**

THAT the report be received.

ARC19/66

Bennett/Milner

**CARRIED**

The Chair congratulated the advisor on the clear and effectiveness style in which the health and safety information was presented.

Cr Adams attended the meeting at 9.47am.

## AUDIT AND RISK COMMITTEE - REPORT ON AUTO APPROVED INVOICES AND MITIGATION (2629283)

The Finance Manager presented a report which presented a summary of invoices that were auto approved during the period 1 April 2019 – 30 June 2019.

The members were advised that there has been a process change in Authority Accounts Payable module which was implemented in May 2019 which saw a dramatic reduction in instances of auto approved invoices. This process change requires all invoices to be separately approved where the creation of a purchase order has not involved two separate staff members with purchasing delegations.

### **RESOLVED**

THAT the report be received, and

THAT the Audit and Risk Committee note the interim measures implemented by staff to mitigate associated risks.

ARC19/67

Bennett/Milner

**CARRIED**

#### PROPERTY ACCOUNT REPORT (2629284)

The Group Manager – Corporate Services presented a report on the Property Account as a result of the request that more financial information be presented on Council’s property activity.

#### **RESOLVED**

THAT the report be received.

ARC19/68

Bennett/Milner

**CARRIED**

Staff presented the following information for the consideration of the members:

- Draft operating statement for the 2018/19 year for the property activity
- Reconciliation and balance of the Surplus Property account
- Statement summarising the surplus/deficits made on subdivisions

The meeting adjourned at 10.20am  
The meeting reconvened at 10.35am.

Cr Adams left the meeting at 10.35am.

#### DEPARTURES FROM PROCUREMENT POLICY REPORT AUGUST 2019 (2629286)

The Group Manager – Corporate Services presented a report outlining a decision made to maintain oversight of the use of the departure from procurement process through a report to the Committee twice per year. He also advised of the uses where this departure from policy process has occurred between 1 July 2018 and 30 June 2019.

#### **RESOLVED**

THAT the report be received.

ARC19/69

Bennett/Smeaton

**CARRIED**

#### RISK REPORT TO AUDIT AND RISK COMMITTEE AUGUST 2019 (2629287)

The Finance Manager presented a report which presented the Corporate Risk Register to the Committee for review.

#### **RESOLVED**

THAT the report be received.

ARC19/70

Harris/Milner

**CARRIED**

## **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:

<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 - Progress Report 20 August 2019	<b>Section 7(2)(b)(i)</b> - Protect information where the making available of the information: (1) Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	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 - August 2019	<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 Remission Request	<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.

ARC19/71

Bennett/Smeaton

**CARRIED**

**RESOLVED**

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

ARC19/77

Bennett/Adams

**CARRIED**

Cr Smeaton closed the meeting at 11.15am with a karakia.

CONFIRMED

P Bennett  
Chairperson

8 October 2019