

**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, 16 APRIL 2019 COMMENCING AT 9.00 AM

**PRESENT**

P Bennett (In the Chair), His Worship the Mayor Mr J P Tregidga, R Harris (9.00-11.22am), P A Milner and D Smeaton

**IN ATTENDANCE**

Mr D Walker (Audit Director - Audit NZ), L D Cavers (Chief Executive), D Peddie (Group Manager – Corporate Services), S Baker (Finance Manager), Mrs J Nicholls (Health and Safety Advisor) and Ms C Black (Council Secretary)

**APOLOGIES**

**RESOLVED**

THAT the apology of Cr Adams be received and sustained.

ARC19/20

Smeaton/Tregidga

**CARRIED**

**LATE ITEMS**

There were no late items.

**DECLARATIONS OF INTERESTS**

There were no declarations.

CONFIRMATION: AUDIT AND RISK COMMITTEE MINUTES – 19-02-19 (2542940)

**RESOLVED**

THAT the minutes of the Audit and Risk Committee meeting held on Tuesday, 19 February 2019 be received and are a true and correct record.

ARC19/21

Tregidga/Smeaton

**CARRIED**

AUDIT AND RISK COMMITTEE WORK PROGRAMME - APRIL 2019 (2560823)

The Finance Manager presented the Audit and Risk Committee's forward work programme to April 2019.

**RESOLVED**

THAT the report be received.

ARC19/22

Bennett/Smeaton

**CARRIED**

PROGRESS AGAINST AUDIT NZ RECOMMENDATIONS APRIL 2019 (2560707)  
APPENDIX A: AUDIT NZ MANAGEMENT LETTER ACTION SCHEDULE (APRIL-2019)

An update on the progress made against Audit NZ recommendations was provided.

**RESOLVED**

THAT the report be received.

ARC19/23 Harris/Milner **CARRIED**

AUDIT DIRECTOR - FRAUD PRESENTATION APRIL 2019 (#2560736)

Mr David Walker provided a PowerPoint presentation on Fraud.

TREASURY REPORT AS AT 31 MARCH 2019 (2560711)

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 Council’s Financial Strategy and Liability Management Policy.

**RESOLVED**

THAT the report be received.

ARC19/24 Tregidga/Harris **CARRIED**

AUTO APPROVED INVOICES AND MITIGATION (2560876)

The Finance Manager presented a report on a summary of invoices that were auto approved during the period 1 December 2018 – 31 March 2019 and provided an update that would prevent one person from completing the purchase and invoice approval process.

**RESOLVED**

THAT the report be received.

ARC19/25 Bennett/Smeaton **CARRIED**

**RESOLVED**

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

ARC19/26 Bennett/Smeaton **CARRIED**

David Walker advised Audit NZ would like to have the auto approved invoicing system in place before 1 July 2019.

OVERHEADS REPORT 28 FEBRUARY 2019 (2560813)

The Group Manager – Corporate Services presented a report which provided Council’s Overhead expenditure for the eight months to 28 February 2019.

**RESOLVED**

THAT the report be received.

ARC19/27

Milner/Smeaton

**CARRIED**

The meeting adjourned at 10.04am  
The meeting reconvened at 10.20am.

HEALTH SAFETY REPORT - APRIL 2019 (2558932)

The Health and Safety Advisor presented the health and safety report to April 2019 which provided statistics on how Council is tracking in the areas of health, safety and wellbeing.

**RESOLVED**

THAT the report be received.

ARC19/28

Bennett/Tregidga

**CARRIED**

The Chairperson commended staff on a well formulated report.

RISK REPORT - APRIL 2019 (2560785)

APPENDIX A – HDC RISK REGISTER - APRIL 2019 (2560787)

The Finance Manager presented the updated Corporate Risk Register for the Committee's review.

**RESOLVED**

THAT the report be received.

ARC19/29

Tregidga/Milner

**CARRIED**

The register also included the three waters review currently being undertaken by the Department of Internal Affairs.

PROPOSED SENSITIVE EXPENDITURE POLICY -APRIL 2019 (2560704)

APPENDIX A - PROPOSED SENSITIVE EXPENDITURE POLICY APRIL 2019 (2560714)

The Finance Manager presented the updated proposed Sensitive Expenditure Policy for the Committee's endorsement prior to the adoption of Council.

**RESOLVED**

THAT the report be received.

ARC19/30

Bennett/Tregidga

**CARRIED**

It was requested that staff provide a list of gifts (koha) to the Audit and Committee annually.

**RESOLVED**

THAT the Committee endorses the adoption of the revised Sensitive Expenditure Policy, and

THAT staff be instructed to place the proposed Sensitive Expenditure Policy on the Council agenda for 24<sup>th</sup> April 2019 for Councils consideration.

ARC19/31

Milner/Smeaton

**CARRIED**

PROPOSED PROCUREMENT POLICY –A PRIL 2019 (2560705)

APPENDIX A - REGIONAL PROCUREMENT PRINCIPLES POLICY FRAMEWORK (2560719)

The Group Manager – Corporate Services presented a report which sought the endorsement of the revised procurement policy. Feedback received from Audit NZ recommended that Council updates its procurement and procedures to ensure good control and consistency of procurement across Council.

**RESOLVED**

THAT the report be received.

ARC19/32

Milner/Harris

**CARRIED**

**RESOLVED**

THAT the Committee endorses the adoption of the revised Procurement Policy, and

THAT staff prepare a report on the proposed Procurement Policy to be placed on the Council agenda for the 24<sup>th</sup> April Council meeting.

ARC19/33

Bennett/Harris

**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 16 April 2019	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	<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.

ARC19/34

Bennett/Tregidga

**CARRIED**

Cr Harris left the meeting at 11.22am

**RESOLVED**

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

ARC19/39

Milner/Tregidga

**CARRIED**

The meeting closed at 11.40am.

CONFIRMED

P Bennett  
Chairperson

18 June 2019