
Audit & Risk Committee

OPEN MINUTES

Minutes of a meeting of the Audit & Risk Committee held in Committee Room 1, Municipal Building, Garden Place, Hamilton on Tuesday 3 September 2019 at 1.00pm.

PRESENT

Chairperson	Keiran Horne – External Appointee
Deputy Chairperson	Bruce Robertson – External Appointee
Membership	Mayor Andrew King
	Cr Garry Mallett
	Cr Paula Southgate
	Cr Dave Macpherson
	Cr Rob Pascoe

In Attendance

Cr James Casson
Richard Briggs - Chief Executive
Sean Murray - General Manager Venues, Tourism and Major Events
Eeva-Liisa Wright - General Manager Infrastructure Operations
Sean Hickey - General Manager Strategy and Communications
Lance Vervoort – General Manager Community
Jen Braid – General Manager City Growth
Mark Wagstaffe - Health & Safety Assurance Lead
Karin Barclay – Safety Engagement Lead
Maire Porter - City Waters Manager
Andrew Parsons – Strategic Development Manager
Morva Kaye – Internal Auditor
Mothla Majeed – Legal Services Manager
Dan Finn - People, Safety and Wellness Manager
Mike Lamb – Chief Information Manager
David Grace - Organisational Security Manager
Emily Botje – Facilities Manager
Christie Harger – Corporate Business Manager
Nicole Nooyen – Team Leader Best in Business Communications
Tracey Musty – Financial Controller
Andre Chatfield – Risk and Assurance Manager
Cory Lang – Building Compliance Manager
Julie Clausen – Programme Manager Strategy
Liz Tuck - Corporate Planning Manager

Aaron Steele and Matt White – Pricewaterhouse Cooper Representatives
Clarence Susan and Naude Kotze – Audit NZ representatives
James Macgillivray - Tompkins Wake Representative

Governance Staff

Amy Viggers – Committee Advisor

1. Apologies

Resolved: (Ms Horne/Mr Robertson)
There were no apologies.

2. Confirmation of Agenda

Resolved: (Ms Horne/Cr Pascoe)
That the agenda is confirmed.

3. Declarations of Interest

No members of the Committee declared a Conflict of Interest.

4. Public Forum

There were no member of the public that wished to speak.

5. Confirmation of Audit and Risk Committee Minutes - Open - 16 May 2019

Resolved: (Ms Horne/Mr Robertson)

That the Committee confirm the Open Minutes of the Audit and Risk Committee Meeting held on 16 May 2019 as a true and correct record.

6. Chief Executive Report - Verbal Update

The Chief Executive provided the Committee with a verbal report concerning the improvement in the area of risk assurance throughout the business. He outlined the emerging risks in relation to off book borrowing not necessarily captured in the risk framework and noted the focus required due to the leanness of the organisation. He responded to questions from Committee Members concerning emerging issues raised by the verbal report, the role of the Committee and how to be more transparent as an organisation.

Resolved: (Ms Horne/Mr Robertson)

That the Audit and Risk Committee receives the verbal report.

Cr Southgate joined the meeting (1.10pm) during the discussion of the above item. She was present when the matter was voted on.

7. Safety and Wellness Report - 1 May 2019 to 31 July 2019

The People, Safety and Wellness Manager spoke to the report and outlined the key outcomes for the next 12 months, including a structured safety framework. Staff responded to questions from Committee Members concerning the establishment of a policy to enable staff to use electric scooters for work transport, and the change in staff culture and the cost to the organisation in relation to safety.

Resolved: (Ms Horne/Cr Southgate)

That the Audit and Risk Committee receives the report.

8. Risk Management Report

The Risk and Assurance Manager took the report as read. He responded to questions from

Committee Members concerning the updated risk register, mitigations in relation to potential strategic risks, the collaborative approach Hamilton Council is known for and the education component of the improvement plan.

Resolved: (Ms Horne/Mr Robertson)

That the Audit and Risk Committee receives the report.

Cr Macpherson joined the meeting (1.54pm) at the conclusion of the above item. He did not take part in the vote.

9. Building Warrants of Fitness (BWOs) Current Process and BWOs - Verbal Update

The Building Compliance Manager took the report as read. He responded to questions from Committee Members concerning the changing number of outstanding BWOs, and the responsibilities of the Council during the BWO process.

Staff Action: *Staff undertook to provide further information to Elected Members concerning the BWO process prior to reporting back to the Council.*

Resolved: (Ms Horne/Mr Robertson)

That the Audit and Risk Committee receives the report.

10. Organisational Improvement Register Report - 31 July 2019

The Financial Controller provided Committee Members with an update on Project Kookiri. She responded to questions from Committee Members concerning the Improvement Register and matters identified by Audit NZ.

Resolved: (Ms Horne/Cr Pascoe)

That the Audit and Risk Committee receives the report.

11. 2019/20 Internal Audit Update

Aaron Steele and Matt White, Pricewaterhouse Cooper representatives, took the report as read.

The Financial Controller then spoke to the internal audit assessment, and the procurement and disposal of fleet assets. She responded to questions from Committee Members concerning communication of the audit results and the adequacy of controls.

Resolved: (Ms Horne/Mr Robertson)

That the Audit and Risk Committee:

- a) receives the report; and
- b) notes the progress against the Pricewaterhouse Cooper and Hamilton City Council Internal Audit Plans.

12. Audit NZ Interim Management Report 2018/19

The Financial Controller took the report as read. Clarence Susan and Naude Kotze, representatives of Audit NZ, then provided Committee Members with information concerning an audit finding relating to non-financial reporting, which concerned resource consent error rates and the

consequences for the Council.

Resolved: (Ms Horne/Mayor King)

That the Audit and Risk Committee receives the report.

Cr Casson retired from the meeting (2.32pm) during the discussion of the above item. He was not present when the matter was voted on.

Cr Southgate retired from the meeting (2.40pm) during the discussion of the above item. She was not present when the matter was voted on.

13. Updated Management Policies: Protected Disclosure and Fraud & Corruption

The Legal Services Manager spoke to the report, and noted the reason that the matter was being reported to the Committee was due to the alignment of the policies with the Audit and Risk Committee Terms of Reference. She responded to questions from Committee Members concerning the Protected Disclosures Act.

Resolved: (Ms Horne/Mayor King)

That the Audit and Risk Committee note the proposed changes to the Protected Disclosure Management Policy and the Fraud and Corruption Management Policy.

14. Audit & Risk Committee Self Review

The Chair took the report as read.

Resolved: (Mayor King/Mr Robertson)

That the Audit & Risk Committee receives the report.

15. Resolution to Exclude the Public

Resolved: (Ms Horne/Mayor King)

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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 follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of Audit and Risk Committee Minutes - Public Excluded - 16 May 2019) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987	Section 48(1)(a)
C2. Update on the Tax		

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- Compliance Review)
- C3. Update on Protected Disclosures
 - C4. Update on any Material Instances of Fraud or Corruption
 - C5. Cyber Risks/Issues - Verbal Report
 - C6. Verbal Update on any Legal Issues and/or Risks

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

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| Item C1. | to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (j) |
| Item C2. | to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (j) |
| Item C3. | to protect information which is subject to an obligation of confidence and disclosure would likely prejudice continual supply of similar information where it is in the public interest for that information to continue to be available | Section 7 (2) (c) (i)
Section 7 (2) (c) (ii) |
| Item C4. | to protect information which is subject to an obligation of confidence where disclosure would likely damage the public interest | Section 7 (2) (c) (i)
Section 7 (2) (c) (ii) |
| Item C5. | to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (j) |
| Item C6. | to maintain legal professional privilege | Section 7 (2) (g) |

The meeting went in to a public excluded session at 2.55pm.

The meeting was declared closed at 4.10pm.