
Audit & Risk Committee

OPEN MINUTES

Minutes of a meeting of the Audit & Risk Committee held in Committee Room One, Municipal Building, Garden Place, Hamilton on Tuesday 5 September 2017 at 1.00pm.

PRESENT

Members: Paul Connell – Chairperson
Mayor Andrew King
Keiran Horne
Cr Garry Mallett
Cr Paula Southgate
Cr Rob Pascoe

Attendees: David Bryant – General Manager Corporate
Tracey Musty – Financial Controller
Sean Murray – General Manager Venues Tourism and Major Events
Kelvyn Eglinton – General Manager City Growth
Barnaby Pace - Risk Manager
Andre Chatfield – Risk and Insurance Manager
Dan Finn - People, Safety & Wellness Manager
Jen Baird – Unit Manager Communications and Marketing
Nigel Ward - Communication Team Leader
Leon Pieterse – Audit Director of Audit NZ

Governance Advisors: Lee-Ann Jordan – Governance Manager
Claire Guthrie , Amy Viggers, Rebecca Watson - Committee Advisors

1. Apologies

Resolved: (Mr Connell/Cr Mallett)

That the apologies from Mayor King (for lateness) and Cr Macpherson are accepted.

2. Confirmation of Agenda

Resolved: (Mr Connell/Cr Southgate)

That the agenda is confirmed.

3. Declarations of Interest

No members of the Council declared a Conflict of Interest.

4. Public Forum

No members of public wished to speak.

5. Audit and Risk Committee Unconfirmed Minutes - Open - 13 June 2017

Resolved: (Crs Mallett/Pascoe)

That the Committee confirm the Open Minutes of the Audit and Risk Committee Meeting held on 13 June 2017 as a true and correct record.

6. Organisational Improvement Programme Update Report

The Risk Manager spoke to the report and noted that the number of items identified on the Organisational Improvement Programme report had been reduced from over 150 items to 7 in the last 18 months.

Staff responded to questions from Committee Members concerning the status of items and whether there was a risk that the organisation could be operating outside of statutory legislative compliance.

Resolved: (Ms Horne/Mayor King)

That the Audit and Risk Committee receives the report.

Mayor King joined the meeting at 1.10pm during the above item. He was present when the matter was voted on.

7. Risk Management Report

The Risk and Insurance Manager spoke to the report, he noted that there were three key risks identified at a recent workshop for the Audit and Risk committee to consider whether they should/should not remain on the Risk Management Report. These included:

- Reputation of Hamilton
- Financial Strategy Failures
- Cyber-Attacks.

Resolved: (Crs Mallett/Pascoe)

That the Audit and Risk Committee receives the report; and notes the following advice to management regarding the risk register:

Resolved: (Cr Mallett/Mayor King)

That the reputation of Hamilton be removed from the key risk register.

Crs Pascoe and Southgate Dissenting.

Resolved: (Mr Connell/Cr Southgate)

That the Audit and Risk Committee request the Chief Executive to review and update the Financial Strategy Failures risk wording and circulate to members for feedback once updated.

Resolved: (Mr Connell/Mayor King)

That cyber-attacks remain as a separate item on the key risk register.

8. Health and Safety Report

The People, Safety & Wellness Manager took the report as read. Key staff from the newly formed People, Safety & Wellness team were introduced to the Committee. The focus for the team would be working on framework and strategy, and fostering a safe and just culture within the organisation.

Resolved: (Mayor King/Cr Mallett)

That the Audit and Risk Committee receives the report.

9. Audit NZ Interim Management Report 2016/17

The Financial Controller introduced the report and responded to questions from Committee Members concerning fixed asset stocktake controls and how these were being managed.

Resolved: (Crs Pascoe/Mallett)

That the Audit and Risk Committee receives the report.

10. 2016/17 Annual Report and Audit NZ Clearance

The Financial Controller, along with Leon Pieterse from Audit NZ introduced the report and noted that there were some delays finalising the audit report. The finalised accounts would be available for adoption at the 18 October 2017 Council meeting, not the 21 September 2017 Council meeting as originally planned.

Resolved: (Mr Connell/Cr Southgate)

That the Audit and Risk Committee receives the report.

11. 2016/17 Internal Audit Update Quarter 4

The Financial Controller took the report as read. Staff responded to questions from Committee Members concerning the 'Unusual Transaction Analysis' report and the 'Procurement' Report.

Resolved: (Mr Connell/Cr Pascoe)

That the Audit and Risk Committee:

- a) receives the report; and
- b) notes that the 2016/17 internal audit programme has been completed except for one part of the unusual transactions analysis which is due to be completed by 8 September 2017.

12. Draft Internal Audit Plan for the 2017/18 Year

The Financial Controller spoke to the report, and noted that PWC had been appointed as Internal Auditors for the organisation for the next three years. The plan and timing for future internal audits was outlined in the staff report.

Resolved: (Cr Mallett/Mr Connell)

That the Audit and Risk Committee:

- a) receives the report; and
- b) approves the proposed development of the three year internal audit plan, the 2017/18 internal audit plan and the commencement of the next phase of internal audit work relating to cyber risk.

Resolved: (Mayor King/Mr Connell)

That the Audit and Risk Committee requests that staff report back to the 7 December 2017 Audit and Risk Committee meeting with costs associated to the running of the Audit and Risk Committee as well as the cost savings made.

13. Resolution to Exclude the Public

Resolved: (Crs Southgate/Mallett)

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. Audit and Risk Committee Unconfirmed Minutes - Public Excluded - 13 June 2017) Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

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:

Item C1. to maintain legal professional privilege Section 7 (2) (g)

The meeting went into a public excluded session at 4.20pm.

The meeting was declared closed at 5.10pm.