

---

## 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 Thursday 14 June 2018 at 9.30am.

#### PRESENT

**Chairperson:** Keiran Horne (Acting)

**Membership:** Mayor Andrew King  
Cr Garry Mallett  
Cr Paula Southgate  
Cr Rob Pascoe

**In Attendance:** Richard Briggs – Chief Executive  
Becca Brooke – Governance Team Leader  
Jessica Ashworth – Executive Assistant, Corporate  
Sean Murray – General Manager, Venues Tourism and Major Events  
Sharon Cresswell - PWC  
Aaron Steele – PWC  
Maire Porter – City Waters Manager  
Sean Hickey – General Manager, Strategy and Communications  
Andre Chatfield – Risk and Insurance Manager  
Helen Paki – Business and Planning Manager  
Dan Finn – People, Safety and Wellness Manager  
Eeva-Liisa Wright – Business Manager, Business Support  
Andrew McFayden – Health and Safety Assurance Lead  
Paul Gower – Programme Manager – Growth and Assets  
Jeff Neems – Communications Advisor  
Bridget Morgan – Water Asset Manager  
Sarah Seel – Strategic Asset Management Advisor  
Jen Baird – General Manager, City Growth  
Karin Barclay – Safety Engagement Lead  
Russell Hynd – Finance Manager  
Stafford Hodgeson – Senior Strategic Policy Analyst  
Leon Pieterse – Audit Director of Audit NZ  
Jared Williams – Audit NZ Manager  
Kate Cornege – Tomkins Wake

**1. Resolution for Keiran Horne to act as Chairperson for this meeting**

**Resolved:** (Crs Pascoe/Mallett)

That the Committee approve Keiran Horne to act as Chair during the 14 June 2018 Audit and Risk Committee meeting in the absence of Paul Connell.

**2. Apologies**

**Resolved:** (Crs Mallett/Pascoe)

That the apologies from Chairperson Paul Connell and Cr Macpherson are accepted.

**3. Confirmation of Agenda**

**Resolved:** (Crs Mallett/Pascoe)

That the agenda is confirmed.

**4. Declarations of Interest**

No members of the Council declared a Conflict of Interest.

**5. Public Forum**

There were no public forum speakers.

**6. Confirmation of Audit and Risk Committee Minutes - Open - 8 March 2018**

Amendment noted to Item 10 (*Annual Report 2018 Planning Update*), which should state Audit NZ spoke to the item, not PWC as written.

**Resolved:** (Ms Horne/Cr Mallett)

That the Committee confirm the Open Minutes of the Audit and Risk Committee Meeting held on 8 March 2018 as a true and correct record, noting the amendment to Item 10 (as above).

## 7. Risk Management Report

The Risk and Insurance Manager spoke initially to the report, and then introduced the Programme Manager – Growth and Assets, who spoke to a presentation on the identification, consequences and mitigations of potential failure of critical assets in Hamilton city area.

Committee Members asked questions regarding the CAMMS Risk Management software platform and how this works operationally, as well the process for updating the Material Risk Register as appropriate.

**Resolved:** (Crs Mallett/Southgate)

That the Audit and Risk Committee receives the report.

## 8. Safety and Wellness Report

The People, Safety and Wellness Manager and the Health and Safety Assurance Lead spoke to the report, highlighting that the organisation was on track to achieve the key performance targets set for 2017/18.

Committee Members asked questions around notifiable events, and whether there were trends to be noted in the reporting of these.

**Resolved:** (Ms Horne/Cr Southgate)

That the Audit and Risk Committee receives the report.

## 9. Organisational Improvement Report

The Finance Manager spoke to the report, identifying that some changes have been made to the format of the report to improve the readability. He highlighted the items on the report that have been identified as being behind schedule or at risk of falling behind and spoke about the mitigation plans for these.

Committee Members asked questions relating to business intelligence development and the tools and systems being developed and implemented around this.

**Resolved:** (Ms Horne/Cr Pascoe)

That the Audit and Risk Committee receives the report.

## 10. **Audit and Risk Committee - Terms of Reference Review**

Chair Keiran Horne spoke to the item, noting that she had suggested some further minor changes to the Terms of Reference. A handout with the further suggested changes was circulated to Committee Members.

Committee Members asked questions relating to the process to be followed when the Audit and Risk Committee identifies an area of non-compliance.

**Resolved:** (Ms Horne/Cr Pascoe)

That the Audit and Risk Committee:

- a) receives this report; and
- b) recommends the Chair and Principal Advisor capture the feedback of Committee Members and finalise the Terms of Reference for a recommendation to Council.

## 11. **2017/18 Internal Audit Update Q3**

The Finance Manager introduced Sharon Cresswell and Aaron Steele from PWC. They spoke to the report and answered questions from Committee Members regarding the progress of Cyber Security and Capital Works in Progress internal audit engagements, as well as resourcing for internal audit.

**Resolved:** (Ms Horne/Cr Mallett)

That the Audit and Risk Committee:

- a) receives the report;
- b) notes that scoping for the 2017/18 Internal Audit Plan engagements has been finalised with management; and
- c) notes that work has commenced on four engagements, as outlined in the staff report.

## 12. **Audit Arrangements 2017/18 Annual Report**

The Finance Manager introduced Leon Peitense and Jared Williams from Audit NZ. They highlighted that the management accounts audit report is due June 2018, prior to having the financial statements finalised. This ensures the report will be completed in a timely manner.

**Resolved:** (Ms Horne/Cr Mallett)

That the Audit and Risk Committee receives the report, noting a change from 2007 to 2017 on page 5.

**1. Audit of the Hamilton City Council Long Term Plan Consultation Document 2018-28**

The Finance Manager, along with Leon Pieterse and Jared Williams from Audit NZ spoke to the report. They responded to questions from Committee Members in relation to the accountability over grant payments made for the Waikato Regional Theatre, as well as concerns around the impact of the timeframes for receiving feedback from the Office of the Auditor-General over the issues with the Development Contributions model error on the sign off the of 2018-28 10-Year Plan.

Committee Members also asked questions regarding the potential savings identified in the 10-Year Plan by the Chief Executive over the next 10 years, and how these savings could be delivered operationally.

**Resolved:** (Ms Horne/Cr Mallett)

That the Audit and Risk Committee receives the report.

**14. Resolution to Exclude the Public**

**Resolved:** (Ms Horne/Cr 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. Legal Review of Contingent Liabilities	) 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 moved into a Public Excluded session at 12.16pm.**

**The meeting was declared closed at 12.30pm.**