
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 Monday 18 December 2017 at 12.30pm.

PRESENT

Chairperson: Paul Connell

Membership: Mayor Andrew King
Keiran Horne
Cr Garry Mallett
Cr Dave Macpherson
Cr Paula Southgate
Cr Rob Pascoe

Attendees: Cr Siggie Henry
Richard Briggs – Chief Executive
David Bryant – General Manager Corporate
Andre Chadfield – Risk Manager
Dan Finn – People Safety and Wellness Manager
Andrew Holmes – PwC
Aaron Steele - PwC
Sam Keelty – Aon Insurance
Matthew Wilson – Aon Insurance
Karin Barclay – Safety Engagement Lead
Nigel Ward – Communications Team Leader

Committee Advisor Rebecca Watson

1. Apologies: Mr Connell/Cr Pascoe

The apology from Cr Macpherson for lateness is accepted.

2. Confirmation of Agenda

Resolved: Cr Pascoe/Mr Connell

That the agenda is confirmed, noting that Item 12 (2017/18 Internal Audit Update Quarter 1) would be taken ahead of Item 7 (Organisational Improvement Programme Update) to accommodate presenter availability.

3. Declarations of Interest

No members of the Committee declared a Conflict of Interest.

4. Public Forum

Mr Peter Bos spoke to Item 10 (*Safety and Wellness Report*). Mr Bos presented some statistics around road fatalities with a request that these are used as a benchmark. He also requested a meeting with staff.

5. Audit and Risk Committee Unconfirmed Minutes - Open - 5 September 2017

Resolved: Cr Mallet/Ms Horne

That the Committee confirm the Open Minutes of the Audit and Risk Committee Meeting held on 5 September 2017 as a true and correct record.

6. Audit and Risk Committee Unconfirmed Minutes - Extraordinary Meeting - Open - 13 October 2017

Resolved: Mr Connell/Mayor King

That the Committee confirm the Open Minutes of the Extraordinary Audit & Risk Committee Meeting held 13 October 2017.

Item 12 (2017/18 Internal Audit Update Quarter 1) was taken before item 7 (Organisational Improvement programme Update) to accommodate external presenter availability.

7. 2017/18 Internal Audit Update Quarter 1

Staff from PwC spoke to the report, noting that the unusual transaction analysis was now completed. No potential fraud or suspicious activity was detected.

Committee Members discussed Asset Management Plans, and the adequacy of budget available for repairs and maintenance, particularly for community assets such as aquatic centres and libraries.

Resolved: Ms Horne/Cr Mallett

That the Audit & Risk Committee:

- a) receives the report;
- b) notes that the final part of the unusual transactions analysis from 2016/17 has been completed;
- c) approves the draft HCC Internal Audit Plan – December 2017; and
- d) notes that the scoping for the first engagement of the plan regarding Cyber security is being progressed with management.

Cr Macpherson arrived at 12.49pm during the above item. He was present when the matter was voted on.

Item 9 (Insurance Report 2018/18) was taken before item 7 (Organisational Improvement programme Update) to accommodate staff availability.

8. Insurance Report 2017/18

The Risk and Insurance Manager introduced staff from Aon Insurance, who manage the business' insurance portfolio. They provided an explanation on why insurance premiums have increased, which was largely due to a significant increase in the fire levy.

Committee Members discussed whether insurance for total loss of vehicle should continue or whether it was more cost effective to remove this given the high excess.

The maximum probable loss amount was defined from work completed by Tompkin Taylor.

Staff undertook to organise an overview of the maximum probable loss method next year to demonstrate the process taken.

Resolved: Crs Pascoe/Southgate

That the Audit & Risk Committee receives the report.

9. Organisational Improvement Programme Update

The Risk and Insurance Manager introduced the report, noting that the report was now more comprehensive with a new suite of items that have been captured.

Staff undertook to make the report easier to read, with colour coding where appropriate to make those items that are overdue or of more importance easier to identify.

Resolved: Mayor King/Ms Horne

That the Audit & Risk Committee receives the report.

10. Risk Management Report

The Risk and Insurance Manager spoke to the report, noting that the Materials Risks Register has been updated, with reputation having been removed.

Committee Members asked questions concerning whether any emerging risks had been identified that had not yet been placed on the Risk Register.

Resolved: Mayor King/Cr Southgate

That the Audit & Risk Committee receives the report.

11. Health and Wellness Report

The People, Safety and Wellness Manager spoke to the report and responded to questions from the Committee Members concerning what fail-safes had been put into place to ensure the safety of staff and contractors.

Resolved: Mayor King/Pascoe

That the Audit & Risk Committee receives the report.

Cr Mallett left at 14.33pm during the discussion on the above item. He was not present when the matter was voted on.

12. Audit & Risk Committee Self Assessment

This item was presented in two parts – a written update from Chair Paul Connell and a verbal update from the General Manager, Corporate. Committee Members asked whether the terms of reference for the Audit and Risk Committee were up to date, and whether they fit into the new financial strategy.

Staff undertook to provide a best practise comparison and review of terms of reference for the next Audit and Risk Committee meeting in March 2018.

Resolved: Ms Horne/Cr Macpherson

That the Audit & Risk Committee receives the report.

Following the conclusion of the above item, the Chief Executive raised a matter concerning the controls around his travel expenses. He advised the Committee that he has identified a risk in the sign off process for CE travel. A new step in the process had now been added where the Mayor now also signs off travel. It was noted that two overseas trips had been undertaken in the last 12 months and details of these had been provided to the auditors. All expense claims are run past the Mayor or Deputy Mayor, and any discrepancies are run past the Chair of the Audit and Risk Committee. The process will be formally written up.

The meeting was declared closed at 2.55pm.