
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 18 September 2018 at 9.30am.

PRESENT

Chairperson: Paul Connell

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

In Attendance: Cr Ryan Hamilton
Richard Briggs – Chief Executive
David Bryant – General Manager Corporate
Lance Vervoot – General Manager Community
Tracey Musty – Financial Controller
Sean Hickey – General Manager Strategy and Communications
Jen Baird – General Manager City Growth
Eeva-Liisa Wright – General Manager City Infrastructure
Russell Hynd – Finance Manager
Mike Lamb – Chief Information Officer
Andre Chatfield – Risk and Insurance Manager
Dan Finn – People, Safety and Wellness Manager
Karin Barclay – Safety Engagement Lead
Andrew McFadyen – Health and Safety Assurance Lead
Nigel Ward – Communications Advisor
Pieter Bronkhurst – Chief Technology Officer
Sharon Cresswell – PWC
Aaron Steele - PWC
Drew Parker – PWC
Leon Pieterse – Audit NZ
Jared Williams – Audit NZ

Governance Advisor: Rebecca Watson

1. Apologies

Resolved: (Mr Connell/Cr Southgate)

That the apologies for absence from Cr Pascoe, from Mayor King and Cr Macpherson for lateness, from Cr Southgate for early departure and from Cr Mallett for leave for part of the meeting are accepted.

2. Confirmation of Agenda

Resolved: (Mr Connell/Cr Southgate)

That the Audit and Risk Committee confirm the agenda.

3. Declarations of Interest

No members of the Committee declared a Conflict of Interest.

4. Public Forum

There were no public forum speakers.

5. Confirmation of Audit and Risk Committee Meeting Minutes - Open - 14 June 2018

Resolved: (Crs Southgate/Mallett)

That the Committee confirm the Open Minutes of the Audit and Risk Committee Meeting held on 14 June 2018 as a true and correct record.

6. Risk Management Report

The Risk and Insurance Manager took the report as read and responded to questions from Committee Members regarding changes to the report since the last Audit and Risk Committee meeting in June 2018. It was noted that at the end of 2018, Hamilton City Council will have 34 business continuity plans in place across the organisation.

Discussion was held regarding the council's readiness for civil defence and emergency management, and how to mitigate the risks associated with loss of key personnel in this area. Committee Members also asked questions concerning ways of ensuring that asset management plans were being completed.

Staff action: *The Risk and Insurance Manager was asked to check what was in place regarding succession planning and documentation around civil defence and emergency management.*

Resolved: (Ms Horne/Cr Mallett)

That the Audit and Risk Committee receives the report.

7. Safety and Wellness Report

The People Safety and Wellness Manager introduced the report and provided a summary of the findings. He highlighted the positive changes to the key performance indicators and explained that the current safety system was being updated to enable staff to report easily and in a timely manner. The Committee Members were given an overview of the current wellness campaign in the organisation.

An update was also provided on the health and safety representative training and the process for cascading key safety and wellness messages into the organisation.

Resolved: (Mr Connell/Cr Mallett)

That the Audit and Risk Committee receives the report.

Cr Southgate retired from the meeting at the conclusion of the above item. She was present when the matter was voted on.

Cr Mallett left the meeting at the conclusion of the above item. He was present when the matter was voted on.

Due to the above Committee Members leaving, the meeting was no longer quorate and adjourned from 10.25am to 11.44am.

Mayor King and Cr Macpherson joined the meeting at 11.44am following the above adjournment.

8. Organisation Improvement Register Report

The Finance Manager took the report as read. It was noted that all items on the improvement register were behind schedule due to staff changes and dates are being revised as needed. It was highlighted that a number of items have been cleared, and the process of sign off for items was discussed.

Committee Members discussed the IS service provider contract and movement to electronic paperless systems.

Resolved: (Mr Connell/Cr Macpherson)

That the Audit and Risk Committee receives the report.

9. Internal Audit Update

Staff from PwC spoke to the report, highlighting the work being done to drive the internal audit functionality within the organisation.

Resolved: (Ms Horne/Cr Macpherson)

That the Audit and Risk Committee:

- a) receives the report;
- b) notes that the Internal Audit planning for the 2018/19 year has been finalised between PwC and management;
- c) notes that the Cyber Security and Capital Work in Progress engagements have been completed; and
- d) receives the draft internal audit charter.

10. Audit NZ Final 2018-28 LTP Management Report

The Finance Manager introduced Leon Pieterse and Jared Williams from Audit NZ. The report was taken as read, and staff from Audit NZ highlighted a number of items in the key messages area of the report.

Committee Members discussed the rates revenue processes.

Resolved: (Mayor King/Mr Connell)

That the Audit and Risk Committee receives the report.

11. Audit NZ Interim Management Report 2017/18

The Finance Manager and staff from Audit NZ spoke to the report. It was identified there were two items noted in the report that required updates (processes at H3 and Found Assets), which had since been actioned.

Committee Members asked questions regarding the timeframes and processes for some of the items that had been raised and not cleared as part of the management report.

Resolved: (Mayor King/Ms Horne)

That the Audit and Risk Committee receives the report.

12. Annual Report 2017/18 and Audit NZ Clearance (*Recommendation to Council*):

The Chair introduced the item, discussing the process that had been undertaken to date regarding the sign off on the annual report, timetable for sign off and the current status of the report.

Resolved: (Mr Connell/Ms Horne)

That the Audit and Risk Committee:

- a) receives the report; and
- b) recommends to Council the adoption of the 2017/18 Annual Report, subject to review and approval by the Audit and Risk Committee Members, with feedback to be provided to the Chair by 25 September 2018.

13. Audit & Risk Committee Self-review

Chair Paul Connell thanked the Committee and noted that it has been his pleasure and an honour to serve on the Audit and Risk Committee over the past six years.

Resolved: (Cr Macpherson/Ms Horne)

That the Audit and Risk Committee receives the report.

14. Resolution to Exclude the Public

Resolved: (Mr Connell/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 Meeting Minutes - Public Excluded - 14 June 2018) Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
C2. Material Risk 7: Cyber Attack)	

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 prevent the disclosure or use of official Section 7 (2) (j)
information for improper gain or improper
advantage
- Item C2. to enable Council to carry out commercial Section 7 (2) (h)
activities without disadvantage

The meeting went into a public excluded session at 12.21pm.

The meeting was declared closed at 2.05pm.