
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 16 May 2019 at 1.00pm.

PRESENT

Chairperson: Keiran Horne – External Appointee

Deputy Chairperson Bruce Robertson – External Appointee

Membership Mayor Andrew King
Cr Garry Mallett
Cr Dave Macpherson
Cr Rob Pascoe

In Attendance David Bryant – General Manager Corporate
Chris Allen – General Manager Development
Eeva-Liisa Wright – General Manager Infrastructure Operations
Sean Hickey – General Manager Strategy and Communications
Lance Vervoort – General Manager Community
Blair Bowcott – Executive Director Special Projects
Luke O’Dwyer – City Planning Manager
Tracey Musty – Financial Controller
Morva Kaye – Internal Auditor
Stafford Hodgson – Programme Manager Economics and Policy
Nathan Dalgety – Team Leader Growth Funding and Analytics
Andre Chatfield – Risk and Insurance Manager
Dan Finn – People Safety and Wellness Manager
Christie Harger – Corporate Business Manager

Sharon Cresswell - PWC
Aaron Steele - PWC
Naude Kotze - Audit NZ
Clarence Susan – Audit NZ
Lachlan Muldowney – City Solicitor
James MacGillivray – Tomkins Wake

Governance Staff Rebecca Watson – Committee Advisor

1. Apologies

Resolved: (Cr Macpherson/Cr Pascoe)

That the apologies for absence from Cr Southgate and for early departure from Cr Mallett are accepted.

2. Confirmation of Agenda

Resolved: (Cr Mallett/Mr Robertson)

That the agenda is confirmed, noting that Item 6 (*Chief Executive Report – Verbal Update*) would be taken as read due to the absence of the Chief Executive.

3. Declarations of Interest

No members of the Council declared a Conflict of Interest.

4. Public Forum

No members of the public wished to speak.

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

Resolved: (Cr Pascoe/Cr Mallett)

That the Committee confirm the Open Minutes of the Audit and Risk Committee Meeting held on 5 March 2019 as a true and correct record.

6. Chief Executive Report - Verbal Update

The written cover report was taken as read.

Resolved: (C Mallett/Mr Robertson)

That the Audit and Risk Committee receives the report.

7. Independent Audit on Development Contributions Process - 2018-28

The General Manager Development spoke to the report, giving an overview of the process of the independent review undertaken and the subsequent changes made as a result of the review.

It was noted that the process undertaken was an independent review by PwC, not an audit.

Committee Members asked questions concerning inclusion of assets in the 10-Year Plan, alignment of schedules to the Annual Plan, and process to update the Development Contributions schedule.

Staff action: *staff undertook to include in the Capital Portfolio Monitoring Report an update on, and the Council's response to the 7 areas for improvement identified by PwC as part of the review undertaken on the Development Contributions Process.*

Resolved: (Cr Pascoe/Mr Robertson)

That the Audit and Risk Committee receives the report.

8. Safety and Wellness Report

The People, Safety and Wellness Manager spoke to the report, noting some of the programmes being undertaken to communicate the safety management programme.

Committee Members asked questions concerning:

- process of notifiable events,
- consistency in Health and Safety,
- work being done to upgrade communication devices,
- psychosocial incidents and reporting,
- current initiatives concerning workloads and stress, and
- incidents of bullying and harassment and programmes to support staff.

Staff action: *Staff undertook to include in the Safety and Wellness Report outcomes with staff as part of the notifiable event reporting.*

Resolved: (Mayor King/Mr Robertson)

That the Audit and Risk Committee receives the report.

9. HCC Risk Management Report April 2019 (*Recommendation to Council*)

The Risk and Insurance Manager spoke to the report, noting some of the changes made to the Council's risk management as a result of recent incidents around the country.

Resolved: (Mr Robertson/Cr Pascoe)

That the Audit and Risk Committee:

- a) receives the report; and
- b) recommends the updated Council Risk Management Policy to Council for approval.

10. Organisational Improvement Register Report

The Financial Controller spoke to the report, and provided an update on the status of Project Kookiri, and clarification on the Audit NZ recommendations for improvement as part of the 2017/18 Audit Report.

Committee Members asked questions concerning dates for Project Kookiri, resourcing issues if AX and Project Kookiri needed to be run parallel for a period, and the data migration process.

Resolved: (Cr Pascoe/Mr Robertson)

That the Audit and Risk Committee receives the report.

11. 2019 Annual Report Accounting Treatment Review

The Financial Controller spoke to the report, noting some of the work being undertaken to review the value of assets for the Annual Report 2019, and material impairments.

Committee Members asked questions concerning provision for potential weathertight and landfill issues, depreciation, reporting of non-financial performance measures and borrowing costs.

Resolved: (Mr Robertson/Cr Macpherson)

That the Audit and Risk Committee receives the report.

12. 2018/19 Internal Audit Update 30 April 2019 and Draft Internal Audit Plan for 2019/20 - 2021/22

The Financial Controller spoke to the report, and introduced Sharon Cresswell and Aaron Steele from PwC, who gave an overview of the internal audit plan.

Committee Members asked questions concerning data governance, LGOIMA information requests, and staff access to email.

Staff action: Staff from PwC undertook to include years to the plan on page 66 of the agenda (ie 2019/2020 etc).

Resolved: (Cr Pascoe/Mr Robertson)

That the Audit and Risk Committee:

- a) receives the report;
- b) notes the progress against the PwC and Hamilton City Council Internal Audit Plans; and
- c) approve the draft Internal Audit Programme for 2019/20 – 2021/22.

Cr Mallet retired from the meeting (3.08pm) during the above item. He was not present when the matter was voted on.

13. Annual Report 2019 Planning Update

The Financial Controller introduced Naude Kotze from Audit NZ, and gave an overview of the proposed timetable provided by Audit NZ.

Resolved: (Mayor King/Mr Robertson)

That the Audit and Risk Committee receives the report.

14. Audit Engagement for 2019, 2020 and 2021

The report was taken as read.

Resolved: (Cr Pascoe/Mr Robertson)

That the Audit and Risk Committee receives the report.

15. Resolution to Exclude the Public

Resolved: (Cr Pascoe/Mr Robertson)

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 - 5 March 2019) Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
C2. Verbal Update on any Legal Issues and/or Risks)	
C3. Cyber Risks/Issues - Verbal Report		

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 information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to maintain legal professional privilege	Section 7 (2) (g)
Item C3.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)

The meeting moved to a public excluded session at 3.27pm.

The meeting was declared closed at 3.58pm.