
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 5 March 2019 at 1.03pm.

PRESENT

Chairperson: Keiran Horne – External Appointee

Deputy Chairperson Bruce Robertson – External Appointee

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

In Attendance: Richard Briggs – Chief Executive
David Bryant – General Manager Corporate
Eeva-Liisa Wright – General Manager Infrastructure Operations
Sean Murray – General Manager Tourism, Venues and Major Events
Jen Baird – General Manager City Growth
Tracey Musty – Financial Controller
Andre Chatfield – Risk and Insurance Manager
Nicholas Whittaker – Risk and Insurance Advisor
Dan Finn – People Safety and Wellness Manager
Morva Kaye – Internal Auditor
Nigel Ward – Communications Advisor
Christie Harger – Corporate Business Manager
Karin Barclay – Safety Engagement Lead
Mark Wagstaffe – Health and Safety Assurance Lead
Paul Gower – Programme Manager Growth and Assets
Maire Porter – City Waters Manager
Bridget Morgan – Water Asset Manager
Greg Carstens - Economic Growth and Analytics Manager
Katie Batley – Senior Strategic Policy Advisor

Sharon Cresswell - PwC
Aaron Steele – PwC

Governance Staff: Rebecca Watson – Committee Advisor

1. Apologies

Resolved: (Cr Southgate/Cr Mallett)

That the apologies for absence from Cr Macpherson, and for early departure from Mr Robertson and Cr Mallett are accepted.

2. Confirmation of Agenda

Resolved: (Cr Southgate/Mayor King)

That the agenda is confirmed.

3. Declarations of Interest

No members of the Committee declared a Conflict of Interest.

4. Public Forum

There were no public forum speakers.

5. CE Introduction - Strategic Risk Overview

The Chief Executive gave an overview of some of the key strategic risks in the organisation, particularly safety and wellness and the organisational improvement register.

He responded to questions from Committee Members concerning the definition of strategic risks, internal audit reports, and use of 'deep dives' in the Audit and Risk Committee meetings.

Resolved: (Cr Pascoe/Mayor King)

That the Audit and Risk Committee receives the verbal report.

6. Confirmation of Audit and Risk Committee Meeting Open Minutes - 27 November 2018

Resolved: (Mr Robertson/Mayor King)

That the Committee confirm the Open Minutes of the Audit and Risk Committee Meeting held on 27 November 2018 as a true and correct record.

7. **Audit and Risk Committee Draft Schedule of reports 2019**

The Chairperson took the report as read.

Resolved: (Mayor King/Cr Mallett)

That the Audit and Risk Committee:

- a) receives the draft 2019 Schedule of Reports; and
- b) notes that the Schedule of Reports is intended to be a living document that will be updated as necessary and will be made available to Elected Members on Onedrive.

8. **Safety and Wellness Report**

The People Safety and Wellness Manager spoke to the report, highlighting some of the statistics and programmes being run in the organisation. The Chairperson noted the change in direction of the report to a more strategic focus.

Staff responded to questions from Committee Members concerning mental health initiatives, staff workloads, taskforces, provision of health monitoring and checks, and lead reporting.

Resolved: (Mayor King/Cr Mallett)

That the Audit and Risk Committee receives the report.

9. **Risk Management Report**

The Risk and Insurance Manager spoke to the report, highlighting that due to technical issues the report attached to the agenda was incorrect. The correct report had an overview of some of the actions that had been closed. The Risk and Insurance Manager gave an overview of the report and noted to Committee Members that there were no items of major risk and significance.

Staff responded to questions from Committee Members concerning residual risks, risk appetite in the organisation and any anticipated changes to material risks after the workshop sessions on 4 and 5 March 2019.

Committee Members acknowledged the workshop run over 4 and 5 March 2019 and the work undertaken to update the Risk Management Report as part of this workshop.

Resolved: (Mr Robertson/Mayor King)

That the Audit and Risk Committee accepts the verbal report.

10. Organisational Improvement Register Report

The Financial Controller spoke to the report and gave an overview of the work being undertaken as part of Project Kookiri to update the financial systems in the organisation.

Staff responded to questions from Committee Members concerning current software systems, financial staff resourcing, impact of the work in progress, and audit recommendations.

Resolved: (Mr Robertson/Cr Pascoe)

That the Audit and Risk Committee receives the report.

11. 2018/19 Internal Audit Update 28 February 2019

The Financial Controller introduced the report, along with Aaron Steele and Sharon Cresswell from PwC. Staff from PwC gave an overview of the maintenance and revenue reports and responded to questions from Committee Members concerning best practice and costs of predictive maintenance, retention of key staff and staffing levels, and use of historical trends in reporting.

It was noted that the internal audit report on payroll will be brought to the next Audit and Risk Committee meeting on 16 May 2019.

Resolved: (Mayor King/Mr Robertson)

That the Audit and Risk Committee:

- a) receives the report;
- b) notes the progress against the PwC Internal Audit Plan and reports completed;
- c) notes the Hamilton City Council Internal Audit work undertaken and reports completed; and
- d) notes that planning is commencing for the Internal Audit Programme for the next 3 years.

12. Annual Report 2019 Planning Update

The Financial Controller introduced Clarence Susan and Jared Williams from Audit NZ. They gave an overview of the process to be undertaken for the Annual Report. They also highlighted that a staff member from Audit NZ has accepted a position with the Council and there are some independence issues to work through as a result.

Committee Members asked questions concerning the independence of auditors, timeframes of audit documentation and the tie in to meeting schedules, the timeframes for annual report and provision of draft documents prior .

Resolved: (Mayor King/Cr Pascoe)

That the Audit and Risk Committee receives the report.

13. Resolution to Exclude the Public

Resolved: (Mr Robertson/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. Legal Issues and Risks - Verbal Report |) Good reason to withhold information exists under Section 7 Local Government | Section 48(1)(a) |
| C2. Cyber Risks/Issues - Verbal Report |) Official Information and Meetings Act 1987) | |

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) |
| Item C2. | 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 2.51pm.

The meeting was declared closed at 3.23pm.