
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 8 March 2018 at 9.30am.

PRESENT

Chairperson: Paul Connell

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

In attendance: Richard Briggs – Chief Executive
David Bryant – General Manager, Corporate
Aaron Steele – PWC
Sharon Cresswell – PWC
Nigel Ward – Communications Team Leader
Andre Chatfield – Risk and Insurance Manager
Andrew McFayden – Health and Safety Assurance Lead
Mike Lamb – Chief Information Officer
Russell Hynd – Finance Manager
Leon Pieterse – Audit Director of Audit NZ
Jared Williams – Audit NZ Manager
Jessica Ashworth – Executive Assistant
Dan Finn – People, Safety and Wellness Manager

Rebecca Watson – Committee Advisor

1. Apologies

There were no apologies.

2. Confirmation of Agenda

Resolved: (Crs Macpherson/Southgate)

That the agenda is confirmed, noting that Item 10 (*Annual Report 2018 Planning Update*) would be taken ahead of Item 6 (*2018 Audit and Risk Report Schedule*) to accommodate presenter availability.

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 Minutes - Open - 18 December 2017

Amendment made to Item 4 (*Public Forum*). Mr Peter Bos, Public Forum speaker, requested that his wording from the previous meeting be updated.

Cr Mallett raised in Item 10 (*Risk Management Report*) that financial strategy failure should remain on the Material Risks Register.

Resolved: (Crs Macpherson/Mallett)

That the Committee confirms the Open Minutes of the Audit and Risk Committee Meeting held on 18 December 2017 as a true and correct record, noting two amendments (as above).

6. 2018 Audit and Risk Committee Report Schedule

The General Manager, Corporate spoke to the schedule of reports and answered questions from Committee Members regarding the frequency of some reports, and the appointment of external members to the Audit and Risk Committee.

Resolved: (Mr Connell/Cr Mallett)

That the Audit and Risk Committee approves the 2018 Audit and Risk Committee Report Schedule.

7. 2017/18 Internal Audit Update Quarter Two

The Finance Manager, along with staff from PWC spoke to the report and answered questions from Committee Members regarding what types of cyber security risks to critical infrastructure could occur, and capitalisation of assets.

The process of collating asset management plans, and the prevention of schedules from falling behind was discussed.

Resolved: (Crs Mallett/Southgate)

That the Audit and Risk Committee receives the report.

8. Organisational Improvement Programme Update

The Risk and Insurance Manager spoke to the report, and responded to questions from Committee Members concerning the H3 accounting system, and the proposed Infrastructure Team Lead role.

Action: Staff undertook to explore options for the layout of the report to make it easier to read and understand, as well as adding years to any dates to make identifying timeframes easier.

Resolved: (Mr Connell/Cr Mallett)

That the Audit and Risk Committee receives the report.

9. Risk Management Report

The Risk and Insurance Manager spoke to the report and responded to questions from Committee Members concerning how follow up actions were undertaken, as well as the difference between rankings of risk of serious injury or death versus the risk of serious harm.

Resolved: (Cr Macpherson/Ms Horne)

That the Audit and Risk Committee receives the report.

10. Annual Report 2018 Planning Update

The General Manager, Corporate and staff from Audit NZ spoke to the report, highlighting that a workshop was planned to take place with Committee Members once the Annual Report had been drafted.

Staff responded to questions from Committee Members concerning:

- Materiality of risks reported in the Annual Report
- Compliance and legal validity of rating
- Processes for the detection of fraud

Action: Staff undertook to circulate the link to the management policy concerning the expenditure for Elected Members.

Resolved: (Crs Southgate/Macpherson)

That the Audit and Risk Committee receives the report.

11. Fitch Credit Rating

The Finance Manager spoke to the report, and responded to questions from Committee Members concerning the benchmarking of the City against others of comparable size, as well as differences between fixed interest rates and hedged rates. The General Manager, Corporate spoke to the report's focus around debt to revenue ratio.

Committee Members congratulated staff on maintaining the AA- rating, as this had significant positive material impact on rates of borrowing and other financial areas.

Resolved: (Mr Connell/Cr Pascoe)

That the Audit and Risk Committee receives the report.

12. Safety and Wellness Report

The People Safety and Wellness Manager spoke to the report, highlighting that Health and Safety performance remains steady, and that a recent focus of the organisation had been on the impact of heat on workers.

Staff responded to questions from Committee Members concerning:

- Reporting of mental health issues such as stress and bullying, which was confirmed as being stated through this report
- Drug and alcohol testing regime in the organisation
- Tracking of absenteeism

Action: Committee Members requested information around what programmes were in place to ensure standards of behaviour, particularly around sexual harassment.

Resolved: (Crs Southgate/Pascoe)

That the Audit and Risk Committee receives the report.

Meeting declared closed at 12.28pm.