



Hastings District Council

*Civic Administration Building
Lyndon Road East, Hastings 4156*

Phone: (06) 871 5000

Fax: (06) 871 5100

www.hastingsdc.govt.nz

OPEN MINUTES

AUDIT AND RISK SUBCOMMITTEE

Meeting Date: **Tuesday, 25 August 2015**

**Minutes of a Meeting of the Audit and Risk Subcommittee held on
Tuesday, 25 August 2015 at 10.00am**

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HASTINGS DISTRICT COUNCIL

MINUTES OF A MEETING OF THE AUDIT AND RISK SUBCOMMITTEE HELD IN THE LANDMARKS ROOM, GROUND FLOOR, CIVIC ADMINISTRATION BUILDING, LYNDON ROAD EAST, HASTINGS ON TUESDAY, 25 AUGUST 2015 AT 10.00AM

PRESENT: Councillor Bowers (Chair)
Mayor Yule
Councillors Hazlehurst, Kerr, Lester, Watkins and Mr J
Nichols

IN ATTENDANCE: Group Manager: Corporate and Customer Services (Mr M
Maguire)
Group Manager: Asset Management (Mr C Thew)
Acting Chief Financial Officer (Mr B Allan)
Accounting Manager (Mrs J Guilford)
Strategic Financial Advisor (Ms C Thomson)
Accountant (Mr R Hinde)
Committee Secretary (Mrs C Hilton)

ALSO PRESENT: Mr A Hanning, Head of Insurance, Civic Assurance
(Item 4)
Dr M Kanga, Risk Management Advisor, Local Authority
Protection Programme (Item 4)
Mr J Dixon, Partner, PricewaterhouseCoopers (Item 5)

1. APOLOGIES

Councillor Watkins/Councillor Kerr

That apologies for lateness from Mayor Yule and Councillor Hazlehurst be accepted.

CARRIED ARS/4

2. CONFLICTS OF INTEREST

There were no declarations of conflicts of interest.

3. CONFIRMATION OF MINUTES

Councillor Lester/Councillor Kerr

That the minutes of the Audit and Risk Subcommittee Meeting held Tuesday 23 June 2015 be confirmed as a true and correct record and be adopted.

CARRIED ARS/5

4. LOCAL AUTHORITY PROTECTION PROGRAMME PRESENTATION

(Document 15/937) (Two presentations were made and copies were circulated)

The Acting Chief Financial Officer, Mr Allan, made some opening comments.

Mr A Hanning, Head of Insurance, Civic Assurance and Dr M Kanga, Risk Management Advisor, Local Authority Protection Programme ("LAPP") each addressed the meeting and gave their respective presentations.

Mr Hanning gave a power point presentation (CG-13-7-064) which outlined the role of LAPP. Civic Assurance was the fund administrator for LAPP. He expanded on the main points in the presentation and responded to questions raised by the meeting.

Mayor Yule joined the meeting at 10.19am.

Mayor Yule advised that, in his role as a Director of LAPP, he was present in support of Mr Hanning and Dr Kanga in regard to this agenda item. He was not involved in any discussion or decision making by the Audit and Risk Subcommittee in relation to LAPP under this item.

Councillor Hazlehurst joined the meeting at 10.22am.

Dr Kanga gave a PDF presentation (CG-13-7-065) which addressed LAPP's Risk Management Process and the Risk Profile for Hastings District Council. She expanded on the main points in the presentation and responded to questions raised by the meeting.

Councillor Kerr/Councillor Hazlehurst

A) That the report of the Acting Chief Financial Officer titled "Local Authority Protection Programme Presentation" dated 25/08/2015 be received.

With the reasons for this decision being that the objective of the decision will contribute to meeting the current and future needs of communities for good quality local infrastructure by:

i) Providing appropriate insurance requirements for Councils underground assets if a catastrophic event was to occur.

CARRIED ARS/6

5. INTERNAL AUDIT PLAN UPDATE

(Document 15/405)

The Accounting Manager, Mrs J Guilford, spoke to her agenda report. The meeting was advised that the Council had asked PricewaterhouseCoopers to prepare an Internal Audit Plan and had given it the risk register, incorporating matters needing to be addressed from the finance perspective.

Mr J Dixon, Partner, PricewaterhouseCoopers, addressed the meeting in regard to

the Council's Internal Audit process and the role of his company. He responded to questions from the meeting, in particular he explained the difference between the role of his company and Audit New Zealand in regard to audit matters they each addressed.

The meeting was advised that PricewaterhouseCoopers had forwarded a three year plan, but Council Officers had only included details of the first year of the plan in the agenda report. This approach had been taken as the intention was to focus on the first year and then develop the plan from there.

The Subcommittee asked that the full three year plan from PricewaterhouseCoopers be circulated to the members so they could see the full details involved.

Councillor Lester/Councillor Watkins

- A) That the report of the Accounting Manager titled "Internal Audit Plan Update" dated 25/08/2015 be received.**
- B) The Audit and Risk Subcommittee is comfortable with the priorities and frequency of review of areas identified in the draft Internal Audit Plan, and requested that the three year plan prepared by PricewaterhouseCoopers be circulated to the Subcommittee members so that the full details in the plan were known.**

CARRIED ARS/7

6. TREASURY ACTIVITY AND FUNDING

(Document 15/26)

The Business Analyst, Ms Thomson, spoke to her agenda report and responded to questions from the meeting.

Councillor Watkins/Mr Nichols

That the report of the Business Analyst titled Treasury Activity and Funding dated 25/08/2015 be received.

CARRIED ARS/8

7. AUDIT STATUS UPDATE

(Document 15/16)

The Acting Chief Financial Officer spoke to his agenda report and responded to questions from the meeting. He reiterated earlier comments made regarding the difference between the audit work undertaken by Audit NZ and the internal audit process.

The Subcommittee asked that Officers keep the members informed, by providing them with a list of audit issues and progress that was being made to address these matters.

Councillor Bowers/Mr Nichols

That the report of the Acting Chief Financial Officer titled “Audit Status Update” dated 25 August 2015 be received.

CARRIED ARS/9

8. AUDIT REPORT FOR 2015-25 LONG TERM PLAN

(Document 15/939)

The Acting Chief Financial Officer spoke to his agenda report and responded to questions from the meeting.

Councillor Hazlehurst/Councillor Lester

That the report of the Acting Chief Financial Officer titled “Audit report for 2015-25 Long Term Plan” dated 25/08/2015 be received.

CARRIED ARS/10

9. GENERAL UPDATE REPORT

(Document 15/941)

The Acting Chief Financial Officer spoke to his agenda report, addressing each of the main sections in turn and responding to questions from the meeting.

Councillor Kerr left the meeting at 12.15pm.

Draft Annual Report – It was noted that the Subcommittee did not usually see this Draft Report before it went to the Auditors. This was one of the areas that was being addressed in the Terms of Reference for this Subcommittee.

It was suggested that another meeting of the Subcommittee may be needed – e.g. in September – to be able to address the Draft Annual Report at an appropriate stage of the process.

Councillor Lester/Councillor Watkins

That the report of the Acting Chief Financial Officer titled “General Update Report” dated 25/08/2015 be received.

CARRIED ARS/11

10. ADDITIONAL BUSINESS ITEMS

There were no additional business items.

11. EXTRAORDINARY BUSINESS ITEMS

There were no extraordinary business items.

The meeting closed at 12.19pm

Confirmed:

Chairman:

Date: