



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

RISK AND AUDIT SUBCOMMITTEE

Meeting Date: **Tuesday, 1 May 2018**

**Minutes of a Meeting of the Risk and Audit Subcommittee
held on Thursday 1 May 2018 at 9.00am**

Table of Contents

<u>Item</u>	<u>Page No.</u>
1. Apologies	1
2. Conflicts of Interest	1
3. Confirmation of Minutes	1
4. Health and Safety Risk Management Update	1
5. Treasury Activity and Funding	2
6. Enterprise Risk Management Update	2
7. Asset Management Plans	3
8. General Update Report and Status of Actions	3
9. Audit report for 2018-2028 Long Term Plan	3
11. Water Services	4
10. Local Government Funding Agency Update	4
12. Additional Business Items	4
13. Extraordinary Business Items	4
14. Recommendation to Exclude the Public from Item 15	5
10. Local Government Funding Agency Update <i>Continued...</i>	6

HASTINGS DISTRICT COUNCIL

MINUTES OF A MEETING OF THE RISK AND AUDIT SUBCOMMITTEE HELD IN THE LANDMARKS ROOM, GROUND FLOOR, CIVIC ADMINISTRATION BUILDING, LYNDON ROAD EAST, HASTINGS ON TUESDAY, 1 MAY 2018 AT 9.00AM

PRESENT: Mr J Nichols (Chair)
Mayor Hazlehurst
Deputy Mayor Kerr
Councillors Nixon and Travers

IN ATTENDANCE: Chief Executive: (Mr R McLeod)
Chief Financial Officer (Mr B Allan)
Group Manager: Asset Management (Mr C Thew)
Manager, Strategic Finance (Mr B Chamberlain)
Health and Safety Manager (Ms J Kuzman)
Risk and Corporate Services Manager (Mr R Smith)
Risk Assurance Advisor (Mr D Ferguson)
District Customer Services Manager (Mr G Brittin)
Committee Secretary (Mrs C Hilton)

ALSO PRESENT: Mr A Michl - Manager, Credit and Client Relations, New Zealand Local Government Funding Agency (LGFA)

1. APOLOGIES

There were no apologies from the Risk and Audit Subcommittee.

2. CONFLICTS OF INTEREST

There were no declarations of conflicts of interest.

3. CONFIRMATION OF MINUTES

Councillor Kerr/Councillor Travers

That the minutes of the Risk and Audit Subcommittee Meeting held Monday 12 February 2018 be confirmed as a true and correct record and be adopted.

CARRIED

4. HEALTH AND SAFETY RISK MANAGEMENT UPDATE

(Document 18/202)

The Chief Executive joined the meeting at 9.10am.

Mayor Hazlehurst/Councillor Nixon

- A) That the report of the Health and Safety Advisor titled “Health and Safety Risk Management Update” dated 1/05/2018 be received.**
- B) That it be recommended to Council that the proposed changes to Health and Safety Reporting timeframes outlined in the Report in A) above, and as set out below, be approved.**
- **That monthly reporting on Health and Safety management be uploaded onto the hub for elected members to review.**
 - **That quarterly reports continue to be presented to Council.**
 - **That any urgent Health and Safety issues arising outside of the quarterly reporting regime be either notified to the Chief Executive/delegate to elected members by e-mail and / or brought to Council as a “special report”.**

CARRIED

5. TREASURY ACTIVITY AND FUNDING

(Document 18/278)

Councillor Kerr/Councillor Travers

That the report of the Manager Strategic Finance titled “Treasury Activity and Funding” dated 1/05/2018 be received.

CARRIED

6. ENTERPRISE RISK MANAGEMENT UPDATE

(Document 18/296)

Councillor Nixon/Councillor Travers

- A) That the report of the Risk and Corporate Services Manager titled “Enterprise Risk Management Update” dated 1/05/2018 be received.**
- B) That the Risk and Audit Subcommittee recommend to Council that Biosecurity Failure (Strategic Risk number 11) be removed from the Strategic Risk Register and the relevant issues be incorporated into Economic Downturn (Strategic Risk number 10).**

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, local public services and performance of regulatory functions in a way that is most cost-effective for households and business by:

- i) Validating that risks in core business processes are effectively managed.**

CARRIED

7. ASSET MANAGEMENT PLANS

(Document 18/313)

Mr Nichols/Councillor Travers

- A) That the report of the Chief Financial Officer and Group Manager: Asset Management titled “Asset Management Plans” dated 1/05/2018 be received.**
- B) That the Risk and Audit Subcommittee endorse the receipt of the 2018-28 Asset Management Plan summaries for Roading, Water Supply, Waste Water and Stormwater and recommend them to Council for adoption as part of the Council’s 2018-28 Long Term Plan.**
- C) That the Risk and Audit Subcommittee endorse the Group Manager: Asset Management’s proposal to commission further independent review work to inform future improvement priorities in readiness for the 2018-28 Asset Management Plans.**

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 in a way that is most cost-effective for households and business by:

- i) Acknowledging that the planning and understanding of Council’s important infrastructure assets are good.**

CARRIED

8. GENERAL UPDATE REPORT AND STATUS OF ACTIONS

(Document 18/318)

Councillor Kerr/Councillor Travers

That the report of the Manager Strategic Finance titled “General Update Report and Status of Actions” dated 1/05/2018 be received.

CARRIED

9. AUDIT REPORT FOR 2018-2028 LONG TERM PLAN

(Document 18/319)

Mayor Hazlehurst/Councillor Nixon

That the report of the Chief Financial Officer titled “Audit Report for 2018-2028 Long Term Plan” dated 1/05/2018 be received.

CARRIED

With the agreement of the Subcommittee, Item 11 was taken out of order and addressed at this time, as Mr A Michl, New Zealand Local Government Funding Agency was not yet present for Item 10.

11. WATER SERVICES

(Document 18/360)

The Chief Executive gave an overview of his report.

The Chief Executive also advised the Risk and Audit Subcommittee of the recent passing of Council's Wastewater Treatment Manager, Mr Bob McWilliams.

Councillor Kerr/Mayor Hazlehurst

A) That the report of the Chief Executive titled "Water Services" dated 1/05/2018 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 in a way that is most cost-effective for households and business by:

i) Providing for effective Governance oversight of the water services change programme.

CARRIED

10. LOCAL GOVERNMENT FUNDING AGENCY UPDATE

(Document 18/344)

Mr A Michl, Manager, Credit and Client Relations, New Zealand Local Government Funding Agency (LGFA), spoke to a power point presentation (CG-14-25-00044) about the LGFA and responded to questions from the Subcommittee.

Item 10 was adjourned at 11.25am, so the Subcommittee could go into Public Excluded Session and address Item 15 "Enforcement and Inspection Internal Audit Report" while a quorum remained.

Item 10 would then resume with a minimum number of the Subcommittee members still present to maintain a quorum.

12. ADDITIONAL BUSINESS ITEMS

There were no additional business items.

13. EXTRAORDINARY BUSINESS ITEMS

There were no extraordinary business items.

14. RECOMMENDATION TO EXCLUDE THE PUBLIC FROM ITEM 15

SECTION 48, LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987

Councillor Kerr/Mayor Hazlehurst

THAT the public now be excluded from the following parts of the meeting, namely;

15 Enforcement and Inspection Internal Audit Report

The general subject of the matter to be considered while the public is excluded, the reason for passing this Resolution in relation to the 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 is as follows:

<i>GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED</i>	<i>REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER, AND PARTICULAR INTERESTS PROTECTED</i>	<i>GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF EACH RESOLUTION</i>
15 Enforcement and Inspection Internal Audit Report	<p>Section 7 (2) (h)</p> <p>The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>The internal audit includes the review of commercial arrangements as part of the audit process.</p>	<p>Section 48(1)(a)(i)</p> <p>Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.</p>

That Mr A Michl, Manager, Credit and Client Relations, New Zealand Local Government Funding Agency be permitted to remain while the Subcommittee addressed Public Excluded Item 15.

CARRIED

After addressing Item 15, the meeting then resumed in Open Session, following a resolution to do so, in order that the remainder of Item 10 could be addressed.

HASTINGS DISTRICT COUNCIL**MINUTES OF A MEETING OF THE RISK AND AUDIT SUBCOMMITTEE
HELD IN THE LANDMARKS ROOM, GROUND FLOOR, CIVIC ADMINISTRATION
BUILDING, LYNDON ROAD EAST, HASTINGS
ON TUESDAY, 1 MAY 2018 AT 9.00AM****(WHICH RESUMED IN OPEN SESSION
FOLLOWING A RESOLUTION TO DO SO)**

PRESENT:	Mr J Nichols (Chair) Deputy Mayor Kerr Councillor Travers
IN ATTENDANCE:	Chief Executive: (Mr R McLeod) Chief Financial Officer (Mr B Allan) Group Manager: Asset Management (Mr C Thew) Manager, Strategic Finance (Mr B Chamberlain) Committee Secretary (Mrs C Hilton)
ALSO PRESENT:	Mr A Michl - Manager, Credit and Client Relations, New Zealand Local Government Funding Agency (LGFA)

10. LOCAL GOVERNMENT FUNDING AGENCY UPDATE...*Continued...*

(Document 18/344)

Item 10 then resumed with some of the Subcommittee still present to maintain a quorum.

Mr A Michl, Manager, Credit and Client Relations, New Zealand Local Government Funding Agency (LGFA) continued the presentation of his power point (CG-14-25-00044) about the LGFA and responded to questions from the Subcommittee.

Councillor Kerr/Mr Nichols

A) That the report of the Manager Strategic Finance titled "Local Government Funding Agency Update" dated 1/05/2018 be received.

CARRIED

The meeting closed at 11.48am

Confirmed:

Chairman:

Date: