

**MINUTES** of a meeting of the Audit & Risk Committee of the Waikato District Council held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia held on **FRIDAY 22 SEPTEMBER 2017** commencing at **9.02 am**.

**Present:**

Ms M Devlin (Chairperson)  
His Worship the Mayor Mr AM Sanson  
Cr AD Bech  
Cr JM Gibb  
Cr BL Main [until 10.51am]  
CR JD Sedgwick [until 12.00pm]

**Attending:**

Cr SD Lynch  
Cr NMD Smith  
Mr GJ Ion (Chief Executive)  
Mr T Whittaker (General Manager Strategy & Support)  
Mrs W Wright (Committee Secretary)  
Ms A Diaz (Finance Manager)  
Mr K Abbott (Organisational Planning & Project Support Team Leader)  
Mrs K Jenkins (Project Management Advisor)  
Ms M Proctor (Audit Manager Audit New Zealand)  
Mr L Pieterse (Director Audit New Zealand)  
Mr D Sutton (KPMG)  
Mr C Budge (Director Forensic KPMG Advisory)  
1 Member of Staff

**APOLOGIES AND LEAVE OF ABSENCE**

All members were present

**CONFIRMATION OF STATUS OF AGENDA ITEMS**

**Resolved: (Crs Main/Gibb)**

**THAT the agenda for a meeting of the Audit & Risk Committee held on Friday 22 September 2017 be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 7 which shall be discussed with the public excluded;**

**AND THAT all reports be received;**

**AND FURTHER THAT** all Councillors present that are not elected to the Committee will be given speaking rights for the duration of the meeting;

**AND FURTHER THAT** in accordance with Standing Order 9.4 the order of business be changed with agenda item 7, Exclusion of the Public being considered the first item and other items be considered as appropriate during the course of the meeting.

**CARRIED on the voices**

**A&R1709/01**

**EXCLUSION OF THE PUBLIC**

Agenda Item 7

**Resolved: (His Worship the Mayor/Cr Bech)**

**THAT** the report of the Chief Executive be received;

**AND THAT** the public be excluded from the meeting to enable the Audit & Risk Committee to deliberate and make decisions on the following items of business:

**Confirmation of Minutes dated Wednesday 5 July 2017**

**REPORTS**

**a. Fraud Declaration**

*The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:*

Reason for passing this resolution to withhold exists under:      Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(a)

Section 48(1)(a)(d)

**b. Contract Management – Service Delivery**

*The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:*

Reason for passing this resolution to withhold exists under:      Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(a)(f)(i)(ii)(g)

Section 48(1)(3)(a)(i)(ii)(d)

**c. KPMG Investigation**

*The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:*

Reason for passing this resolution to withhold exists under: Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(b)(i)(ii)

Section 48(1)(3)(d)

**d. Audit of Contracts**

*The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:*

Reason for passing this resolution to withhold exists under: Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(b)(i)(ii)

Section 48(1)(3)(d)

**e. Register of Members' Interest – Elected Members and Senior Staff**

*The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:*

Reason for passing this resolution to withhold exists under: Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(f)(h)(i)(j)

Section 48(1)(3)(a)(d)

**f. Committee Time with Audit New Zealand**

This resolution is made in reliance on section 48(1)(a) and 48(2)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by sections 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part(s) of the proceedings of the meeting in public are as follows:

Reason for passing this resolution to withhold exists under: Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(f)(g)(h)(i)(j)

Section 48(1)(a)(d)

**AND FURTHER THAT Ms Devlin (Chair), Mr Pieterse and Ms Procter (Audit New Zealand) remain in the meeting after the public has been excluded to chair/facilitate the discussion on items in PEX 7 [Public excluded items] in the public excluded section of the meeting.**

**CARRIED**

**A&R1709/02**

*Resolutions A&R1709/03 – A&R1709/06 are contained in the public excluded section of these minutes.*

Having resumed open meeting the committee considered items in the following order:

**DISCLOSURES OF INTEREST**

The Chair, Ms Devlin, advised members of the committee that there were references to City Care and Waikato Regional Airport in reports in the agenda. She declared an interest as a Director of City Care and Waikato Regional Airport. It was also noted that there were no decisions required in respect of City Care nor of Waikato Regional Airport.

**CONFIRMATION OF MINUTES**

**Resolved: (Crs Sedgwick/Gibb)**

**THAT the minutes of a meeting of the Audit & Risk Committee held on Wednesday 5 July 2017 be confirmed as a true and correct record of that meeting.**

**CARRIED on the voices**

**A&R1709/09**

**REPORTS**

**Audit & Risk Committee Key Achievements**

Agenda Item 5.1

The report was received [A&R1709/01] and taken as read.

**2016-2017 Annual Report Audit**

Agenda Item 5.2 in conjunction with Agenda Item 5.3

The report was received [A&R1709/01] and discussion was held. The Mayor complimented all the teams involved in the completion of the Annual Audit and the production of the 2016-2017 Annual Report.

Audit New Zealand requested to be updated on anything they should be made aware of in respect of Subsequent Events or Fraud since the completion of the audit. The Committee advised that to the best of their knowledge there were no changes to the disclosures already provided.

**Resolved: (His Worship the Mayor/Cr Sedgwick)**

**THAT from a risk assessment perspective the Audit & Risk Committee recommend to Council that the 2016/17 Annual Report be adopted.**

**CARRIED on the voices**

**A&R1709/10**

Raglan Kopua Holiday Camp Charter  
Agenda Item 5.4

The report was received [A&R1709/01] and discussion was held. The General Manager Strategy & Support advised that the Charter had been well-received by the Raglan Kopua Board. It was agreed that 3 months will be given to initiate the recommendations in the report towards self-governance.

As the next stage in the process, the Charter will be submitted to the Policy & Regulatory Committee for approval.

Cr Sedgwick retired from the meeting during discussion on the above item.

Interim Management Report for Year Ended 30 June 2017  
Agenda Item 5.5

The report was received [A&R1709/01] and discussion was held.

Zero Harm Update  
Agenda Item 6.1

The report was received [A&R1709/01] and taken as read.

September Update on Progress against Audit Issues  
Agenda Item 6.2

The report was received [A&R1709/01] and taken as read.

KPMG Waikato LASS Internal Audit Insights Panel Session  
Agenda Item 6.3

The report was received [A&R1709/01] and taken as read.

Strategic Risk Update  
Agenda Item 6.4

The report was received [A&R1709/01] and taken as read.

Organisation Risk Direction  
Agenda Item 6.5

The report was received [A&R1709/01] and taken as read.

