



**Unconfirmed**

## **MINUTES OF A MEETING OF THE FINANCE AUDIT & RISK SUB-COMMITTEE**

**Date:** Monday 4 December 2017

**Time:** 10.00am

**Venue:** Council Chamber  
Hawke's Bay Regional Council  
159 Dalton Street  
NAPIER

**Present:** N Kirton - Chairman  
P Bailey  
R Barker  
D Benham

**In Attendance:** J Palmer – Chief Executive  
J Ellerm – Group Manager Corporate Services  
T Kilkolly – Financial Accountant  
M Collings – Corporate Account  
M des Landes – Management Accountant  
J Buttery – Governance Administration Assistant

## 1. Welcome/Apologies/Notices

The Chairman welcomed everyone to the meeting.

### FIN47/17 Resolution

That the apology for absence from Councillor Alan Dick be accepted.

**Benham/Bailey  
CARRIED**

## 2. Conflict of Interest Declarations

There were no conflicts of interest declared.

## 3. Confirmation of Minutes of the Finance Audit & Risk Sub-committee Meeting held on 19 September 2017

### FIN48/17 Resolution

Minutes of the Finance Audit & Risk Sub-committee held on Tuesday, 19 September 2017, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

**Bailey/Benham  
CARRIED**

## 4. Follow-ups from Previous Finance Audit & Risk Sub-committee Meetings

Jessica Ellerm spoke to the follow-ups, explaining that most are self-explanatory. Discussion ensued regarding:

- Inclusion of Port of Napier subsidy on the rates invoice
- Staff sensitive expenditure policy including Staff sponsorship, administrative burden on Group Managers, CE approves all international travel.

### FIN49/17 Resolution

That the Finance, Audit and Risk Sub-committee receives and notes the report "*Follow-ups from Previous Finance Audit and Risk Sub-committee Meetings*".

**Barker/Bailey  
CARRIED**

## 5. Audit NZ Management Report for HBRC Annual Report for Year Ending 30 June 2017

It was agreed that the management report is very comprehensive, with the committee noting that the Port of Napier reporting date is still an issue.

### FIN50/17 Resolutions

1. That the Finance, Audit and Risk Sub-committee receives and notes the "Audit NZ Management Report for HBRC Annual Report for Year Ending 30 June 2017".
2. The Finance, Audit and Risk Sub-committee recommends that the Corporate and Strategic Committee that a letter is forwarded to HBRIC Ltd requesting that Napier Port changes their annual reporting date to 30 June to align with the group and Council financial year dates.

**Barker/Benham  
CARRIED**

**6. Data Analytics Internal Audit Report**

Jessica Ellerm advised the committee that a complete overview of all the HBRC data files has resulted in some adjustments to controls. It was agreed that this is an excellent document and a valuable exercise.

FIN51/17 **Resolution**

That the Finance, Audit and Risk Sub-committee Receives and notes the "Data Analytics Internal Audit Report" and associated staff commentary.

**Barker/Benham  
CARRIED**

**7. ACC Lease Receivables Agreement Audit**

Jessica Ellerm explained that this report is an annual requirement of the ACC Lease Receivable agreement.

FIN52/17 **Resolution**

That the Finance, Audit and Risk Sub-committee receives and notes the "ACC Lease Receivables Agreement Audit" staff report.

**Barker/Bailey  
CARRIED**

**8. Risk Management Update**

Melissa des Landes explained the process and how these were carried out.

The committee made some suggestions in relation to some of the risks included in the report and would like to see another page next time, with a summary of what has changed.

FIN53/17 **Resolution**

That the Finance, Audit and Risk Sub-committee receives and notes the "Risk Management Update" staff report.

**Kirton/Bailey  
CARRIED**

**9. December 2017 Update on the Sub-committee Work Programmes**

Jessica Ellerm explained that most items are straight forward.

The committee is comfortable with the work programme but would like to see more investment returns monitoring and the inclusion of a treasury report.

The Crowe Horwath Water Management Audit Planning memorandum appears comprehensive with some suggested additions to the objectives from the committee.

FIN54/17 **Resolutions**

That the Finance, Audit and Risk Sub-committee:

1. Receives and notes the "**December 2017 Update on Sub-committee Work Programmes**" staff report.
2. Agrees to the content in the scoping document, including several agreed additions to the objectives, for the Water Management internal audit as proposed by Crowe Horwath and approves initiation of the Audit, with findings to be presented to the 7 March 2018 Finance, Audit and Risk Sub-committee meeting.

**Benham/Bailey  
CARRIED**

**10. Confirmation of Public Excluded Minutes of the Finance Audit & Risk Sub-committee Meeting held on 19 September 2017**

**FIN55/17 Resolution**

That the Council excludes the public from this section of the meeting being Confirmation of Public Excluded Minutes agenda item 10. with the general subject of the item to be considered while the public excluded the reasons for passing the resolution and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution being:

GENERAL SUBJECT OF THE ITEM TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION	GROUNDS UNDER SECTION 48(1) FOR THE PASSING OF THE RESOLUTION
Risk Assessment and Management	<p>7(2)(b)(ii) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of that information is necessary to protect information which otherwise would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>7(2)(i) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of the information is necessary to enable the local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

**Bailey/Kirton  
CARRIED**

**10. Confirmation of Public Excluded Minutes of the public excluded Finance Audit & Risk Sub-committee Meeting held on 19 September 2017**

**FIN56/17 Resolution**

Public Excluded Minutes of the Finance Audit & Risk Sub-committee held on Tuesday, 19 September 2017, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

**Bailey/Barker  
CARRIED**

**Resolution**

FIN57/17 That the meeting moves out of Public Excluded session.

**Kirton/Bailey  
CARRIED**

***The meeting went into public excluded session at 11.35am and out of public excluded session at 11.40am.***

**Closure:**

There being no further business the Chairman declared the meeting closed at 11.42pm on 4 December 2017.

Signed as a true and correct record.

**DATE:** .....

**CHAIRMAN:** .....