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## Risk and Assurance Committee

### OPEN MINUTES UNCONFIRMED

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Minutes of a meeting of Risk and Assurance Committee held in the Council Chambers, 126-148 Oxford St, Levin on Wednesday 7 August 2024 at 10:20am.

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#### PRESENT

|                           |                                     |                    |
|---------------------------|-------------------------------------|--------------------|
| <b>Chairperson</b>        | Councillor Sam Jennings             |                    |
| <b>Deputy Chairperson</b> | Councillor Paul Olsen               |                    |
| <b>Members</b>            | Councillor Alan Young               |                    |
|                           | Councillor Jonathon Procter         |                    |
|                           | Councillor Clint Grimstone          |                    |
|                           | His Worship the Mayor Bernie Wanden |                    |
|                           | Jenny Livschitz                     | Independent Member |
|                           | Sarah Everton                       | Independent Member |

#### IN ATTENDANCE

|                          |                    |  |
|--------------------------|--------------------|--|
| <b>Reporting Officer</b> | Jacinta Straker    | Group Manager - Organisation Performance       |
|                          | Monique Davidson   | Chief Executive                                |
|                          | David McCorkindale | Group Manager – Community Vision and Delivery  |
|                          | Blair Spencer      | Group Manager – Housing & Business Development |
|                          | Ashley Huria       | Business Performance Manager                   |
|                          | Tanya Glavas       | Health and Safety Lead                         |
|                          | Grayson Rowse      | Principal Advisor – Democracy                  |
| <b>Meeting Secretary</b> | Alice Petersen     | Business Support Officer – Democracy           |

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**1 Apologies**

There were no apologies.

**2 Public Participation**

There was no public participation

**3 Late Items**

There were no late items.

**4 Declaration of Interest**

Members were reminded of their obligation to declare any conflicts of interest in writing they might have in respect of the items on this Agenda.

**5 Confirmation of Minutes**

**Resolution Number RAACC/2024/1**

MOVED by Cr Jennings, seconded Mayor Wanden:

That the minutes of the meeting of the Risk and Assurance Committee held on Wednesday, 15 May 2024, be confirmed as a true and correct record.

**CARRIED**

**Resolution Number RAACC/2024/2**

MOVED by Cr Jennings, seconded Mayor Wanden:

That the minutes of the meeting of the Public Excluded Meeting of the Risk and Assurance Committee held on Wednesday, 15 May 2024, be confirmed as a true and correct record

**CARRIED**

## 6 Reports for Noting

### 6.1 Treasury Update - June 2024

This report presented updated the committee on the Bancorp Treasury Reporting Dashboard for the June 2024 quarter.

#### **Resolution Number RAACC/2024/3**

MOVED by Cr Jennings, seconded Cr Olsen:

- 2.1 That Report 24/514 Treasury Update - June 2024 be received.
- 2.2 That this matter or decision is recognised as not significant in terms of S76 of the Local Government Act.
- 2.3 That the Committee notes the Bancorp Treasury Reporting Dashboard for the June 2024 quarter.

#### **CARRIED**

Officers introduced the report highlighting that Horowhenua District Council's ratio of debt to operating income landed where expected in terms of setting the Long Term Plan. Officers also noted that Council are working with Bancorp regarding interest rates with fixed and floating debt. A Bancorp advisor is planning to attend the next Risk and Assurance Meeting.

Officers answered questions from the table related to interest rates, tenure of debt and the debt limit.

Officers noted that Council has delivered around \$1.8 million in operational savings and during the Long Term Plan, Council took a conservative approach to in estimated property sales and development contributions.

### 6.2 Standard and Poor's Report

This report was presented to formally inform the Risk and Assurance Committee of the Horowhenua District Council's credit rating downgrade from AA- with a negative outlook to A+ with a negative outlook

#### **Resolution Number RAACC/2024/4**

MOVED by Cr Jennings, seconded Cr Olsen:

- 2.1 That Report 24/515 Standard and Poor's Report be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

#### **CARRIED**

Officers introduced the report summarising the reasons for the downgrade and highlighting steps we are taking to manage this. Officers noting key reasons for downgrade is history of operational deficits, our local Horowhenua economy is low, and the debt increase to fund large but needed capital programme.

Council's plan to manage reasons for the downgrade are solid and it is expected the district growth will build confidence with Standard and Poor's. Officers a confident Council are headed in the right direction but Standard and Poor's require evidence to upgrade. Horowhenua District Council is not the only Council to have seen a downgrade.

### 6.3 Elected Member Conflict of Interest

This report presented provided the Risk and Assurance Committee an overview of the conflict of interest process for Elected Members and provide an update on the conflicts declared during Council and Committee Meetings from 1 January 2024 to 30 June 2024.

#### Resolution Number RAACC/2024/5

MOVED by Cr Jennings, seconded Mayor Wanden:

- 2.1 That Report 24/506 Elected Member Conflict of Interest be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

**CARRIED**

The Chair spoke to the report noting this item is from the Risk and Assurance Committee work programme and was the second part as the committee has previously received report on Council officers conflict of interest. Chair also noted that Elected Member's conflicts of interest are up to Elected Members to manage.

Officers introduced the report highlighting that Elected Member's conflicts of interest are up to Elected Members to declare and Council has internal processes in place to support Elected Members.

Going forward reporting will also included conflicts declared at workshop or briefing. Officers clarified that training for Elected Members is offered as part of Induction at the beginning of a triennium, yearly when Elected Members are required to complete their pecuniary interests forms and at anytime on Ākona.

His Worship the Mayor Bernie Wanden noted a correction to page 30 of the Agenda as after declaring a conflict at Risk and Assurance Committee on 21 February 2024 he did not continue to chair the meeting.

### 6.4 Health, Safety and Wellbeing Quarterly Report - August 2024

This report presented provided the Committee with health, safety and wellbeing information and insights from the quarter from April – June 2024, along with a deep dive on People Safety Monitoring / Lone of or Isolated Work.

#### Resolution Number RAACC/2024/6

MOVED by Cr Jennings, seconded Cr Young:

- 2.1 That Report 24/501 Health, Safety and Wellbeing Quarterly Report - August 2024 be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

**CARRIED**

Officers presented the report noted highlighted and progress made within the quarter. A decrease in speeding stats was noted and this was highlighted as a focus area for the next 12 months.

Officers also noted how continuous improvement is always part Health Safety and Wellbeing at Council so there has been a focus on emergency situation preparedness with lockdown drills and duress alarm testing.

Officers emphasised the deep dive into lone and/or isolated workers highlighted the legal requirement for employers to understand the risks and how to minimise those risks.

***Councillor Olsen exited the meeting at 10:54 am.***

***Councillor Olsen returned to the meeting at 11:00 am.***

## **6.5 Continuous Improvement and Audit Actions Monitoring Report**

This report presented to the Risk and Assurance Committee on progress of the action items from previous resolutions.

### **Resolution Number RAACC/2024/7**

MOVED by Cr Jennings, seconded Mayor Wanden:

- 2.1 That Report 24/391 Continuous Improvement and Audit Actions Monitoring Report be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the Risk & Assurance Committee notes the Risk & Assurance Committee resolution and actions monitoring report in Attachment A.
- 2.4 That the Risk & Assurance Committee notes the Fringe Benefit Tax (FBT) Compliance evaluation report from PricewaterhouseCoopers (PwC) in Attachment B.

**CARRIED**

Officers introduced the report highlighted the progress has been made across the organisation. One area highlighted that hasn't made as significant progress in Information Services as quickly. With recent changes and work in this area, the organisation is confident progress will be quicker going forward.

Officers did note the public exclusion of attachment B is due to it being provided in strict commercial sensitivity.

Officers clarified the timeframe for annual report sign off. Audit NZ are scheduled to arrive in September, with final sign off of the Annual Report due October. Interim work has begun with Audit NZ.

***Councillor Olsen exited the meeting at 11:08 am.***

***Councillor Olsen returned to the meeting at 11:13 am.***

## 6.6 Risk and Assurance Committee Work Programme

This report provided the Risk and Assurance Committee with an outline of a Draft Work Programme for 2024/25.

### Resolution Number RAACC/2024/8

MOVED by Cr Jennings, seconded Cr Grimstone:

- 2.1 That Report 24/516 Risk and Assurance Committee Work Programme be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

**CARRIED**

Chair spoke to report noting that a Climate Change presentation with a risk lens will be received at next meeting of the Risk and Assurance Committee. Chair also noted that the Emergency Management review scheduled for Q3 will be looked into bringing forward dependent on organisation compacity.

### Resolution Number RAACC/2024/9

MOVED by Cr Jennings, seconded Cr Young:

- 2.3 That the Risk and Assurance Committee supports the proposed Finance, Audit and Risk Committee Work Programme for 2024/25.

**CARRIED**

Officers presented the report noting Bancorp to be brought forward and finance review to give Risk and AC deeper financial information

## 7 Proceedings of Committees

### 8 Procedural motion to exclude the public

#### Resolution Number RAACC/2024/10

MOVED by Cr Jennings, seconded Mayor Wanden:

That the public be excluded from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each 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 follows.

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

#### 6.5 Continuous Improvement and Audit Actions Monitoring Report - Attachment B - Horowhenua District Council - FBT Compliance Evaluation - May 2024

|                              |  |
|------------------------------|--|
| <b>Reason:</b>               | The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.   |
| <b>Interests:</b>            | s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied. |
| <b>Grounds:</b>              | s48(1)(a)<br><br>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.  |
| <b>Plain English Reason:</b> | This attachment has been provided on an strict private and confidential basis and is provided on the basis it is not publicly released..   |

### C1 Risk Management - Risk Register

|                              |  |
|------------------------------|--|
| <b>Reason:</b>               | The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.   |
| <b>Interests:</b>            | s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.<br><br>s7(2)(e) - The withholding of the information is necessary to avoid prejudice to measures that prevent or mitigate material loss to members of the public. |
| <b>Grounds:</b>              | s48(1)(a)<br><br>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.  |
| <b>Plain English Reason:</b> | Report contains information from a supplier around contract remediation and other information that may lead to Council being at a disadvantage in future commercial negotiations.  |

The text of these resolutions is made available to the public who are present at the meeting and form part of the minutes of the meeting.

**CARRIED**

11.20 am The public were excluded.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available.

11.53 am There being no further business, the Chairperson declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD  
AT A MEETING OF RISK AND ASSURANCE  
COMMITTEE HELD ON

**DATE:** .....

**CHAIRPERSON:**