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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 16 October 2024 at 10:00 am.

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### PRESENT

<b>Chairperson</b>	Cr Sam Jennings	
<b>Deputy Chairperson</b>	Cr Paul Olsen	
<b>Members</b>	Cr Alan Young	
	Cr Clint Grimstone	
	Cr Jonathan Procter	
	Mayor Bernie Wanden	
	Jenny Livschitz	Independent Member
	Sarah Everton	Independent Member

### IN ATTENDANCE

<b>Reporting Officer</b>	Jacinta Straker	Group Manager - Organisation Performance
	Daniel Haigh	Group Manager - Community Infrastructure
	Brent Harvey	Group Manager - Community Experience and Services
	David McCorkindale	Group Manager – Community Vision and Delivery
	Pei Shan Gan	Financial Controller
	Jacinta Ward	Policy Planner
	Ashley Huria	Business Performance Manager
<b>Meeting Secretary</b>	Grayson Rowse	Principal Advisor – Democracy
	Alice Petersen	Democracy Support Officer

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## 1 Apologies

### Resolution Number RAACC/2024/37

MOVED by Cr Jennings, seconded Mayor Wanden:

That an apology from Councillor Clint Grimstone be received and accepted.

**CARRIED**

## 2 Late Items

### Acceptance of Late Item

Resolution number RAACC/2024/38

MOVED by Cr Jennings, seconded Cr Olsen:

That a letter from Mayor Wanden to the Audit New Zealand director be accepted as a late item for further discussion as part of item 6.1.

**CARRIED**

The letter had been sent after the production of this agenda and is directly related to the subject matter of item 6.1.

### Attachments

- 1 Mayor's Letter to Audit NZ - Clint Ramoo - 1 October 2024

## 3 Declaration of Interest

There were no declarations of interest.

## 4 Confirmation of Minutes

### Resolution Number RAACC/2024/39

MOVED by Cr Jennings, seconded Cr Olsen:

That the minutes of the meeting of the Risk and Assurance Committee held on Wednesday, 7 August 2024, be confirmed as a true and correct record.

**CARRIED**

## 5 Presentations

This presentation was moved to the end of the meeting

## 6 Reports for Noting

### Resolution Number RAACC/2024/40

MOVED by Cr Jennings, seconded Cr Olsen:

A. That

- Report 24/715 Draft Annual Report 2023/24
- Report 24/696 Climate Change Approach

- Report 24/714 Introduction to Protected Disclosure (Protection of Whistleblowers) Act 2022
  - Report 24/692 Treasury Update - September 2024
  - Report 24/693 Local Government Funding Authority update
  - Report 24/707 Risk Management Quarterly Report
  - Report 24/691 Continuous Improvement and Audit Actions Monitoring Report
  - Report 24/722 Risk and Assurance Committee Work Programme
  - Report 24/726 Health, Safety and Wellbeing Dashboard - Quarterly Report
  - Report 24/728 Internal Audit Work Programme 2024/25
- be received and noted.
- B. That these matters are recognised as not significant in terms of S76 of the Local Government Act.

**CARRIED**

Councillors Jonathan Procter and Alan Young joined the meeting at 10.18am

## 6.1 DRAFT ANNUAL REPORT 2023/24

### PURPOSE | TE PŪTAKE

This report presented the Draft Annual Report 2023/24 for the Committee to review and to provide any amendments required.

Officers outlined the preliminary results and updates, including a revaluation gain of 92 million and a classification change between cash and other financial assets. The impact of revaluations on depreciation and the importance of fair value assessments in the budgeting process were also discussed.

Clint Magoo from Audit NZ provided an update on the audit process, highlighting the completion of service performance information and revenue side of the income statements.

Challenges were noted with revaluations and the impact on the net operating cash flow, with a focus on the roading revaluation and unit cost rates.

Some of those challenges occur because of recent change reporting and monitoring systems, with reconciliation issues between subsystems and the new IP signal system.

Committee members expressed positive comments on the annual report and the revaluation efforts.

## 6.2 CLIMATE CHANGE APPROACH

### PURPOSE | TE PŪTAKE

This report discussed Horowhenua District Council's current approach to climate change, from a risk perspective. It explored how officers are navigating, communicating and considering climate change within Council processes and operations.

Officers presented Council's initial approach to climate change and the new reporting approach in council reports.

The Committee discussed the importance of integrating climate change considerations into everyday operating procedures and risk registers.

Officers explained the challenges of updating the district plan and the safeguards built into the RMA to protect against natural hazards.

## 6.3 INTRODUCTION TO PROTECTED DISCLOSURE (PROTECTION OF WHISTLEBLOWERS) ACT 2022

### PURPOSE | TE PŪTAKE

This report introduced the Committee to the Protected Disclosure (Protection of Whistleblowers) Act 2022 and outlined Council's approach to future policy reviews.

Officers provided an overview of the protected disclosure process and the role of the chief executive and mayor in receiving and assessing disclosures.

The committee enquired about the decision-making process for credibility of disclosures. Officers explains the involvement of external parties where necessary.

The current Council policy is scheduled for review in the current financial year, with training planned for staff on any changes.

Members express comfort with the current process and the assurance provided by the policy.

## 6.4 TREASURY UPDATE - SEPTEMBER 2024

### PURPOSE | TE PŪTAKE

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

Officers presented the treasury update, highlighting the completion of \$30 million of forward debt swaps and the plan to pre-fund 2026 debt maturities.

The committee discussed the impact of the LGFA's decision to increase the base lending margin and borrowing notes percentage.

**Resolution Number RAACC/2024/41**

MOVED by Cr Jennings, seconded Cr Young:

That the Committee notes the Bancorp Treasury Reporting Dashboard for the September 2024 quarter.

**CARRIED**

**6.5 LOCAL GOVERNMENT FUNDING AUTHORITY UPDATE**

**PURPOSE | TE PŪTAKE**

This report updated elected members on the following regarding Local Government Funding Agency (LGFA):

- 1.1. LGFA 2024-27 Statement of Intent
- 1.2. LGFA 2023-24 Annual Report
- 1.3. Notice of 2024 LGFA Annual Meeting
- 1.4. Kānoa – Regional Economic Development & Investment Unit
- 1.5. LGFA Delegation of s118 certificates progress

The committee endorsed the LGFA's recommendations and delegated authority to the Group Manager Organisation Performance to exercise voting rights at the forth coming AGM.

Members discuss the implications of the three waters proposals on borrowing rates and the potential impact on council credit ratings.

**Resolution Number RAACC/2024/42**

MOVED by Cr Jennings, seconded Mrs Livschitz:

- A. That this matter or decision is recognised as not significant in terms of S76 of the Local Government Act.
- B. That the committee notes the LGFA 2024-27 Statement of Intent in Appendix A.
- C. That the committee notes the LGFA 2023-24 Annual Report in Appendix B.
- D. That the committee notes the notice of LGFA Annual meeting, Annual meeting agenda, LGFA Shareholders' Council Recommendations letter, Proxy form, Amended LGFA Foundation Policies in Attachment C to G respectively
- E. That the committee endorses the recommendations from LGFA Shareholders Council as outlined in Appendix E.
- F. That the committee delegates to the Group Manager Organisation Performance and Financial Controller to complete the proxy form in Attachment F and exercise voting rights at the LGFA AGM based on recommendations from the LGFA Shareholders Council as outlined in Appendix E.

**CARRIED**

## 6.6 RISK MANAGEMENT QUARTERLY REPORT

### PURPOSE | TE PŪTAKE

This report updated the Committee on the risk register, risk management work in progress and enabled discussion with the committee about risk.

Officers presented the risk management quarterly report, highlighting the commencement of work on legal compliance and business continuity plans.

Members provides positive feedback on the new strategic risk register format and the clarity of risk descriptions and controls.

The committee discussed the risk posed by the O2NL project and the potential impact of tolling and local road work decisions on the project.

The committee requested further analysis and reporting on the strategic risks related to O2NL and the three waters transition.

## 6.7 CONTINUOUS IMPROVEMENT AND AUDIT ACTIONS MONITORING REPORT

### PURPOSE | TE PŪTAKE

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

Officers provided an update on the progress made in closing off recommendations and the ongoing annual audit process.

Members express satisfaction with the progress and the focus on addressing key issues.

### Resolution Number RAACC/2024/43

MOVED by Cr Jennings, seconded Cr Olsen:

That the Risk & Assurance Committee notes the Risk & Assurance Committee resolution and actions monitoring report.

**CARRIED**

## 6.8 RISK AND ASSURANCE COMMITTEE WORK PROGRAMME

### PURPOSE | TE PŪTAKE

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

The committee endorsed the internal audit work program for 2024-2025, with a focus on fraud awareness, tax reviews, and IT security.

The committee inquired about the scope of the IT security assessment, and officers confirms it included access approvals and management.

**Resolution Number RAACC/2024/44**

MOVED by Cr Jennings, seconded Cr Young:

That the Risk and Assurance Committee supports the proposed Risk and Assurance Committee Work Programme for 2024/25

**CARRIED**

**6.9 HEALTH, SAFETY AND WELLBEING DASHBOARD - QUARTERLY REPORT**

**PURPOSE | TE PŪTAKE**

This report provided the Risk and Assurance Committee with Health, Safety and Wellbeing information and insights for the quarter from July – September 2024.

Officers presented the health, safety, and wellbeing dashboard, highlighting the positive performance in the quarter.

The report included a new tool for deeper analysis and updates on contractor health and safety reporting.

Members expressed satisfaction with the reporting and the progress made in health, safety, and wellbeing initiatives.

The committee acknowledged the team's efforts and the importance of maintaining high standards in this area.

**6.10 INTERNAL AUDIT WORK PROGRAMME 2024/25**

**PURPOSE | TE PŪTAKE**

This report provided the Risk and Assurance Committee with a suggested approach to the internal audit work programme for 2024-2025 financial year.

Officers provided an overview of the internal audit work program, focusing on key areas of concern and planned reviews.

The committee endorsed the program, with a focus on addressing known issues and improving processes.

Members discussed the importance of continuous improvement and the role of internal audits in maintaining high standards.

The committee expressed confidence in the proposed work program and the team's efforts to address key risks and challenges.

**Resolution Number RAACC/2024/45**

MOVED by Cr Jennings, seconded Cr Young:

That Risk and Assurance Committee endorse the Internal Audit Work Programme for 2024-25.

**CARRIED**

## 9 Procedural motion to exclude the public

### Resolution Number RAACC/2024/

MOVED by Cr Jennings, seconded Cr Young:

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:

#### C1 Information Services – Overview of Approach to Managing Risk

<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 6.
<b>Interests:</b>	s6(a) - The making available of the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences and the right to a fair trial.
<b>Grounds:</b>	s48(1)(a) 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 6.
<b>Plain English Reason:</b>	This presentation is public excluded as it contains details of potential operational risks and proposed mitigation strategies.

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**

11.24 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.

The meeting came out of public excluded business at 12.17pm, and proceeded with the final item on the agenda



**5.1 Emergency Management Presentation**

Officers delivered a presentation on Civil Defence Emergency Management.

The presentation covered the structure and roles within Civil Defence, the importance of preparedness, and the council's statutory responsibilities.

Members discuss the importance of training and exercising to ensure effective response to emergencies.

The committee acknowledges the significant work being done in this area and the importance of ongoing efforts to maintain high standards in emergency management.

12.42 pm

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:**