


Minutes Risk and Assurance Committee 26 May 2021

 <p>WHAKATĀNE District Council <i>Kia Whakatāne au i ahau</i></p>	Details of Meeting:	RISK AND ASSURANCE COMMITTEE MEETING HELD IN COUNCIL CHAMBERS, CIVIC CENTRE, COMMERCE STREET, WHAKATĀNE ON WEDNESDAY, 26 MAY 2021 COMMENCING AT 9:00 AM
	Present:	Her Worship the Mayor J A Turner (Chairperson), Deputy Mayor A V Iles, Councillors L N Immink and W B James and independent member P Lucioli
	In Attendance:	Councillor G L Dennis, S O’Sullivan (Chief Executive), D Bewley (General Manager Development and Environment Services), K Scott (Acting General Manager Strategy and Transformation), R Trass (CFO and General Manager Business Partnering), E Hatch (General Manager People and Engagement), J Caverhill (Manager Financial Accounting), C Ball (Manager Strategy and Community Development), H Keravel (Strategic Policy Analyst) and S M French (Governance Support Advisor)
	Apologies:	Noted for Councillor Jukes
	Visitors:	

1 APOLOGY

Councillor Jukes, as Chair of the Organisational Performance Committee, requested her apology noted.

2 CONFLICT OF INTEREST

No conflicts of interests were recorded.

3 CONFIRMATION OF MINUTES

Refer to pages 6-10 of the agenda.

RESOLVED:

THAT the minutes from the Risk and Assurance Committee meeting held on Thursday, 29 October 2020 be confirmed as a true and correct record.

Deputy Mayor Iles/Councillor James

CARRIED

4 ORGANISATIONAL UPDATE

Refer to page 11 of the agenda.

Enterprise

The Chief Executive reported there had been a significant focus on Long Term Plan and staff were working hard to meet the 14 July 2021 deadline. Over 420 submissions had been received and this work had also enabled detailed investigations into 3 waters investment, organisational priorities, new financial strategy and other enterprise process and strategy improvements.

The Chief Executive also spoke of the following wider risks and impacts to the district:

- Sector reform; 3 waters, RMA, Waste Management and Local Government review
- Continued building of Iwi relationships and the appointment of the Kaihautū Māori role.
- Significant projects that required resourcing; including impacts of other Councils' Long Term Plans (for example spatial planning project).
- Resetting of the Risk and Assurance and Organisational Performance Committees, with sound work programmes.
- Risks for the district around potential Mill closures.

People

There was ongoing concern about staff wellbeing and the continuing significant work programme. The Chief Executive advised that investment was occurring in staff wellbeing and leadership development.

The Institute of Strategic Management facilitated a 2 day planning session for the Executive Leadership team. As a result clear priorities for the next 7 months had emerged:

- i) Pathway and priorities setting for next stages of implementation of Health Check 2020
- ii) Leading a process for establishing the Organisational Vision and Values
- iii) Developing and implementing the Organisational Performance framework and the Risk Framework.

Finance

It was reported that the operating revenue and costs were forecasting favourable to budget and year-end and more importantly, revenue and costs that would materially affect rates were also currently forecast to be slightly favourable to budget (\$266k).

Capital spend, including carry over from last year, had been tracking well below budget year to date; however a stronger last quarter was forecasted. Despite this, full year capital investment would be less than budget by circa \$16M. Major contributors to this gap included the Civic Centre Upgrade \$5.5M and awaiting the LTP process and \$5M equity injection into the Boat Harbour.

RESOLVED:

THAT the verbal Organisational Update given by the Chief Executive be received, with notes provided to the Governance Team.

Deputy Mayor Iles/Councillor James

CARRIED

5 REPORTS

5.1 Treasury Management Reporting as at 31 March 2021

Refer to pages 12-19 of the agenda.

CFO and General Manager Business Partnering advised a review of policies and processes for managing funding would be undertaken; including a review of the need to use external consultants. Findings and a proposed way forward would be brought back to the Committee.

When questioned about the credit rating process it was explained that at the current debt levels, Council were on the cusp of economic savings i.e. savings in interest would exceed costs of obtaining and maintaining a credit rating. The outcome from Central Government regarding 3 waters management could further impact this and Management would review future debt levels to calculate when a credit rating might become viable again.

RESOLVED:

THAT the Treasury Management Report as at 31 March 2021 be received.

Councillor Immink/Deputy Mayor Iles

CARRIED

5.2 Recommendations from Audit New Zealand for the Whakatāne District Council

Refer to pages 20-58 of the agenda.

RESOLVED:

1. **THAT** the Recommendations from Audit New Zealand for the Whakatāne District Council report be received;
2. **THAT** the Committee confirm recommended actions to Council management to mitigate risks raised through the audit process;
3. **THAT** the Committee notes that the Organisational Performance Committee oversees the implementation of these actions; and
4. **THAT** the Committee approves the management comments on the Draft 2021 Audit Report to be released to Audit New Zealand.

Deputy Mayor Iles/Councillor James

CARRIED

A concern was raised regarding the obligations of the Committee to meet and fulfil their approved delegations and to have full oversight over organisational risks in order to operate effectively. The following points were noted:

- The importance of a risk framework and the continual review of the Corporate Risk Register. It was requested that the draft Corporate Risk register and Risk Framework be provided at the next meeting.
- Concern was raised that Members were not notified of the resignation of the Independent Chairperson in February 2021. An apology for non-notification to the full Committee was provided and details of recruiting the next Chairperson were underway.
- It was identified as a priority for the Executive to review the terms of reference of the Organisational Performance and Risk and Assurance Committees, and to ensure this Committee had oversight of organisational-wide work programmes.
- A standard agenda item, 'Risk Management Framework' was proposed; to include ongoing risks not yet resolved.

5.3 Resolution to Exclude the Public

Refer to page 59 of the agenda.

RESOLVED:

THAT the public be excluded from the following parts of the proceedings of this meeting, namely:

1. Legal Proceedings Update – May 2021

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 are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
1 Legal Proceedings Update – May 2021	Good reason to withhold exists under Section 7.	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)

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

Item No	Interest
1	Maintain legal professional privilege (Schedule 7(2)(g))

Deputy Mayor Iles/Councillor James

CARRIED

THE MEETING CLOSED AT 10:20 AM

Confirmed this day of
CHAIRPERSON