


Minutes of the Risk and Assurance Committee Meeting 19 August 2024

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|  <p>WHAKATĀNE District Council <i>Kia Whakatāne au i ahau</i></p> | Details of Meeting: | RISK AND ASSURANCE COMMITTEE MEETING HELD IN THE TŌTARA MEETING ROOM, WHAKATĀNE DISTRICT COUNCIL, COMMERCE STREET, WHAKATĀNE, ON MONDAY 19 AUGUST 2024, COMMENCING AT 9:00 AM. |
| | Present: | S Henderson (Independent Chair), His Worship the Mayor Dr V Luca, Deputy Mayor L Immink, Councillors J Pullar, T O'Brien, and P Luciola (independent member) |
| | In Attendance: | Councillor N Rangiaho, D Bewley (Acting Chief Executive), G Fletcher (GM Community Services), N Woodley (Acting GM Development Services), L Woolsey (Manager Strategy and Performance), I McNiven (Procurement and Risk Manager), J Caverhill (Manager External Reporting), and S French (Senior Governance Support Advisor) <i>Via Teams:</i> G Connolly (CFO and GM Business Partnering), E Hatch (GM People and Engagement), B Gray (GM Infrastructure) <i>Via Teams partial attendance:</i> Councillor Dennis and S Perdia (GM Strategy and Transformation) |
| | Visitors: | Clarence Susan (Audit NZ), and <i>via Teams:</i> David Walker (Audit NZ) |
| | Apologies: | Councillor W James |

The Chairperson invited Councillor O'Brien to open the meeting with a Karakia at 9:00 am.

1 MEETING NOTICES

Meeting participants were advised that the meeting was being live streamed, and the health and safety aspects relative to the meeting were explained.

2 APOLOGIES

Moved Councillor Pullar / Seconded Deputy Mayor Immink

RESOLVED:

THAT the Council **accept** the apology from Councillor James.

CARRIED

3 ACKNOWLEDGEMENTS / TRIBUTES

Nil

4 CONFLICTS OF INTEREST

There were no conflicts of interest declared.

5 PUBLIC PARTICIPATION

No prior approval requests were made to the Chief Executive (or via the Governance team) for public participation at this meeting.

6 CONFIRMATION OF MINUTES

Refer to page 8 of the agenda.

Action items were reviewed and agreed.

Moved Member Deputy Mayor Immink / Seconded Member Lucoli

RESOLVED:

THAT the minutes of the Risk and Assurance Committee meeting held on 17 May be **confirmed** as true and correct record.

CARRIED

7 REPORTS

7.1 External Audit – Management Action Plan Update

Refer pages 11-14 of the agenda.

The importance of preparation regarding audit processes was stressed.

Moved Mayor Luca / Seconded Deputy Mayor Immink

RESOLVED:

THAT the report, '2024-08 External Audit - Management Action Plan Update,' be **received**.

CARRIED

7.2 Annual Report 2023-2024 Progress Update

Refer to pages 15-38 of the agenda.

Manager Strategy and Performance reported that timeframes had shifted slightly (since the report was written) and that staff were comfortable with the changes:

- Commencement date for the final audit of the draft Annual Report had been delayed from 9 September to 16 October 2024. This delay would enable necessary preparation internally and for project management quality assurance.
- The draft financials available for audit would be delayed from 2 September to approximately 10 September.
- The intended adoption date for the Annual Report being 12 December 2024, and this was within the legislative timeframe.

Moved Member Lucoli/ Seconded Mayor Luca

RESOLVED:

THAT the Annual Report 2023/2024 Progress Update report be **received**.

CARRIED

7.3 Update of Internal Audit Assurance

Refer to pages 39-93 of the agenda.

It was requested that a summary of the assessments be included within the report.

Action – The Chief Executive update resulting from the issue identified regarding Form 5s.

Moved Mayor Luca / Seconded Member Luciola

RESOLVED:

THAT the committee **receives** the Internal Audit Work Programme 2024/25 report.

CARRIED

Adjournment: The meeting adjourned at 10:08 am and recommenced at 10:25 am.

7.4 Enterprise Risk Report

Refer to pages 94-125 of the agenda.

A discussion ensued regarding a potential new risk; with Council obtaining a financial credit rating, and with the increased ability to borrow, this could incur the risk of unsustainable intergenerational debt.

Action - Civic Centre building certification status and impacts on insurance.

Moved Mayor Luca / Seconded Councillor Pullar

RESOLVED:

1. **THAT** the Enterprise Risk report dated August 2024 be **approved** and;
2. **THAT** any changes in the risk assessment identified in Section 5 Changes in Risk Rating are **agreed** and;
3. **THAT** the Risk and Assurance Committee **review and provide guidance** on our Enterprise Risks and responses to these risks including:
 - i. Key and Emerging Risk review.
 - ii. Residual Risk Rating (Figure 1).
 - iii. Risk Direction (Figure 2).
 - iv. Actions to treat and control s enterprise risks and the status updates (Figures 2 and 3).

CARRIED

7.5 Treasury Management Reporting (June 2024)

Refer pages 126-132 of agenda.

It was suggested inclusion of funding and interest rate charts would be beneficial.

Moved Deputy Mayor Immink / Seconded Member Luciola

RESOLVED:

THAT the Treasury Management report as at 30 June 2024 be **received**.

CARRIED

7.6 Insurance Progress Report for 2024/25

Refer pages 133-135 of agenda.

Moved Councillor Pullar / Seconded Member Luciola

RESOLVED:

THAT the Insurance Progress report for 2024/25 be **received**.

CARRIED

8 Resolution to Exclude the Public

Refer pages 136-137 of agenda.

Moved Deputy Mayor Immink / Seconded Councillor O'Brien

RESOLVED:

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

1. Confirmation of Risk and Assurance Committee Public Excluded Minutes 17 May 2024
2. Legal Update Report August 2024
3. Boat Harbour Project Update August 2024

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. | Confirmation of Risk and Assurance Committee Public Excluded Minutes 17 May 2024 | 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) |
| 2. | Legal Update Report August 2024 | 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) |
| 3. | Boat Harbour Project Update August 2024 | 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, 2 | Maintain legal professional privilege (Schedule 7(2)(g)) |
| 1, 2 | Protect the privacy of natural persons, including that of deceased natural persons (Schedule 7(2)(a)) |
| 1, 3 | To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Schedule 7(2)(a)) |

CARRIED

The meeting moved to public excluded at 11:35 am returned to the public meeting at 12:15 pm.

COUNCILLOR O'BRIEN GAVE A CLOSING KARAKIA AND THE MEETING CLOSED AT 12:16 PM.

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|---------------------------------|
| Confirmed at the meeting dated: |
| CHAIRPERSON |