
Minutes for a meeting of the Risk & Assurance Committee of the Waikato District Council to be held in Council Chambers Galileo Street, Ngaaruawaahia on **MONDAY, 11 DECEMBER 2023** commencing at **9.30am**.

Present:

Mr P Stubbs (Chairperson)
Cr J Gibb (Deputy Chairperson)
Her Worship the Mayor, Mrs JA Church
Cr C Eyre
Cr P Thomson

Attending:

Mr G Ion (Chief Executive Officer)
Mr T Whittaker (Chief Operating Officer)
Ms A Diaz (Chief Financial Officer)
Mr K Abbott (Executive Manager, Projects & Innovation)
Mr G King (Chief Information Officer)
Mrs L Shirley (Zero Harm Manager) – *from 10.03am*
Ms K Newell (Resilience Manager)
Ms T McDowell (Senior Audit & Assurance Advisor)
Mr Gopikrishna Mohanarangam (Senior Risk Advisor) – *via zoom*

Ms E Saunders (Senior Democracy Advisor)

The meeting was opened with a karakia.

APOLOGIES AND LEAVE OF ABSENCE

Resolved: (Mr Stubbs/Cr P Thomson)

That the Risk & Assurance Committee accepts the apologies from:

- a. **Cr M Raumati and Audit New Zealand for non-attendance.**

CARRIED

R&A2312/01

CONFIRMATION OF STATUS OF AGENDA

Resolved: (Mr Stubbs/Cr Gibb)

THAT the agenda for a meeting of the Risk & Assurance Committee held on Monday, 11 December 2023 be confirmed:

- a. **all items therein be considered in open meeting, with the exception of those items detailed at agenda item 8 which shall be discussed with the public excluded; and**
- b. **all reports be received.**

CARRIED

R&A2312/02

DISCLOSURES OF INTEREST

There were no disclosures of interest.

CONFIRMATION OF MINUTES

Resolved: (Mr Stubbs/Cr Eyre)

THAT the Risk & Assurance Committee confirms the minutes as a true and correct record for meetings held on:

- i. **Thursday, 31 August 2023; and**
- ii. **Wednesday, 27 September 2023.**

with the following amendments required:

- ***Cr P Thomson was an apology on Thursday, 31 August and needs to be removed from the attending list; and***
- ***In March 2024 a verbal update is required from the Chief Financial Officer for Audit NZ.***

CARRIED

R&A2312/03

ACTIONS REGISTER

The report was received [*R&A23/2/02 refers*] and the following discussion was held:

- The Zero Harm site visit has been swapped around and Papahua Reserve will be visited in early 2024.
- An update on the Animal Control Team and Comply with Legal Compliance Survey was provided.
- Action Item 1: The action plan for the Communications strategy needs to be added to the plan on Page 100.
- It was noted that in regards to the Communications strategy we are not as far ahead as we thought we would be at this stage however a workshop with elected members occurred two weeks ago and staff engagement kicked off last week.

REPORTS

Chief Financial Officer Report Agenda Item 6.1

The report was received [*R&A23/2/02 refers*], and the following discussion was held:

- Since the report was written it was noted that more details have been provided by the new Government; particularly in the Resource Management Act (RMA) space.
- A brief overview of the report was provided by the Chief Financial Officer with updates from the new Government and the impacts on the current legislation. There are a few challenges ahead with the repeal of the Three Waters Reform and other legislative changes. It was noted that the RMA legislation is of higher importance for the incoming government at this stage rather than the Three Waters.
- It was queried what the removal of co-governance from the delivery of public services mean? It was confirmed that this wording is direct from the incoming government and taken from the writing of the coalition agreement so can only guess at this stage what this may mean.
- It was queried what scenario planning is in place over the next three months with the legislative changes coming in the first 100 days? It was noted that the Three Waters reform is a huge space and there will no doubt be a whole lot of information coming from the Government. What this is going to look like going forward has not yet been confirmed but it is expected that some of the ideas to be put forward have already been tried (with the creation of Council Controlled Organisations (CCOs) being one of them).

- A brief discussion on the potential creation of CCO's took place, including the fact they should have their own balance sheets for borrowing against and their debts should not be consolidated into the accounts of their shareholders. It was noted by the Chief Executive, however that there is no legislation that appears to be coming to that effect. All Council know for sure at this stage is that repeal is coming.
- It was confirmed by the Chief Financial Officer that Three Waters are indeed going to be included in the Long Term Plan (LTP) in 2024.
- It was noted that City vs Rural/Provincial policy implications could become tense with the focus being on City rather than Rural and Provincial areas however it was noted that those conversations are underway.

Strategic Risk Register & Emerging Risks Agenda Item 6.2

The report was received [R&A23/2/02 refers], and the following discussion was held:

- It was noted by the Chairperson that he had a number of questions in relation to the paper but they will catch up at another time convenient to both in the new year.
- A query was raised by the Chairperson in relation to Project Delivery as it is noted in the paper that "90% of the 2023/24 work programme is planned for delivery which provides assurance for delivery this year". It was confirmed by the Executive Manager, Projects & Innovation that the forecast is for 90% spend against the budget with mitigations to try and increase that. It was further noted that this is a remarkable turnaround from the report on Page 114.
- It was further noted that the delivery of these projects are predicated on more than the weather, it is also based on the state of the market and secured with the contractors. The 90% of the budget is based on \$110M and it includes carry forwards. –
- A brief discussion was held in relation to Cyber Security and encryption models and it was noted that no Information Technology investments are made in Council without input from the Chief Information Officer. It was further noted that there is active collaboration in place across Councils especially those using the TechOne platform.
- It was noted in relation to a query regarding revenue generated through the processing of Building Consent Applications that revenue is not associated with the number of consents but the value of the build.

Risk Management Framework Review Agenda Item 6.3

The report was received [R&A23/2/02 refers], and the following discussion was held:

- The framework is in the work-programme for next year.
- It was noted that considering our Risk Management Framework is based on the ISO framework it has good foundations.

Workplace Culture and Recruitment & Retention – Deep Dive Agenda Item 6.4

The report was received [*R&A23/2/02 refers*], and the following discussion was held:

- The People & Capability Manager spoke to the report and gave a brief overview of the recruitment happening throughout Council. It was noted that there is some good feedback coming in from staff.
- It was noted that the churn rate of retention is tracking at just under 20% which is higher than Council would like.
- It was noted that the accessibility strategy is included in legislation and incorporated into Councils Diversity, Equity and Inclusion policy. It was further noted that just under 80% of staff completed the staff survey and about 75-80% of staff take part in an Exit Survey.
- There was some confusion as to whether the People & Capability team are indeed fully staffed as the paper references two roles that critical and not filled yet it also states three times that the team are fully staffed? It was noted that we need to be clear in our reports moving forward that if there are also external factors that are impacting on performance or progress that we capture this. We need to be clear that we have done everything possible in our power but there are external forces that could still impact our progress.
- More generally the Chairperson requested that all future Deep Dive reports should use the Strategic Risk Control Plan tool as a base and add a statement of measures being used to assess progress, a statement of impact to date and a forecast of expected impact between the date of the paper and the next update.

The meeting adjourned at 10.57am for morning tea and resumed at 11:07am.

Internal Audit Framework & Programme Update Agenda Item 6.5

The report was received [*R&A23/2/02 refers*] and no further discussion was held, however the Chairperson has a number of questions which he will discuss with the Senior Risk Advisor upon the Advisor's return to the country..

Zero Harm Update – December 2023

Agenda Item 6.6

The report was received [*R&A23/2/02 refers*], and the following discussion was held:

- It was noted that in regards to the 2023/24 Strategic Plan on page 85 that even though these are reviewed monthly they are only updated at the end of the quarter. It was further noted by the Committee that it would be helpful to have provisional colouring included in the table to show the progress throughout the year.
- It was confirmed that in relation to the Site Lockdown procedures that there is a Parent Process for all Council sites but this is being worked on to ensure all sites have their own specific process. It was further noted that the Ngaaruawaahia Office is the largest and most complex site and this is also being worked on.
- It was confirmed that Work Safe Home Safe week for 2024 is scheduled for February.
- It was noted that there is great work happening in the Animal Control team space and it was queried whether is there an opportunity to take this to another level? It was noted by the Zero Harm Manager that they could look at collaborating with other Councils to see what their procedures are or what they would do in different scenarios.
- A brief discussion was had in relation to the On Road Driving section on page 84 and what impacts the implementation of Electronic Vehicles have on the fleet.

Final Audit Report for Year Ended 30 June 2023

Agenda Item 7.1

The report was received [*R&A23/2/02 refers*], and the following discussion was held:

- It was noted that the Office of Auditor General has been criticised in the last year for the amount of audit fees that have been charged. The Chief Financial Officer (CFO) will report back on the outcome of the open book exercise promised by Audit NZ at the end of the audit.
- It was noted that the Council procedure of revaluing assets on an annual basis has served this Council well to date as it allows Council to stay in sync with costings.
- It was noted that the process of asset valuation is verified by Land Development Engineers and Building Inspectors and the General Manager of Service Delivery spoke to the depreciation process.
- IT Change Management: It was noted by the Chief Information Officer that Council are in the process of appointing a Change Manager and getting a formal change management process in place.

Quality & Governance Assurance Update

Agenda Item 8.1

The report was received [*R&A2312/02 refers*], and the following discussion was held:

- The external audit of the Zero Harm Safety Management System status outcomes are included in the Waikato District Council Zero Harm Update included in this Committee meeting agenda.
- It was noted in response to a query raised by Her Worship the Mayor, Mrs JA Church that a Purchase Order audit was undertaken a month ago within Council.
- A query was raised in relation to the Policy Reviews on Page 112 of the agenda – do we know which policies are under review and how many are out of date? It was noted by the Executive Manager, Projects & Innovation that information will be provided offline.

ACTION: The Executive Manager, Projects & Innovation is to provide further information offline to the Chairperson on Policy Reviews statistics.

- It was queried whether all projects, Memorandum of Understandings (MOUs) or Contracts go through the Legal team before signing? It was confirmed that yes they do go through Legal first however it also noted that Council have all sorts of different agreements with other parties throughout the business. It was confirmed that there is not an integrated process across all agreements in the business and the General Manager of Service Delivery spoke further to this and provided clarification for the Committee.

ACTION: The Projects & Innovation team to provide further information to the Committee around different arrangements and agreements that Council have in the business and how these are dealt with. This is also to be included in the 2024 Work Programme.

Copy of Infrastructure Report – Capital Project Delivery Portfolio Update

Agenda Item 8.2

The report was received [*R&A23012/02 refers*], and it was noted that the report included in the agenda is over six weeks old and a more current report will be required.

Copy of Performance & Strategy Report – Long Term Plan Update December 2023

Agenda Item 8.3

The report was received [*R&A23012/02 refers*], and the following discussion was held:

- It was confirmed that the draft consultation paper will be seen by the Performance & Strategy Committee in and possibly adopted in mid-late March 2024.
- A brief discussion was held around the Audit NZ timeframes and whether their approval is or is not required.

Future Work Plan Update

Agenda Item 8.4

The report was received [*R&A23012/02 refers*], and no further discussion was held.

Register of Interests – Elected & Appointed Members

Agenda Item 8.5

The report was received [*R&A2312/02 refers*], and no further discussion was held.

EXCLUSION OF THE PUBLIC

Resolved: (Her Worship the Mayor, Mrs JA Church/Cr Gibb)

THAT the Risk & Assurance Committee exclude the public from the following parts of the proceedings of this meeting.

- a. 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
Item number PEX 2 Confirmation of Minutes Item PEX 3.1 Fraud Declaration Item PEX 3.2 Register of Interests - Senior Staff Item PEX 3.3 Audit NZ Time with Committee Item PEX 3.4 Legal Compliance Survey Results	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

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:

