



NAPIER
CITY COUNCIL

Te Kaunihera o Ahuriri

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AUDIT AND RISK COMMITTEE

Open Minutes

Meeting Date: Friday 25 March 2022

Time: 1.08pm – 1.40pm (*Open*)
1.42pm – 1.55pm (*Public Excluded*)

Venue Via Zoom Audio Visual Link

Livestreamed via Council's Facebook site

Present **Acting Chair:** David Pearson

Members: Mayor Kirsten, Councillors Nigel Simpson and
Graeme Taylor

In Attendance Chief Executive (Steph Rotarangi)
Director Corporate Services (Adele Henderson)
Director Programme Delivery (Jon Kingsford)
Director Community Services (Antoinette Campbell)
Manager People and Capability (Sue Maitkin)
Manager Business Excellence & Transformation (Jane
Klingender)
Director Infrastructure (Debra Stewart)
Communications and Marketing Manager (Julia Atkinson)
Accounting Manager (Talia Foster)
Manager Building Consents (Malcolm Smith)

Administration Governance Advisor (Carolyn Hunt)

Karakia

Chief Executive gave the opening karakia.

Apologies

Mayor Wise / Councillor Simpson

That the apology from John Palairet be accepted.

Carried

Conflicts of interest

Public forum

Nil

Announcements by the Mayor

Rainfall – Thanked the dedicated staff in the water teams for their work during the heavy rainfall over the last few days. There have been no major issues and there is still more rain to come and staff will be continuing to monitor Council's system.

Announcements by the Chairperson

Nil

Announcements by the management

The Chief Executive announced the withdrawal of the Public Excluded item Financial Delegation from the agenda.

Confirmation of minutes

Councillor Simpson / D Pearson

That the Minutes of the meeting held on 26 November 2021 were taken as a true and accurate record of the meeting.

Carried

AGENDA ITEMS

1. HEALTH AND SAFETY REPORT

Type of Report: Operational

Legal Reference: N/A

Document ID: 1439109

Reporting Officer/s & Unit: Sue Matkin, Manager People & Capability

1.1 Purpose of Report

The purpose of this paper is to provide the Audit & Risk Committee with an overview of Health & Safety activity for the period Quarter 2 FY22.

At the Meeting

The Manager People and Capability, Ms Maitkin provided a brief overview of the Health and Safety report for the four month period 1 November to March 2021. As at 25 March 2022 there were 38 staff who had tested Covid positive, 33 people had recovered and there were 22 household contacts. There is starting to be a drop off now in terms of the number of positive cases.

There were changes that the Government announced earlier this week around "My Vaccine Passes and Mandates". Council has reviewed its policy in light of the changes from Government.

An application for staff to use John Kirwin's mental health support application is being rolled and is another piece of helping people with their resilience through the changes over the last few months in adapting to Covid together with the webinars and support that has been provided staff.

In response to questions at the meeting it was clarified:

- The trigger for staff to bring health and safety issues on to agendas is through their Health and Safety Representative or through their manager.
 - There are five different Health and Safety Committees that meet and concerns, queries or incidents can be raised at that time and depending on what the issue is it may make its way back to a formal Team meeting agenda.
 - 207 staff have been revalidated and recertified in their Health and Safety or First Aid qualifications. Information on staff that have not been recertificated was not available and would be provided separately.
 - In regard to the sitewise prequalification contract assessment scores Ms Matkin advised that a more comprehensive and clearer explanation of each of those numbers in the boxes would be provided.
 - The Team work with any contractors that do not meet Council's standard to bring them up to the desired level.
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The Acting Chair, Mr Pearson advised that Ms Maitkin was leaving Council and on behalf of the Committee wished her well in her new endeavours and thanked her for her contribution to Council.

Committee's recommendation

Councillors Simpson / Mayor Wise

The Audit and Risk Committee:

- a. Receive the Health and Safety report for the period October 2021 to March 2022.

Carried

2. RISK MANAGEMENT

| | |
|--|---|
| <i>Type of Report:</i> | Operational |
| <i>Legal Reference:</i> | N/A |
| <i>Document ID:</i> | 1439033 |
| <i>Reporting Officer/s & Unit:</i> | Jane Klingender, Manager Business Excellence & Transformation Adele Henderson, Director Corporate Services |

2.1 Purpose of Report

To provide the Audit and Risk Committee (Committee) with an update on risk management with reference to responsibilities listed in the Audit & Risk Charter; to report on high and extreme strategic risks; and to note emerging risks.

At the Meeting

The Director Corporate Services, Ms Henderson spoke to the report and updated the Committee on risk management during the last quarter. During this time the Risk Management Policy (including Framework) and Risk Management Strategy was reviewed and revised.

In response to questions at the meeting it was clarified:

- Looking at causes and controls Council are satisfied that there are good processes in place to identify causes and manage controls.
 - Where there is significant concern or are unable to manage mitigations of extreme risk Council will continue to provide that level of information to the Committee. In most cases controls have been able to be put in place to ensure Council is not put at risk.
 - Council has now employed a full time cyber security engineer and are advised of global cyber activity and Council is improving its ongoing resilience in this space.
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Committee's recommendation

Councillors Taylor / Simpson

The Audit and Risk Committee:

- a. **Receive** the Risk Management Report dated 25 March 2022;
- b. **Note** the progress against the agreed action plan to progress towards organisational risk maturity and to review statutory compliance at least annually, including identifying progress against the top five risks agreed by Council;
- c. **Note** the business continuity planning actions in response to the threat of COVID-19 Delta and Omicron variants; and
- d. **Note** the emerging risks.

Carried

3. BUSINESS CONTINUITY PLANNING IN RESPONSE TO COVID-19

| | |
|--|---|
| <i>Type of Report:</i> | Information |
| <i>Legal Reference:</i> | N/A |
| <i>Document ID:</i> | 1444463 |
| <i>Reporting Officer/s & Unit:</i> | Jane Klingender, Manager Business Excellence & Transformation Adele Henderson, Director Corporate Services |

3.1 Purpose of Report

To provide a summary of the Audit and Risk Committee workshop on Business Continuity Planning for Covid-19 held 15 March 2022.

At the Meeting

The Director Corporate Services, Ms Henderson advised that due to events happening in this space a workshop was held with the Audit and Risk Committee and the Executive Leadership Team on 15 March 2022 to update the Committee on actions undertaken in response to the threat of spread of the Delta and Omicron variants.

In response to questions at the meeting it was clarified:

- An update had been received from the HB District Health Board this morning advising that Hawke's Bay is not through the peak of Omicron at this stage.
 - Case numbers are predicted to rise a bit further and will probably last for 2-3 weeks.
 - Council is managing its Business Continuity Plans however, numbers are appearing to be dropping off on impacted staff at Council.
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Committee's recommendation

Councillor Taylor /Mayor Wise

The Audit and Risk Committee:

- a. **Receive** the Business Continuity Planning in Response to Covid-19 report dated 25 March 2022.
- b. **Note** the actions taken for business continuity planning.

Carried

4. SENSITIVE EXPENDITURE - MAYOR AND CHIEF EXECUTIVE

Type of Report: Procedural

Legal Reference: N/A

Document ID: 1439112

Reporting Officer/s & Unit: Caroline Thomson, Chief Financial Officer

4.1 Purpose of Report

To provide the information required for the Committee to review Sensitive Expenditure of the Mayor and Chief Executive for compliance with Council's Sensitive Expenditure Policy.

At the Meeting

The Director Corporate Services, Ms Henderson took the report as read.

Committee's recommendation

Councillors Simpson / Taylor

The Audit and Risk Committee:

- a. **Receive** the 31 December 2021 quarterly report of Sensitive Expenditure for the Mayor and Chief Executive and review for compliance with the Sensitive Expenditure Policy.

Carried

5. INTERNAL AUDIT: BUILDING & RESOURCE CONSENTS REVIEW

Type of Report: Operational

Legal Reference: Local Government Act 2002

Document ID: 1440724

Reporting Officer/s & Unit: Caroline Thomson, Chief Financial Officer

5.1 Purpose of Report

To table to the Committee the internal audit on Building and Resource Consents undertaken by Council's internal auditors, Crowe.

At the Meeting

Ms Foster spoke to the report in regard to Council's internal audit programme with internal auditors Crowe. The most recent audit undertaken was the building resource consent review looking at all Council's internal processes. Findings in general were very good with two high priority recommendations which required updated processes, five medium risks and one process improvement.

Committee's recommendation

Councillors Simpson / Taylor

The Audit and Risk Committee:

- a. **Receive** the report from Crowe titled "Building & Resource Consents Review".

Carried

6. EXTERNAL ACCOUNTABILITY: ANNUAL PLAN 2022/23 UNDERLYING DOCUMENTS

Type of Report: Operational

Legal Reference: Local Government Act 2002

Document ID: 1441854

Reporting Officer/s & Unit: Caroline Thomson, Chief Financial Officer

6.1 Purpose of Report

That the Committee review and provide feedback to Council on the Annual Plan 2022/23 underlying financial information prior to the final adoption of the reports.

At the Meeting

The Director Corporate Services, Ms Henderson spoke to the report which was to provide the Committee an opportunity to provide any feedback on the underlying information and assumptions that fed into the material that would become part of the Annual Plan consultation document that will be released for community consultation.

Committee's recommendation

Councillors Taylor / Simpson

The Audit and Risk Committee:

- a. **Receive** the underlying information as the basis for the Annual Plan consultation document 2022/23:
 - i. Capital plan changes
 - ii. 10 year revised capital plan
 - iii. Financial information
 - iv. Fees and charges
- b. **Provided** no feedback from the review of the draft Annual Plan 2022/23 underlying financial information to the Council meeting on 31 March 2022.

Carried

PUBLIC EXCLUDED ITEMS

Councillors Taylor / Simpson

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

1. HRIS & Payroll Project

Carried

The general subject of each matter to be considered while the public was excluded, the reasons 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 were 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) to the passing of this resolution. |
|---|---|---|
| 1. HRIS & Payroll Project | 7(2)(b)(ii) 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 7(2)(i) Enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) | 48(1)A That the public conduct of the whole or 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 would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987. |

The Chief Executive gave the closing karakia at 1.55pm

Approved and adopted as a true and accurate record of the meeting.

Chairperson

Date of approval