



NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

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AUDIT AND RISK COMMITTEE

Open Agenda

Meeting Date: Tuesday 2 September 2025

Time: 2.30pm

Venue: Small Exhibition Hall
War Memorial Centre
Marine Parade
Napier

Committee Members **Chair:** Bruce Robertson

Members: Mayor Wise, Pearson, Councillors Crown (Deputy Chair),
Mawson and Browne

Ngā Mānukanuka o te Iwi representative – Kirk Leonard

Officer Responsible Deputy Chief Executive / Executive Director Corporate Services

Administration Governance Team

Next Audit and Risk Committee Meeting

2022 TERMS OF REFERENCE - AUDIT AND RISK

<i>Reports to:</i>	<i>Council</i>
<i>Chairperson</i>	<i>Bruce Robertson (External Independent)</i>
<i>Deputy Chairperson</i>	<i>Councillor Crown</i>
<i>Membership</i>	<i>The Mayor</i> <i>Deputy Chair of Sustainable Napier Committee</i> <i>Chair of Prosperous Napier Committee</i> <i>External independent appointee</i> <i>Ngā Mānukanuka o te Iwi (Māori Committee) (1)</i> <i>Note: The Chief Executive and External Auditor are required to attend all meetings but are not members and have no voting rights.</i>
<i>Quorum</i>	<i>3 - One of which is an external appointee</i>
<i>Meeting frequency</i>	<i>At least quarterly and further as required</i>
<i>Officer Responsible</i>	<i>Deputy Chief Executive / Executive Director Corporate Services</i>

Role

The role and scope, as well as any delegations of the Audit and Risk Committee are defined in the Audit Charter (Doc Id 325090).

Delegations

The role and scope, as well as any delegations of the Audit and Risk Committee are defined in the Audit Charter.

The Committee can make recommendations to Council or the Chief Executive as appropriate.

ORDER OF BUSINESS

Karakia

Apologies

David Pearson

Conflicts of interest

Public forum

Nil

Announcements by the Mayor

Announcements by the Chairperson including notification of minor matters not on the agenda

Note: re minor matters only - refer LGOIMA s46A(7A) and Standing Orders s9.13

A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and the Chairperson explains at the beginning of the public part of the meeting that the item will be discussed. However, the meeting may not make a resolution, decision or recommendation about the item, except to refer it to a subsequent meeting for further discussion.

Announcements by the management

Confirmation of minutes

That the Minutes of the Audit and Risk Committee meeting held on Thursday, 7 August 2025 be taken as a true and accurate record of the meeting.5

Agenda items

Nil

Minor matters not on the agenda – discussion (if any)

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RECOMMENDATION TO EXCLUDE THE PUBLIC

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

AGENDA ITEMS

1. Draft 2024/25 Annual Report

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.	Plain English reason for passing this resolution in relation to each matter
1. Draft 2024/25 Annual Report	7(2)(c)(ii) Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to damage the public interest	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 information contained within is draft and still subject to audit to confirm the accuracy and completeness of the information. Until it has been verified, it should be treated as confidential.

Public Excluded Text

Council has considered the public interest in the information above and balanced those interests with the reason(s) for withholding this information. This ensures Council has met the requirements for withholding information under section 7(2) of the Local Government and Official Information and Meetings Act 1987.

AUDIT AND RISK COMMITTEE

Open Minutes

Meeting Date: Thursday 7 August 2025

Time: 9.30am – 11:03am

Venue Large Exhibition Hall
War Memorial Centre
Marine Parade
Napier

This meeting is being recorded

Present **Chair:** Bruce Robertson
Members: Mayor Wise, David Pearson, Councillors Crown
(Deputy Chair), Mawson and Browne
Ngā Mānukanuka o te Iwi representative – Kirk Leonard

Also Present Councillors Chrystal and Price

In Attendance Chief Executive (Louise Miller)
Deputy Chief Executive / Executive Director Corporate Services
/ Acting Executive Director City Services (Jessica Ellerm)
Executive Director City Strategy (Rachael Bailey [online])
Chief Financial Officer (Caroline Thomson)
Financial Controller (Talia Foster)
Risk and Assurance Lead (Dave Jordison)
Health and Safety Operations Manager (Andrew Wallace)
Business Improvement Manager (Alister Edie)
Procurement Manager (Sharon O'Toole)
Strategic Programmes Lead (Alix Burke)
Audit New Zealand (Debbie Perera) [online]

Administration Governance Advisor (Jemma McDade)

AUDIT AND RISK COMMITTEE – Open Minutes

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ORDER OF BUSINESS

Karakia

The meeting opened with the Council karakia

Apologies

Nil

Conflicts of interest

Nil

Public forum

Nil

Announcements by the Mayor

Nil

Announcements by the Chairperson

Nil

Announcements by the management

Nil

Confirmation of minutes

Bruce Robertson / Councillor Crown

That the Minutes of the meeting held on 12 June 2025 were taken as a true and accurate record of the meeting.

Carried

AGENDA ITEMS

1. UPDATE: NEW CONTRACT REGISTER AND PROCUREMENT & CONTRACT MANAGEMENT INTRANET SITE NOW LIVE

Type of Report:	Enter Significance of Report
Legal Reference:	Enter Legal Reference
Document ID:	1866290
Reporting Officer/s & Unit:	Sharon O'Toole, Procurement Manager

1.1 Purpose of Report

The purpose of this report is to provide an update on the Procurement and Contract Framework. This work involved a range of initiatives to build capability, improve procurement, and contract management practices and outcomes.

A key deliverable from the Internal Audit Report: Contract Management Report completed by Crowe April 2024 was to establish a new functional Contract Register. This is now complete and went live 18 July 2025.

Also now live is a new Procurement and Contract Management intranet site. This hosts an expansive range of Procurement and Contract Management guidance, tools, and templates to help users to think more strategically and streamline sourcing activities across Council.

At the meeting

The officer presented the report giving an update on the internal audit completed last year. The Contract Management and Procurement Framework have been created. It includes guidance, documentation, training and risk assessment. The template for strategic contracts includes appropriate mechanisms to ensure risks are well managed. The current low tech, manual systems have inherent risks which rely on training as a control. These risks are tracked through the Audit process. Processes are being put into place for significant risks to be addressed.

Questions were answered clarifying:

- Staff training is planned throughout the year for the new contract management system with a two day course and a half day course alongside targeted interventions. The Contract register went live in July. Training sessions have been offered with a webinar and guide to help. Some aspects of the training will be incorporated into Camms.
- The current manual system is subject to regular audits. The next stage of the process is to implement a standardised document saving process.
- The digital transformation process is broad. Updating the manual systems is the priority.
- The Three Waters team have been trialling the documentation with positive feedback that it leads to greater consistency and less redrafting. The intention is to provide qualitative data with reporting on key indicators.

- The amendments to the NZS3910:2013 Contract template have been legally reviewed. The review will then cascade into the other templates.
- The EPMO will provide a quarterly progress report.

COMMITTEE RESOLUTION

Councillors Browne / Mawson

The Audit and Risk Committee:

- Receive** the progress report titled "Update on the Contract Register and Procurement and Contract Management Intranet Site" dated 7 August 2025.

Carried

2. HEALTH AND SAFETY BY DESIGN AND TE KETE - THE CIVIC PRECINCT

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1866353
<i>Reporting Officer/s & Unit:</i>	Alix Burke, Strategic Programme Lead

2.1 Purpose of Report

The purpose of this report requests the Audit and Risk Committee's endorsement of the approach outlined in the attached Safety in Design and Te Aka Operating Model.

At the meeting

The officer presented the report outlining key considerations for the Health and Safety by design in the Te Kete – Civic Precinct.

Questions were answered clarifying:

- A report seeking approval of the Health and Safety by design principle will be provided to Council.
- Operational risks have been included in the design.
- The library developed design is completed, the workplace has reached developed design and will be progressed to developed design including health and safety considerations in the internal detail.

COMMITTEE RESOLUTION

Councillors Browne / Crown

The Audit and Risk Committee:

- Note** the contents of this report.
- Note** the work that has occurred in the design of Te Kete – the Civic Precinct to prioritise the health and safety of people working and visiting

as outlined in the attached Safety in Design and Te Aka Operating Model.

- c) **Endorse** the continuation of the 'health and safety by design' principle into the development of operations of the precinct's buildings, activities and spaces.
- d) **Note** NCC's Te Kete Transition Manager will lead the development of the Operating Model for Te Kete – with NCC's public facing activities (Governance, Customer Service, Library Team and Napier Assist/Āwhina/Tāngata).

Carried

Debbie Perera (Audit New Zealand) joined the meeting [online] at 9:45am.

3. RISK MANAGEMENT REPORT

Type of Report: Information

Legal Reference: N/A

Document ID: 1866803

Reporting Officer/s & Unit: Dave Jordison, Risk and Assurance Lead

6.1 Purpose of Report

To provide the Committee an update on Council's strategic and operational risk profiles and on key risk management workstreams.

At the meeting

The officer presented the report providing the update that the status of the risk register is improving. Reviewing risks is an ongoing process with focus on the 14 risks without controls. Additional Risk Register training is recognised as a need for managers.

Questions were answered clarifying:

- The deep dive into SR21 will record the work that has been undertaken in this area.
- Consistency of understanding and training is being progressed.
- The risk register is monitored on a regular basis by officers.

COMMITTEE RESOLUTION

David Pearson / Councillor Browne

The Audit and Risk Committee:

- a. **Receive** the report titled "Risk Management Report" dated 7 August 2025.

Carried

4. HEALTH AND SAFETY UPDATE REPORT

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1866347
<i>Reporting Officer/s & Unit:</i>	Andrew Wallace, Health and Safety Operations Manager

4.1 Purpose of Report

To update the Audit & Risk Committee (ARC) on health and safety strategic progress, performance, and activities from 1 May 2025 to 30 July 2025, and to support assurance to Council on the effectiveness of the health and safety risk management system and programme.

At the meeting

The officer presented the report.

Questions were answered clarifying:

- The increase in reports of near misses is a positive sign that these incidents are being reported. Most relate to rescues at the pools. These are reviewed and followed up.
- Targeted safety training will be provided for staff within their working environment to address the increase in aggressive behaviour towards staff.
- Incident investigations vary in significance. The number is an indication.
- Work on moving SR32 is being progressed.

COMMITTEE	Bruce Robertson / David Pearson
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RESOLUTION

The Audit and Risk Committee:

- a) **Receive** the report titled “Health and Safety Update Report” dated 7 August 2025.

Carried

5. EXTERNAL AUDIT ACTIONS STATUS UPDATE

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1864977
<i>Reporting Officer/s & Unit:</i>	Talia Foster, Financial Controller

5.1 Purpose of Report

The purpose of this paper is to summarise the actions taken by management from recommendations made via our external audit process to provide assurance to the Audit and Risk Committee that these have been addressed.

At the meeting

The officer presented the report.

Questions were answered clarifying:

- The work programme on the digitisation of Service Requests at the Depot is progressing. Monitoring is through internal control checks and the internal audit process. This will improve consistency and resolve the risks identified.
- An interim solution is in place for Kennedy Park, though a final digital solution is still being progressed.
- The digital transformation is ongoing and will be funded through the Long Term Plan as an essential part of the work programme.

COMMITTEE RESOLUTION

Councillors Crown / Mawson

The Audit and Risk Committee:

- Receive** this report titled "External Audit Actions Status Update" dated 7 August 2025.

Carried

6. SENSITIVE EXPENDITURE - MAYOR AND CHIEF EXECUTIVE

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1864980
<i>Reporting Officer/s & Unit:</i>	Talia Foster, Financial Controller

6.1 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 officer presented the report noting that the updated Policy has addressed previously identified reporting inconsistencies.

There were no questions.

**COMMITTEE
RESOLUTION**

Bruce Robertson / Councillor Crown

The Audit and Risk Committee:

- a) **Receive** the 30 June 2025 quarterly report of Sensitive Expenditure for the Mayor and Chief Executive (Doc Ids 1866794 and 1866795) and review for compliance with the Sensitive Expenditure Policy (Doc Id 349335) .

Carried

Minor matters

Nil

RESOLUTION TO EXCLUDE THE PUBLIC

Bruce Robertson / David Pearson

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

1. SR41 Security, Integrity and Privacy of Data
2. Chief Executive - Verbal Update
3. Audit New Zealand - Verbal Update

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.	Plain English reason for passing this resolution in relation to each matter.
1. SR41 Security, Integrity and Privacy of Data	7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities	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.	Due to the sensitive nature of the information
2. Chief Executive - Verbal Update	7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage,	48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to	Commercial activity

	commercial activities	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.	
3. Audit New Zealand - Verbal Update	7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities	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.	Commercial activity
Public Excluded Text			
Council has considered the public interest in the information above and balanced those interests with the reason(s) for withholding this information. This ensures Council has met the requirements for withholding information under section 7(2) of the Local Government and Official Information and Meetings Act 1987.			

The meeting closed at 11:03am

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

Chairperson

Date of approval