

**MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL
RISK AND ASSURANCE COMMITTEE MEETING
HELD AT THE TO BE HELD VIA AUDIOVISUAL LINK VIA ZOOM.
ON THURSDAY, 14 MAY 2020 AT 9:00AM**

PRESENT: Mr Neil Bain (Chair)
Mayor Alex Walker
Cr Tim Aitken
Cr Gerard Minehan
Cr Brent Muggeridge
Cr Jerry Greer

IN ATTENDANCE: Monique Davidson (Chief Executive)
Joshua Lloyd (Group Manager, Community Infrastructure and Development)
Doug Tate (Group Manager, Customer and Community Partnerships)
Darren De Klerk
Bridget Gibson

1 APOLOGIES

Nil

2 DECLARATIONS OF CONFLICTS OF INTEREST

Mr Bain declared that he is employed by the Local Government Funding Agency and confirmed no conflict of interest exists.

3 STANDING ORDERS

COMMITTEE RESOLUTION

Moved: Cr Jerry Greer
Seconded: Mayor Alex Walker

THAT the following standing orders are suspended for the duration of the meeting:

- **21.2 Time limits on speakers**
- **21.5 Members may speak only once**
- **21.6 Limits on number of speakers**

And that Option C under section 22 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

CARRIED

4 CONFIRMATION OF MINUTES

As this is the inaugural meeting of the Risk and Assurance Committee there are no minutes requiring confirmation.

5 REPORT SECTION

5.1 RISK STATUS UPDATE

PURPOSE

The purpose of this paper is to report to the Risk and Assurance Committee (the Committee) on Councils risk landscape, risk management work in progress and to continue a discussion with the Committee about risk.

COMMITTEE RESOLUTION

Moved: Cr Gerard Minehan

Seconded: Cr Jerry Greer

That, having considered all matters raised in the report, the report be noted.

CARRIED

The progression of digitisation of records was discussed. Mr Lloyd confirmed that a work programme is underway to digitise records.

The Chair queried how mitigation of cyber risk fits into the overall risk framework. Mr Lloyd confirmed that he is confident that security measures are in place and an audit is currently underway.

The Chair asked for a an update on cyber security be tabled at Committee at a future point.

The Chair requested that the framework be presented to Committee on a regular basis and that an annual review of the framework take place.

Councillors discussed risk status regarding transition to Level 2 and collaboration with contractors regarding risk management.

Risk register, the Covid-19 pandemic impact and the drought impact will be worked into the risk framework. At the next meeting of the Committee officers will report on and highlight specific risks from a strategic perspective and mitigation of those risks.

5.2 HEALTH AND SAFETY STATUS REPORT

PURPOSE

To provide the committee with health, safety and wellbeing information and insight to April 2020 and to update the committee on Council performance in relation to Health and Safety and to outline key health and safety risks and initiatives.

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker

Seconded: Cr Tim Aitken

That, having considered all matters raised in the report, the report be noted.

CARRIED

Mr De Klerk presented the report.

It was noted that a health and safety review is under way.

The Chair requested that an overarching summary of contractors' health and safety performance indicators, and management and monitoring of trends in health and safety be presented at a future date.

5.3 INTERNAL AUDIT: PROCUREMENT AND PURCHASING FINDINGS

PURPOSE

The purpose of this report is to bring to the Risk and Assurance Committee the findings of the recent Procurement and Purchasing Internal Audit.

COMMITTEE RESOLUTION

Moved: Cr Brent Muggeridge

Seconded: Mayor Alex Walker

That, having considered all matters raised in the report:

- a) That the report be noted.**
- b) That a further update on the internal audit procurement and purchasing findings be reported to the committee.**

CARRIED

The Chair acknowledged the progress made to date taking into account that a lot of progress has been made in a short period of time, and that learnings from the audit recommendations and commentary will further enhance the Council's procurement approach. Further context of the overall spend and number of procurement activities currently would be useful in a future update to Committee..

The mix between the centralised and decentralised process should be further assessed.

The Chair requested that management provide an update on policy review, including what changes have been made subsequent to the audit, and any actions from audit recommendations.

Noted that all internal policies that have a financial component including procurement, credit card policy, and delegated authorities component come to the Risk and Assurance Committee for consideration and feedback.

The Chair requested that a further update on the internal audit: procurement and purchasing findings work be reported to Committee at a future meeting.

5.4 FINANCIAL IMPACTS OF COVID-19 AT THIS TIME - REPORT

PURPOSE

The purpose of this report to provide Councillors a forecast of what Officers think the impact of Covid-19 will be on Council's year end position.

COMMITTEE RESOLUTION

Moved: Cr Gerard Minehan

Seconded: Cr Tim Aitken

That, having considered all matters raised in the report

- a) the report be noted and received.**
- b) that management come back to the Committee with a further update on the financial impacts for 2020/2021 of the Covid-19 pandemic including any mitigation and relief packages available to rate payers.**

c) CARRIED

An update of any support packages that may be available to ratepayers would be appreciated by the Committee, including assumptions around the impact on fees and charges in the next financial year.

Management will continue to monitor the impact of the drought and Covid-19 on the agricultural sector in CHB including the impact on rates income in the next 12 months.

5.5 ANNUAL PLAN 2020/2021 UPDATE

PURPOSE

This report provides an update on the Annual Plan following Council's resolution on the 9th April 2020 ***"That in light of COVID-19 and Drought, Council request that Officers amend the current Draft Annual Plan 2020/2021 budget, to achieve no more than a 3.8% rates increase."***

RECOMMENDATION

That, having considered all matters raised in the report:

- a) That the report be noted.
- b) That management present a similar report at the next meeting of Committee outlining the expected impacts from Covid-19 and the drought on 2020/2021 year on the Annual Plan.

Meeting adjourned for break at 10:42am.

Meeting recommenced at 10.52am.

5.6 REPORT FROM RISK AND ASSURANCE COMMITTEE CHAIR

PURPOSE

The attached paper presents, Chair Neil Bain's thoughts for developing a structured agenda and Committee work plan for future RAC meetings, for wider discussion.

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker
Seconded: Cr Brent Muggeridge

That having considered all matters raised in the report the report be received.

CARRIED

That collaboration between the Committee and management continues, developing further Committee and council priorities.

The Committee will subsequent to the meeting discuss with management the development of the initial work plan and agenda for health and safety, and risk management, taking on board managements requests.

RESOLUTION TO EXCLUDE THE PUBLIC**COMMITTEE RESOLUTION**

Moved: Cr Jerry Greer
 Seconded: Mayor Alex Walker

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter 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 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 for the passing of this resolution
6.1 - External Audit 2019/2020 Engagement Letter and Approach	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority	s48(1)(a)(i) - 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 would exist under section 6 or section 7

CARRIED**6 DATE OF NEXT MEETING****COMMITTEE RESOLUTION**

Moved: Cr Gerard Minehan
 Seconded: Mayor Alex Walker

THAT the next meeting of the Risk and Assurance Committee be held on 21 July 2020 .

CARRIED**7 TIME OF CLOSURE**

The Meeting closed at 11:43am.

The minutes of this meeting were confirmed at the Risk and Assurance Committee Meeting held on 21 July 2020 .

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CHAIRPERSON