



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

Risk & Assurance Committee Agenda

Thursday, 8 August 2024

9.00am

Council Chambers,

28-32 Ruataniwha Street, Waipawa

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1 WELCOME/ KARAKIA/ NOTICES**2 APOLOGIES**

There were no apologies received.

3 DECLARATIONS OF CONFLICTS OF INTEREST

There were no Declarations of Conflicts of Interest received.

4 STANDING ORDERS**RECOMMENDATION**

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.

5 CONFIRMATION OF MINUTES

Risk and Assurance Committee Meeting - 20 June 2024

RECOMMENDATION

That the minutes of the Risk and Assurance Committee Meeting held on 20 June 2024 as circulated, be confirmed as true and correct.

**MINUTES OF CENTRAL HAWKE'S BAY DISTRICT COUNCIL
RISK AND ASSURANCE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON THURSDAY, 20 JUNE 2024 AT 9.00AM**

UNCONFIRMED

PRESENT: Chairperson Neil Bain (Chair)
Mayor Alex Walker
Cr Tim Aitken
Cr Pip Burne
Cr Gerard Minehan

IN ATTENDANCE: Doug Tate (Chief Executive)
Nicola Bousfield (Group Manager, People and Business Enablement)
Brent Chamberlain (Chief Financial Officer)
Dennise Elers (Group Manager Community Partnerships)
Dylan Muggeridge (Group Manager Strategic Planning & Development)
Phillip Stroud (Acting Group Manager Community Infrastructure and Development)

Michelle Annand (Health & Safety Advisor)
Sarah Crysell (Communications & Engagement Manager)
Adrienne Martin (People and Capability Manager)
Stuart Mutch (Ernst Young) (*Online*)
Annelie Roets (Governance Lead)

1 WELCOME/ KARAKIA/ NOTICES

The Chair, Neil Bain welcomes everyone to the meeting and Mayor Alex Walker opened with a karakia.

2 APOLOGIES

There were no apologies received.

3 DECLARATIONS OF CONFLICTS OF INTEREST

There were no Declarations of Conflicts of Interest declared.

4 STANDING ORDERS

COMMITTEE RESOLUTION: 24.15

Moved: Cr Gerard Minehan

Seconded: Cr Pip Burne

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 21 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

5 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION: 24.16

Moved: Cr Gerard Minehan

Seconded: Mayor Alex Walker

That the minutes of the Risk and Assurance Committee Meeting held on 19 March 2024 as circulated, be confirmed as true and correct.

CARRIED

6 REPORT SECTION

6.1 RESOLUTION & ACTION MONITORING REPORT

PURPOSE

1. The purpose of this report is to present to the Committee the Risk and Assurance Committee Resolution Monitoring Report. This report seeks to ensure the Committee has visibility over work that is progressing, following resolutions made by the Committee.

COMMITTEE RESOLUTION: 24.17

Moved: Cr Gerard Minehan

Seconded: Cr Pip Burne

That the report be noted.

CARRIED

The report was introduced by Doug Tate which was taken as read.

- Point 3: Insurance Renewal update and Insurance Strategy Developing. Paper before council today to discuss a wider work programme and further discussion.

6.2 AUDIT PLAN - 2023/24 FINANCIAL YEAR

PURPOSE

The matter for consideration by the Council is to receive the 2024 Annual Report Audit Planning document.

Mr Stuart Mutch from Ernst Young will be in attendance online for this meeting.

COMMITTEE RESOLUTION: 24.18

Moved: Cr Tim Aitken

Seconded: Mayor Alex Walker

1. That this report be received.

CARRIED

Brent Chamberlain introduced the report noting what the focus areas for 2024 will be. An Interim Audit was held earlier in May this year and the final audit due end August/ beginning of September 2024. The report was further taken as read.

- The Chair introduced Stuart Mutch (Ernst & Young) who joined the meeting online. Mr Mutch gave a summary on the Audit Plan and key areas of focus and audit approach.
- Key focus areas identified that remain broadly consistent with the prior year.

- Audit fees were set early 2023 for the period 2023-2025 and the cost of the audit will be around \$153,000, including disbursements.
- Some additional work might be incurred around matters associated with Cyclone Recovery.
- Comments noted and will be incorporated within the Audit Plan.

6.3 RISK STATUS REPORT

PURPOSE

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

COMMITTEE RESOLUTION: 24.19

Moved: Cr Gerard Minehan

Seconded: Cr Pip Burne

That the report be noted.

CARRIED

Nicola Bousfield spoke to the report noting that this is the regular report to the committee and reports on top risks identified and managed by Council.

- Flagged to the committee an early indication that officers are undertaking a SmartGrowth Review that assesses Council's ability to enable growth and its opportunities to improve across all areas of development.
- Early stages indicate that officers will need to revisit the risk appetite attached to SmartGrowth as one of the outcomes of this report.
- There are no significant risks listed in the Risk Register, however, Ms Bousfield highlighted a couple risks noted in the report.
- Hawke's Bay 3 Waters Regional Entity: Question posed whether this should be listed as a risk in the risk register? There will be some new risk exposure as officers work through the HB Three Waters model. The Executive Leadership Team to consider those risks appropriately and provide some advice back to the next committee in August 2024.

6.4 HEALTH AND SAFETY REPORT: 1 FEBRUARY - 30 APRIL 2024

PURPOSE

To provide the Risk and Assurance Committee with health, safety and wellbeing information and insight, and to update the committee on key health and safety initiatives for the period 1 February - 30 April 2024.

COMMITTEE RESOLUTION: 24.20

Moved: Cr Pip Burne

Seconded: Mayor Alex Walker

That the report is noted.

CARRIED

Adrienne Martin and Michelle Annand introduced the report which was taken as read, but highlighted a couple of

- Gap analysis has been completed and now recognised in the Health & Safety work programme and officers will continue to report on priorities and progress against these across the reporting cycles.
- Critical risks identified and being prioritised on those risks posing a greatest risk to council.
- Recently conducted a staff survey showed that the Health & Safety and Wellbeing of people in the council is appropriately reflected in council's systems, processes and work environments and significantly improved. 78% (2024), up 6% from 2022 survey.
- Roothing Contractors – Health & Safety Partnership in Action: Work undertaken by Ms Annand were recognised in a national forum at the Taituara Future Workplaces Forum where officers shared the concept and evolution of this monthly Health & Safety contractor meeting.
- Comment and feedback received from committee to be incorporated into next report.
- That the 11 critical risks to be mapped against events and observations with commentary noted against it.

6.5 TREASURY MANAGEMENT MONITORING REPORT

PURPOSE

The purpose of this report is to provide an update on Treasury Management and Policy Compliance.

COMMITTEE RESOLUTION: 24.21

Moved: Cr Gerard Minehan

Seconded: Mayor Alex Walker

That the report be noted.

CARRIED

Mr Brent Chamberlain presented the report and highlighted key points:

- Council continues to hold sufficient liquidity to meet all its liabilities.
- Officers working alongside ANZ Bank to increase its standby facility from \$1.5m to \$4m.
- External debt has grown to \$44m but more importantly the average weighted cost of these funds is increasing due to fixed debt which matured are being replaced at a higher rate loan currently set at 5.47% per annum
- Council has entered into its first interest rate swap for \$10m. It is a forward starting swap so isn't effective until April 2025 and runs through to April 2029.
- Officers and Bancorp continues to monitor the interest swap rates and will look to take some more fixed rate cover as opportunities arise.
- Action: Rather refer to liquidity assets than investments. More transparency around liquidity ratios.

6.6 EMISSIONS TRADING SCHEME - UPDATE

PURPOSE

The purpose of this report is to provide an overview and update on how the Council participates in the Emissions Trading Scheme (ETS), and how we protect itself from fluctuating carbon credit prices. It also outlines the next steps proposed to continue to lift Council's maturity in the management of the scheme.

COMMITTEE RESOLUTION: 24.22

Moved: Cr Gerard Minehan

Seconded: Cr Pip Burne

That the report be noted.

CARRIED

Brent Chamberlain presented the report and provided an update and background on how the Emissions trading scheme works and further taken as read.

- Important to note that the way the ETC scheme works that there is quite a long lead time when council sets its gate fee for its landfill operations as to when Council actually has to make payment on its ETC liability. Could be up to 24months.
- Over 70% of the volumes that Council have to buy carbon credits for are not municipal volumes. Significant volumes comes from Tairarua Council who uses the CHB's landfill and other commercial uses.
- A draft carbon credit policy are being developed and officers needs to seek some external advice on the draft policy which will then be adopted by this Committee.
- Add Draft Carbon Credit Policy to the work programme and seek independent advice from an external consultant experienced in this field. Come back to committee with options.

6.7 INSURANCE STRATEGY UPDATE

PURPOSE

The matter for consideration by the Council is the development of its Insurance Strategy and forward work program.

COMMITTEE RESOLUTION: 24.23

Moved: Cr Gerard Minehan

Seconded: Cr Pip Burne

1. **That the committee endorse proposed Insurance Strategy work program.**

CARRIED

The report was presented by Brent Chamberlain who gave an update on Council's Insurance programme and work programme going forward with discussions noting:

- Officers have developed a draft insurance strategy which has not been adopted yet.
- Insurance premium is calculated by rate per dollar of cover x value cover. For every \$1m of reduction in value of cover the costs of insurance reduced by approximately \$2,500 in premium.
- Nationally across New Zealand, insurance brokers and underwriters have begun limiting the risks they are willing to insure through the use of loss limits – Officers are looking into alternative insurance cover

- Mr Chamberlain talked on the insurance work programme.
- Proposal on insurance cover to August meeting. Will be providing the broker indicative values in what Council wishes to insure and provide the committee with options to deviate from proposed schedule. Comparison to current cover and what has changed.

6.8 ELECTED MEMBERS PECUNIARY INTERESTS REGISTER UPDATE

PURPOSE

2. The purpose of this report is to provide and to receive the latest summary of interests from Council's appointed Registrar.

COMMITTEE RESOLUTION: 24.24

Moved: Mayor Alex Walker

Seconded: Cr Pip Burne

1. **That the report is noted.**
2. **That the Committee receive the February 2024 Summary of Elected Members Pecuniary Interests, noting that there are no matters of materiality identified by the Registrar.**

CARRIED

The report was taken as read.

6.9 ASSURANCE MONITORING OF THE MAYORAL FUND

PURPOSE

The purpose of this report is to transparently detail discretionary expenditure made through the Mayoral Fund for the year.

COMMITTEE RESOLUTION: 24.25

Moved: Cr Gerard Minehan

Seconded: Cr Tim Aitken

That the report be noted.

CARRIED

ABSTAINED: MAYOR ALEX WALKER

The report was presented by Brent Chamberlain which was taken as read.

6.10 ELECTED MEMBERS EXPENSES FOR 1 FEBRUARY 2024 - 30 APRIL 2024**PURPOSE**

The purpose of this report is to update the Committee on the Elected Members' Expenses for the three months covering the period from 1 February 2024 to 30 April 2024.

COMMITTEE RESOLUTION: 24.26

Moved: Cr Tim Aitken

Seconded: Cr Pip Burne

3. That the Elected Members Expenses for 1 April 2024 to 30 April 2024 report be noted.

4. CARRIED

The report was introduced by Brent Chamberlain which was taken as read.

7 DATE OF NEXT MEETING**COMMITTEE RESOLUTION: 24.27**

Moved: Cr Gerard Minehan

Seconded: Mayor Alex Walker

That the next meeting of the Risk & Assurance Committee be held on 8 August 2024.

CARRIED

8 PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION: 24.28**

Moved: Mayor Alex Walker

Seconded: Cr Gerard Minehan

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
8.1 - Emerging Risks and Issues - Forum Discussion	<p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority</p> <p>s7(2)(f)(ii) - the withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of Council members, officers, employees, and persons from improper pressure or harassment</p>	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

8.2 - Central Hawke's Bay District Council Cyclone Gabrielle - Local Review Outcomes	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
8.3 - Active Legal File - Assurance Review	s7(2)(c)(ii) - the withholding of the information is necessary to 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 otherwise to damage the public interest s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	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

COMMITTEE RESOLUTION: 24.29

Moved: Mayor Alex Walker

Seconded: Cr Gerard Minehan

That Council moves into Public Excluded Business at 10.44am.**CARRIED**

The meeting adjourned for morning tea at 10.46am and reconvened in Public Excluded business at 11.11am.

COMMITTEE RESOLUTION: 24.30

Moved: Cr Tim Aitken

Seconded: Mayor Alex Walker

That Council moves out of Public Excluded Business at 12.24pm.**CARRIED**

9 TIME OF CLOSURE

The Meeting closed at 12.25pm.

The minutes of this meeting will be confirmed at the next Risk and Assurance Committee meeting to be held on 8 August 2024.

.....
CHAIRPERSON

6 REPORT SECTION

6.1 RESOLUTION & ACTION MONITORING REPORT

File Number: COU1-1408

Author: Annelie Roets, Governance Lead

Authoriser: Doug Tate, Chief Executive

Attachments: 1. Resolution and Action Monitoring Report - 8 August 2024 [↓](#)

PURPOSE

The purpose of this report is to present to the Committee the Risk and Assurance Committee Resolution Monitoring Report. This report seeks to ensure the Committee has visibility over work that is progressing, following resolutions made or actions requested by the Committee.

RECOMMENDATION

That the report be noted.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

DISCUSSION

The Resolution & Action Monitoring Report is attached.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made.
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter.
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan.
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council or would transfer the ownership or control of a strategic asset to or from the Council.

RECOMMENDATION

That the report be noted.



Resolution Monitoring Report for 8 August 2024

Key	
Completed	
On Track	
Off Track	

Item Number	Item	Council Resolution	Resolution Date	Responsible Officer	Progress Report	
1	6.7	Insurance Renewal Update and Insurance Strategy Development	1. That the Risk and Assurance committee receive this update on the annual insurance placement for the 2023/2024 year. 2. That the Risk and Assurance committee receive the draft Insurance Strategy and provide feedback to allow for further work on the strategy to be undertaken and brought back for this committee's endorsement at the next meeting.	7 Dec 2023	Brent Chamberlain	On Track - Officers are currently obtaining insurance values for 2024/2025 year. Jim Palmer has been engaged to assist with finalising insurance strategy and will run a workshop at this meeting with the Committee
2	6.7	Insurance Strategy Update	1. That the committee endorse proposed Insurance Strategy work program.	20 June 2024	Brent Chamberlain	Completed. This agenda includes actions from within this report.
3	6.8	Elected Members Pecuniary Interests Register Update	1. That the report is noted. 2. That the Committee receive the February 2024 Summary of Elected Members Pecuniary Interests, noting that there are no matters of materiality identified by the Registrar.	20 June 2024	Doug Tate/ Annelie Roets	Completed. There were no actions.

Action Monitoring Report for 8 August 2024

Item Number		Meeting Date	Item	Action	Responsible Officer	Progress
1	6.4	7 Dec 2023	Review of Treasury Management Policy	Discussion regarding the property investment section of the Policy. It was requested that this be further reviewed for a future revision of the policy, with specific reference being made to the policy basis for decision making in whether to retain or purchase investment property.	Brent Chamberlain	On Track - Progress has not been made on this item with work planned for late this year.

Item Number	Item	Council Resolution	Resolution Date	Responsible Officer	Progress Report	
2	6.3	20 June 2024	Risk Status Report	Hawke’s Bay 3 Waters Regional Entity: Question posed whether this should be listed as a risk in the risk register? There will be some new risk exposure as officers work through the HB Three Waters model. The Executive Leadership Team to consider those risks appropriately and provide some advice back to the next committee in August 2024	Executive Leadership Team / Nicola Bousfield	Completed - Officers are working with the Regional Recovery Agency to develop a business case to allow a consultation document to be taken to the public to decide on the future of the Hawkes Bay 3 Waters model in late 2024. At this time, Officers do not believe participating in the business case development introduces any new risks to the business. Officers will continue to monitor this work and will assess the risk profile for changes.
3	6.4	20 June 2024	Health & Safety Report: 1 Feb - 30 April 2024	• That the 11 critical risks be mapped against events/observations with commentary noted against it.	Adrienne Martin/ Michelle Annand	Completed - New table showing events linked to critical risks for reporting period. New graph showing number of critical risks over time period.
				• Refine Lag indicators - Council events to show organisation size to see average incidents reported.		Completed - Contractor names added back into the graphs.
4	6.5	20 June 2024	Treasury Management Monitoring Report	Rather refer to liquidity assets than investments. More transparency around liquidity ratios.	Brent Chamberlain	Completed.
5	6.6	20 June 2024	Emissions Trading Scheme - Update	Add Draft Carbon Credit Policy to the work programme and seek independent advice from an external consultant experienced in this field. Come back to committee with options including reporting frequency and its purpose based on its risk profile.	Brent Chamberlain	On Track - Officers are seeking external advice on a draft policy to bring an update to the committee for late this year.
6	6.7	20 June 2024	Insurance Strategy Update	Proposal on insurance cover update to August meeting.	Brent Chamberlain	On Track - Officers are currently obtaining insurance values for 2024/2025 year. Jim Palmer has been engaged to assist with finalising insurance strategy and will run a workshop at this meeting.

6.2 RISK STATUS REPORT

File Number:**Author:** Nicola Bousfield, Group Manager - People & Business Enablement**Authoriser:** Doug Tate, Chief Executive**Attachments:** 1. Quarterly Risk Status Report August 2024 [↓](#)

RECOMMENDATION

That the report be noted.

PURPOSE

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

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as of some significance, noting the key risk issues being reported.

BACKGROUND

5. The Risk Status Report is part of regular and routine reporting designed to provide governance with oversight and input into the way that identified risks are being managed within Council.

- The Risk Maturity Review undertaken in late 2023 identified opportunities and recommendations for officers reporting risks to the Risk & Assurance Committee (the Committee). The key recommendation was to focus the discussion on current top risks specific to our Central Hawke's Bay context and discuss only those risks that sit outside of the risk appetite settings set by Council that are reviewed annually. These current top risks are determined by the Executive Leadership Team.

DISCUSSION

- **Risk Status Report**
- This Risk Status Report largely sees no notable updates to the Risk Register given the last report was provided recently in June 2024 to the Committee. It is however provided to give visibility to the new Risk & Assurance Chair and new Independent Committee Member to the regular risk reporting to the Committee.
- **Review of current top risks**
- As part of reporting top current risks to the Committee, the Executive Leadership Team regularly reviewed and updates the risks in the monthly leadership meetings. The Executive Leadership Team will soon be undertaking a mid-year review of the current top risks following the confirmation of internal group plans and work programmes and any changes will be noted at the next Committee Meeting in October
- **Risk Reporting to Council**

- Following the recommendations of the Risk Maturity Review, Officers will continue to report “up” to Council when risks trend outside of risk appetite for two quarters or more.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made.
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter.
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan.
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or would transfer the ownership or control of a strategic asset to or from the Council.

RECOMMENDATION

That the report be noted.



Risk and Assurance Committee – 08 August 2024

Risk Register Update - Quarter 4 2024

PROUD DISTRICT							
Risk Title	Appetite	Risk Subcategories	Trend				Narrative for those risks outside of Risk Appetite settings
			Q1	Q2	Q3	Q4	
Council loses or reduces its credibility or social license to operate		n/a			↑	→	
Council loses or reduces its credibility		Pourerere Beach Resilience			→	↓	The water supply servicing the Pourerere Campground does not meet the requirements of the new Draft Drinking Water Quality Assurance Rules, due to inadequate infrastructure to meet these rules. Briefing has been provided to Council along with initial engagement with key stakeholders. Engagement with Taumata Arowai has provided confidence that Council's approach to resolve the issue is appropriate. <u>Action:</u> Ongoing discussions with Taumata Arowai and planned community engagement with the aim to develop a long-term solution.

PROSPEROUS DISTRICT							
Risk Title	Appetite	Risk Subcategories	Trend				Narrative for those risks outside of Risk Appetite settings
			Q1	Q2	Q3	Q4	
Unknown ongoing impact of Cyclone Gabrielle impacting Council		Unknown impact to Council					
		Unknown impact to community (Pōrangahau)					
Inability to demonstrate value for money to the rate payer		Inability to demonstrate value for money to the rate payer					
		Contracts value for money/performance is not achieved					
		Uncontrollable contractor challenges					
Central government funding uncertainty		Central government funding uncertainty					
		Roading funding uncertainty					
Council is unable to deliver Crown-funded projects		Council is unable to deliver Crown-funded projects			⬆️	➡️	
That rate increases are above forecast levels		That rate increases are above forecast levels			➡️	➡️	The risk remains amber. By the time of this meeting Council will have adopted the Three-Year Plan and its budget and the associated rating requirements. The average rate increase for 2024/25 will be 20.9% pa with the first invoice due to be released in July, and those ratepayers who pay by Direct Debit will receive notification of the change in amount mid-June.

Correct as at:	17 July 2024
Prepared by:	Nicola Bousfield, Group Manager People & Business Enablement
Sponsor:	Doug Tate, Chief Executive

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STRONG COMMUNITIES							
Risk Title	Appetite	Risk Subcategories	Trend				Narrative for those risks outside of Risk Appetite settings
			Q1	Q2	Q3	Q4	
Staffing capacity and capability to deliver Council's objectives		Inability to recruit business critical roles - specifically at ELT or 3rd tier management level.			↑	→	
Failure to create and maintain safe council facilities and infrastructure						NEW	(H&S risk split in two – separating out council infrastructure safety from staff H&S)
Failure to create and maintain a safe working environment for staff						↓	
Unknown ongoing viability of the Centralines Aquatic Centre and risk of ratepayer investment		Unknown ongoing viability of the Centralines Aquatic Centre and risk of ratepayer investment.					

CONNECTED CITIZENS							
Risk Title	Appetite	Risk Subcategories	Trend				Narrative for those risks outside of Risk Appetite settings
			Q1	Q2	Q3	Q4	
Council's business is significantly interrupted affecting its ability to operate		Business interruption					
		Cyber security interruption					
Inadequate civil defence response		Inadequate civil defence response				⬇	
		The risk of tsunami					
		The risk of a flooding event					

SMART GROWTH							
Risk Title	Appetite	Risk Subcategories	Trend				Narrative for those risks outside of Risk Appetite settings
			Q1	Q2	Q3	Q4	
Growth and development		Inability to service development that then hinders or reduces growth					
		Inability to deliver the water capital works programme.					
		Growth projections aren't realised as planned for in the LTP.					

Correct as at:	17 July 2024
Prepared by:	Nicola Bousfield, Group Manager People & Business Enablement
Sponsor:	Doug Tate, Chief Executive

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ENVIRONMENTALLY RESPONSIBLE							
Risk Title	Appetite	Risk Subcategories	Trend				Narrative for those risks outside of Risk Appetite settings
			Q1	Q2	Q3	Q4	
Failure to meet regulatory, legal or moral obligations		Failure to achieve drinking water legislative requirements					
		Failure to meet wastewater consent conditions - discharge into waterways			⇒	⇒	

Correct as at:	17 July 2024
Prepared by:	Nicola Bousfield, Group Manager People & Business Enablement
Sponsor:	Doug Tate, Chief Executive
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DURABLE INFRASTRUCTURE						
Risk Title	Appetite	Risk Subcategories	Trend			
			Q1	Q2	Q3	Q4
Critical asset failure		Failure of drinking water main Takapau Road, Waipukurau				
		Failure of water reservoirs in Waipawa and Waipukurau				
		Failure of Tikokino Road (Waipawa) Drinking Water Plant due to flood			➡	
		Failure of State Highway 2 bore field			➡	⬇
Water resilience		Waipukurau drinking water resilience			➡	➡

Correct as at:	17 July 2024
Prepared by:	Nicola Bousfield, Group Manager People & Business Enablement
Sponsor:	Doug Tate, Chief Executive

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DURABLE INFRASTRUCTURE							
Risk Title	Appetite	Risk Subcategories	Trend				Narrative for those risks outside of Risk Appetite settings
			Q1	Q2	Q3	Q4	
Disruption of essential services		Bridge failure (no alternate route or route of significance)			➡	⬇	Generally, this risk is trending down as Council has progressed and completed projects. The risk remains with the existing sites could be higher as we do not have certainty on central government funding. 1. Patangata Bridge over Tukituki River on Elsthorpe Road - works to repair minor structural damage and scour surrounding piers was completed in July 2024. 2. Douglas Cutting – the bridge extension construction is complete and the approach works are expected in August 2024. 3. Titoki Bridge – the temporary pier has enabled the weight restriction to be lifted to 30,00kg. Permanant solution 4. Mangatarua Bridge- works to reinstate the abutment were completed post Cyclone Gabrielle and the weight restriction is currently 30,000kg. No further work is currently planned.
		Routes significantly damaged by weather events			➡	⬇	Generally, this risk is trending down as Council has progressed and completed projects. The risk remains with the existing sites could be higher as we do not have central government funding at this stage. Staff are preparing the application to access the funding announced though the 2024 budget. There are several routes that have been significantly impacted by either Cyclone Gabrielle or previous weather events and access is limited with high risk of deterioration or the alternative route is significant - this includes Cooks Tooth Road, Wimbledon Road, Tourere Road and Gwavas Road. Action: Collaboration with the Regional Recovery Agency is underway on a forward programme as part the application access the Crown funding. At-risk sites have been weight-restricted, closed and or temporary repairs implemented where possible. Monitoring and repair of sites where possible under funding restrictions.
		Road asset damage due to weather			➡	➡	No new update from Q4, previous update form Q3: As well as the damage sustained in Gabrielle, large parts of the roading network remain damaged from 2022 events. Combined, this creates a significant impact for our road users as well as a significant challenge for our teams of staff and contractors to recover from. Limited maintenance contracts that don't and can't account for the scale of repairs required. Action: The 3 Year Plan consultation document including the level of service and the preferred funding/financial management options leading to an adopted 3 Year Plan. Anticipate that the Roothing Recovery additional funding (\$129mil) FAR (NZTA funding assistance rate) will be confirmed.

Correct as at:	17 July 2024
Prepared by:	Nicola Bousfield, Group Manager People & Business Enablement
Sponsor:	Doug Tate, Chief Executive

Page 5 of 5

6.3 HEALTH AND SAFETY REPORT: 1 MAY - 30 JUNE 2024

File Number:**Author:** Michelle Annand, Health and Safety Advisor**Authoriser:** Adrienne Martin, People and Capability Manager**Attachments:** 1. Risk and Assurance - Health and Safety Report 8 August 2024 [↓](#)

RECOMMENDATION

That the report is noted.

PURPOSE

To provide the Risk and Assurance Committee with health, safety and wellbeing information and insight, and to update the committee on key health and safety initiatives for the period 1 May to 30 June 2024.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

BACKGROUND

Elected members, as 'Officers' under the Health and Safety at Work Act 2015 (HSWA), are expected to undertake due diligence on health and safety matters.

The Health and Safety at Work Act requires those in governance roles, and senior management to have a greater understanding of their organisation's health and safety activities. Under the Health and Safety at Work Act 2015, all elected members are deemed 'Officers' and must exercise a duty of diligence in relation to health and safety. This report and its attachments provide information to assist elected members to carry out that role and provides the health and safety information it needs to be aware of to meet its responsibilities under the Act.

DISCUSSION

Governance Health and Safety Report

Officers continue to refine the Health & Safety Report to the Risk & Assurance Committee, to streamline information. This covering report is a summary with the full information now outlined in the attached Risk and Assurance Health and Safety Report. The items included in this report is as follows:

1. Work Programme (formerly referred to as Gap Analysis) – Project Update.
2. Critical Risks – Project Update.
3. Lead & Lag Indicators.
4. Roothing Contractors – H&S Partnership in Action.
5. Council and Contractor event reporting.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made.
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter.
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan.
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

To continue to progress Council Health and Safety work programme priorities.

RECOMMENDATION

That the report is noted.



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

Risk and Assurance Committee

Health and Safety Report

1 May 2024 – 30 June 2024

Central Hawke's Bay District Council – Health and Safety Governance Dashboard

1

Author: Michelle Annand

8 August 2024



OVERVIEW

This report is a high-level update on Officers progress of the Health & Safety Work Programme and includes lead and lag event reporting for both Council and Contracting partners.

EXECUTIVE SUMMARY

- **Health and Safety Work Programme** - (Previously referred to as the Gap Analysis Project) steady work is progressing through the nine prioritised workstreams. These are outlined further below.
- **Critical Risk Project Update** - this project is on track with all 11 identified critical risks having standards written. These are now following the progression plan for endorsement with the Executive leadership Team and implementing the controls across the organisation.
- **Lead and Lag Indicators** - Officers have made changes to the template for reporting for ease of reading by the Committee. There were no notifiable events that required notification to WorkSafe NZ for both Council and Contractors in the reporting period. All monthly health and safety reports have been received from all contractors with trends being monitored and shared. Operating light/heavy vehicles and mobile plant (forklifts, tractors etc) continues to be the most reported work hazard reported by contractors.
- **Roading Contractors – Health and Safety Partnership in Action**- roading contractor meetings continue each month and invite has now been extended to contractors outside the roading contractors. Participation remains high for these meetings with representation from contractors' health and safety leaders and senior managers. This forum is providing insight into health, safety and wellbeing initiatives that are being undertaken across the networks that is provided ideas to be taken back to their organisations for potential implementation e.g. staff wellbeing initiatives.
- **Health, Safety and Wellbeing Committee** - staff wellbeing continues to be prioritised by the committee. Currently the Health and Safety Reps are seeking staff engagement for ideas to further support staff wellbeing across the organisation.

HEALTH AND SAFETY WORK PROGRAMME UPDATE

The Health & Safety Work Programme incorporates the recommendations from the Gap Analysis Project and programmes work based on priority.

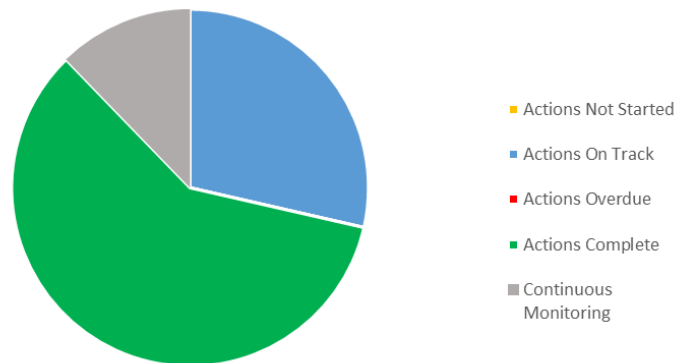
The priorities for officers in coming months include:

- Continuous implementation of the Critical Risk Framework and related standards as outlined in the "Critical Risks – Project Update" below.
- Updating Councils operational hazard/risk registers post review currently being undertaken by each work group.
- Updating Council's pre-qualification process alongside procurement.
- Formalising Emergency Procedures across Council with support from local Police. This will involve holding a workshop with Portfolio Managers to collectively agree and formalise the proposed procedures.
- Finalisation of Incident/Accident Procedure outlining the reporting process in alignment with Council's reporting tool Risk Manager and embedded it across the organisation.

The graph below provides an update of Action Status of Actions in the Health and Safety Work Programme.



Health and Safety Workplan Summary - June 2024



CRITICAL RISKS – PROJECT UPDATE

As previously reported, staff have endorsed the identified 11 Critical Risks and have prioritised those that pose the greatest risk to Council to progress first. These are set out in the table below, including a progress update on the development of each. Each standard has been written and programming is happening to progress these into the business.

It is anticipated that this programme will run over two years, but officers are progressively working to implement the critical risk standards that apply to “both” i.e. council and contractor, while we also test controls alongside the implementation of each.

Anything from that represents “both” from the Transport Corridor to Unauthorised Access to a Site Containing a Man-made Body of Water will be progressed within the next quarter.

The plan for the progression of the Critical Risks Standards into the business is as follows:

- Endorsement from the Executive Leadership Team of the controls for each standard and assigning a Standard Owner and Sponsor.
- Complete a gap analysis against each standard to establish the current status and needs assessment against the standard.
- Understand the capital expenditure implications.
- Build an implementation plan to embed the standards and associated controls into the organisation.
- Tracking progress against the implementation plan – lead KPI.

The progression of the critical risks are as follows:

Critical risk title	Context	Council or Contractor focus	Progress
Public Interactions	Threat of physical assault (when public enters Council premises).	Both	Sent to ELT for endorsement and assigning standard Owner and Sponsor. Control standards are being assessed against any reported events

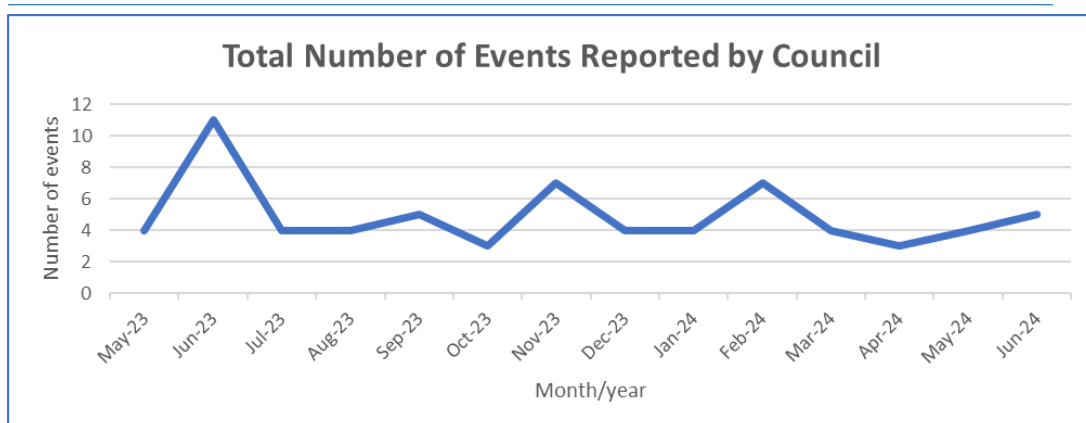


Critical risk title	Context	Council or Contractor focus	Progress
Driving	Driving a passenger vehicle for work purposes.	Both	Sent to ELT for endorsement and assigning standard Owner and Sponsor.
Transport Corridor	Being hit by a road vehicle when on foot or in a car.	Both	Draft standard with identified controls written. To progress within next quarter.
Hazardous Substances	Storage & use of hazardous substances.	Both	Draft standard with identified controls written. To progress within next quarter.
Working at Heights	Working with the risk of fall greater than 2m.	Both	Draft standard with identified controls written. To progress within next quarter.
Unauthorised Access to a Site Containing a Man-made Body of Water	Unauthorised member of the public enters a site and drowns within a manmade body of water e.g., treatment plant, swimming pool	Both	Draft standard with identified controls written. To progress within next quarter.
Confined Spaces	A worker inhales toxic substances or airborne contaminants or experiences unsafe levels of oxygen while in a confined space.	Contractor	Draft standard with identified controls written
Fixed Plant & Machinery	Operation of fixed plant & machinery.	Contractor	Draft standard with identified controls written
Mobile Plant and Equipment	Operation of mobile plant & equipment.	Contractor	Draft standard with identified controls written
Excavations (including trenches)	A worker suffocates and/or is crushed in an excavation collapse.	Contractor	Draft standard with identified controls written

LEAD AND LAG REPORTING

Officers report on “lead” and “lag” events and indicators in this reporting period.

Number of events requiring reporting to WorkSafe NZ: 0



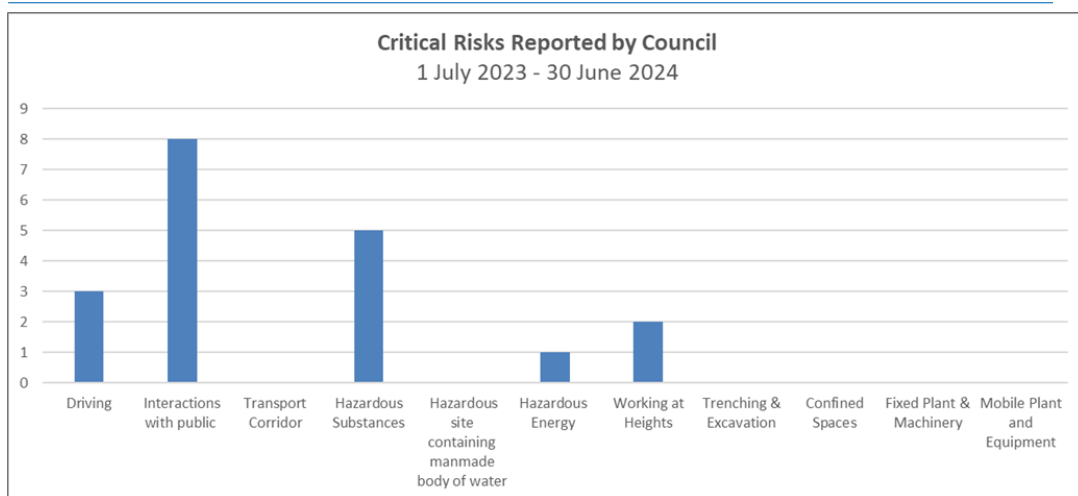
Council continues to report on average five events each month, these are inclusive of incidents, near misses and safety observations. Active reporting of events is actively encouraged throughout the organisation with emphasis on reporting 'near misses' and "safety observations" as these provided an opportunity to understand hazards and make proactive improvements before these result in potential injuries.

There was also one "safety observation" reported by a member of the public through social media. This was investigated by the contractor involved with no further action required.

Events reported by Council linked to critical risks

Number of Council events linked to Council's critical risks in this reporting period: Two.

Critical Risk	Reported by	Event Type	Description	Actions
Working at Heights	Council	Safety Observation	No Health & Safety plan outlining controls for working at height by contractor working on Council site.	Updated Health and Safety plan requested and discussed by both parties.
Hazardous Substances	Council	Safety Observation	Lack of safety measure in place from dust observed while contractor cutting concrete	Work stopped. Notification made to Contractor's Health and Safety Team where appropriate safety measures put in place.



Lead Indicators - Council

Title	Activity
Health and Safety Committee / Staff Engagement	<ul style="list-style-type: none"> The Health, Safety and Wellbeing Committee is actively leading the way in promoting and being a voice for workers. The committee continues to be chaired by a Health and Safety Representative and lead initiatives currently being undertaken by the team are: <ul style="list-style-type: none"> Wellbeing focus across organisation – facilitating a workshop to collate the current wellbeing activities Council offers to staff currently and identify any additional wellbeing initiatives that are available in the community for staff Review of current operational Hazard/Risk Registers for their work groups
Health and Safety Partnership in Action	<ul style="list-style-type: none"> The Health and Safety Contractor monthly meetings continue to be led by Land Transport Officers and participation has been extended beyond the civil contractors. Monthly participation remains high with representation from both health and safety leads and senior managers.
Critical Risks Project	<ul style="list-style-type: none"> All events that link to one of Councils 11 critical risks are reviewed against the standard to identify that the appropriate controls are in place and to identify any gaps. "Working at Height" and "Hazardous Substances" were reviewed as part of the investigation process in this reporting period. Collaboration undertaken with Local Police to assess and adapt Emergency Response Procedures for Councils premises.
Regular Check-ins with Managers	<ul style="list-style-type: none"> Identify and discuss any staff or contractor work or wellbeing issues amongst teams. Promoting leadership with participation and implementation of the critical risk programme Identifying health, safety and wellbeing initiatives e.g. embedding "safety moments" into team weekly meetings.
Wellbeing Initiatives	<ul style="list-style-type: none"> Day in the life of the Library Services Team – This was well attended. Managers met to discuss the employee engagement survey results in the 90-day check in. The objective was to take learnings from the feedback.



Lag Indicators - Council events this quarter

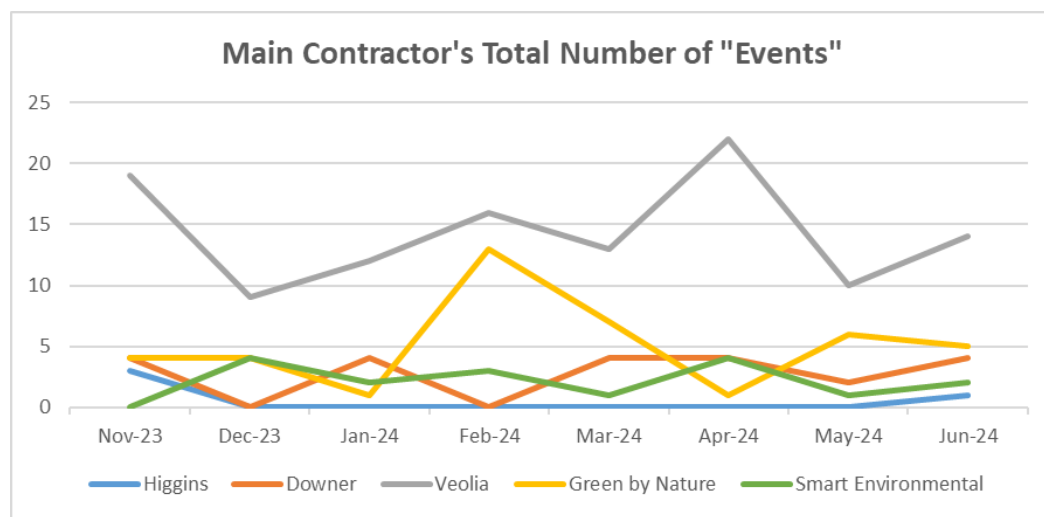
The below table shows the total number of all events reported by Council that resulted in either injury/illness or property damage ("Incidents") i.e. of the five events reported there was one incident resulting in injury requiring medical treatment and one that resulted in property damage).

Title	Month	Total number of "Events"	Incidents	Injuries/Illness	Personal Consequence	Property Damage
Number of events resulting in either injury/illness or property damage	May	4	1	1	First Aid/Discomfort =1	0
	June	5	2	1	Medical Treatment = 1	1
Top three hazards associated with work	May	<ul style="list-style-type: none"> Biological Agents Hot or Very Cold Substances, Other, Working at Heights 				
	June	<ul style="list-style-type: none"> Other Manual Handling, Surface/Ground Conditions & Change of Level, Electricity 				

The above table shows, of the total number of events reported, the number that resulted in injury/illness or property damage (Incidents).

Lead Indicators – Contractor Reporting

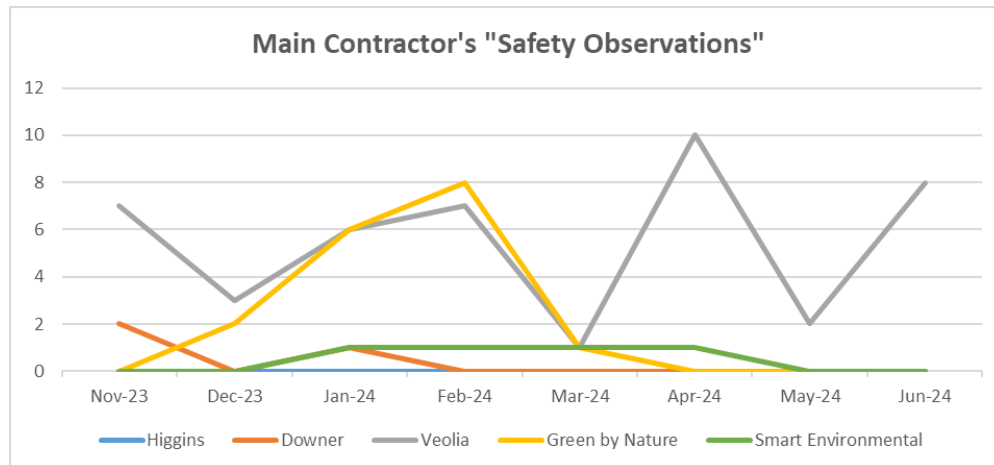
The total number of events are shown in the graph below are further broken down into lead indicators (Safety Observations, Near Misses, Safety Observations, and Site Visits/Critical Risk Sweeps) and lag indicators (Incidents)





Safety Observations

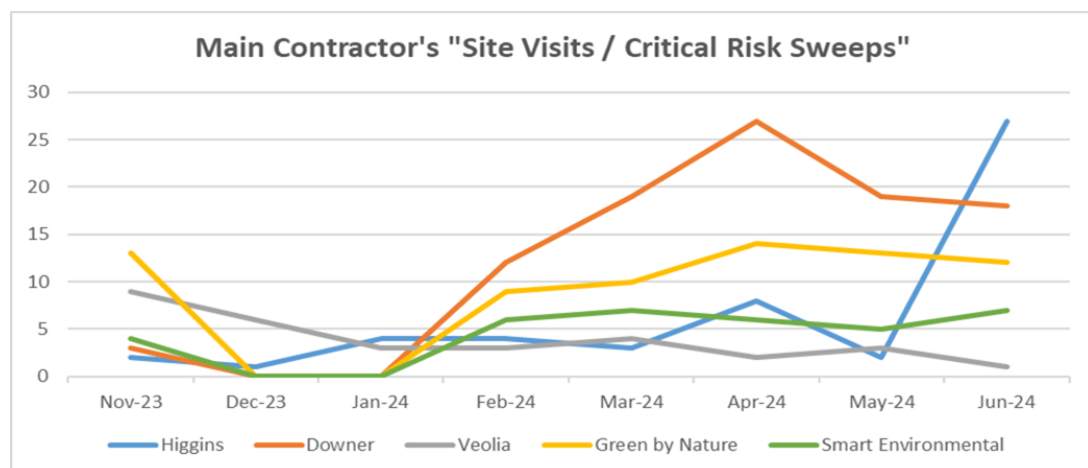
Recording of a worker's positive or negative safety behaviour or observation of an absent or failing control e.g., not wearing correct PPE, inappropriate Traffic Management set-up.



The above data is indicative of the behaviour of proactive recording of identified hazards. An example of this is an Officer observed a lack of safety measures being used by contractor cutting concrete. This resulted in stopping of the work and notification to contractor management team for review and to ensure appropriated safety measure put in place and implemented by workers.

Leadership Activities – Contractor Site Visits/Critical Risk Sweeps

These are “lead indicators” and inclusive of site visit assessments, critical risk audits, and any improvements to work undertaken by Contractor.





It is positive to see an upward trending line as this demonstrates an increase in leadership activities of observing the work that is done ensuring that good health and safety practices are being followed and provides opportunity for corrective actions to be implemented where applicable. Some examples of Critical Risk Sweeps (assessments) undertaken by contractors in this reporting period which are in line with the top reported hazards of work undertaken:

- Failure of Lifting Operations
- Struck by Mobile Plant
- Contact with Electricity
- Working beside live traffic
- Working with Mobile Plant

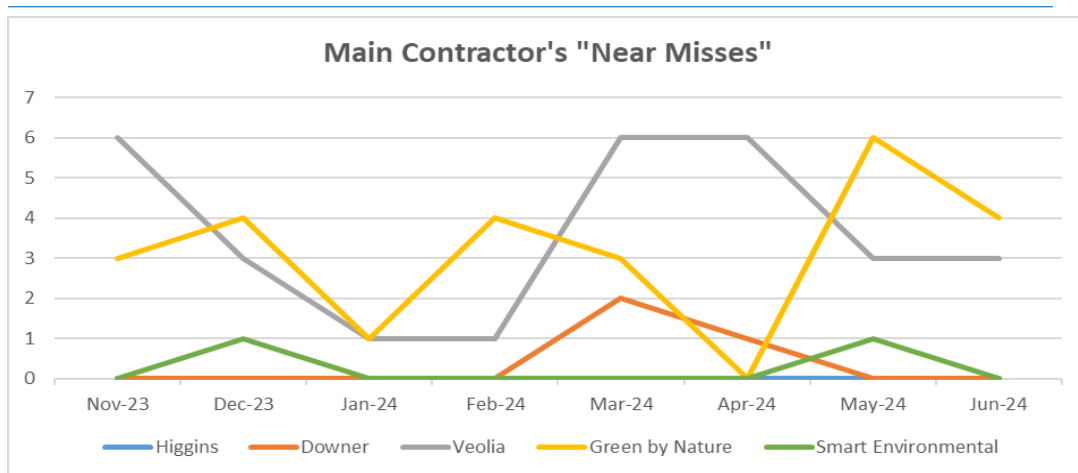


Contractor Near Misses

These are “lead indicators” as these are representative of where an unplanned event has occurred without consequence (e.g., injury/illness, or damage). However, there was the potential for injury/illness or damage to occur.

Reporting of near misses provides an insight about working conditions, highlighting any areas that may need attention before they’ve had a chance to become a serious problem.

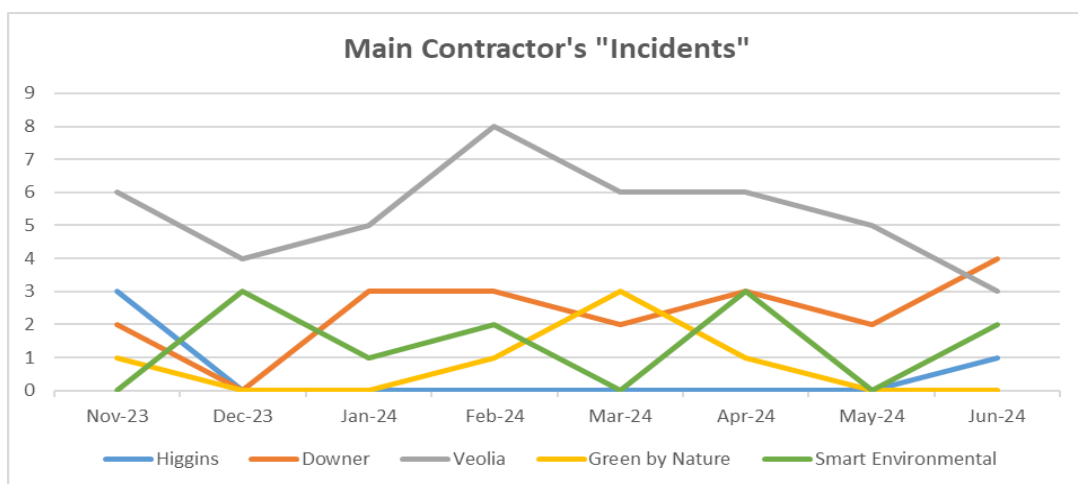
An example of this is a contractor reported near miss events with access to a Council Site. This has resulted in proactive measures in development of site management plan that will reduce the health and safety risks and improve operational efficiencies.



Lag Indicators – Contractor Reporting

Contractor Incidents

These are “lag indicators”. Any unplanned event where there has been some consequence such as injury/illness or damage.



The below table shows the total number of all events that resulted in either injury/illness or property damage (Incidents) that were reported by all Councils contracting partners.

Title	Month	Total number of "Events"	Incidents	Injuries/Illness	Personal Consequence	Property damage
Number of events resulting	May	23	6	2	Discomfort or First Aid = 1	3



in either injury/illness or property damage					Medical Treatment = 1	
	June	39	17	5	Discomfort or First Aid = 2 Medical Treatment = 1	12
Top three hazards associated with work	May	<ul style="list-style-type: none"> • Surface/Ground Conditions • Operating a Light/Heavy Vehicle • Other 				
	June	<ul style="list-style-type: none"> • Operating a Light/Heavy Vehicle • Operating Mobile Plant & Equipment • Working in the Transport Corridor 				

6.4 TREASURY MANAGEMENT MONITORING REPORT

File Number: COU1-1408

Author: Brent Chamberlain, Chief Financial Officer

Authoriser: Doug Tate, Chief Executive

Attachments: Nil

RECOMMENDATION

That the report be noted.

PURPOSE

The purpose of this report is to provide an update on Treasury Management and Policy Compliance.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

BACKGROUND

Council is required under the Local Government Act 2002 to have three policies:

- Treasury Management Policy.
- Liability Management Policy, and
- Investment Policy.

The rationale for the policies is to ensure prudent use of public funds, manage investment returns, borrowing costs, and to minimise the risk of loss of public funds.

In practice Central Hawke's Bay District Council has combined them into a single policy covering all three topics.

This current policy was adopted on 14 March 2024, following a review supported by Bancorp Treasury, staff and the Committee, ahead of the preparation of the Three-Year Plan.

DISCUSSION

Investments

As at 30 June 2024, Council was holding \$6.8m in funds on call (down from \$9.0m from 30 June 2023).

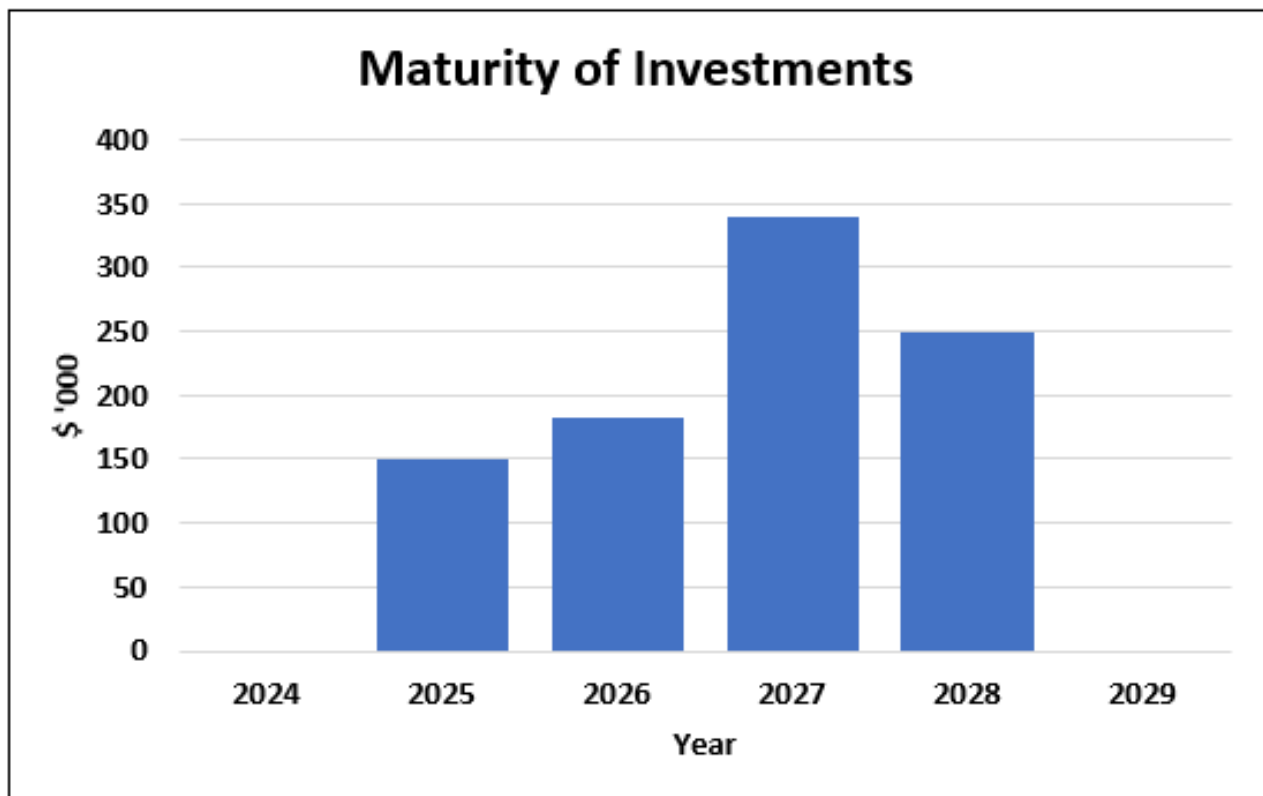
In addition, Council was holding \$Nil (\$955k as at 30 June 2023) in bank bonds and \$921k (\$806k as at 30 June 2023) in LGFA bonds.

These investments are listed below:

Cash and Investment Position

	Maturity Date	Int Rate (Face)	Int Rate (Actual)	Amount 30/06/2023	Amount Now	Movement
<u>ANZ Cheque and Call Accounts</u>				9,063,927	6,839,600	(2,224,326)
LGFA Notes	25/08/2025	3.54%	3.54%	32,000	32,000	0
LGFA Notes	15/04/2024	1.79%	1.79%	160,000	-	(160,000)
LGFA Notes	15/04/2027	5.07%	5.07%	-	275,000	275,000
LGFA Notes	15/04/2027	1.63%	1.63%	64,000	64,000	0
LGFA Notes	15/07/2024	4.84%	5.67%	75,000	75,000	0
LGFA Notes	15/04/2026	5.03%	5.90%	75,000	75,000	0
LGFA Notes	15/05/2028	4.87%	4.87%	50,000	50,000	0
LGFA Notes	15/04/2025	5.77%	5.77%	75,000	75,000	0
LGFA Notes	15/04/2026	5.90%	5.86%	75,000	75,000	0
LGFA Notes	15/04/2028	6.10%	6.10%	50,000	50,000	0
LGFA Notes	15/05/2028	5.30%	5.30%	150,000	150,000	0
ANZ Bond	1/09/2023	3.71%	3.71%	355,000	-	(355,000)
ASB Bond	7/09/2023	3.33%	3.33%	600,000	-	(600,000)
Total Investments				1,761,000	921,000	(840,000)
<u>Total Cash and Investments Held</u>				10,824,927	7,760,600	(3,064,326)

The table below shows the maturity of these investments.



Borrowing

As at 30 June 2024 Council had \$44m of external debt drawn (\$42m 30 June 2023).

Debt Position	Draw Date	Maturity Date	Interest Rate	Amount 30/06/2023	Amount Now	Movement
LGFA - Fixed Rate	17/10/2022	16/10/2023	5.10%	1,000,000	-	(1,000,000)
LGFA - Fixed Rate	17/04/2023	16/10/2023	5.80%	3,000,000	-	(3,000,000)
LGFA - Fixed Rate	22/07/2019	15/04/2024	2.19%	10,000,000	-	(10,000,000)
LGFA - Floating Rate	11/07/2022	15/07/2024	6.07%	3,000,000	3,000,000	-
LGFA - Fixed Rate	16/01/2024	16/07/2024	5.78%	-	5,000,000	5,000,000
LGFA - Floating Rate	17/04/2023	15/04/2025	6.17%	3,000,000	3,000,000	-
LGFA - Fixed Rate	28/08/2017	25/08/2025	3.85%	2,000,000	2,000,000	-
LGFA - Floating Rate	10/08/2022	15/04/2026	6.26%	3,000,000	3,000,000	-
LGFA - Floating Rate	17/04/2023	15/04/2026	6.30%	3,000,000	3,000,000	-
LGFA - Fixed Rate	16/03/2020	15/04/2027	2.03%	4,000,000	4,000,000	-
LGFA - Floating Rate	15/04/2024	15/04/2027	5.47%	-	11,000,000	11,000,000
LGFA - Floating Rate	17/04/2023	15/05/2028	6.60%	2,000,000	2,000,000	-
LGFA - Fixed Rate	14/12/2022	15/05/2028	6.50%	2,000,000	2,000,000	-
LGFA - Fixed Rate	6/03/2023	15/05/2028	5.70%	6,000,000	6,000,000	-
ANZ Seasonal Facility (\$1,500,000)				-	-	-
Total Debt			5.45%	42,000,000	44,000,000	2,000,000

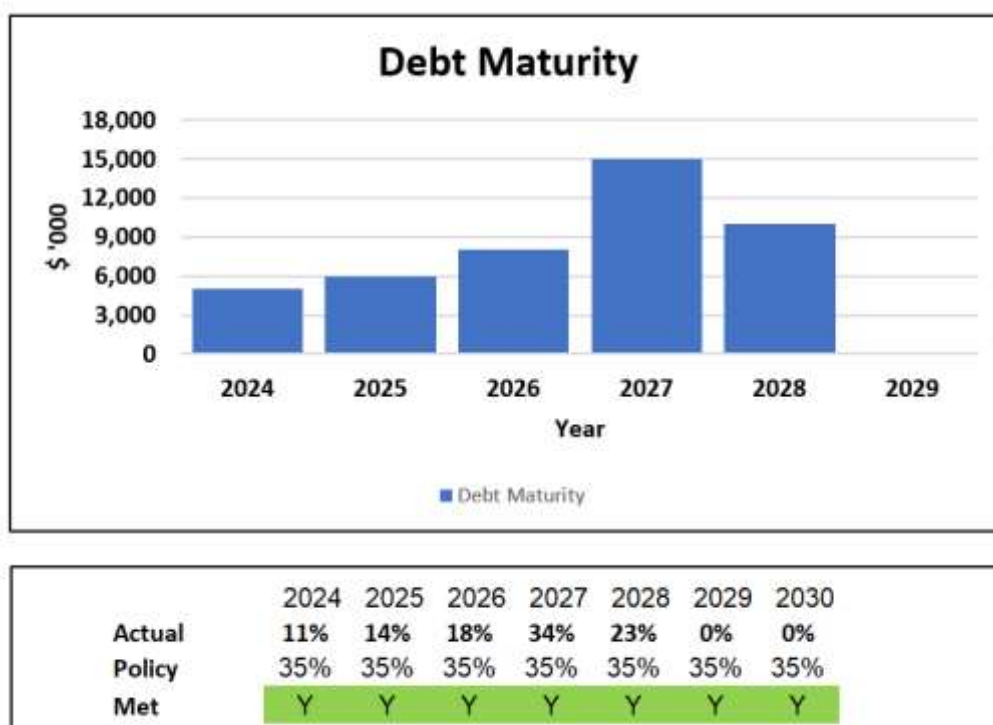
Interest Rate Swaps	Start Date	Finish Date	Interest Rate	Amount 30/06/2023	Amount Now	Movement
ANZ	15/04/2026	20/04/2029	3.91%	-	10,000,000	10,000,000
Total Swaps			3.91%	-	10,000,000	10,000,000

Council temporarily paused some its large 3 Waters capital programs while it sought to understand the implications of Cyclone Recovery and changes to the Government's policy on 3 Waters reform. This has meant that Council has not had to increase its borrowings as much as originally signalled in the 2023/24 Annual Plan.

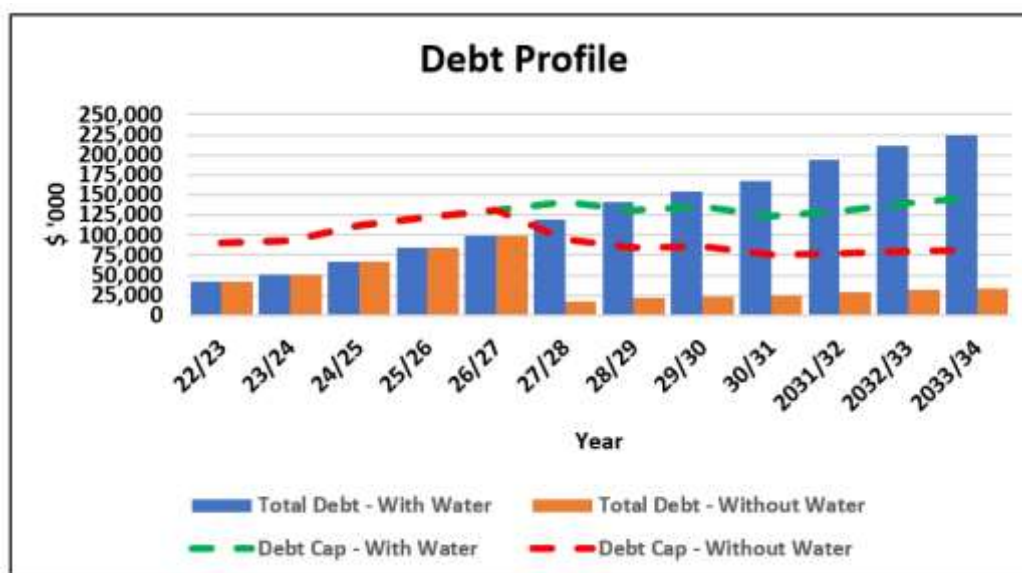
Since balance date, Council has undertaken some refinancing and drawn \$4m of additional debt the details of which are below:

Loan Type	Maturity Date	Interest Rate	Amount
Floating	15/07/2024	6.07%	(3,000,000)
Fixed – Short Dated	15/07/2024	5.78%	(5,000,000)
Fixed – Short Dated	07/07/2025	5.54%	3,000,000
Floating	15/04/2026	6.18%	3,000,000
Fixed	20/04/2029	5.36%	6,000,000
Total			4,000,000

The graph and table below show the maturity of this debt, and how this compares to Council's treasury policy.



The graph below shows Council's forecast debt utilising the figures from Council's forecast for this year and the Three Year Plan for future years. The blue bars represent the status quo, that is Council retains the 3 waters activity, and the orange bars present the 3 waters debt, on the assumption that 3 Waters debt is handed to a new regional entity in 2027/28.

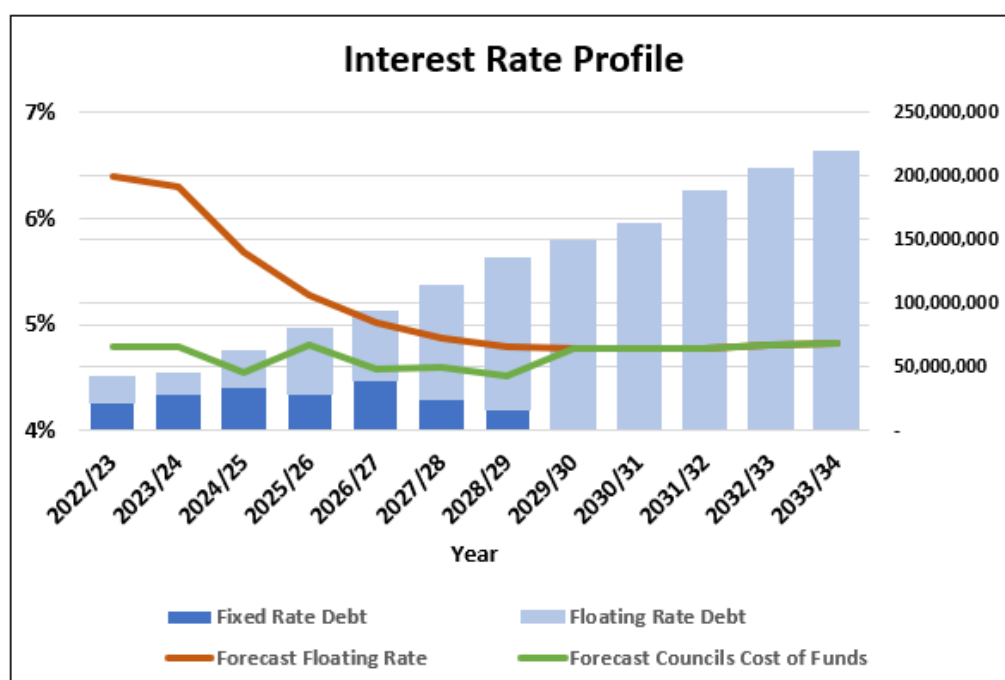


The Treasury Policy contains a benchmark for Council's average cost of funds. The resultant benchmark calculations are detailed below:

	Rate	Weighting	Weighted Rate
Average 90 day bill rate for reporting month	5.62%	30%	1.69%
2 Year Swap Rate at end of reporting month	4.96%	10%	0.50%
2 Year Swap Rate, 2 years ago	4.06%	10%	0.41%
4 Year Swap Rate at end of reporting month	4.52%	10%	0.45%
4 Year Swap Rate, 4 years ago	0.28%	10%	0.03%
7 Year Swap Rate at end of reporting month *	4.44%	15%	0.67%
7 Year Swap Rate, 4 years ago *	3.11%	15%	0.47%
Benchmark Targeted Rate			4.20%
Council Achieved Weighted Average Cost of Funds			5.45%
* 7 Year Swap rate was used instead of 8 Year rate due to the 8 year rate not being reported on by RBNZ			

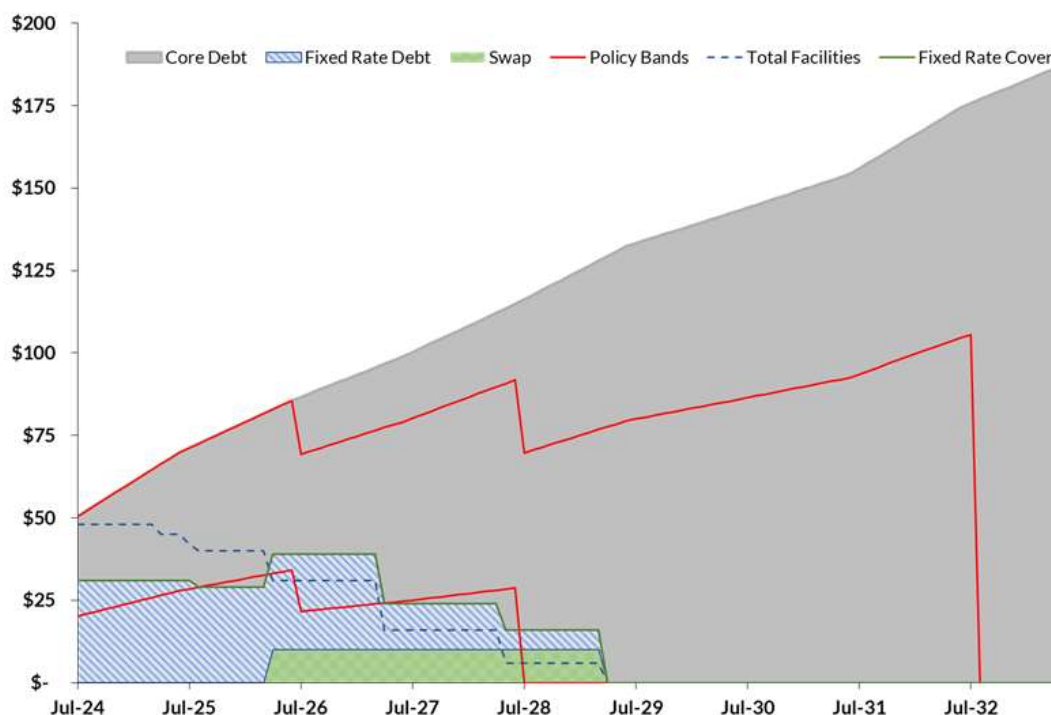
This shows that Council is not achieving the expected benchmark due to the majority of Council's debt being drawn recently, weighting the average cost of funds towards the highest current market rates.

The graph below shows Council's expected average cost of funds compared to the expected floating rate. What this shows is that the savings that the current fixed rates/swaps are providing to current and forecast floating rate, and how they will unwind over the next 5 years.



Below is a different view of this, showing that as Council's debt increases so too must its interest rate cover. The debt increases in this graph are modelled on the three-year plan Council consulted on. The graph also shows the impact of the forward starting swap.

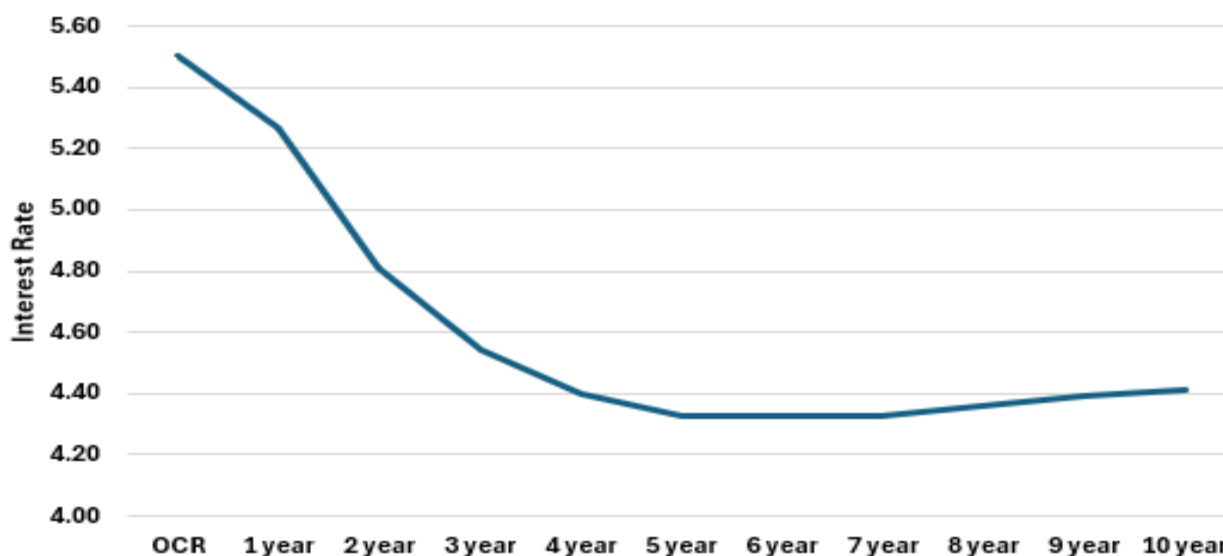
Central Hawkes Bay DC - Debt and Cover



What this indicates that Council needs to consider more fixed cover and officers and its treasury advisors will take more interest rate swaps on the dips in market.

At present the interest rate yield curve is inverted (see chart below showing longer term interest rates are lower than the floating rate). This is because the markets are pricing in interest rate cuts.

Interest Rates - NZ Swap Rate Pricing 10-07-2024



Both Officers and Bancorp are monitoring the interest swap rates and will look to take some more fixed rate cover as opportunities arise. Bancorp considers 3.75% to 3.25% to be the target range, but rates are currently just above that level.

Post the graph above being drawn the Reserve Bank of New Zealand met and while keeping the OCR rate on hold at 5.5% pa softened their commentary on inflation. This has seen the retail

markets speculating that the Reserve Bank will start cutting the OCR earlier than 2025, and the one year wholesale swap rate has fallen from 5.29% pa on the 10 July down to 4.82% as of the 31 July (see graph below).

Select chart tabs

1 year %

Swap rate

Opening daily rate



This does create an opportunity for Council, and officers have been discussing this with Bancorp.

Below is the Swap Matrix from 31 July. Council already has a forward starting swap beginning in April 2026, but is currently carrying \$25m of floating debt at an average of 6.1% pa. Based on the matrix below it could enter into an immediate start swap for two years at 4.24% pa to fix some of this \$25m and that would take Council up until the forward starting swap commences in 2026. It would give Council some immediate interest relief, but it is above Council's target range of 3.75% pa to 3.25% pa and while it would be favourable to start with, it is likely to be unfavourable in 12 months' time. Bancorp are divided on the merit of this and have a mixture of clients banking the savings now versus waiting for the greater savings later.

Source: Bloomberg, 31/07/24

Mid-rate Swaps. No execution or credit charges applied.

NZD (vs. 1M NFIX1FRA)

■ Two Curve Spreads

Select a curve under "Curve List" for two curre...

Spot

Tenors	Coupon	Forwards						
		3Mo	6Mo	1Yr	2Yr	3Yr	4Yr	5Yr
1Yr	4.8160	4.3921	4.0438	3.6370	3.4722	3.6433	3.8812	3.9673
2Yr	4.2361	3.9773	3.7788	3.5561	3.5566	3.7599	3.9234	4.1341
3Yr	3.9913	3.8287	3.7076	3.5838	3.6609	3.8266	4.0464	4.1592
4Yr	3.9087	3.7986	3.7209	3.6541	3.7343	3.9401	4.0855	4.2253
5Yr	3.9036	3.8179	3.7586	3.7121	3.8396	3.9899	4.1508	4.3065

Below is a list of Council's debt ratios as per the existing policy:

<u>Treasury Compliance with Policy</u>			
<u>Liquidity (Liquid Assets + Debt / Debt)</u>		<u>Finance Costs / Total Revenue</u>	
Policy Limit	>115%	Policy Limit	<20%
ANZ Cheque and Call Accounts	6,839,600	Finance Costs	1,991,595
ANZ Standby Facility Undrawn	4,000,000	Total Revenue	72,790,808
Total Debt	48,000,000		
Achieved Limit	123%	Achieved Limit	3%

<u>Finance Costs / Total Rates Revenue</u>		<u>Debt to Operating Revenue</u>	
Policy Limit	<25%	Policy Limit	<150%
Finance Costs	1,981,887	Total Debt	48,000,000
Total Rates Revenue	27,650,492	Total Revenue	72,790,808
Achieved Limit	7%	Achieved Limit	66%

At the end of June, Council was fully compliant with these ratios.

The only caveat on the above ratios is that operating revenue currently is distorted due to the Waka Kotahi emergency repairs subsidy Council is receiving, making the debt to revenue ratio look much better than if you excluded this one-off revenue stream (\$24.1m, which would make the BAU debt to revenue ratio 98.6% which is still compliant).

OCR Rate forecasts

On 10 July 2024 the Reserve Bank held its Official Cash Rate (OCR) at 5.5%. In its update the RNZ stated *"Restrictive monetary policy has significantly reduced consumer price inflation, with the Committee expecting headline inflation to return to within the 1 to 3 percent target range in the second half of this year."*

Most banks are now forecasting the cutting cycle to start in November 2024.

This view is consistent with the yield curve graphs shown in an earlier section of the paper. While short dated debt in New Zealand is closely linked to the OCR, much of New Zealand's longer dated debt is funded offshore and follows more closely to those markets which are ahead of New Zealand in the downward interest rate cycle.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made.
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

Officers will continue to provide quarterly updates on Treasury Management.

RECOMMENDATION

That the report be noted.

6.5 ADOPTION OF PROPOSED INTERNAL AUDIT CHARTER

File Number:

Author: Brent Chamberlain, Chief Financial Officer

Authoriser: Doug Tate, Chief Executive

Attachments: 1. Internal Audit Charter [↓](#)

PURPOSE

The matter for consideration by the committee is the introduction and adoption an Internal Audit Charter, with the idea that officers a proposed internal audit programme back to the Committee in October.

RECOMMENDATION

1. **That the Risk and Assurance Committee adopts the Internal Audit Charter as the basis for future internal audits to be undertaken by Council.**

EXECUTIVE SUMMARY

Each year Council budgets to undertake generally one/two internal audits per year.

The role of internal audit is to provide an independent and objective examination and evaluation of the adequacy, efficiency and effectiveness of the Council's management control structure, risk management, and governance processes.

The internal audit programme in 2023 was paused, with the funding, internal resource and focus of the committee instead being placed on the Risk Maturity review.

With the change in committee makeup, it is timely to adopt an internal audit charter, and begin thinking about possible internal audit topics for 2024/25.

BACKGROUND

Each year Council undertakes a financial external audit by Ernst Young as part of preparing its annual report.

In addition, since 2018, Findex have been providing Council with a range of internal audits with the last Internal Audit programme coming to an end in late 2022.

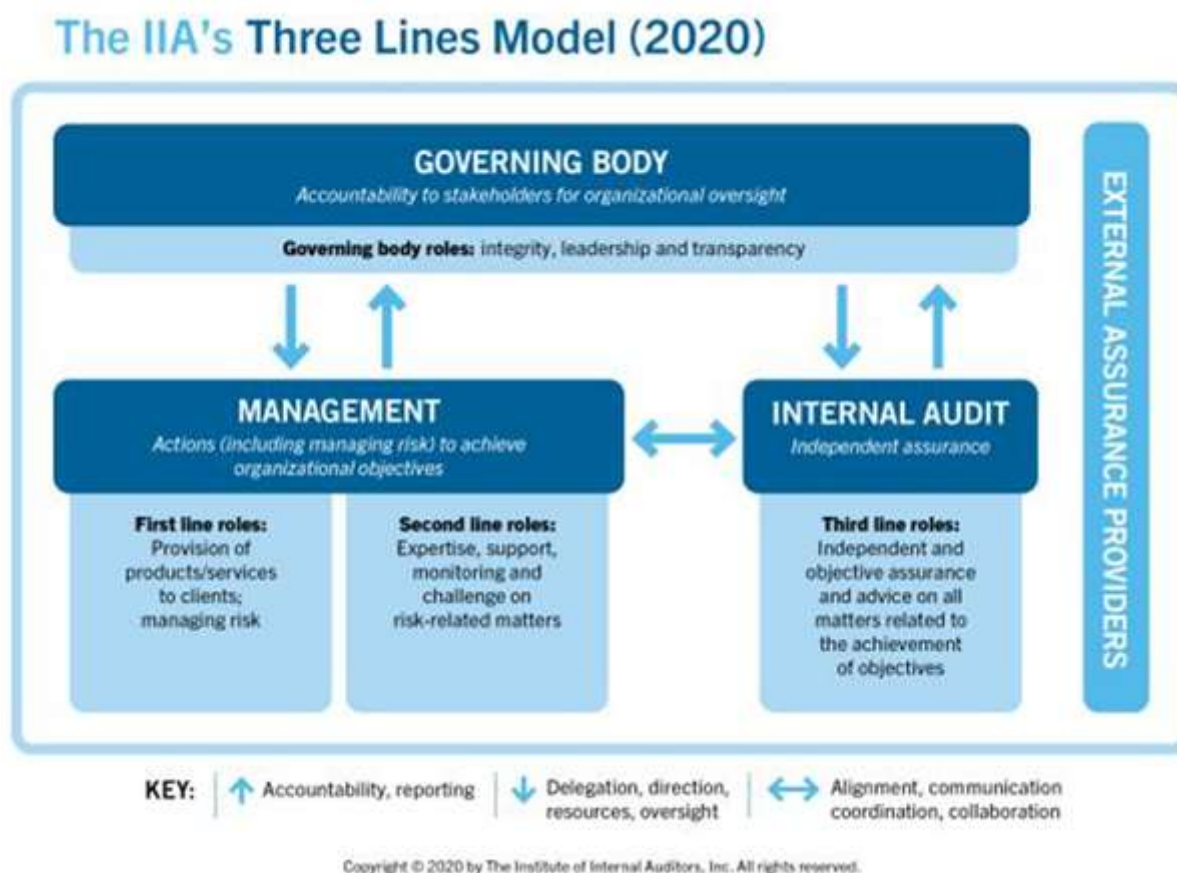
In 2023, the internal audit programme was paused, with the funding, internal resource and focus of the committee instead being placed on the Risk Maturity review to inform a future internal audit programme.

Council holds a small budget for the internal audit being \$17,500. Due to the size of the Hawke's Bay Council's finance teams, none of the Councils have inhouse auditors on staff. Instead, they have collectively outsourced this activity to Findex (formally Crowe) under a contract for service until June 2025.

Now that the Risk Maturity Review is complete Council now looks to re-establish the internal audit programme for the next 48 months. The basis for this is to establish an Internal Audit Charter for good Internal Audit Management. Council does not currently have a Charter, and the **attached** charter is proposed as the first step in the Internal Audit Programme, ahead of a programme being developed and presented to the Committee for its next meeting in October.

DISCUSSION

The Office of the Auditor General recognises the Institute of Internal Auditors [Three Lines Model](#) (2020) as a useful model to describe the role of internal audit as part of the Risk and Assurance Committee. That being the Independent Assurance between Management and Governance. The diagram below outlines this relationship.



An internal audit charter is a formal document that defines the internal audit activity's purpose, authority, and responsibility. The internal audit charter establishes the internal audit position within Council including the nature of the functional reporting relationship, authorises access to records, personnel, and physical properties relevant to the performance of engagements and defines the scope of internal audit activities.

The internal audit charter aligns with best practice and complies with the Institute of Internal Auditors (IIA) International Professional Practices Framework.

It is a requirement of the IIA auditing standards that the Charter is approved by an Executive Leadership Team (or their equivalent) and the Risk and Assurance Committee (or their equivalent).

As this is the first Internal Audit Charter for Council, it is being brought to the Risk and Assurance Committee for their feedback and input in the first instance.

Once the Charter has been confirmed, Officers will seek to develop the Internal Audit programme and plan to present this as the next step to the Committee, planned for the October meeting.

RISK ASSESSMENT AND MITIGATION

Internal audit is one method Council uses to test its controls and risk mitigation policy settings and whether they are working appropriately.

FOUR WELLBEINGS

Internal audit is one of the methods that Council uses to ensure that it is looking after its finances, protecting its assets, and minimising its risks on behalf of its rate payer base.

DELEGATIONS OR AUTHORITY

The Risk and Assurance Committee exists to ensure that Council's assets are being managed in a prudent manner, and by giving the committee the ability to set its internal audit charter and program.

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed of minor significance.

OPTIONS

There are three possible options for the Committee are:

Option 1 – Adopt the Charter

This option would see the Charter adopted, allowing officers to develop an Internal Audit Programme for consideration in October by the committee.

Option 2 – Adopt the Charter with changes

This option would see the Charter adopted albeit with changes, allowing officers to develop an Internal Audit Programme for consideration in October by the committee.

Option 3 – Do not adopt the charter and recommend further changes

This option would see the Charter not adopted and the Committee recommended further changes to be brought back to the Committee in October.

Council has a budgetary allowance of \$17,500 per annum set aside to undertake internal audits.

It is already committed to complete its review of Council's insurance strategy, and to review its forward carbon credit cover position and policy.

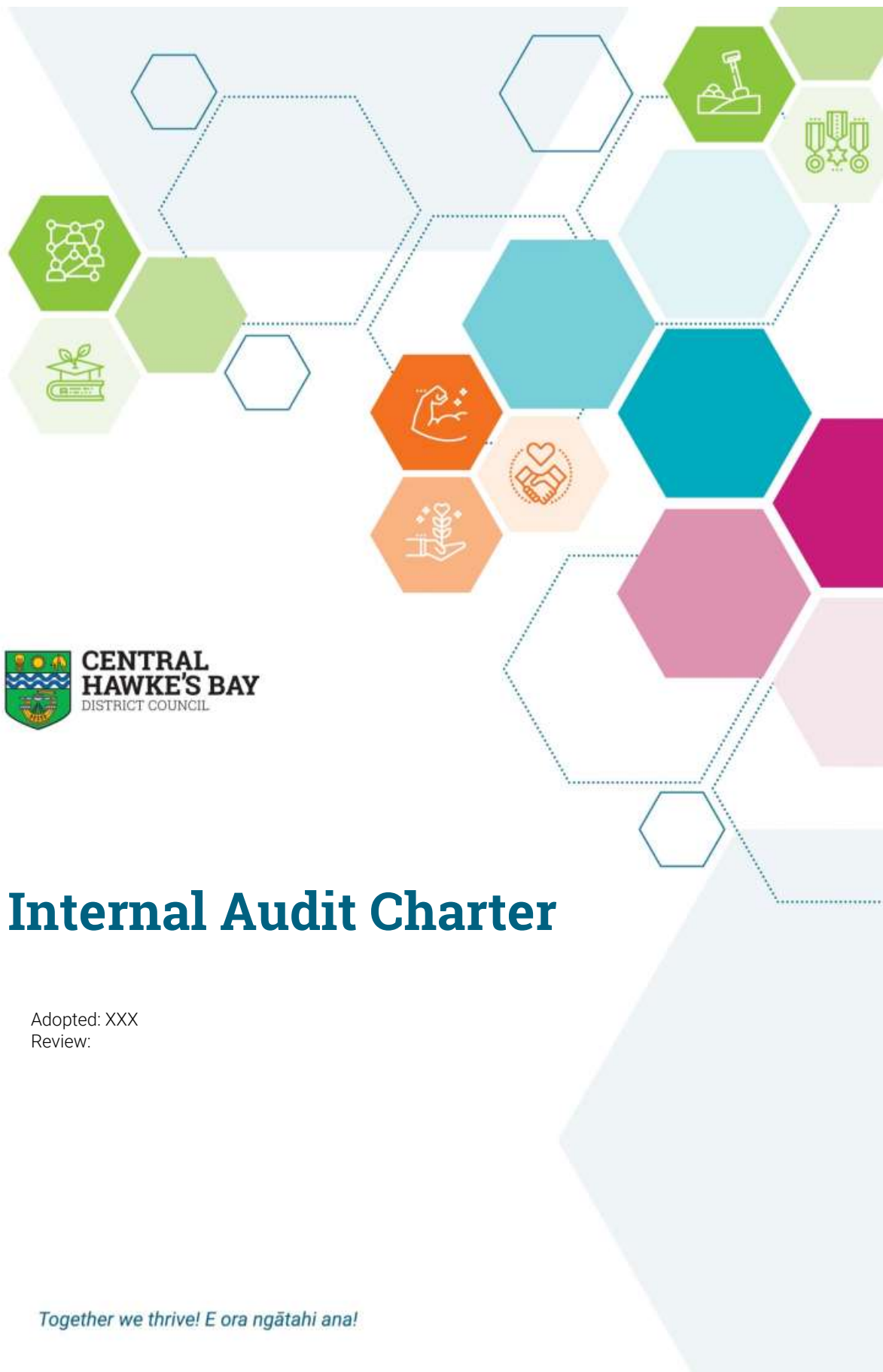
The Risk and Assurance Committee may also choose to add further items to its forward works program.

NEXT STEPS

Officer will work towards finalising the Internal Audit Charter based on today's feedback, and then look to develop an Internal Audit Programme for consideration in October by the committee.

RECOMMENDATION

- 1. That the Risk and Assurance Committee adopts the Internal Audit Charter as the basis for future internal audits to be undertaken by Council.**



Internal Audit Charter

Adopted: XXX
Review:

Together we thrive! E ora ngātahi ana!

Version Control: 2022 – 2025 Triennium

Version	Changes	Adopted
1.0	Document creation	

DRAFT

Internal Audit Charter

Purpose

This Charter sets out the objective, authority, scope and responsibility of internal audit at the Central Hawke's Bay District Council.

Role of Internal Audit

Internal Audit is an independent and objective assurance and advisory service (generally provided by external resourcing), which aims to assist the organisation to accomplish its objectives. This is done by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

Planning

As part of the Internal Audit programme, a two year internal audit plan will be developed based on Council's risks and previous audit results, and in consultation with Councils Risk and Assurance Committee

The plan will need to be rightsized to Councils available budget and capacity, and cognizant of the need to complete any urgent requests to complete special tasks either from the Chief Executive or from the Risk and Assurance Committee.

An outline Terms of reference (TOR) will be prepared for each internal audit to outline its objectives, scope, approach, and estimated completion date. Management of the area to be audited will have the opportunity to provide feedback on the TOR before the audit starts. This will help to ensure that audits focus on the issues of significance to the organisation.

Service Delivery

Access Authorisation

Internal Audit is granted full authority to access all files, correspondence and other documentation (subject to the provisions of the Privacy Act 1993 and other relevant legislation), physical property and personnel related to a review. Documents and information given to Internal Audit will be handled with the same standard of confidentiality and prudence as that exercised by normally accountable employees.

Independence

Internal Audit will be independent of the activities it audits. This independence is necessary to maintain audit objectivity and integrity.

Internal Audit Scope

Internal Audit examines and evaluates the adequacy, efficiency and effectiveness of the Council's management control structure, including review of the:

- Reliability, timeliness and integrity of financial and operating information, and the processes used to identify, measure and report such information.
- Systems established to ensure compliance with policies, plans, procedures, laws and regulations.
- Means of safeguarding assets and verifying the existence of these assets.

- Effectiveness and efficiency with which operational, financial and administrative procedures are performed.
- Operational results and whether these are consistent with established objectives and standards.
- Quality of internal systems, policies and procedures.
- Schedule reviews and action points arising from independent audit/process reviews. This will also include a review of any internal control breakdowns and/or risk mitigation steps.

Internal Audit will undertake the following in fulfilling its responsibilities:

- Adopt a risk-based audit approach.
- Be proactive and forward thinking in approach.
- Design and execute audit plans that reflect both risk and cost effectiveness.
- Provide reports to management that identify control issues and make practical, cost effective recommendations for improvement.
- Follow up on audit issues to assure that identified problems have been resolved.
- Ensure the effectiveness and quality of the internal audit effort.

Reporting

Internal Audit will issue a written report on completion of each audit review. The report will outline significant issues found during the audits and practical recommendations and timeframes for addressing them. During each review, Internal Audit will maintain open communication with the manager and staff of the area(s) being audited.

A quarterly report on to the Risk and Assurance Committee will be made outlining activities, outcomes and findings of any Internal Audits.

Relationship with the External Auditor

The Council is subject to an independent external audit, which aims to provide an opinion on the fairness of information included in the Council's financial statements.

The objectives of Internal Audit are different and focus on the effectiveness of systems and the accuracy of management information rather than offering an opinion on the statutory financial statements. However, there is some overlap of work and therefore Internal Audit will coordinate its activities with External Audit to ensure that optimum audit coverage and effectiveness is obtained at minimal cost.

Quality Assurance

Internal Audit will comply with the Standards for the Professional Practice of Internal Auditing set out by the Institute of Internal Auditors of New Zealand.

This Charter will be reviewed periodically.

Charter Approval

Signed for an on behalf of Central Hawke's Bay District Council by:

Doug Tate
Chief Executive

Andrew Gibbs
Risk and Assurance Committee Chair

Date of approval

Date of approval

DRAFT

6.6 INSURANCE RENEWAL UPDATE AND INSURANCE PLACEMENT OPTIONS

File Number:

Author: Brent Chamberlain, Chief Financial Officer

Authoriser: Doug Tate, Chief Executive

Attachments: Nil

RECOMMENDATION

That the report be noted.

PURPOSE

The purpose of this report is to provide an update on the renewal of Council's liability insurances and the insurance valuations being received ahead of this year's material damage insurance renewal.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

BACKGROUND

Historically Council has had its insurances split across two different brokers with two different renewal dates.

Council uses AON to place its physical asset insurance with a renewal date of 1 November 2024, and Marsh to place its professional liability and indemnity insurances with this renewal date of 1 July 2024. These policies have been jointly procured for scale alongside other Councils also.

The Annual review of insurances forms a key part of the Risk and Assurance Committees work programme.

DISCUSSION

Liability Insurances Renewal

As discussed at the June Risk and Assurance Committee meeting Council was advised by Marsh that the Underwriter they have historically used for Councils professional liability and indemnity insurances was pulling out of the market due to their perceived elevated risk. This is on the back of their exposure to the recent Supreme Court of New Zealand ruling in favour of the Napier City Council in an insurance claim involving building defects including weathertightness or "leaky building" issues.

This left Central Hawke's Bay District Council along with 16 other Councils (Hastings, Hawke's Bay Regional, Wairoa, Otorohanga, Matamata, Hauraki, Waitomo, Timaru, Environmental Southland, Upper Hutt City, Nelson, Tasman, Marlborough, Environment Canterbury, Waimate, Palmerston North) all seeking last minute alternative cover.

AON has managed to source a replacement policy for the 17 Councils, all be it at much less favourable terms. The previous policy had a \$300m cap, while the replacement policy has a \$15m Professional Indemnity cap and a \$15m of Public Liability cap in addition to a \$30m aggregate cap shared between the 17 Councils for the insurance period.

Despite the cover being less favourable, the annual cost of the policy has increased from just under \$100k to \$127k (12 month prorated cost).

The new policy covers a 17-month period, so the new renewal date aligns with Councils existing material damages policies.

Material Damage Insurances Renewal

While the existing policy doesn't renew until 1 November, the renewal process is well underway with AON going to the London markets to secure the levels of cover required by New Zealand Councils in August.

To this end Council has already had to supply some indicative cover level requirements, with full schedules being finalised later.

Council has engaged CBRE to undertake an insurance valuation of its buildings, and Stantec to undertake a valuation of its water assets.

Officers are already in receipt of CBRE's draft valuation, and Stantec's is due by the end of month (July).

Below are the indicative numbers officers have supplied to AON:

Insurance Type	Description	Declared Value 2023/2024	Declared Value 2024/202	Change + /(-)	Change + /(-)
Material Damage	Above Ground 3 Waters Assets	\$61.0m	\$70.1m	\$9.1m	14.9%
	District Buildings, Halls, Libraries, Contents	\$63.2m	\$68.1m	\$4.9m	7.8%
	Retirement Flats	\$10.5m	\$12.9m	\$2.4m	22.9%
	IAF Assets (currently for sale)	\$0.9m	\$0.9m	\$0m	0.0%
	Public Toilets	\$4.6m	\$5.0m	\$0.4m	8.7%
	Playgrounds, Fencing, foot bridges	\$3.4m	\$4.2m	\$0.8m	23.5%
	Memorials & Public Art	\$1.9m	\$2.1m	\$0.2m	10.5%
	Campgrounds (correction to schedule)	\$3.1m	\$2.0m	(\$1.1m)	(35.5%)
	Solid Waste (weighbridges & leachate assets added to schedule)	\$1.7m	\$2.7m	\$1.0m	58.8%
	Total	\$150.8m	\$168.0m	\$17.7m	11.8%
Below Ground	3 Waters Assets	\$252.8m	\$221.7m	(\$31.1m)	(12.3%)

Note – the 3 Waters Assets are yet to be revalued. The movements in value represent only additions/deletions/reclassifications/treatment of WIP.

Insurance cover and Insurance Strategy review

Officers have engaged Mr Jim Palmer to undertake an independent review of Council's insurance cover and draft insurance strategy. A workshop item is on the agenda later in the meeting to report back on Mr Palmers initial findings that are likely to help shape the direction and form of Councils future cover and what other risk mitigating options may be. This will ultimately seek to inform and finalise the draft insurance strategy.

Next steps

Following today's insurance workshop and once in receipt of the initial placements from the Brokers, Officers expect to be able to provide a fuller update to the Committee. This will be at the Committee's next meeting in October ahead of the placement needing to be confirmed for 1 November 2024.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made.
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter.
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan.
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

Officers will continue to work with AON on the 1 November insurance renewal and will take on board any learnings and direction from the insurance review currently being undertaken.

RECOMMENDATION

That the report be noted.

6.7 ELECTED MEMBERS EXPENSES FOR 1 MAY 2024 - 30 JUNE 2024**File Number:** COU1-1410**Author:** Brent Chamberlain, Chief Financial Officer**Authoriser:** Doug Tate, Chief Executive**Attachments:** Nil**PURPOSE**

The purpose of this report is to update the Committee on Elected Members' Expenses for the most recent reporting period from 1 May 2024 to 30 June 2024.

RECOMMENDATION

That the Elected Members Expenses for 1 May 2024 to 30 June 2024 report be noted.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as being of some importance.

DISCUSSION

For the sake of transparency, the table below shows the elected members' expenses for the past three months. The expenses included in the totals below are mileage reimbursement, car expenses, data charges, phone costs, travel, meeting and professional development expenses including accommodation and any meals.

In the below table is the Elected Member Expenses for the period 1 May 2024 – 30 June 2024.

	Mileage, Travel, & Accommodation Expenses	Conferences, Meetings & Training	Phone/Data	Period Total	Year to Date Total
Mayor Alex Walker	790.44		76.64	867.08	7,514.20
Cr Kelly Annand	239.04			239.04	1,586.23
Cr Tim Aitken				-	1,763.02
Cr Jerry Greer				-	679.25
Cr Gerard Minehan				-	2,125.02
Cr Brent Muggeridge				-	679.25
Cr Kate Taylor	1,473.12			1,473.12	9,024.78
Cr Exham Wichman				-	1,353.29
Cr Pip Burne				-	4,550.41
Total	2,502.59		76.64	2,579.23	29,275.44

The main costs in this period were mileage reimbursements or costs associated with travel.

During this period, as per Schedule 7 of the Local Government Act 2002 and the Local Government Members (2023-2024) (Local Authorities) Determination 2023, a vehicle has been provided to the Mayor for restricted private use.

As per the Determination, Restricted Private Use means—

- the vehicle is usually driven home and securely parked by the mayor or regional chairperson; and
- the vehicle is otherwise generally available for use by other local authority members or staff on local authority business; and
- the vehicle is used solely for local authority business; and
- all travel in the vehicle is recorded via GPS tracker.

The [Elected Member Remuneration and Expenses Policy](#) forms the basis of how expenses are assessed.

Any claims received are reviewed by the Governance Lead, before being provided to the Chief Executive and Mayor for review. In the case of the Mayor, these are reviewed by the Governance Lead and Chief Executive Officer, before being presented to the Chair of the Risk and Assurance Committee for approval.

Such expenditure is usually carefully reviewed by Audit at year end and overall, this organisation has taken a very conservative approach to expenses claimed, in relation to other Councils across New Zealand.

FINANCIAL AND RESOURCING IMPLICATIONS

There are no financial or resourcing implications included in this report. These costs are covered within existing budgets.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made.
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter.
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan.
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council or would transfer the ownership or control of a strategic asset to or from the Council.

RECOMMENDATION

That the Elected Members Expenses for 1 May 2024 to 30 June 2024 report be noted.

7 DATE OF NEXT MEETING**RECOMMENDATION**

That the next Risk & Assurance Committee meeting be held on 2 October 2024.

8 PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

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
8.1 - Emerging Risks and Issues - Forum Discussion	s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority s7(2)(f)(ii) - the withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of Council members, officers, employees, and persons from improper pressure or harassment	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

9 TIME OF CLOSURE