

## Notes of Audit and Risk Subcommittee Workshop

Meeting held in the Council Chamber  
36 Water Street, Whangārei  
on Wednesday 22 February 2023, commencing at 9am

### Tuhinga/Present:

Chairperson, Councillor Peter-Lucas Jones  
Councillor Joe Carr (*via audio visual link*)  
Councillor Amy Macdonald (*via audio visual link*)  
Councillor Marty Robinson (*via audio visual link*)  
Councillor Tui Shortland  
Councillor Rick Stolwerk  
Independent Advisor Stuart Henderson (*via audio visual link*)

### I Tae Mai/In Attendance:

#### Full Meeting

Councillor Geoff Crawford  
Tumuaki – Chief Executive Officer - Jonathan Gibbard  
Pou Taumatua – Group Manager Corporate Services – Bruce Howse  
Personal Assistant to Group Manager Corporate Services

#### Part Meeting

Finance Manager – Simon Crabb  
Human Resources Manager – Beryl Steele  
Corporate Strategy Manager – Kyla Carlier  
Risk and Assurance Lead - Mandy Tepania  
Health and Safety Advisor – Tamsin Sutherland  
Strategic Projects and Facilities Manager – Phil Heatley  
Information Services and Technology Manager – Carol Cottam  
AON, National Manager - Matthew Wilson (*via audio visual link*)  
AON, Account Executive - Emma Jurisich (*via audio visual link*)

*Secretarial Note: In the absence of a quorum the scheduled meeting lapsed and it was agreed to proceed with a workshop where no decisions could be made.*

The Chair declared the workshop open at 9.15am and led the Karakia.

### Ngā Mahi Whakapai/Housekeeping (Item 1.0)

### Ngā whakapahā/Apologies (Item 2.0)

There were no apologies.

### Nga whakapuakanga/Declarations of Conflicts of Interest (Item 3.0)

It was advised that members should make declarations item-by-item as the workshop progressed.

## **For Noting Only: Audit and Risk Sub-committee Minutes - 29 June 2022 (Item 4.1)**

### **Report from Margaret Knight, PA to Group Manager Corporate Services**

The minutes of the Audit and Risk Sub-committee meeting held on 29 June 2022 were presented for information only.

*Secretarial Note: Councillor Amy Macdonald a member of the Investment and Property Subcommittee during the previous triennium confirmed the minutes to be true and correct.*

## **Insurance Summary 2022/2023 (Item 4.2)**

### **Report from Bruce Howse, Pou Taumatua – Group Manager Corporate Services**

The Group Manager Corporate Services was in attendance to answer questions raised by the subcommittee. Matthew Wilson and Emma Jurisich of AON joined the meeting.

Key aspects of the discussion included:

- AON outlined the global drivers that had driven up premiums which saw significant increases year-on-year.
- AON raised that they may need to look at asset selection and strategically look at assets that need to be insured for replacement or functional replacement value only. They pointed out that currently a number of NRC's insurances were part of a collective insurance scheme which provided reduction in premiums.
- Self-insurance of commercial motor fleet and council's cost to fund potential liabilities.
- AON flagged that Cyber insurance was unlikely to be purchased within the next few years.

## **Internal Audit Schedule (Item 4.3)**

### **Report from Bruce Howse, Pou Taumatua – Group Manager Corporate Services**

The Corporate Strategy Manager and the Risk and Assurance Lead were in attendance to answer questions the subcommittee raised.

Key aspects of the discussion included:

- The subcommittee wanted to better understand what the Forestry Management Audit 24/25 encompassed. Given NRC's commitment to biodiversity it was suggested it might be appropriate to undertake audit earlier than 24/25, and include a focus on biodiversity management.
- It was noted that the Risk Assessment was deferred in 21/22.

**Action:**

- That consideration be given to the items raised and Corporate Services to undertake a risk assessment on the priorities and bring back a review to the subcommittee at its next meeting in May.

## **Risk Management Activity Update (Item 4.4)**

### **Report from Kyla Carlier, Corporate Strategy Manager**

The Corporate Strategy Manager was in attendance to lead the briefing.

Key aspects of the discussion included:

- Treaty settlements risk: there was little detail or data available regarding the risk. The subcommittee discussed options to mitigate the risk including, but not limited to:
  - Opportunities to partner with Iwi and government along with being receptive and support engagement.
  - Providing a two page briefing paper to incoming ministers to reflect council's desire to be proactive with key decision makers.
  - Fostering friendships to mitigate risk.
- Climate Change: concern raised re reduced level of governance oversight as a result of changes in NRC governance structure, resulting in insufficient long term planning.
- IT Investments: risk due to change of council not having all the context around Enterprise system.

**Actions:**

- Top 10 risk scores: Harbourmaster Risk Item 24 needs amending.
- Overall Risk Score Matrix: need to highlight Risk #5 Economic risk downturn as it might increase our residual risk due to inflation pressures.
- Climate change: treatment to be added, in consultation with climate change team and GM community resilience.
- IT Investments: new treatment applied - schedule additional workshops with elected members, early in LTP process, to complement LTP planning processes, and ensure sufficient level of knowledge and background information.

## **Risk Deep Dives (Item 4.5)**

### **Report from Kym Ace, Corporate Systems Champion**

The Corporate Strategy Manager was in attendance to lead the briefing. It was explained that the Risk Deep Dives report was an updated summary and provided detail regarding the causes, treatments and recommendations around core IT applications and systems and the Enterprise project.

## Health & Safety report for June to December 2022 (Item 4.6)

### Report from Tamsin Sutherland, Health and Safety Advisor and Beryl Steele, Human Resources Manager

The Human Resources Manager and the Health and Safety Advisor were in attendance to lead the briefing.

Key aspects of the discussion included:

- The subcommittee supported the initiative to get admin staff to experience time in the field to encourage wellbeing and reduce stress.
- It was questioned if there was a policy regarding emails sent outside standard working hours. In response, NRC was working on a digital wellbeing policy and would share that information with the committee in due course.
- With regard to the annual stress survey it was suggested NRC could do more in this space. The Safety Advisor outlined a number of opportunities available to staff, for example meetings with managers to recognise priorities and mental health training. NRC were already providing generous working conditions with flexible working hours, the opportunity to work from home and extra leave days over Christmas.
- It was also recognised that people need to be enabled to take ownership of their own wellbeing.

## Kaupapa ā Roto/Business with Public Excluded (Item 5.0)

*Secretarial Note: At 10.47am the subcommittee moved into public excluded to discuss the confidential matters that had been included on the original meeting agenda.*

### Ngā mahi tūtohutia / Recommendations

1. The general subject of the matters to be considered whilst the public is excluded, the reasons for passing this resolution in relation to this matter, and the specific grounds under the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

Item No.	Item Issue	Reasons/Grounds
5.1	For Noting Only: Confidential Minutes Audit and Risk Subcommittee - 29 June 2022	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.
5.2	Human Resources Update	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(a).
5.3	Audit of Investment Property Procedures and Management	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(b)(ii) and the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).

5.4	Cyber Security update	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(b)(ii) and the withholding of which is necessary to prevent the disclosure or use of official information for improper gain or improper advantage s7(2)(j).
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### **Whakamutunga (Conclusion)**

**The meeting concluded at 11.55am.**

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