

Audit and Risk Subcommittee
Wednesday 31 March 2021 at 10.00am

AGENDA

Audit and Risk Subcommittee Agenda

Meeting to be held in the Council Chamber
36 Water Street, Whangārei
on Wednesday 31 March 2021, commencing at 10.00am

Recommendations contained in the agenda are NOT decisions of the meeting. Please refer to minutes for resolutions.

MEMBERSHIP OF THE AUDIT AND RISK SUBCOMMITTEE

Chairperson, Colin Kitchen

Councillor Amy Macdonald

Councillor Joce Yeoman

Councillor Rick Stolwerk

Ex-Officio Penny Smart

Independent Audit & Risk
Advisor Danny Tuato'o

Independent Advisor Stuart
Henderson

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TITLE: Presentations- Health & Safety update

ID: A1427576

From: Beryl Steele, Human Resources Manager

**Authorised by
Group Manager:** Bruce Howse, Group Manager - Corporate Excellence, on date

Executive summary/Whakarāpopototanga

The presentations that will be presented at the meeting are listed below.


Recommendation

That the presentations:

4.1 Health & Safety update

be received.

Attachments/Ngā tapirihanga

Attachment 1: Health & Safety update [↓](#) 

Health and Safety update

Audit and Risk Subcommittee 31 March 2021

Overview

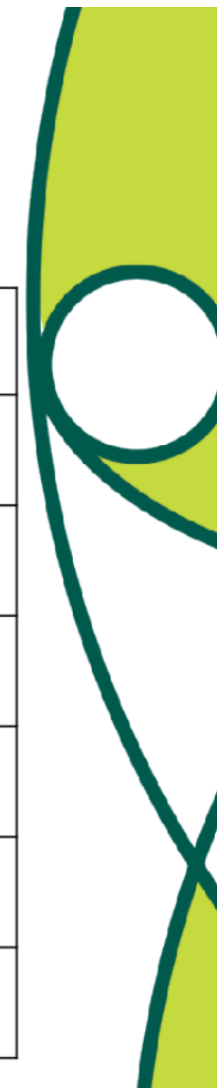
1. Key tasks completed since last update
2. High rating risks
3. Priorities moving forward





Key tasks completed

Safeplus improvements are currently underway
Training and competency requirements for roles
Digital risk assessment is now in practical testing phase
Health and safety risks are entered in Promapp
H&S reps are leading procedure and risk reviews
New overarching H&S policy completed
Delivered the health monitoring programme for 2021





High rating risks

1. Driving motor vehicles
2. Extended workload / stress
3. Dealing with aggressive customers
4. Working with contractors
5. Slips, trips and falls



Priorities moving forward

Continue delivering the Safeplus improvements
Continue the review of H&S policies and Promapp procedures
Review the ongoing delivery of health monitoring including wellness checks and vaccinations
Reviewing and re-educating staff on traffic management
Finish developing the H&S risk 'treatments' in Promapp
Deliver effective risk assessments training for all field staff





Any questions?

Ngā Mihi - Thank you



TITLE: Confirmation of Minutes - 2 December 2020

ID: A1422436

From: Judith Graham, Corporate Excellence P/A

**Authorised by
Group Manager:** Bruce Howse, Group Manager - Corporate Excellence, on

Recommendation

That the minutes of the Audit & Risk Subcommittee meeting held on 2 December 2020 be confirmed as a true and correct record.

Attachments/Ngā tapirihanga

Attachment 1: Audit & Risk Subcommittee minutes 2 December 2020 [↓](#) 

Audit and Risk Subcommittee
2 December 2020

Audit and Risk Subcommittee Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei
on Wednesday 2 December 2020, commencing at 1.00pm

Present:

Chairperson, Councillor Colin Kitchen (*via audio visual link*)
Councillor Amy Macdonald (*via audio visual link*)
Councillor Joce Yeoman (*via audio visual link*)
Councillor Rick Stolwerk
Ex-Officio Penny Smart
Independent Audit & Risk Advisor Danny Tuato'o

In Attendance:

Full Meeting

Corporate System Champion Kym Ace
GM Corporate Excellence Bruce Howse
PA Corporate Excellence Judy Graham

Part Meeting

Governance Support Manager Christine Taylor
Chief Executive Officer Malcolm Nicolson

The Chair declared the meeting open at 1.05pm.

Apologies (Ngā whakapahā) (Item 1.0)

Moved (Stolwerk / Yeoman)

That the apologies from Independent Financial Advisor Geoff Copstick for non-attendance be received.

Carried

Declarations of Conflicts of Interest (Nga whakapuakanga) (Item 2.0)

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

Health & Safety Update (Item 4.0)

ID: A1390129

Report from Beryl Steele, Human Resources Manager

Moved (Stolwerk / MacDonald)

That the presentations:

ID: A1392339

1

Audit and Risk Subcommittee
2 December 2020

4.1 Health & Safety Update

be received.

Carried

GM Corporate Excellence presented the Health & Safety presentation and an overview of tasks completed, high rating risks and priorities.

One of main concerns for the Sub-committee was stress within the organisation and a suggestion was to look at limiting communication after hours and weekends.

Subcommittee would like to have a collective approach in dealing with stress and accessing support for the organisation.

Confirmation of Minutes - 6 October 2020 (Item 5.1)

ID: A1391036

Report from Judith Graham, Corporate Excellence P/A

Moved (Kitchen / MacDonald)

That the minutes of the Audit & Risk Subcommittee meeting held on 6 October 2020 be confirmed as a true and correct record.

Carried

Enterprise System Project Update (Item 6.1)

ID: A1386886

Report from Carol Cottam, Information Services and Technology Manager

Moved (Stolwerk /Yeoman)

That the report 'Enterprise System Project Update' by Carol Cottam, Information Services and Technology Manager and dated 18 November 2020, be received.

Carried

GM Corporate Excellence gave an update on where the Enterprise System project was up to, and outlined the next steps as noted in the Enterprise System report.

Subcommittee was impressed with the amount of detail entered in the enterprise system risk register and would like to see more of it in other projects.

Insurance Update (Item 6.2)

ID: A1389846

Report from Bruce Howse, Group Manager - Corporate Excellence

Moved (Stolwerk /Yeoman)

That the report 'Insurance Update' by Bruce Howse, Group Manager - Corporate Excellence and dated 25 November 2020, be received.

Carried

GM Corporate Excellence advised the Subcommittee that there was an average increase of 20% in AON insurance premium for the 2019/20 which equates to a 14% cash increase to council.

Action; GM Corporate Excellence to review if Northland Regional Council goes to market for alternative insurance broker services.

ID: A1392339

2

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Check AON insurance policy to see if Council is covered for the removal of derelict boats, and if cover can be obtained for this.

Also check each policies exclusion and identify any gaps and report back to the Audit & Risk Subcommittee.

Secretarial Note: 1.56pm Chief Executive Officer Malcolm Nicolson joined the meeting.

Risk Management Activity Update (Item 6.3)

ID: A1387123

Report from Kym Ace, Corporate Systems Champion

Moved (Stolwerk/Smart)

1. That the report 'Risk Management Activity Update' by Kym Ace, Corporate Systems Champion and dated 18 November 2020, be received.
2. That Subcommittee conforms that it is comfortable that the management actions are adequate to respond to the findings of the Risk Management Maturity Assessment
3. That Subcommittee notes the risk maturity roadmap update.

Carried

Corporate System Champion spoke to the Subcommittee regarding Risk Management which included the risk register and the risk maturity matrix. A number of topics were discussed, Leadership & Direction, People & Development, Processes and Tools and Business Performance.

Subcommittee reviewed each risk item and the risk trends listed in the Corporate and Group Risk Register.

Corporate System Champion asked the Subcommittee how much detail they want to see in the report. Subcommittee agreed to the advice given by Independent Audit & Risk Advisor to continue to see all the risk at this stage in order to identify trends and gain a abroad understanding of all risks to council.

Internal Audit Programme (Item 6.4)

ID: A1388420

Report from Bruce Howse, Group Manager - Corporate Excellence

Moved (Stolwerk / Kitchen)

1. That the report 'Internal Audit Programme' by Bruce Howse, Group Manager - Corporate Excellence and dated 23 November 2020, be received.
2. That the Audit and Risk subcommittee review the proposed 3-year internal audit programme, make any amendments considered necessary, and endorse the programme.

Carried

Action; GM Corporate Excellence to report back to the subcommittee on work plan to implement recommendations from the Inphysec NZ cyber security report. Add cyber security to 2021 list and mark as complete.

ID: A1392339

3

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Business with Public Excluded (Item 7.0)

Moved (Yeoman / MacDonald) 2.42pm

1. That the public be excluded from the proceedings of this meeting to consider confidential matters.
2. That 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
7.1	Confirmation of Confidential Minutes - 6 October 2020	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.

3. That the Independent Financial Advisors be permitted to stay during business with the public excluded.

Carried

Conclusion

The meeting concluded at 2.45pm.

TITLE: Governance Strategic Risks

ID: A1423083

From: Kym Ace, Corporate Systems Champion

Authorised by Group Manager: Bruce Howse, Group Manager - Corporate Excellence, on

Executive summary/Whakarāpopototanga

In the Audit & Risk Subcommittee risk workshop on 27th January 2021, several risks were identified. These are summarised in the Governance strategic risks - environmental scan presented in Table 1.

Where the risk already exists on the corporate risk register the risk ID has been noted.

Review and direction are sought from the Audit and Risk subcommittee on the risk environmental scan.

Recommendation(s)

1. That the report 'Governance Strategic Risks' by Kym Ace, Corporate Systems Champion and dated 11 March 2021, be received.
2. That That the Audit and Risk subcommittee review the Risk Environmental Scan, make any amendments considered necessary, and advise on the trends and the future action to manage these

Options

No.	Option	Advantages	Disadvantages
1	Audit & Risk Subcommittee review and make amendments to the Governance strategic risks- environmental scan.	Subcommittee will have a Governance strategic risks - environmental scan that they can refer to and monitor.	Do not having a Governance strategic risk – environmental scan in place to monitor councils' risks.
2	Do not review and make necessary changes.	Nil	Subcommittee will not have a clear view of governance strategic risks – environment scan.

The staff's recommended option is Option 1.

Considerations

1. **Environmental Impact**
Nil
2. **Community views**

Being a purely administrative matter, Community Views, Māori Impact Statement, Financial Implications, and Implementation Issues are not applicable.

3. Significance and engagement

Nil

4. Policy, risk management and legislative compliance

Reviewing and monitoring risks is good practise and reduces risks to council.

Background/Tuhinga

On 27 January 2021 an Audit & Risk workshop was held for Councillors and uncovered a number of risks areas that the Audit & Risk Subcommittee wished to continue to work on refer to attached environmental scan for summary of identified risks.

Attachments/Ngā tapirihanga

Attachment 1: Governance Strategic Risks - environmental scan [!\[\]\(cf531ed27e91483460120fcc057b3901_img.jpg\) !\[\]\(34fde9b7c74442c0438f550a41236260_img.jpg\)](#)

Risk Management – Governance strategic risks – environment scan

Uncertainty (PESTLE)	Description (what?)	Relevance (so what?)	Trend	Risk register
Land Use (economic, social, technology, legal)	Land use change planning Change leadership	<ul style="list-style-type: none"> Rules and plan provisions that are future focused. 		R00124 R00133
Marine Environment (economic, legal, environment)	Management of the marine and coastal environment Change leadership	<ul style="list-style-type: none"> Regional planning and enforcement Advocacy for marine protected areas 		R00127 R00124
Population growth (political, economic, social, technology, environment)	Pace of growth	<ul style="list-style-type: none"> Growth planning Focus on community safety, resilience and connectedness 		
Maori collaboration and treaty settlements (political, economic, social, technology legal, environment)	Maori wealth and settlements Maori representation and roles in governance Maori ratepayers and land use	<ul style="list-style-type: none"> Engagement and collaboration with Maori 		R00131
Co-governance (political, economic, social, technology, legal, environment)	Resourcing capability Co-management, partnerships and collaboration	<ul style="list-style-type: none"> Kaipara Moana Alliances and shared services 		R00133
Climate change (political, economic, social, technology, legal, environment)	Regional leadership role. Collaborative role.	<ul style="list-style-type: none"> Collaborating with TLA's 		R00016 R00017 R00018 R00071
Central government (political, economic, social, technology, legal, environment)	Legislative changes Co-management and partnerships	<ul style="list-style-type: none"> Advocating for central government policy that supports and protects the region 		R00080 R00133 R00124
Biosecurity (political, economic, social, technology, legal, environment)	Threats to our environment – pathogens and organisms Protecting our environment Legal framework	<ul style="list-style-type: none"> Advocacy Effective pest management strategies Inter-agency relationship management 		

Natural resources – water management (political, economic, social, technology, legal, environment)	Water ownership Water use and demand Land use changes and planning	<ul style="list-style-type: none"> • Effective plans and strategies • Review of plans re the requirements of the relevant NPS/s 		R00124
Social cohesion (political, economic, social, technology, legal, environment)	Structure of society	<ul style="list-style-type: none"> • Strengthen societal capacity – cultivate social connectedness and a culture of mutual help. • Support diversity and promote inclusion. 		
Technology (political, economic, social, technology, legal, environment)	Digital connectivity – rural vs urban Advances in technology (computer systems and emerging technologies)	<ul style="list-style-type: none"> • Advocacy • Embrace new technologies 		R00078
Financial Sustainability (political, economic, social, technology, legal, environment)	Impact on revenue streams given investment volatility and economic factors	<ul style="list-style-type: none"> • Effective investment strategies and supporting policies 		R00094
Organisational capability and capacity (economic, social, technology, legal, environment)	Operational ability and capacity to deliver on all the expectations and fast evolving changes Future workforces (technology links)	<ul style="list-style-type: none"> • Resourcing • Workloads • Building capability and capacity – ensure not just fit for purpose, but future-ready and adaptable. • Invest in organisational resilience – BCP and our ability to respond to the unexpected 		R00015 R00221 R00223 R00136 R00079 R00098
Collaboration (political, economic, social, technology, legal, environment)	Maori and communities of interest	<ul style="list-style-type: none"> • Engagement and collaboration • Partnering with our community to deliver outcomes 		