

Audit and Risk Committee Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 20 May 2025, commencing at 9:30 am

Tuhinga/Present:

Committee Chair and Independent Tangata Whenua Member, George Riley
Councillor John Blackwell
Councillor Joe Carr
Councillor Jack Craw
Councillor Peter-Lucas Jones
Ex-Officio Geoff Crawford (Ex-Officio)
Independent Risk Advisor Steve Watene

I Tae Mai/In Attendance:

Full Meeting

Councillor Marty Robinson
Tāhūhū Rangapū – Chief Executive, Jonathan Gibbard
Pou Taumatua - GM Corporate Services, Bruce Howse
Finance Manager, Simon Crabb
Financial Accountant, Taka Skipwith
Personal Assistant to GM Corporate Services, Margaret Knight

Part Meeting

Corporate Strategy Manager, Kyla Carlier
Pou Whakaritenga – GM Regulatory Services, Colin Dall
Pou Tiaki Hapori - GM Community Resilience, Louisa Gritt
Audit and Assurance Lead, Mandy Tepania
Corporate Policy Analyst, Samuel van Houten

The Chair declared the meeting open at 9.30am and commenced the proceedings with a karakia.

Ngā Mahi Whakapai/Housekeeping (Item 1.0)

Ngā whakapahā/Apologies (Item 2.0)

Secretarial Note: Independent Tangata Whenua member, Dee-Ann Wolferstan gave her apologies for non-attendance.

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

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

Confirmation of Minutes - 18 February 2025 (Item 4.1)

Report from Margaret Knight, PA to Group Manager Corporate Services

Moved (Craw/Carr)

That the minutes of the Audit and Risk Committee meeting held on 18 February 2025 be confirmed as a true and correct record and that these be duly authenticated with the Chair's electronic signature.

Carried

Receipt of Action Sheet (Item 5.1)

Report from Margaret Knight, PA to Group Manager Corporate Services

Moved (Blackwell/Crawford)

That the action sheet be received.

Carried

Secretarial Note:

- *GM Corporate Services explained the work being undertaken on a contract management solution. NRC had done an internal audit which was peer reviewed by PWC with a number of recommendations that aligned with our findings. Staff are currently putting together a work programme to deliver improvements to the contract management system including any need for software.*

Secretarial Note: Item 6.1 was deferred to after 6.8 to enable Deloitte representatives to join the meeting.

Internal Audit Schedule (Item 6.2)

Report from Mandy Tepania, Audit and Assurance Lead

Moved (Blackwell/Crawford)

That the report 'Internal Audit Schedule' by Mandy Tepania, Audit and Assurance Lead and dated 8 May 2025, be received.

Carried

Secretarial Note:

- *There is a fairly detailed schedule of audits planned for the near future with fraud detection work being carried out in June 2025.*

Risk Management Activity Update May 2025 (Item 6.3)

Report from Mandy Tepania, Audit and Assurance Lead

Moved (Blackwell/Craw)

That the report 'Risk Management Activity Update May 2025' by Mandy Tepania, Audit and Assurance Lead and dated 8 May 2025, be received.

Carried

Secretarial Note: George Riley declared a conflict of interest as he affiliated with Te Rāwhiti marae.

Secretarial Note:

- *Management had undertaken a thorough review of the risk management activity and as a result a number of risks had been reduced in their rating and some had been taken off as a result of that moderation.*
- *R00080 - Changes in legislation. Councillors wanted more detail around the reasons for this risk trending down. GM Corporate Services responded that in terms of controls NRC were active in that space, being engaged with central government and ensuring NRC's policies and processes were flexible to respond.*
- *R00014 - Cyber security: NRC has allocated more budget through the Long Term Plan process to enable NRC to do more work in this area. NRC's ALGIM cyber assessment programme score has increased from 37% to 50.5% over 3 year period and were making good progress.*
- *R00280 - Kauri Die-back: Suggested NRC should keep their sights broad when looking for a solution. Other than a GMO solution which might confront NRCs stance, there might be an opportunity to partner with researchers working in the field of study of targeted medicine for plants.*

ACTION: *GM Corporate Services to present at the next Audit and Risk Committee meeting a confidential report on the cyber assessment done by ALGIM.*

Fraud Corruption and Dishonesty Risk Report (Item 6.4)

Report from Mandy Tepania, Audit and Assurance Lead

Moved (Jones/Carr)

That the report 'Fraud Corruption and Dishonesty Risk Report' by Mandy Tepania, Audit and Assurance Lead and dated 8 May 2025, be received.

Carried

Secretarial Note:

- *The fraud policy applies to elected members, staff and contractors and can be reported to Fraud Limitation Officer, GM Corporate Services and the CE. If complainant did not want to report to staff they could call crime stopers and lodge a claim.*
- *NRC runs annual fraud analytics which is account matching GST nos. and attaches to the Companies Office. Deloitte to be invited to attend the next Audit and Risk Committee to present on the data analytics.*
- *Cllr Jones suggested NRC consider monitoring fraud detection through AI as a solution for local government monitoring, tax and revenue collection, and grant distribution.*

Action: *Finance Manager to invite Deloitte to present to the next Audit and Risk Committee to explain how the annual fraud analytics is carried out.*

Health and Safety quarterly report for period January to March 2025 (Item 6.5)

Report from Tamsin Sutherland, Health and Safety Advisor

Moved (Craw/Crawford)

That the report 'Health and Safety quarterly report for period January to March 2025' by Tamsin Sutherland, Health and Safety Advisor and dated 5 May 2025, be received.

Carried

Insurance (Item 6.6)

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

Moved (Crawford/Carr)

1. That the report 'Insurance' by Bruce Howse, Pou Taumatua – Group Manager Corporate Services and dated 8 May 2025, be received.

Carried

The procedural motion was moved (Crawford/Carr)

That the item of business being discussed:

2. That the committee recommends to council an increase in the commercial motor excess to \$20,000 and the removal of windscreen / glass cover.
3. That the committee recommends to council that the changes in recommendation 2 are actioned at the next insurance renewal.

Should lie on the table and not be further discussed at the meeting.

Carried

Secretarial Note:

- *Corporate Services Manager tabled an update to the reporting period 2021/2024 of \$42,000 that was not included in the claims table. Bringing in this loss would realise a lower saving than that reported.*
- *Due to the modest savings the Committee decided to keep status quo and leave recommendations 2 and 3 to lie on the table.*

Financial Report to 30 April 2025 (Item 6.7)

Report from Taka Skipwith, Financial Accountant

Moved (Craw/Carr)

1. That the report 'Financial Report to 30 April 2025' by Taka Skipwith, Financial Accountant and dated 13 May 2025, be received

.Carried

Secretarial Note: Jonathan Eriksen of EriksensGlobal joined the meeting at 10.20am

Secretarial Note:

- *Group Manager Corporate Services tabled a change to existing Table 3 where it has been recommended that under step 4 the allocation of any remaining surplus be used to cover any shortfall of MMH dividend. Should that not be required, then to pay down debt related to the MMH transaction. This aligns to the financial report going to council.*

A further recommendation was made:

Moved (Craw/Blackwell)

1. *That the tabled updated information provided to the Committee replace Table 3 of the report.*

Carried

Secretarial Note:

- *Finance Manager clarified the setting of the SUIPS and will email to the Committee SUIPS growth by district.*
- *Jonathan Eriksen provided a market update. The markets went down in March but have bounced back. Noted, however, NRC are pretty much on target for the SIPO and confident, provided markets do not have another melt down, the performance to the end of this financial year will be satisfactory.*

Action: *Finance Manager to email to the Committee SUIPS growth by district.*

Secretarial Note: *Jonathan Eriksen left the meeting at 10.35am*

Regulatory Services Quarterly Report (Item 6.8)

Report from Colin Dall, Pou Whakaritenga - Group Manager Regulatory Services

Moved (Carr/Jones)

That the report 'Regulatory Services Quarterly Report by Colin Dall, Pou Whakaritenga - Group Manager Regulatory Services and dated 29 April 2025, be received.

Carried

Secretarial Note:

- *The Committee thanked staff for providing the reports which gives councillors a handle on how much activity NRC monitor and administer which provides assurance with reports of this content.*
- *The Committee raised a question around the monitoring and regulations for the burning of rubbish on private property or government land, seeking to understand the threshold for air pollution/nuisance. Group Manager Regulatory Services to follow up on this question and will report back to the Committee. This will help clarify the guidelines for councillors communicating with ratepayers about what is acceptable in the community and the rules being imposed.*
- *Committee discussed those compliance applications which were older than 12 months and whether there was anything that NRC could do to progress these and notable those relating to waste and storm water.*

Actions:

1. *GM Regulatory Services to provide follow-up and guidance for councillors on the burning of rubbish on private property or government land to help councillors to communicate with ratepayers on what is acceptable in the community.*
2. *CE and GM Regulatory Services to provide copies of letters sent to district councils to the next Audit and Risk Committee and also consider how NRC could draw some of those matters to a close or hearing.*

Secretarial Note: Bennie Greyling and Alif Barolia of Deloitte joined the meeting at 11.22am to discuss 6.1 planning report and answer any questions.

2024-25 Annual Report: Timetable and Deloitte Planning Report (Item 6.1)

Report from Simon Crabb, Finance Manager

Moved (Carr/Blackwell)

That the report '2024-25 Annual Report: Timetable and Deloitte Planning Report' by Simon Crabb, Finance Manager and dated 6 May 2025, be received.

Carried

Secretarial Note:

- *Bennie Greyling walked through the high level plan and focussed on the executive summary and reason for fee increase.*
- *The Committee accepted the report and noted next steps:*
 - *Engagement letter signed*
 - *Audit proposal letters signed and in place*
 - *Then ready to go.*

Secretarial Note: Bennie Greyling and Alif Barolia left the meeting at 11.40am

Kaupapa ā Roto/Business with Public Excluded (Item 7.0)

Moved (Craw/Blackwell)

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 - 18 February 2025	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).
7.2	Receipt of Confidential Action Sheet	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) and 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).
7.3	Report on Litigation and Enforcement 01 January - 31 March 2025	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).

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

Carried

Whakamutunga (Conclusion)

The meeting concluded at 11.49am.