



Assurance, Risk and Finance Committee Minutes from 29 May 2024

Present:	Bruce Robertson (Independent Chair), Mayor Martin Connelly, Councillors Colin Olds, Martin Bosley (via Zoom from 3:05pm) and Aaron Woodcock (until 3:30pm).
Apologies:	Councillor Kaye McAulay.
In Attendance:	Janice Smith (Chief Executive), Paul Gardner (General Manager Corporate Services, Russell O’Leary (Group Manager Planning and Regulatory), Charly Clarke (Chief Financial Officer), and Amy Andersen (Lead Advisor, Democracy and Committees).
Conduct of Business:	This meeting was held in the Supper Room, Waihinga Centre, 62 Texas Street, Martinborough and via audio-visual conference. This meeting was live-streamed is available to view on our YouTube channel. The meeting was held in public under the above provisions from 2:30pm to 4:29pm except where expressly noted.

A Open Section

A1. Karakia Timatanga - Opening

Attendees opened the meeting with a karakia.

A2. Apologies

ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/14) to accept apologies from Cr McAulay and Cr Bosley; and Cr Woodcock for early departure at 3:30pm.

(Moved Robertson/Seconded Cr Olds)

Carried

A3. Conflicts of Interest

There were no conflicts of interest.

A4. Public Participation

There was no public participation.

A5. Actions from public participation

There was no public participation.

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A6. Extraordinary Business

There was no extraordinary business.

A7. Confirmation of minutes

ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/15) to:
accept the minutes of the Assurance and Risk Committee meetings held on 21 February and 24 April 2024 are a true and correct record.

(Moved Robertson/Seconded Cr Olds)

Carried

Abstained: Cr Woodcock

A8. Matters from previous minutes

There were no matters arising from previous minutes.

B Decision Reports from Chief Executive and Staff

B1. Insurance Renewal Report

Ms Clarke spoke to matters included in the report and responded to queries from members including: assets above \$50k; replacement of assets in specific situations e.g. fire, earthquake; excess on one individual claims (\$5k per claim); any claims over past the six 6 years (e.g. garage at Pain farm – under \$30k; flooding at Featherston Sports centre – around \$11k), underground assets (\$400k per minimum claim); and the premium costs proposal for material damage this year (budgeted for 20% increase).

Members commented on the completeness of the insurance profile and noted that the Committee are to progress a broader risk discussion.

ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/16) to

1. Receive the *Insurance Renewal 2024* report.
2. Note that an increase of \$68,000 has been made to the insurance expense budget for 2024/25.
3. Approve a minimum threshold of \$50,000 of asset value for inclusion in the schedule of assets covered by Council's material damage insurance policy.
Amendment – additional motion which became a part of the substantive motion:
4. Report on broader discussions on risk , including assets we are unlikely to replace

[Items 1-4 read together]

(Moved Cr Woodcock/Seconded Mayor Connelly)

Carried

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C Information Reports from Chief Executive and Staff

C1. Finance Report

Ms Clarke spoke to matters included in the report.

Mr Robertson highlighted that operating position is overall on track and where it's expected to be.

Ms Clarke and Ms Smith spoke to matters in relation to capex and debt, and carry-over into the new financial year, renewal, the recruitment of a Project Manager and Asset Manager (both positions have been budgeted for).

Mr Robertson noted he would like the Committee to review how SWDC are building certainty into the capex programme and managing its fiscal risk.

Ms Smith noted that a workplan is in development to ensure that there are confirmed timeframes across all projects/activities to avoid issues (seasonal impacts, ensure resources are available).

Cr Bosley arrived via Zoom at 3:04pm.

Ms Clarke responded to further queries from members including: the emergency works budget, and rates arrears and how they are being managed.

ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/17) to:

1. Receive the *Finance Report*.
2. Note that no significant tax risks have been identified.
3. Note that the following investment thresholds have been breached in March 2024:
 - BNZ investments were 54% of the total portfolio, against a threshold of 50%
 - Wairarapa Building Society investments were 11% of the total portfolio, against a threshold of 10%

[Items 1-3 read together]

(Moved Robertson/Seconded Cr Olds)

Carried

C2. Annual Tax Update Report

Ms Clarke spoke to matters included in the report and responded to queries from members including PAYE and Fringe Benefits Tax.

ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/18) to receive the Annual Tax Update Report.

(Moved Cr Olds/Seconded Cr Woodcock)

Carried

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C3. Audit Update Report

Ms Clarke spoke to the report and highlighted key timeframes and recommendations from the 2023 Audit report.

Ms Clarke responded to queries from members including: clarification of the first and third recommendations (recording of interests), depreciation and the trigger for removing assets.

Mr Robertson requested Audit NZ and OAG representative joins future Committee meetings via Zoom.

Ms Clarke and Ms Smith confirmed there is no formal audit plan at this time, and this is to be followed up with Audit NZ.

ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/19) to receive the Audit Update Report.

(Moved Mayor Connelly/Seconded Cr Woodcock)

Carried

C4. Risk Management Update Report

Mr Gardner spoke to matters in the report.

Members noted the high number of private swimming pools in the region; Ms Smith noted that controls are in place to manage the risk (refer to Significant Risk Register).

Members queried the risk in relation to public pools (health and safety). Mr Gardner noted that when appointed, the responsibility would fall to the Asset Manager to progress this work.

Action 267: Members requested further information relating to swimming pool audits (*are all pools registered?*) and an update on how well pool inspections have been progressed. *R O'Leary/S Edney.*

Cr Woodcock left at 3:30pm.

Members also queried information requests, including proactive releases. Ms Smith confirmed that information is neither being created or analysed in order to answer LGOIMA requests.

Members questioned why regulatory failure was removed from the significant risk register. Ms Smith noted there is legislative compliance and statutory requirements in place and is being managed accordingly.

Members inquired as to whether there are any risks that were outside the Strategic Leadership Team's comfort zone and discussed need for risk appetite. Ms Smith noted the following risks: regional alignment, legislative reform and economic shock.

Members discussed regional alignment and sought clarification about this risk and shared services..

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Members requested a workshop with governance around issues for shared services, how much information is shared etc.

Members provided feedback that further discussion about practical actions to address and lower risk is required.

ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/20) to receive the Risk Management Update Report.

(Moved Roberston/Seconded Mayor Connelly)

Carried

C5. Health, Safety and Emergency Management Report

Mr Gardner spoke to matters included in the report and highlighted key topics for discussion. Members queried the risk description on p.87 of the agenda, the risks associated with emergency response (are SWDC investing in the right places for the future, resilience planning).

Members acknowledged the systems and mechanisms that are being put in place for emergency management.

Members discussed concerns that many people in the community don't know what to do in the event of a major event such as an earthquake and how to address this moving forward.

ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/21) to receive the Health, Safety and Emergency Management Report.

(Moved Mayor Connelly/Seconded Cr Olds)

Carried

C6. People Report

Mr Gardner spoke to matters included in the report and responded to queries including: recruitment and retention (confirmed that SWDC conduct exit interviews); employee experience.

Mr Gardner noted that there will be recruitment for a Legal Executive which will lower costs for ongoing legal advice.

ASSURANCE, RISK AND FINANCE COMMITTEE RESOLVED (ARF2024/22) to receive the People Report.

(Moved Mayor Connelly/Seconded Cr Olds)

Carried

C7. Action Items Report

There were no open actions to discuss.

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D. Karakia Whakamutunga – Closing
Attendees closed the meeting with a karakia.

The meeting closed at 4:29pm.

Confirmed as a true and correct record

.....(Chair)

.....(Date)

.....(Chief Executive)

.....(Date)

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