



## **FINANCE, AUDIT AND RISK COMMITTEE**

### **Agenda**

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#### **NOTICE OF MEETING**

This meeting will be held in person at the Supper Room, Waihinga Centre, Texas Street, Martinborough and via video conference on the 3 August 2022 and will commence at 10:00am. All members participating via video conference will count for the purpose of the meeting quorum in accordance with clause 25B of Schedule 7 to the Local Government Act 2002. This meeting will be live-streamed and will be available to view on our [YouTube channel](#).

The meeting will be held in public (except for any items specifically noted in the agenda as being for public exclusion).

#### **MEMBERSHIP OF THE COMMITTEE**

Councillors Leigh Hay (Chair), Pam Colenso, Garrick Emms, Brian Jephson, Colin Olds, Brenda West, and Mayor Alex Beijen. Independent member: Kit Nixon

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#### **Open Section**

##### **Health and Safety Procedures**

**A1.** Apologies

**A2.** Conflicts of interest

**A3.** Public participation

*As per standing order 14.17 no debate or decisions will be made at the meeting on issues raised during the forum unless related to items already on the agenda.*

*Please note: Electioneering is not permitted in council meetings or on council premises – your cooperation is appreciated.*

*If electioneering is deemed to be taking place, the Chair of the meeting or council officers will bring your session to a close.*

**A4.** Actions from public participation

**A5.** Extraordinary business – Item C1, Appendix 1

**A6.** Minutes for Confirmation:

***Proposed Resolution:*** *That the minutes of the Finance, Audit and Risk Committee meeting held on 22 June 2022 are confirmed as a true and correct record.*

Pages 1-4

**B. Decision Reports from Chief Executive and Staff**

None advised

**C. Information and Verbal Reports from Chief Executive and Staff**

**C1.** Policy and Governance Report Pages 5-12

*Amanda Bradley, General Manager Policy & Governance will be speaking to this report*

**C2.** Action Items Report Pages 13-16

**D. Public Excluded Business**

**D1.** Public Excluded Minutes for Confirmation *distributed separately*

**Proposed Resolution:** *That the public excluded minutes of the Finance, Audit and Risk Committee meeting held on 22 June 2022 are confirmed as a true and correct record*

**D2.** Risks to Council IT Systems and Architecture Report *distributed separately*

*Paul Gardner, General Manager, HR & Corporate Services will be speaking to this report*

**D3.** Outstanding Water Rates Debtor's Report *distributed separately*

*Harry Wilson, Chief Executive and Karon Ashforth, General Manager Finance will be speaking to this report*

Report/General Subject Matter	Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
Finance, Audit and Risk Committee Public Excluded Minutes for Confirmation 22 June 2022	Good reason to withhold exists under section 7(2)(a) and 7(2)(f)(ii)	Section 48(1)(a)
Risks to Council IT Systems and Architecture Report	Good reason to withhold exists under section 7(2)(j)	Section 48(1)(a)
Outstanding Water Rates Debtor's Report.	Good reason to withhold exists under section Section 7(2)(a) and 7(2)(b)(ii)	Section 48(1)(a)

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.	Section 7(2)(j)
The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.	Section 7(2)(a)
The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees and persons from improper pressure or harassment.	Section 7(2)(f)(ii)

The withholding of the information 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.

Section 7(2)(b)(ii)



## **FINANCE, AUDIT AND RISK COMMITTEE**

### **Minutes from 22 June 2022**

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- Present:** Councillors Leigh Hay (Chair), Pam Colenso, Garrick Emms (until 11:18am), Brenda West and Brian Jephson (via zoom), Colin Olds, Mayor Alex Beijen and Independent Member Kit Nixon.
- In Attendance:** Harry Wilson (Chief Executive), Amanda Bradley (General Manager Policy and Governance), Paul Gardner (General Manager HR & Corporate Services), Karon Ashforth (General Manager Finance), Charly Clarke (Finance Manager), and Amy Andersen (Committee Advisor).
- Conduct of Business:** This meeting was held in the Supper Room, Waihinga Centre, 62 Texas Street, Martinborough and via audio-visual conference, commencing at 10.00am. All members participating via audio-visual conference count for the purpose of the meeting quorum in accordance with clause 25B of Schedule 7 to the Local Government Act 2002. This meeting was live-streamed and is available to view on our YouTube channel.  
The meeting was held in public under the above provisions from 10.00am to 11:52am except where expressly noted.
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#### **Open Section**

- A1. Apologies**  
There were no apologies.
- A2. Conflicts of Interest**  
There were no conflicts of interest declared.
- A3. Public Participation**  
There was no public participation.
- A4. Actions from Public Participation**  
There were no actions from public participation.
- A5. Extraordinary Business**  
There was no extraordinary business.

**A6. Minutes for Confirmation**

*FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2022/20)* that the minutes of the Finance, Audit and Risk Committee meeting held on 11 May 2022 are a true and correct record, subject to the correction of Ms Ashforth's name in point 2 of resolution FAR2022/14.

*(Moved Cr Olds/Seconded Cr Colenso)*

Carried

**B Decision Reports**

**B1. Setting Fees and Charges for Official Information Requests Report**

Ms Bradley spoke to matters in the report.

Members queried who determines what constitutes a request, the circumstances where fees and charges may be applied, reasons for increases of requests made, processes for actioning requests and the Ombudsman's current approach to the release of council information.

Ms Bradley spoke about plans relating to transparency and communication of requests.

Video off and resumed at 10:16am.

*FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2022/21)* to:

1. Receive the Setting Fees and Charges for Official Information Requests Report.

*(Moved Cr West/Seconded Cr Olds)*

Carried

2. Recommend that Council adopt the proposed fees and charges for official information requests for 2022/23 financial year.

*(Moved Mayor Beijen/Seconded Cr Colenso)*

Carried

**C Information and Verbal Reports from Chief Executive and Staff**

**C2. Policy and Governance Report (Item Moved)**

Ms Bradley spoke to matters outlined in the report, including the strategic register timeframe, policy review and the resident's perception survey.

Ms Bradley responded to members questions about the policy review (timeframes, process/approach), an upcoming strategic risk register workshop and the pre-election briefing report.

Mr Gardner responded to members queries relating to the update of HR related policies.

*FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2022/22)* to receive the Policy and Governance Report.

*(Moved Cr West/Seconded Cr Emms)*

Carried

**C4. Official Information Request Topic Trends Report (Item moved)**

Ms Bradley spoke to matters in the report and responded to members questions regarding transparency and information released under LGOIMA.

*FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2022/23) to receive the Official Information Request Topic Trends Report.*

*(Moved Cr Olds/Seconded Cr West)*

Carried

**C1. Finance Report**

Ms Clarke spoke to matters in the report, including overall performance, operating surplus, commercial leases and expenditure.

Due to audio issues, meeting paused at 10:46am and resumed at 10:46am.

Mr Wilson and Mr Gardner responded to members questions about IT expenditure and ongoing upgrades to infrastructure.

Ms Clarke responded to members questions on interest rates and overspends / underspends.

Mr Wilson responded to members questions on the progression of the liquefaction modelling project.

*FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2022/24) to receive the Finance Report.*

*(Moved Cr Colenso/Seconded Mayor Beijen)*

Carried

**C3. Action Items Report**

Members discussed and sought updates to Action 55.

*FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2022/25) to receive the Action Items Report.*

*(Moved Cr Emms/Seconded Mayor Beijen)*

Carried

**D. Public Excluded Business**

**D1. Mid-Year Pulse Survey on Staff Engagement Report**

*distributed separately*

Report/General Subject Matter	Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
Mid-Year Pulse Survey on Staff Engagement Report	Good reason to withhold exists under section 7(2)(a) and 7(2)(f)(ii)	Section 48(1)(a)

This resolution (FAR2022/26) is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.	Section 7(2)(a)
The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees, and persons from improper pressure or harassment.	Section 7(2)(f)(ii)

(Moved Cr Olds/Seconded Cr Colenso)

Carried

Meeting adjourned at 11:18am.

Meeting reconvened under public excluded provisions at 11:29am.

The meeting closed at 11:52am.

**Confirmed as a true and correct record**

.....(Chair)

.....(Date)

# FINANCE, AUDIT AND RISK COMMITTEE

3 AUGUST 2022

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## AGENDA ITEM C1

### POLICY AND GOVERNANCE REPORT

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#### **Purpose of Report**

To present the Policy and Governance Report for June 2022.

#### **Recommendations**

Officers recommend that the Committee:

1. *Receive the Policy and Governance Report.*

#### **1. Executive Summary**

Officers present the following updates for consideration by the Finance, Audit and Risk Committee:

- Significant Risk Register Review
- Residents' Perception Survey
- Governance
- Policy Review Programme.

#### **2. Significant Risk Register Review**

The risk register has been reviewed and the Executive Leadership Team have spent time assessing the risks (inherent likelihood and consequence and residual likelihood and consequence). We have also begun a review of the risk policy and how it will inform the recording and monitoring of risks. This has resulted in a proposed renaming of the risk document to "Significant Risk Register".

The Register is a living document that will be updated on a regular basis (detailed in the Risk Policy) with detailed quarterly reviews conducted by the Executive Leadership Team.

The Significant Risk Register currently has ten significant risks (in no particular order):

- Relationship with iwi, hapū, Māori
- Climate Change
- Emergency Management

- IT architecture, information system, information management, and security
- Financial management, sustainability, fraud, and corruption
- Legislative and regulative reforms
- Social licence to operate and reputation
- Asset management
- Economic conditions
- Health and Safety.

Each risk assessment includes:

- an inherent risk assessment – what the likelihood and consequences will be if we do nothing
- a current mitigations list – what we are currently doing to manage the risk
- a future mitigations list – what else we could do to further reduce the risk
- a residual risk assessment – what the likelihood and consequences are once we have taken the mitigations into consideration
- clearly stated responsibility and accountability.

The Executive Leadership Team will set up a simple risk template report for each accountable risk owner to complete on each risk for reporting to FAR in September.

The reports will cover:

- review of the inherent and residual risk assessments
- review of mitigations and any changes or progress

Note that climate change is being treated as a special risk and has a separate Risk and Resilience Strategy which will be presented to Council in September.

The Significant Risk Register, will be tabled at the meeting.

### **3. Residents' Perception Survey**

Council engages Key Research, an independent research company, to run a residents' survey to measure satisfaction and establish perceptions in relation to the services, infrastructure and facilities it provides.

The results are used to measure performance against the key performance indicators (KPI's) and to identify opportunities for improvement. The results will be made available alongside the Annual Report later in the year.

## 4. Governance

Our governance work over recent months has focused on some significant pieces of work, largely preparing for the election including:

- The pre-election report (signed off by the CE and available on our website)
- The election process (candidate evening, candidate handbook, media promoting the election, and nominations)
- Planning for induction (noting the combined councils work and induction and training provided by LGNZ)
- Planning the agendas for the first two new Council meetings (set for 26 October and 14 December)
- Continuing our quality improvement work including working with ELT and managers on report writing and workshop delivery
- The team have also been able to attend governance training provided by Taituarā.

The other major piece of work over coming months includes the Representation Review:

May to August 2022: Background research

Engage LGNZ support

September 2022: Draft engagement plan to Māori Standing Committee

Draft plan to Council.

## 5. Policy Review Programme

The procurement, discretionary expenditure, fraud and corruption and delegations policies were adopted by Council 30 June 2022.

Minor amendments requested at the Council meeting have been made to the procurement policy, including:

- requiring exemptions to be reported to the following FAR meeting (rather than quarterly)
- excluding emergency procurement from business case requirements
- adding a \$100,000 threshold for business case requirements for non-emergency work not budgeted in the Annual Plan or Long Term Plan.

A staff organisational chart is also being prepared to publish on the SWDC website.

Appendix 1 provides an overview of the indicative policy review programme for 2022/23.

## **6. Appendices**

Appendix 1 – Policy Programme 2022/23

Appendix 2 – Significant Risk Register July 2022 (*to be tabled*).

Contact Officers: Amanda Bradley, Policy and Governance Advisor

Reviewed by: Harry Wilson, Chief Executive Officer

# **Appendix 1 – Policy Programme 2022/23**

Policy Type	Policy Name	Prioritisation	Review Due	Key Milestones (Indicative)				Status	Comments
				Q1: Jul-Sep	Q2: Oct-Dec	Q3: Jan-March	Q4: Apr-Jun		
Financial Policies	Financial Delegations Policy	Prioritised to complete the update of delegations and in keeping with the review due date of June 2022.	Jun-22	New policy adopted (Aug/Sep-22)				On track	
	Revenue and Financing and Postponement of Rates on Māori Freehold Land Policy	Good practice dictates a first principles review should be completed every 10 years. This was last completed as part of the 2009/19 LTP.  Review of remission of rates on Māori Freehold Land to align with GWRC and other TAs.	Jun-24	Step one (s101(3)(a) requirements of the LGA) completed Sep-22	New Council amends or confirms step one  Step two (s101(3)(b) requirement of the LGA) started	Draft policy and proposal	Consultation in conjunction with 2023/24 Annual Plan	On track	Council endorsed undertaking a first principles review of the policy on 30-Jun-22.
Governance Policies	Remuneration – Elected Members and Conferences, Seminars and Training Policies	A review of these policies, with a view to combining them, is a priority ahead of the October 2022 elections.	May-20	Policy drafted	Updated policy adopted by incoming Council (Oct-22)			On track	
	Code of Conduct	To align with the most recent LGNZ update and provide an opportunity for it to be considered and adopted by the new Council.	Nov-22	Review against new LGNZ template	Code of Conduct adopted by incoming Council (Oct-22)			On track	Report to first Council meeting after the elections.
	Risk Policy	Overdue for review and requires updating in conjunction with the strategic risk register.	Aug-21	New policy adopted (Sep-22)				On track	
Redundant Policies / Operational Procedures	Hire of Council Facilities Policy	The policies have been identified as redundant or reflect an operational procedure where the information would be more appropriate in another format (e.g. information on the Council website and a supporting application form).	Feb-23	Internal meeting with SMEs (Jul-22)				On track	Reports to Community Boards: <ul style="list-style-type: none"> <li>GCB – 3 August</li> <li>FCB – 9 August</li> <li>MCB – 11 August</li> </ul> Report to Council 21 September
	Artwork Policy - Greytown Town Centre		As required	Report to the Community Boards (Aug-22)					
	Street Banners and Flags Policy		Apr-20	Council agreement to revoke policies (Sep-22)					
	Street Days, Appeals and Raffles Policy		Apr-19						
	Council, Committees and Working Parties Policy		Feb-20						
Joint Regulatory Policies (with Masterton and Carterton District Councils)	Smokefree Environment Policy	Development of a joint policy to enable a consistent approach across the Wairarapa. The review is to be progressed through the Wairarapa Policy Working Group (WPWG).	Jun-19	Community survey	TBC			Project delays	Community survey delayed due to competing consultation priorities across the Councils. There is an upcoming project team meeting to discuss timelines and next steps.
	Wairarapa Local Alcohol Policy	Review of the Wairarapa Local Alcohol Policy 2018 (LAP). The review is to be progressed through the Wairarapa Policy Working Group (WPWG).	Nov-21	Stakeholder engagement and data collection	Recommendations to WPWG	Recommendations to incoming Council proposing roll-over or amendments	Public consultation using SCP, hearings, deliberations etc.	Project delays	Project delays due to Covid-19 impacting availability of key stakeholders and project team, and challenges with data collection. Key milestones have been adjusted to reflect project delays.
	Wairarapa Class 4 Gambling and Standalone TAB Venues	Review prioritised based on legislative review requirement.	Jun-22		High level information report to incoming Council/P&R Committee	TBC	TBC	Not yet started	

Policy Type	Policy Name	Prioritisation	Review Due	Key Milestones (Indicative)				Status	Comments				
				Q1: Jul-Sep	Q2: Oct-Dec	Q3: Jan-March	Q4: Apr-Jun						
					outlining proposed approach/timeline (Nov/Dec-22)								
SWDC Stand-alone Regulatory Policies	Psychoactive Substances	Review prioritised based on legislative review requirements. Policies are to be progressed on the same timeline as all require use of the Special Consultative Procedure (SCP).	Apr-19	High level information Report to P&R Committee (Aug-22)  Background research and pre-engagement	Background research and pre-engagement	Council adopts SOPs	Public Hearings	Not yet started	Report to P&R 24-Aug (items due 16-Aug)				
	Local Easter Sunday Trading		Jun-18							Legislative review due: Mar-22	Prepare Statement of Proposals (SOPs)	Public consultation (SCP)	Council adopts new policies/bylaw
	Dangerous and Insanitary Buildings		Aug-22										
	Control of Dogs Policy and Review		Sep-18							Legislative review due: Sep-23			
Community Policies	Grants policy and process improvements	While the next review is not due until June 2024, improvement opportunities have been identified through the application of the new policy. This includes an opportunity for better alignment between the different grant funds (including Pain Farm income distribution) and greater clarity of the process for funding applications.	Jun-24	Internal workshop with staff (Jul-22)	Workshop with incoming elected members (including Community Boards – and Pain Farm)			On track					
	Pain Farm Income Distribution Policy		Apr-18							Updated policy (incorporating Pain Farm) adopted by incoming Council			
	Māori Policy	Review of Māori Policy, including consultation and a consideration of a broader partnerships policy	Jun-18			Engagement (e.g. Māori Standing Committee)	New policy adopted	Not yet started	To start once Principal Advisor on board.				
	Partnerships Policy		New										
Organisational Policies (to be approved by the Chief Executive)	Information Management Policy		New			Research and drafting	New policy adopted	Not yet started	To start once Information Officer returns to SWDC.				

**Appendix 2 – Significant Risk Register**  
**July 2022 (*to be tabled*)**

# FINANCE AUDIT AND RISK COMMITTEE

3 AUGUST 2022

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## AGENDA ITEM C2

### ACTION ITEMS REPORT

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#### **Purpose of Report**

To present the Committee with updates on actions and resolutions.

#### **Recommendations**

Officers recommend that the Committee:

1. *Receive the Finance Audit and Risk Action Items Report.*

#### **1. Executive Summary**

Action items from recent meetings are presented to the Committee for information. The Chair may ask the Chief Financial Officer for comment and all members may ask the Chief Financial Officer for clarification and information through the Chair.

If the action has been completed between meetings it will be shown as 'actioned' for one meeting and then will remain in a master register but no longer reported on. Procedural resolutions are not reported on.

#### **2. Appendices**

Appendix 1 – Action items to 3 August 2022

Contact Officer: Karon Ashforth, General Manager Finance

Reviewed By: Harry Wilson, Chief Executive Officer

# **Appendix 1 – Action Items to 3 August 2022**

Number	Raised Date	Action Type	Responsible Manager	Assigned to	Action or Task details	Open	Notes
248	11-Dec-19	Action	S Corbett		<p><del>Find out the background to the Bonny Glen landfill risk and update FAR Committee members</del></p> <p>Assess the risk to Council of central government mandated increases to solid waste levies and the ability of Council to change processes to manage landfill contracts, expenditure and revenue alongside promotion of waste minimisation</p>	Open	<p>14/8/20 Bonnie Glen is owned by Waste Management and Environmental Services and charges are climbing outside of regular pricing for waste disposal due to a monopoly and limited future capacity at the site.</p> <p>We have a contract for service to use Bonnie Glen which ends shortly. Alternative avenues to dispose of refuse will be researched prior to the contract ending.</p> <p>24/2/20: Action updated by FAR</p> <p>01/10/21: We have a 20-year contract for service to use Bonnie Glen landfill. There are no capacity issues.</p> <p>30/03/2022: members requested this be reopened and referred to A&amp;S was because they wanted to review whether there is leeway for within the current contract in the context of a focus on waste minimisation and to understand the associated costs. That there was a suggestion by Harry for our new waste advisor to brief the A&amp;S committee on this. Bryce assigned to follow up.</p> <p>06/05/2022: Waste Minimisation policy is subject to review at the moment. A report will be given to A&amp;S committee in due course, as staff need to be onboarded to fulfil this request.</p> <p>11/05/22: Action updated by FAR.</p>
250	11-Dec-19	Action	A Bradley	S Frischknecht	Review the Procurement and Contract Management Policy in March 2020 to ensure it covers all procurement and management activities	Actioned	<p>16/4/21: Will be considered as part of policy review programme following review of CDC's policy for sustainability matters</p> <p>23/11/21: Timeline to be reported to the next FAR meeting once the policy review programme is finalised</p>

Number	Raised Date	Action Type	Responsible Manager	Assigned to	Action or Task details	Open	Notes
					Note this action also encompasses the review of the sensitive expenditure section within this policy to ensure best practice guidance is followed.		22/3/22: Refer to the Policy and Governance Report for an update on the policy review work. 14/6/22: Policy drafted and provided to all councillors for review for consideration at Council meeting 30/6/22 19/7/22: Policy adopted 30 June 22.
483	6-Oct-21	Action	A Bradley	S Frischknecht	Include a list of all policies, their expiry dates, their proposed review dates and an officer comment column with the Policy and Governance Report	Actioned	23/11/21: To be reported to the next FAR meeting once the policy review programme is finalised. 22/3/22: Refer to Policy & Governance Report for update. 14/6/22: Refer to Policy & Governance Report for update. 20/07/22: Policy review timeline included in policy and governance reports each meeting. Action closed by A Bradley.
50	16-Feb-22	Action	A Bradley		Provide members a timeline for completion of the overhaul of the strategic risk register.	Open	30/03/2022: To be completed for next FAR meeting 11/05/2022 14/6/22: Refer to Policy & Governance Report for update.
55	16-Feb-22	Action	R O'Leary		Investigate whether a plan change related to financial contributions for South Wairarapa could be brought forward ahead of the District Plan review.	Open	11/05/22: Members requested update. 10/06/22: Already raised with District Plan review as a topic, and Boffa Miskell (consultant) is across this. 22/06/22: Action updated by members. Developer replaced by financial contributions.