



FINANCE, AUDIT AND RISK COMMITTEE

Minutes from 21 April 2021

Present:	Councillors Leigh Hay (Chair), Garrick Emms, Brian Jephson, Brenda West, Mayor Alex Beijen and independent member Kit Nixon.
In Attendance:	Katrina Neems (Chief Financial Officer), Harry Wilson (Chief Executive), Charly Clarke (Finance Manager), Karen Yates (Policy and Governance Manager) and Suzanne Clark (Committee Advisor).
Conduct of Business:	The meeting was held in the Supper Room, Waihinga Centre, Texas Street, Martinborough and was conducted in public between 10:00am and 11:59am except where expressly noted.

Open Section

A1. Apologies

FINANCE, AUDIT AND RISK RESOLVED (FAR2021/06) to accept apologies from Councillors Ross Vickery and Brian Jephson.

(Moved Cr West/Seconded Mayor Beijen)

Carried

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.

DISCLAIMER

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A6. Minutes for Confirmation

FINANCE, AUDIT AND RISK RESOLVED (FAR2021/07) to confirm that the Finance, Audit and Risk Committee minutes from the meeting held 24 February 2021 are a true and correct record.

(Moved Cr Colenso/Seconded Cr West)

Carried

A7. Notices of Motion

There were no notices of motion.

B Information and Verbal Reports from Chief Executive and Staff

B1. Corporate Services Report

Members discussed financial report exceptions, rates arrears, work being undertaken to assess risk against cost in preparedness for rising insurance costs, the lessons learned report for the Waihinga Centre project, the process for handover of funds to Kuranui College for the gymnasium.

FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2021/08):

1. To receive the Corporate Services Report.

(Moved Cr Hay/Seconded Cr West)

Carried

2. Action 157: Investigate why Greater Wellington Regional Council recoveries are under budget; K Neems

B2. Policy and Governance Report

Members discussed the risk rating system, mitigations, policy and bylaw reviews, official information requests and response times, and timing and format of the next customer service survey.

Members requested that record be made of the date a risk profile changes and noted that the scoring system was the same as what was used to determine operational risk and would be attached to the minutes.

Mayor Beijen left the meeting at 11:45am.

Mayor Beijen returned to the meeting at 11:46am.

FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2021/09) to receive the Policy and Governance Report.

(Moved Cr Colenso/Seconded Cr West)

Carried

B3. Action Items Report

FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2021/10) to receive the Action Items Report.

(Moved Cr Hay/Seconded Cr West)

Carried

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C. Public Excluded Business

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

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
Operational Risk Register	Good reason to withhold exists under section 7(2)(c)(i) and section 7(2)(c)(ii)	Section 48(1)(a)

This resolution (FAR2021/11) 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 information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source and is in the public interest that such information should continue to be supplied	Section 7(2)(c)(i)
The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	Section 7(2)(c)(ii)

(Moved Cr West/Seconded Cr Emms)

Carried

Confirmed as a true and correct record

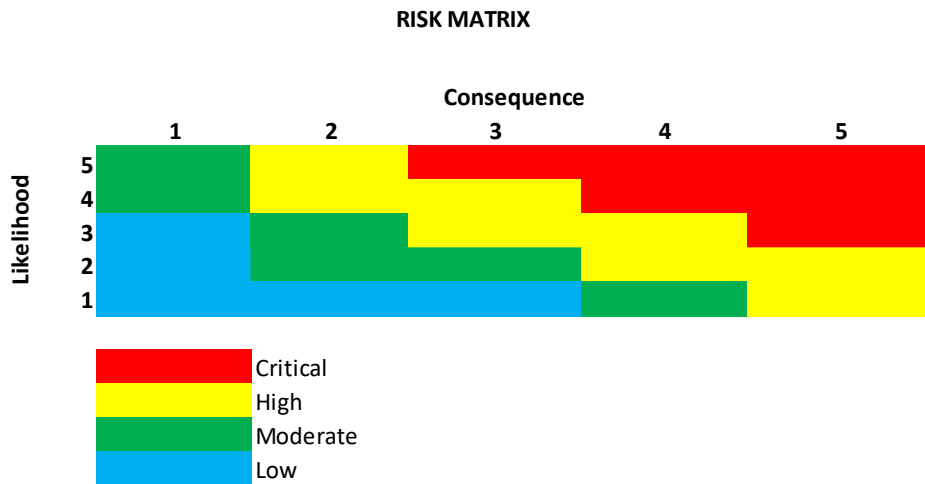
.....(Chair)

.....(Date)

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Attachment 1 – Risk Register Scoring System



Overall Risk Rating	Action	Reporting
Extreme	Urgent and active management required Risk treatment plan must be implemented immediately to reduce the risk of exposure to an acceptable level. Regular reporting required	Immediate notification to relevant ELT and CEO Advise P&GM and CFO. Take immediate action to reduce risk.
High	Management attention is required. Risk treatment plan required. Regular reporting required.	Notification to relevant ELT and CEO. Advise P&GM and CFO.
Moderate	Management responsibility to monitor. Focus on ensuring internal controls are effective and monitoring the ongoing risk.	P&GM and CFO to review risk regularly.
Low	Can be monitored using routine practices. Focus on ensuring internal controls are effective.	P&GM and CFO to review risk periodically.

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LIKELIHOOD		
Almost certain	5	90% or greater chance of occurring in next 12 months Expected to occur in 9 or next 10 years Certain to occur at least once in next 5 years It would be unusual if this didn't happen
Likely	4	60% to 90% chance of occurring in next 12 months Expected to occur at least once in next 5 years Will occur more often than not
Possible	3	25% to 60% chance of occurring in next 12 months Expected to occur in 4 or next 10 years Likely will occur at least one in next five years (>80% chance) Not likely, but don't be surprised
Unlikely	2	2% to 25% chance of occurring in next 12 months Expected to occur a maximum of once every 5 to 20 years 50% chance of occurring in next 5 years A surprise, but not beyond the bounds of imagination
Rare	1	Up to 2% chance of occurring in next 12 months Could occur once every 50 or more years Less than 10-% chance of occurring in next 5 years Will only occur in exceptional circumstances

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	CONSEQUENCE				
	1	2	3	4	5
	Less than minor	Minor	Moderate	Major	Extreme
Financial	Financial impact of less than \$30,000	Financial impact of between \$30,000 and \$250,000	Financial impact of between \$250,000 and \$1 million	Financial impact of between \$1 million and \$5 million	Financial impact of more than \$5 million
		Financial impact of between 1% and 2% of the Council's total opex	Financial impact of between 2% and 5% of the Council's total opex	Financial impact of between 5% and 10% of the Council's total opex	Financial impact of more than 10% of the Council's total opex
Achievement of the Vision and Community Outcomes	No impact on the Vision and Community Outcomes	Inconvenience or delay in achieving the Vision and Community Outcomes	Significant difficulty introduced to a achievement of the Vision and Community Outcomes	Failure to achieve a specific Community Outcome	Failure to achieve multiple Community Outcomes
			Lost opportunity to contribute positively to one or more of the Vision and Community Outcomes	Lost opportunity to significantly advance a specific Community Outcome	Lost opportunity to significantly advance multiple Community Outcomes
Health and Safety	Minor injury, first aid not required	First aid or minor treatment	Medical treatment required	Serious harm, for example broken bones, hospitalisation	Loss of life; multiple serious harms; permanent severe disability
Service delivery to community	Short-term reduction in service delivery which is easily restored and does not compromise the community's health and wellbeing	Reduced service delivery that does not compromise the community's health and wellbeing	Key service not available to some of the community for ten hours or more	Key service not available to a significant portion of the community for two days or more	Key service not available to a large proportion of the community for one week or more
			Continued service degradation for two days or more	Continued severe service degradation for one week or more	Continued severe service degradation for one month or more
Organisational capability and capacity	Temporary problem with organisational capability resulting in no impact on external service delivery	Loss of organisational capability in some areas resulting in sub-optimal support to external delivery activities	Organisation unable to function for less than 10 hours	Organisation unable to function for more than 10 hours	Organisation unable to function for more than two days
			Serious reduction in organisational capability for one week or more	Serious reduction in organisational capability for two weeks or more	Serious reduction in organisational capability for one month or more
Reputational	Negative feedback from individuals	Short-term loss of confidence among small sections of the community	Short-term and manageable loss of community confidence	Loss of community confidence requiring significant time to remedy	Insurmountable loss of community confidence
	Short-term 'letters to the editor' (or online equivalent) commentary	Regional adverse political or media comment for one or two days	Regional adverse political or media comment for more than two days	National adverse political or media comment for more than two days	National adverse political or media comment for more than one week
		Sustained 'letters to the editor' (or online equivalent) commentary in usual sources	Significant social media commentary or campaign from new sources	Regional adverse political or media comment for more than one week	Requirement for (televised) public apology or defence
				Requirement for (televised) public explanation	Adverse comments or questions in Parliament
Legislative / regulatory compliance	One-off minor regulatory or legislative non-compliance with no direct impact on the community's health or wellbeing	One-off minor regulatory or legislative non-compliance with potential impact on the community's health or wellbeing	Complaint to the Ombudsman, Auditor-General or other statutory office	Significant breach or non-compliance, or multiple breaches or non-compliances, resulting in regulatory action and/or restrictions on Council activities	Court proceeding or criminal action for breach or non-compliance; potential for imprisonment of elected member or staff
			Multiple related minor non-compliances due to an underlying systemic issue		Judicial review on a matter of rates or other funding, or on a matter with significant financial impact
			Significant breach or non-compliance resulting in regulatory scrutiny		

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