

MINUTES



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MEMBERSHIP: Bruce Robertson (Independent Chair), Her Worship the Mayor Rehette Stoltz, Colin Alder, Andy Cranston, Tony Robinson, Rob Telfer and Josh Wharehinga

MINUTES of the **AUDIT & RISK/ĀRAI TŪRARU ME TE TĀTARI KAUTE** Committee

Held in Te Ruma Kaunihera (Council Meeting Room), Awarua, Fitzherbert Street, Gisborne on Wednesday 17 May 2023 at 9:00AM.

PRESENT:

Bruce Robertson (Independent Chair), Her Worship the Mayor Rehette Stoltz, Colin Alder, Tony Robinson, Rob Telfer, and Josh Wharehinga.

IN ATTENDANCE:

Chief Executive Nedine Thatcher Swann, Director Lifelines David Wilson, Director Internal Partnerships James Baty, Chief Financial Officer Pauline Foreman, Chief of Strategy & Science Jo Noble, Risk & Performance Manager Steve Breen, Risk Advisor Daniel Haverty, Senior Procurement Advisor Andrew Haughey, Senior Legal Counsel Jacinta Bowe, Health & Safety Manager David Wilkinson, Democracy & Support Services Manager Heather Kohn and Committee Secretary Jill Simpson.

Secretarial Note: Te Kai Arataki-Tuia Whakapakari Gene Takurua attended the meeting via audio visual link.

The meeting commenced with a karakia.

1. **Apologies**

MOVED by Cr Stoltz, seconded by Cr Robinson
That the apology from Cr Cranston be sustained.

CARRIED

2. **Declarations of Interest**

There were no interests declared.

3. **Confirmation of non-confidential Minutes**

3.1 **Confirmation of non-confidential Minutes 15 March 2023**

MOVED by Bruce Robertson, seconded by Cr Stoltz
That the Minutes of 15 March 2023 be accepted.

CARRIED

4. **Leave of Absence**

There were no leaves of absence.

5. Acknowledgements and Tributes

Councillors acknowledged Wellington City regarding the challenges they are facing around the Loafers Lodge fire. Councillors paused, reflected and acknowledged Mayor Tory Whanau of Wellington City during this time of hardship.

6. Public Input and Petitions

There were no public input or petitions.

7. Extraordinary Business

There was no extraordinary business.

8. Notices of Motion

There were no notices of motion.

9. Adjourned Business

There was no adjourned business.

10. Reports of the Chief Executive and Staff for INFORMATION

10.1 23-70 Council's Strategic Risk Management Report

Risk & Performance Manager Steve Breen and Risk Advisor Daniel Haverty attended and answered questions of clarification:

- Preliminary estimates are available with regard to cyclone recovery costs, however there are still a lot of unknowns eg what is not covered by insurance, what is the FAR rate from Waka Kotahi. Assumptions will be made regarding the 2023/24 Annual Plan.
- The Emergency Management Bill considers Orders in Council. Council is looking for a 3-year unaudited plan focusing on Recovery. Hoping to follow the same process as Christchurch City Council following the earthquake event.
- How much of the Annual Plan will be certain versus uncertain in terms of Council's Financial Strategy? Council is preparing an Annual Plan without the full knowns eg central government funding and the FAR rate. One of the big assumptions will be \$65m for the roading network to be repaired. In the last financial year Council has experienced several weather events and it is expected that another event will happen in the next Annual Plan cycle and the risk is around the impact it will have on that financial year.
- Council's actual debt will be approximately \$148m. It was assumed that Year 3 would be \$145m so has increased by \$3m however still within Council threshold.
- Council's focus for the short term is recovery and for the longer term is the 3 year plan and this will look at the levels of service.
- Councillors will be provided with the status of our internal audit programme and assurance at the meeting on 14 September 2023.

MOVED by Cr Robinson, seconded by Cr Wharehinga

That the Audit & Risk/Ārai Tūraru me te Tātari Kaute Committee:

1. Notes the contents of this report.

CARRIED

10.2 23-83 Insurance Update

Senior Procurement Advisor Andrew Haughey attended and answered points of clarification:

- The report is about the assets that are insured. Our roads are not insured.
- In each event Council has a deductible limit of \$1.5m. The upper limit paid out in any one event is \$250m and because we belong to BOPLass the maximum payout for that group is \$500m. It is possible that the \$250m cover would be reduced in the event of a BOPLass wide significant event which topped \$500m.
- The \$250m which we are proposing to increase to \$293m is the maximum probable loss.
- 1 November 2023 is when the next cover comes into effect. Metrics will be updated and factored into pricing for 2023/24.
- \$250m is the gross amount and of that \$250m NEMA will be providing 60% with the insurance company providing 40%.

MOVED by Cr Stoltz, seconded by Cr Wharehinga

That the Audit & Risk/Ārai Tūraru me te Tātari Kaute Committee:

1. Notes the contents of this report.

CARRIED

10.3 23-96 Health & Safety

Health & Safety Manager David Wilkinson attended.

Questions of clarification included:

- Staff are aware of emerging risks or potential emerging risks and are always looking at new innovations and what is happening in the workplace.
- Prior to the recent elections staff attended a Local Government New Zealand (LGNZ) webinar which covered off terrorism and extremism. There is no anecdotal evidence to suggest anything is happening in Gisborne however it is kept on the low radar. Conversations with the Police are regular and informative.
- Comms teams are actively censoring rude and objectionable posts on social media and the effect it has on staff is also being monitored. Should it be warranted some issues are referred to the Police.
- The Chief Executive and Director Internal Partnerships met with the Government Communications Security Bureau who outlined the work they are undertaking to monitor behaviour in the community.
- The Police are part of the Coordinating Executive Group which gives a leadership-to-leadership opportunity to communicate on a regular basis.
- In terms of internal communications, filters are in place and monitored from an IT perspective.
- An internal review is being undertaken around security protocols and extends to not only the internet or cyber security space but to the front desk area and ensuring we practice lockdown procedures etc.
- Will be meeting with the Corporate Significant Interest Group and discussing the increasing rate of frontline abuse which is a national issue.

- Important that staff understand that Council has policies and protocols in place to report abuse and they will be protected.
- Council also has a hotline which provides staff the opportunity to speak up.
- Through the BOPLass agreement Council is paying a reasonable fee for Damstra and it amounts to approximately \$7k per annum for the software programme. Damstra also gives Council the ability to have apps for staff to use outside of work which has increased the reporting.
- Road signs are put in place to keep our people safe and we are still having incidences of near misses and fatalities across the country. Council is looking at sites where we know people keep messing with the road cones, changing layouts or cones disappearing and have approval to install more permanent signage in these areas. Staff monitor traffic management across the district. The signs and cones are there for a reason and as part of the network inspection staff take away the ones not necessary. There is also a Traffic Manager who checks and audits sites as well.
- Indications are there is a heightened risk environment for our contractors. Overlapping duties is significant under Section 34 of the Act. The personnel on a work site are primarily driven by the contractors', but staff members undergo frequent evaluations. The crucial aspect is ensuring and validating site visits to ascertain that the actual work aligns with the documented paperwork. As part of Contractor Management discussions are held regarding how contractors are managing stress and fatigue in addition to the risks involved in the work they are doing.

MOVED by Cr Robinson, seconded by Cr Telfer

That the Audit & Risk/Ārai Tūraru me te Tātari Kaute Committee:

1. Notes the contents of this report.

CARRIED

11. Public Excluded Business

Secretarial Note: These Minutes include a public excluded section. They have been separated for receipt in Section 11 Public Excluded Business of Council.

12. READMITTANCE OF THE PUBLIC

MOVED by Bruce Robertson, seconded by Cr Wharehinga

That:

1. The Audit & Risk Committee re-admits the public.

CARRIED

13. Close of Meeting

There being no further business, the meeting concluded at 12.03pm.

Bruce Robertson

INDEPENDENT CHAIR