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## Strategic Risk & Assurance Committee

### OPEN MINUTES

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Minutes of a meeting of the Strategic Risk & Assurance Committee held in Committee Room 1, Municipal Building, Garden Place, Hamilton on Wednesday 11 December 2019 at 12.43pm.

#### PRESENT

**Chairperson:** Keiran Horne - External appointee  
**Deputy Chairperson:** Bruce Robertson - External appointee  
**Membership:** Mayor Paula Southgate  
Cr Rob Pascoe  
Cr Dave Macpherson

**In Attendance:** Cr Ewan Wilson  
Cr Kesh Naidoo-Rauf  
Cr Maxine van Oosten

Richard Briggs – Chief Executive  
David Bryant – General Manager Corporate  
Lance Vervoort – General Manager Community  
Sean Murray – General Manager Venues, Tourism and Major Events  
Jen Baird – General Manager City Growth  
Chris Allen – General Manager Development  
Eeva-Liisa Wright – General Manager Infrastructure Operations  
Tracey Musty – Financial Controller  
Dan Finn – People, Safety and Wellness Manager  
Karin Barclay – Safety Engagement Lead  
Marie Porter – City Waters Manager  
Mothla Majeed – Legal Services Manager  
Mark Wagstaff – Health and safety Assurance Lead  
Morva Kaye – Internal Auditor  
Kelvin Powell – City Safe Unit Manager  
Andre Chatfield – Risk and Assurance Manager  
Jason Harrison – Special Projects Manager

Aaron Steele – Pricewaterhouse Cooper Representative  
Matt White – Pricewaterhouse Cooper Representatives

**Governance Staff:** Rebecca Watson – Committee Advisor

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**1. Apologies**

**Resolved:** (Ms Horne/Cr Pascoe)

That the apologies for absence from Crs O'Leary, Bunting and Maangai Maaori Takiari-Brame, and for lateness from Mayor Southgate and Cr Macpherson are accepted.

**2. Confirmation of Agenda**

**Resolved:** (Ms Horne/Mr Robertson)

That the agenda is confirmed, noting that Item 8 (*Hamilton City Council Civil Defence Emergency Management Capability Assessment Report 2019*) is to be taken after Item 5 (*Chief Executive Report – Verbal Update*) to accommodate staff availability.

**3. Declarations of Interest**

No members of the Committee declared a Conflict of Interest.

**4. Public Forum**

No members of the public wished to speak.

**5. Chief Executive Report - Verbal Update**

The CE and Chair spoke to the new name of the Committee, noting that the change was to focus the committee on the strategic level of risk and assurance for the Council.

**Resolved:** (Ms Horne/Cr Pascoe)

That the Strategic Risk and Assurance Committee receives the verbal report.

**6. Hamilton City Council Civil Defence Emergency Management Capability Assessment Report 2019**

The City Safe Unit Manager was thanked by the Chair for taking the time from a busy period of supporting the families of the recent Whakaari disaster to present.

The City Safe Unit Manager provided members with the background of the work undertaken to get the civil defence response to the level that it is now within the organisation.

Committee Members asked questions concerning:

- scores contained within the report;
- use of external consultants;
- confidence levels with civil defence response;
- research into hazard landscape, particularly fault lines; and
- top priorities for improvement.

**Resolved:** (Cr Horne/Cr Pascoe)

That the Strategic Risk and Assurance Committee receives the report.

**7. Safety and Wellbeing Report - 1 August 2019 to 30 October 2019**

The People Safety and Wellness Manager spoke to the report, noting that the annual employee survey had been recently completed.

The Health and Safety Assurance Lead outlined recent notifiable events and the process followed

by staff during these events.

Committee Members asked questions concerning:

- investigation outcomes;
- reporting of trends in incidents;
- staff reporting;
- contract terms, pre qualifications, planning and auditing for contractors;
- reporting periods for bullying and harassment; and
- reporting of mental health/psycho-social statistics.

**Resolved:** (Ms Horne/Cr Macpherson)

That the Strategic Audit and Risk Committee receives the report.

*Mayor Southgate joined the meeting (1.30pm) during the above item. She was present when the matter was voted on.*

## **8. Risk Management Report**

The Legal Services Manager spoke to the report, noting that the residual risk ratings had remained at the same level as last reported and that work continues to be completed to lessen the risk levels to Council.

Committee Members asked questions concerning:

- inclusion of water quality and adequacy in emerging risks;
- mitigation of risks;
- growth as a strategic risk;
- accuracy of data;
- freight and commuter rail; and
- financial resilience.

**Resolved:** (Ms Horne/Cr Macpherson)

That the Strategic Risk and Assurance Committee receives the report.

## **9. Insurance Report**

The Risk and Insurance Manager introduced representatives from Aon NZ, and noted financial savings which had been achieved through the insurance portfolio.

Committee Members asked questions concerning:

- personal liability insurance costs;
- levels and terms of cover;
- budget savings; and
- claims history during the last financial year.

**Resolved:** (Ms Horne/Mr Robertson)

That the Strategic Risk and Assurance Committee receives the report.

## 10. 2019/20 Internal Audit Update PwC

The Financial Controller and representatives from Pricewaterhouse Cooper provided an overview of the asset management and operating expenditure and capital project delivery.

Committee Members asked questions concerning:

- consistency of approach across staff, particularly for business cases;
- measures or support required for improvement;
- methodologies for whole of life approach to business cases; and
- timeframes and process for implementation of improvement.

**Resolved:** (Ms Horne/Mr Robertson)

That the Strategic Risk and Assurance Committee:

- a) receives the report; and
- b) notes the progress against the Hamilton City Council Internal Audit Plan for PwC.

## 11. Fitch Ratings Credit Rating

The Financial Controller provided an overview of the process undertaken by Fitch to develop the credit rating. She noted that Council had been removed off negative watch rating and had maintained their credit rating.

The General Manager Corporate identified that the use of Fitch for Council's rating was being reviewed and possible alternatives were being considered.

**Staff Action:** *Staff undertook to investigate whether the Council was in fact able to issue their own bonds or if there was an error in the report.*

**Resolved:** (Ms Horne/Cr Macpherson)

That the Strategic Risk and Assurance Committee receives the report.

## 12. Audit NZ Final Management Report June 2019

The Financial Controller outlined the audit process undertaken to date, noting that a number of audit points have been able to be removed as a result of the work completed by staff.

The Chair congratulated the Financial Controller and her team for the work undertaken to clear the audit points.

Committee Members asked questions concerning;

- the issuing of consents;
- the audit process moving forward for the new financial system; and
- what processes were being put into place to mitigate any manual processes that may be required.

**Resolved:** (Ms Horne/Cr Pascoe)

That the Strategic Risk and Assurance Committee receives the report.

**13. Organisational Improvement Register - 30 November 2019**

The Financial Controller provided an overview of the report, noting that it was only urgent items which were raised to the committee level, and as a result there was only one item reported currently.

**Resolved:** (Ms Horne/Mr Robertson)

That the Strategic Risk and Assurance Committee receives the report.

**14. Resolution to Exclude the Public**

**Resolved:** (Ms Horne/Cr Pascoe)

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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 follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. 2019/20 Internal Audit Update to 30 November 2019	) Good reason to withhold information exists under Section 7 Local Government	Section 48(1)(a)
C2. Fraud and Protected Disclosures Update	) Official Information and Meetings Act 1987	
C3. Cyber Risks/Issues - Verbal Report	)	
C4. Verbal Update on any Legal Issues and/or Risks		

This resolution is made in reliance on section 48(1)(a) 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, as follows:

Item C1. to prevent the disclosure or use of official information for improper gain or improper advantage Section 7 (2) (j)

Item C2.	to protect information which is subject to an obligation of confidence and disclosure would likely prejudice continual supply of similar information where it is in the public interest for that information to continue to be available	Section 7 (2) (c) (i) Section 7 (2) (c) (ii)
Item C3.	to protect information which is subject to an obligation of confidence where disclosure would likely damage the public interest	
	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C4.	to maintain legal professional privilege	Section 7 (2) (g)

**The meeting went into a public excluded session at 2.35pm.**

**The meeting was declared closed at 3.20pm.**