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Committee Council
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Report on the Risk and Assurance Committee meeting, 7 May 2014

1. Purpose

To inform the Council of the Risk and Assurance Committee (the Committee) meeting of 7 May 2014.

2. Reports

2.1 Quarterly review for the period ended 31 March 2014

The Committee discussed the quarterly review for the period ended 31 March 2014. This included the quarterly reviews from People and Capability, Finance and Support – ICT, and Strategy and Community Engagement – Communications.

The Committee noted the following points in relation to the quarterly review:

- Welly WiFi is a positive initiative. Officers should ensure that the success of this initiative is publicised.
- ICT is continuing to develop the organisation's ability to hold meetings via video conferencing. It was noted that the Local Government Act 2002 Amendment Bill (No 3) provided for Council and committee meetings to be held via video conferencing in certain circumstances.
- The Go Smart vehicle purchasing policy has been reviewed and updated with an aim to increase fuel efficiency. GPS is being installed in all vehicles, allowing the organisation to immediately locate all vehicles.
- Use of the Regional Council Centre (RCC) for storage and parking should cease.

- The price of diesel has decreased. The proportion of diesel in the index, under which we pay the service providers, is approximately 15%, which leaves the organisation with a relatively small risk exposure.
- After the contract for the new Matangi trains was signed the interest rates increased significantly. Despite this the average hedge rate for 53% of the peak debt for the new trains is hedged at 4.89% base rate for a weighted average period of 4.9 years.
- The Local Government Funding Agency is performing well.
- CentrePort has advised Port Investments Limited that it is considering separating its port and property operations.
- The year-end forecast is for a \$12.79 million forecast which is \$120,000 unfavourable to a budget of \$12.79 million. Treasury is performing well. The interest rate on debt has remained steady at around 4% since June 2009; this rate is expected to increase as interest rates rise.
- The Committee received an update on the progress of the Health and Safety Reform Bill. The Bill is being considered by the Transport and Industrial Relations Committee. Officers prepared a submission on the Bill.
- The Committee noted that an increase had been achieved in the percentage of residents surveyed satisfied that they have the opportunity to participate in decision-making. The Committee noted that they would be interested to see how the Council compared with other regional councils.
- Air-conditioning at Shed 39 was discussed. On-going issues related to air-conditioning are being addressed by officers.
- The integration of water services project was discussed. The project is still in the process of being developed; a final decision on the proposal is yet to be reached. The Committee noted that in the event that water services were integrated, privatisation would not result.
- The Parks Department worker spray deck, a staff driven initiative, has been entered into two health and safety awards.
- A savings of \$39,000 had been achieved through a change in order paper management.

Officers were thanked for producing a very detailed quarterly report.

2.2 Audit management report for the year ended 30 June 2013

Each year the auditors prepare a management report following the audit. The draft management report for 2012/13 with management comments was presented to the Committee.

The Committee discussed the comments raised by the auditors.

It was noted that all significant misstatements and disclosures have been corrected.

2.3 Risk report

The Committee was presented with a new detailed High Level Risk Category report, which provides a summary of risk areas of concern. The reported risks are only those with high and medium level residual risk scores (or the small number, which have a low score, but officers consider should be reported for completeness). The Committee discussed the risk areas and noted that the risks were listed in this report according to primary risk. The Committee accepted the risk categories.

The Committee was advised that risk reporting was proving to be a useful tool for the organisation.

2.4 Environment Management Group presentation

Sue Nelson, Manager, Environmental Support and Mike Pryce, Harbour Master gave a powerpoint presentation on risk management within the Harbours and Hydrology (flood warning) areas of the Environment Management Group. The presentation addressed risks within the Harbours and Hydrology areas, and looked at the measures in place for managing these risks.

3. The decision-making process and significance

No decision is being sought in this report.

4. Recommendations

That the Council:

1. ***Receives the report.***
2. ***Notes the content of the report.***

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