

Committee Members

Chair: Frank Dooley
Cr Andy Campbell
Cr Brett Cummings

Cr Peter Haddock
Cr Peter Ewen
Cr Mark McIntyre



WEST COAST
REGIONAL COUNCIL

PUBLIC COPY

Meeting of Risk and Assurance Committee
(Te Huinga Tu)

Tuesday, 19 November 2024

10:30am

West Coast Regional Council Chambers, 388 Main South Road,

Greymouth

and

Live Streamed via Council's Facebook Page:

<https://www.facebook.com/WestCoastRegionalCouncil>

Risk and Assurance Committee Meeting

(Te Huinga Tu)

AGENDA

(Rarangi Take)

	Pg No.
1. Welcome (<i>Haere mai</i>)	
2. Apologies (<i>Ngā Pa Pouri</i>)	
3. Declarations of Interest	
4. Public Forum, Petitions and Deputations (<i>He Huinga tuku korero</i>)	
5. Confirmation of Minutes (<i>Whakau korero</i>)	1
5.1 Minutes of Risk and Assurance Committee Meeting 27 August 2024 Matters Arising	2
6. Actions List	11
7. Chairs Report (verbal update)	
8. General Business	

PUBLIC EXCLUDED BUSINESS

9. Confirmation of Public Excluded Minutes

- 9.1** Minutes of Risk and Assurance Committee Meeting
27 August 2024
Matters arising

10. Actions List

11. Reports

- 11.1** Health and Safety Report
 - 11.1.1** *Chart showing the EROAD notified speeding events from 1 January 2023 to 31 October 2024*
 - 11.1.2** *Significant and "Open" Incidents for the last quarter*

- 11.2** Risk Summary Report
 - 11.2.1** *Top Level Risks*
 - 11.2.2 to 11.2.9** *Risk Detail Reports (x8)*

- 11.3** Riskpool Update

- 11.4** Insurance Update
 - 11.4.1** *WCRC Infrastructure Insurance Renewal email 28 October 2024*
 - 11.4.2** *South Island Insurance Collective meeting minutes 8 November 2024*
 - 11.4.3** *Section 8 - Asset Listing for the 2024-25 Infrastructure Insurance Renewal – Final version*
 - 11.4.4** *WCRC Insurance Update email 31 October 2024*
 - 11.4.5** *DRAFT WCRC Premium Summary and Comparison 2024*
 - 11.4.6** *WCRC Statement of Fact – Cyber Insurance 2024/25*
 - 11.4.7** *South Island Insurance Collective Insurance renewal for 2024-25 update 1 November 2024*

11.5 Quarterly Whistleblower Report

11.5.1 *WCRC Quarterly Report on Whistleblower Services provided by PwC 1 July 2024 to 30 September 2024*

11.5.2 *Email from Rasela Barrow on behalf of Darryl Lew (WCRC CEO) on 5th November 2024 titled "Whistleblower External Call Line Service"*

D. Lew
Chief Executive

Purpose of Local Government

The reports contained in this agenda address the requirements of the Local Government Act 2002 in relation to decision making. Unless otherwise stated, the recommended option promotes the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Health and Safety Emergency Procedure

In the event of an emergency, please exit through the emergency door in the Council Chambers.

If you require assistance to exit, please see a staff member. Once you reach the bottom of the stairs make your way to the assembly point at the grassed area at the front of the building. Staff will guide you to an alternative route if necessary.

5 Minutes of Risk and Assurance Committee Meeting 27 August 2024

Author Sarah Tripathi, Governance Advisor

Authorizer

Public Excluded No

Report Purpose

The purpose of this report is to receive the minutes of the Risk and Assurance Committee meeting of 27 August 2024.

Recommendations

It is recommended that Committee resolves to:

1. *Confirm that the minutes of the Risk and Assurance Committee meeting held on 27 August 2024 are a true and correct record.*

Attachments

Attachment 1: Minutes of the Risk and Assurance Committee meeting held on 27 August 2024.

THE WEST COAST REGIONAL COUNCIL

MINUTES OF THE RISK & ASSURANCE COMMITTEE MEETING HELD ON 27 AUGUST 2024 AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL 388 MAIN SOUTH ROAD, GREYMOOUTH COMMENCING AT 9.35AM

PRESENT: F. Dooley (Chair), P. Haddock, A. Campbell, P. Ewen, B. Cummings, M. McIntyre

IN ATTENDANCE: D. Lew (Chief Executive), A. Pendergrast (Acting Corporate Services Manager), C. Mills (Project Accountant), J. Field (Group Manager Office of the Chief Executive), S. Morgan (Acting Infrastructure Manager), R. Kemper (Group Manager – Council Business Unit), S. Genery (Principal Planning & Reporting Officer), C. Barnes (Manager Compliance), S. May (Manager Consents), B. Keily (Group Manager Information Services), T. Hopkins (Group Manager – Catchment Management), S. Tripathi (Governance Advisor), T. Wyndham-Smith (Principal Communications & Engagement Advisor), R. Barrow (Executive Assistant (via Zoom)), T. Phillips (Executive Director – JB Were)

1. WELCOME

The Chair welcomed everyone to the meeting and invited the Council Chair to commence the meeting with a prayer.

The Chair noted that JB Were will join the meeting at 10.30am for agenda item 8.3, auditors will join the meeting at 1.30pm for agenda item 12.4 and Bancorp will join the meeting at 1.00pm for the agenda item 12.8.

The Chair noted that Cr Cummings was enroute to the meeting, and his lateness would be formally recorded.

2. APOLOGIES

The Chair called for apologies. There were none.

3. DECLARATIONS OF INTEREST

The Chair called for any declarations of interest. There were none.

4. PUBLIC FORUM, PETITIONS, AND DEPUTATIONS

There were no public forums or deputations.

5. MINUTES

The Chair called for any corrections to the minutes of the previous meeting held on 14 May 2024. There were none.

MOVED (Haddock/ McIntyre) *that the minutes of the meeting of 14 May 2024 be confirmed as true and correct.*

Carried

MATTERS ARISING

There were none.

6. ACTIONS LIST

The actions list was discussed and updated as below –

- Item 1 – To be deleted as this item has been superseded by work now being undertaken in the Operations Committee.
- Item 2 – Ongoing.
- Item 3 – Completed. To be deleted.
- Item 4 – Completed. To be deleted.
- Item 5 – Completed. To be deleted.
- Item 6 – Completed. To be deleted.
- Item 7 – Ongoing.

MOVED (Ewen/Campbell) *that the Committee receives the Actions List for information.*

Carried

Cr Cummings joined the meeting at 9.40am.

7. CHAIR'S REPORT (Verbal Update)

The Chair presented his report, highlighting positive advancements within the Corporate Services sector of the Council since the previous meeting on 14 May 2024. He noted that the adoption of management's recommendations for system improvements marked a significant milestone. While describing the

recommendations and timelines as ambitious, he stressed that their completion would position the council well to meet its future statutory obligations.

The Chair expressed appreciation for the quality of the agenda papers and recommendations.

The improvements in the executive leadership team were praised, with the quality of the papers highlighted as a testament to the calibre of staff recruited. It was noted that these papers were among the best seen in over 16 years on the Council.

MOVED (Ewen/McIntyre) *that the Chair's report be received.*

Carried

8. REPORT

8.1 Non-financial Performance Report for the Period-Ended 30 June 2024

S Genery presented the non-financial performance report for the period ended 30 June 2024.

It was noted that this would be the final year for reporting against the current set of measures, as the measures for the next Long-term Plan would differ significantly. It was explained that the current measures set a high standard for success, with most requiring 100% achievement; therefore, failing to meet even one target results in a "not achieved" status for the entire measure.

It was noted that auditors would focus more closely on non-financial performance this year, but confidence was expressed in the Council's ability to support their understanding.

The performance discussed in the meeting was acknowledged as subject to audit, with the annual report scheduled for completion by the end of October. Following this, S Genery invited his Senior Leadership Team colleagues to present on their respective areas of the report.

Key discussions –

- J Field reviewed the regional leadership and community resilience sections.
 - Results for regional leadership were generally positive, with good Councillor attendance at meetings.
 - The measure to upload council and committee minutes to the website within six weeks was not achieved because staff waited for ratification before posting.
 - In terms of community resilience:

- Good progress was reported in Civil Defence, including a review of the group plan and enhanced training for Regional Council staff to improve response capability.
- Concerns were raised about Long-term staffing constraints affecting the Council's ability to respond to large events.
 - Significant work on business continuity planning, especially in IT, has been done, but a complete plan has not yet been compiled, resulting in the measure not being met.
- A Pendergrast addressed regional planning performance measures, acknowledging that resourcing issues had affected the original metrics but assured that work delivery is now progressing well, with auditor engagement expected by mid-next month.
- S Morgan reported success in most environmental monitoring measures, including water quality in West Coast rivers, macroinvertebrate monitoring, and groundwater quality.
 - The only unachieved measure was the trophic level index of Lake Brunner, which Morgan attributed to wording errors in the annual plan rather than concerns about the lake's water quality.

The Councillors acknowledged the comprehensive nature of the report, and the improvements made in reporting processes. They also recognised the need to review some measures and potentially adjust them to provide a more accurate representation of council performance in future reports.

It was noted that S Genery will provide a list of new (2024 - 2034) performance measures to the Councillors.

MOVED (McIntyre/ Ewen) *that the Committee –*

1. *Receives the report.*
2. *Consider the commentary provided on non-financial performance achieved for the period 1 July 2023 to 30 June 2024.*
3. *Consider whether additional performance measures are required for effective governance moving forward.*

Carried

8.2 **Investments and Borrowings Report**

There was no discussion regarding this agenda item.

MOVED (Ewen/ Cummings) *that the Committee receives the report.*

Carried

8.3 WCRC Investments Portfolio Update

Tom Phillips from JB Were presented an update on the Council's investment portfolio performance. The portfolio's performance for the 12 months ending 30 June 2024 achieved a return of 9.52%, surpassing the benchmark of 8.77%. Offshore equities were the top performer, with a nearly 19% gain, while New Zealand bonds also delivered strong results, rising over 7%. Since inception, the portfolio had returned 41%, outperforming the benchmark return of 37%.

The current portfolio positioning was discussed, with a slight overweight to defensive assets (55.4% vs 50% benchmark) and underweight to growth assets (45% vs 50% benchmark). T Hopkins noted they have deliberately overweighted domestic fixed interest and increased duration to take advantage of higher interest rates.

Key points discussed included:

- Inflation is no longer a major focus, with most countries heading back towards target levels.
- The US economy is slowing but not deteriorating, with unemployment starting to tick higher.
- The upcoming US election is too close to call, with potential impacts on tax policy and spending.
- Australia's inflation remains stubbornly high at around 4%, partly due to not raising interest rates as aggressively as other countries.
- The RBNZ is expected to cut rates aggressively, potentially reaching 3% by late 2026 or earlier.

T Hopkins recommended slowly increasing New Zealand equities and reducing Australian equities exposure. He also suggested putting half of the Catastrophe Fund (approximately \$500,000) into a term deposit to earn a higher rate, which was agreed to by the Committee.

The Committee also discussed the challenging economic conditions in New Zealand, with rising power and insurance costs. However, it was noted the new government appears focused on stimulating the economy through fast-tracked projects.

The Committee expressed appreciation for JB Were's performance over the past 12 months and looked forward to continuing strong results in the coming year.

MOVED (Ewen/Campbell) *that the Committee receives the report and notes the attachment.*

8.4 Local Government Official Information and Meetings Act 1987 – Summary of Information Requests

J Field spoke to the report and noted that there had been an increase in both the number and complexity of the LGOIMA requests received by the Council. Some requests were straightforward, while others required more detailed responses.

It was highlighted that the Council currently lacks in-house specialists to handle LGOIMA requests and continues to contract Toni Morrison on a month-to-month basis for support. The need to consider how the Council approaches the requests given the increasing workload was emphasised.

The Committee discussed the various types of LGOIMA requests received and noted that many requests seemed to be standard queries sent to multiple councils across New Zealand.

A verbal update was provided on a recent Ombudsman complaint regarding a delayed response to a LGOIMA request. The request, received on 29 December 2023, was misplaced during the Council's shutdown and not recovered until July 2024. The Council acknowledged the failure to meet its obligations and has implemented measures to prevent future occurrences, including having the LGOIMA coordinator monitor all incoming emails to the information email line.

Concerns were raised about the rising cost of processing LGOIMA requests, estimated to exceed \$150,000 annually, including staff time. It was suggested that more cost-effective methods of delivering this service be explored, with the possibility of introducing charges for certain types of requests.

Discussion ensued about potential ways to manage the costs associated with LGOIMA requests, including the possibility of implementing charges for certain types of requests. However, caution was expressed about potential negative impacts on media relations and transparency.

The Chair requested a paper analysing the costs of handling LGOIMA requests and exploring more cost-effective approaches.

MOVED (McIntyre/ Cummings) *that the Committee –*

- 1. Receives the report; and*

2. Note the requests for information received under the Local Government Official Information and Meetings Act 1987.

Carried

9. General Business

There was none.

PUBLIC EXCLUDED ITEMS

Moved (Haddock/ Ewen) that

1. the public be excluded from the following parts of the proceedings of this meeting, namely – agenda items **10, 11 and 12** (all inclusive); and

Agenda Item No.	General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 7 of LGOIMA for the passing of this resolution
10	Confidential Minutes Risk and Assurance Meeting – 14 May 2024	The item contains information relating to privacy and security matters.	To protect private information and to prevent disclosure of information for improper gain or advantage (s7(2)(a) and s7(2)(j)).
11	Actions List	The item contains information relating to privacy and security matters.	To protect private information and to prevent disclosure of information for improper gain or advantage (s7(2)(a) and s7(2)(j)).
12.1	Health and Safety Report	The item contains information relating to privacy and security matters.	To protect private information and to prevent disclosure of information for improper gain or advantage (s7(2)(a) and s7(2)(j)).
12.2	Risk Summary Report	The item contains information relating to security matters.	To prevent disclosure of information for improper gain or advantage (s7(2)(j)).
12.3	Cyber Security Report	The item contains information relating	To protect private information and to

		to privacy and security matters.	prevent disclosure of information for improper gain or advantage (s7(2)(a) and s7(2)(j)).
12.4	Internal Audit Reviews: Rates Setting and Charging Processes, Procurement, Cash Handling, Credit Card/ Fuel Car Use	The item contains information relating to privacy and security matters.	To protect private information and to prevent disclosure of information for improper gain or advantage (s7(2)(a) and s7(2)(j)).
12.5	Quarterly Whistleblower Report	The item contains information relating to commercial matters	To protect commercial information s7(2)(b)).
12.6	Riskpool Update	The item contains information relating to commercial matters	To protect commercial information s7(2)(b)).
12.7	Insurance Update	The item contains information relating to commercial matters	To protect commercial information s7(2)(b)).
12.8	Quarterly Treasury Report Update	The item contains information relating to commercial matters	To protect commercial information s7(2)(b)).
12.9	Fringe Tax Benefit (FTB) Update	The item contains information relating to commercial matters	To protect commercial information s7(2)(b)).
12.10	2024 Annual Report (Verbal Update)	The item contains information relating to commercial matters	To protect commercial information s7(2)(b)).

2. D Lew, A Pendergrast, C Mills, S Genery, B Keily and J Field be permitted to remain at this meeting after the public have been excluded due to their knowledge of the subjects. This knowledge will be of assistance in relation to the matters to be discussed; and

3. *M O' Connor (Bancorp), E Henshall (KPMG) and J Victor (PwC) be permitted to remain at this meeting after the public have been excluded due to his knowledge of the subject matter; and*
4. *The minutes taker also be permitted to remain.*

The meeting moved into public excluded session at 11.32am.

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Chair

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Date

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Actions List

Author

Sarah Tripathi, Governance Advisors

Authorizer

Darryl Lew, Chief Executive

Public Excluded

No

Report Purpose

This report is a summary of items that require actions.

The responsible managers have updated the list and will address their respective action items.

Recommendations

It is recommended that the Committee resolves to:

1. *Receive the report.*

ACTIONS LIST

Item No.	Date of Meeting	Item	Officer	Update
1.	27 Aug 2024	To present the paper on the next year internal audit program schedule.	Acting Corporate Services Manager	Ongoing. An update will be provided on the day of the meeting.
2.	27 Aug 2024	Restructure of Council Committees and Corporate Structure by 1 July 2024.	CE/ Group Manager Office of the CE	Ongoing.
3.	27 Aug 2024	To provide a list of new (2024 – 2034) performance measures to the Councillors.	Principal Planning & Reporting Officer	Complete. Presented to the Councillors in Corporate Services Committee meeting of 22 October 2024.
4.	27 Aug 2024	To present a paper analysing the costs of handling LGOIMA requests and exploring more cost-effective approaches (to include details on current arrangements, fees and charges in the new Long-term Plan, and potential strategies for managing LGOIMA requests more efficiently).	Group Manager Office of the CE	Ongoing. This task has been deferred in favour of other priorities because the current system is working well. We will bring it to the Corporate Services Committee in the New Year.

WEST COAST REGIONAL COUNCIL

To: Chair, West Coast Risk and Assurance Committee

*I move that the public be excluded from the following parts of the proceedings of this meeting, namely – **agenda items 9, 10 and 11** (all inclusive); and that*

1. *Darryl Lew, Jo Field, Aaron Pendergrast, Chantel Mills, Peter Miller, and Blair Keily be permitted to remain at this meeting after the public have been excluded due to their knowledge of the subjects. This knowledge will be of assistance in relation to the matters to be discussed;*
2. *David Walker be permitted to remain at this meeting after the public have been excluded due to their knowledge of the subjects; and*
3. *That the minute taker also be permitted to remain.*

Agenda Item No.	General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 7 of LGOIMA for the passing of this resolution
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