

**Absolutely Positively**  
**Wellington City Council**

Me Heke Ki Pōneke

# Ordinary Meeting of Unaunahi Māhirahira | Audit and Risk Committee

## Ngā Meneti | Minutes

9:30am Rāapa Wednesday, 10 Haratua May 2023

Ngake (16.09)

Level 16, Tahiwī

113 The Terrace

Pōneke | Wellington



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## **PRESENT**

Councillor Apanowicz  
Councillor Chung  
Pouiwi Kelly  
Councillor Pannett  
Councillor Randle (Deputy Chair)  
Bruce Robertson (Chair)  
Wendy Venter

## **IN ATTENDANCE**

Deputy Mayor Foon  
Councillor Abdurahman  
Councillor Brown  
Councillor Free  
Councillor Matthews  
Councillor McNulty  
Councillor Calvert  
Councillor Wi Neera

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# 1. Meeting Conduct

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## 1.1 Karakia

The Chairperson declared the hui (meeting) open at 9:33 and read the following karakia to open the meeting.

**Whakataka te hau ki te uru,  
Whakataka te hau ki te tonga.  
Kia mākinakina ki uta,  
Kia mātaratara ki tai.  
E hī ake ana te atākura.  
He tio, he huka, he hauhū.  
Tihei Mauri Ora!**

Cease oh winds of the west  
and of the south  
Let the bracing breezes flow,  
over the land and the sea.  
Let the red-tipped dawn come  
with a sharpened edge, a touch of frost,  
a promise of a glorious day

## 1.2 Apologies

### Recommendation

That the Unaunahi Māhirahira | Audit and Risk Committee:

1. Accept the apologies received from Mayor Whanau for absence, Pouwi Kelly for early departure, Councillor Chung.

## 1.3 Conflict of Interest Declarations

No conflicts of interest were declared.

## 1.4 Confirmation of Minutes

**Moved Bruce Robertson, seconded Liz Kelly**

### Resolved

That the Unaunahi Māhirahira | Audit and Risk Committee:

1. Approves the minutes of the Unaunahi Māhirahira | Audit and Risk Committee Meeting held on 28 February 2023, having been circulated, that they be taken as read and confirmed as an accurate record of that meeting.

**Carried**

## 1.5 Items not on the Agenda

No items not on the Agenda.

## 1.6 Public Participation

No public participation request were received.

## 2. General Business

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(Councillor Chung joined the hui 10:05am)

### 2.1 Assurance and Business Integrity Update and Approval of Workplan 2023/2024

Moved Councillor Randle, seconded Liz Kelly

#### Resolved

That the Unaunahi Māhirahira | Audit and Risk Committee:

- 1) Receive the update on the Assurance & Business Integrity Workplan for 2022-23
- 2) Approve the Assurance & Business Integrity Workplan for 2023-24
- 3) Receive information about the completion of the Elected Member Gifts and Hospitality register.
- 4) Receive the Streetlight Fault Response Review and endorse the recommended actions, including an additional action of early escalation to management, and elected members, of any significant operational risks/issues.

Carried

**Secretarial note:** The hui adjourned for morning tea at 10:24am.

**Secretarial note:** The hui resumed at 10:40am with the following members present: Councillor Apanowicz, Councillor Chung, Pouiwi Kelly, Councillor Pannett, Councillor Randle, Bruce Robertson and Wendy Venter.

(10:57am Pouiwi Kelly left the hui.)

(11:02 Pouiwi Kelly joined the hui.)

### 2.2 Strategic Risks update, Risk Appetite Statements development and approval of the Risk Management Workplan 2023-24

Moved Councillor Randle, seconded Pouiwi Kelly

#### Resolved

That the Unaunahi Māhirahira | Audit and Risk Committee:

- 1) Receive the information
- 2) Approve the Risk Management Workplan for 2023-24
- 3) Agree to recommend the Risk Appetite Statements as set out in clause 16 and 17 to the Council for adoption with the exception of the Statement relating to Environment, and with the following changes:
  - a. Rename 'Staff health and safety' to 'Worker health and safety'.

4) Agree to support future work on expanding the range of Risk Appetite statements at an appropriate time, including after supporting LTP level of service work has been completed (likely Q2 2023-24).

5) Recommend that Te Kaunihera o Pōneke | Council note that the Unaunahi Māhirahira | Audit and Risk Committee wished to take more time to finalise the Risk Appetite Statement relating to Environment, and that those Statements are expected to be recommended from a future meeting of the Committee.

**Carried**

#### **Attachments**

- 1 Strategic Risks update, Risk Appetite Statements development and approval of the Risk Management Workplan 2023-24

### **2.3 Health and Safety Performance Report**

**Moved Councillor Apanowicz, seconded Councillor Pannett**

#### **Resolved**

Officers recommend the following motion

That the Unaunahi Māhirahira | Audit and Risk Committee:

1. Receive the information.

**Carried**

### **2.4 Audit New Zealand Governing Body Report 2021/22**

**Moved Bruce Robertson, seconded Councillor Chung**

#### **Resolved**

That the Unaunahi Māhirahira | Audit and Risk Committee:

1. Receive the information.
2. Note the content of Audit New Zealand's Report to Council for the year ended 30 June 2022.

**Carried**



## **2.5 Wellington City Council and Group 30 June 2023 Year-end Reporting and Audit Considerations**

**Moved Wendy Venter, seconded Councillor Chung**

### **Resolved**

That the Unaunahi Māhirahira | Audit and Risk Committee:

1. Receive the information in this year-end reporting and audit considerations update.

**Carried**

## **2.6 Insurance Renewal Update**

**Moved Pouiwi Kelly, seconded Councillor Chung**

### **Resolved**

That the Unaunahi Māhirahira | Audit and Risk Committee:

1. Receive the information.
2. Note workplan updates.
3. Agree to a verbal update on commercial terms to be presented to the committee during the public excluded portion of the meeting.

**Carried**

(Councillor Chung left the hui 12:27pm.)

(Councillor Calvert left the hui at 12:27pm.)

## **2.7 Forward Programme and workplan update**

**Moved Pouiwi Kelly, seconded Councillor Pannett**

### **Resolved**

That the Unaunahi Māhirahira | Audit and Risk Committee:

1. Receive the information.

**Carried**

## **2.8 Actions Tracking**

**Moved Pouiwi Kelly, seconded Councillor Pannett**

### **Resolved**

That the Unaunahi Māhirahira | Audit and Risk Committee:

1. Receive the information.

**Carried**

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## 2.9 Meeting Duration and Adjournment

**Moved Bruce Robertson, seconded Liz Kelly**

### **Resolved**

That the Unaunahi Māhirahira | Audit and Risk Committee:

1. Extend the meeting beyond six hours, in accordance with standing order 11.7.
2. Adjourn the meeting until 1pm Monday 15 May 2023.

**Carried**

**Secretarial note:** The hui adjourned at 1:34pm.

**Secretarial note:** The hui resumed at 1pm on Monday 15 May 2023 with the following members present: Councillor Apanowicz (via audio visual link), Councillor Randle, Bruce Robertson, Councillor Pannett, Councillor Chung.

### 3. Public Excluded

#### Moved Bruce Robertson, seconded Councillor Randle

#### Resolved

That the Unaunahi Māhirahira | Audit and Risk Committee:

1. Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

General subject of the 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
3.1 Legal and Risk Updates	<p>7(2)(g) The withholding of the information is necessary to maintain legal professional privilege.</p> <p>7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.</p>

**Carried**

The meeting went into public-excluded session at 1.01pm.

The meeting returned from public-excluded session and concluded at 2:46 pm with the reading of the following karakia:

<b>Unuhia, unuhia, unuhia ki te uru tapu nui</b>	Draw on, draw on
<b>Kia wātea, kia māmā, te ngākau, te tinana, te wairua</b>	Draw on the supreme sacredness To clear, to free the heart, the body and the spirit of mankind
<b>I te ara takatū</b>	
<b>Koia rā e Rongo, whakairia ake ki runga</b>	Oh Rongo, above (symbol of peace)
<b>Kia wātea, kia wātea</b>	Let this all be done in unity
<b>Āe rā, kua wātea!</b>	

Authenticated: \_\_\_\_\_  
Chair

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# Ordinary Meeting of Unaunahi Māhirahira | Audit and Risk Committee Minute item attachments

9:30am Wednesday, 10 May 2023  
Ngake (16.09)  
Level 16, Tahiwī  
113 The Terrace  
Wellington

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## Business

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### 2.1 Assurance and Business Integrity Update and Approval of Workplan 2023/2024

1. Strategic Risks update, Risk Appetite Statements development and approval of the Risk Management Workplan 2023-24 2

# WCC Risk Appetite 10 May 2023



Agreeing risk appetite statements for advancement to full Council

# Risk appetite statements: practical application

1. For governors – as a reference to weigh the range of risks associated with decision, and as a guide for evaluating options
1. For officers when describing the types of risks associated in papers briefings and workshops with a project/initiative;
2. As a clear trigger for reporting, monitoring and escalating risks
3. For officers' business Unit planning – as a guide on which work to prioritise, how to balance risks and opportunities, guided by WCC risk culture

## Officers' recommendation

Advance risk appetite statements to the full Council where they will be considered for adoption

- Those with clear majorities – simple risk appetite statements
- Those with clear trends – ranged/combined risk appetite statements

## Officers' recommendation

Based on the results of the in-person workshop and the online survey:

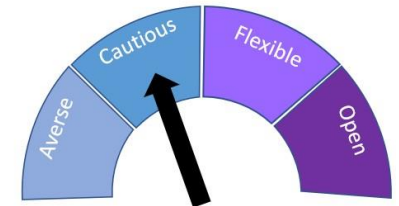
- Five statements have clear majority support
- Five statements show majority support for two adjacent options – trends/ranged statements have been provided



# Majority risk appetite statements

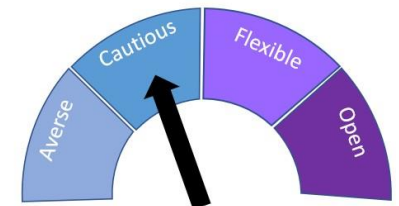
## Staff health and safety

**Cautious** The health and safety of WCC staff is important. We will avoid all preventable risks to staff physical and mental health and safety unless they can be mitigated to minor risks. We will proactively monitor, manage and report health and safety risks in exceedance of legal requirements. All staff will have access to H&S training.



## Transparency and public participation

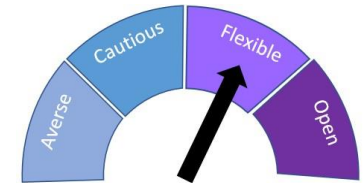
**Cautious** Council governance meetings should be transparent and open to the public, minutes and agendas must be available. Key strategic decisions require effective public participation and consultation. The default position is to share all information but some information will be withheld in specific circumstances and makes use of the public exclusion process



# Majority risk appetite statements

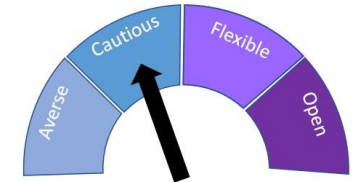
## Reputation and perception

**Flexible** Council acknowledges that Wellingtonians have diverse opinions and that some decisions may be controversial or unpopular and result in negative perceptions of us. Council will engage in good faith with the media



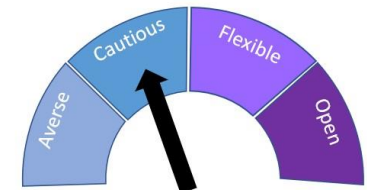
## Private and sensitive data

**Cautious** We won't tolerate intentional release of private or sensitive data or privileged information. We'll follow central government Protective Security Requirements to ensure we prevent unintentional release or malicious attacks on our data



## Strategic partnerships (excluding mana whenua partnership)

**Cautious** WCC recognises the value of partnerships in our work. The council will build partnerships and collaborate to deliver shared benefits and outcomes

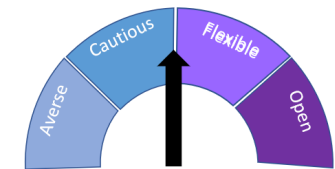


# Follow-up online survey results

Element	Averse %	Cautious %	Flexible %	Open %
Community Health & Safety	0	33	50	8
Capital budget and insurance headroom	17	25	42	16
Operational budget	8	34	50	8
Environment	33	33	33	0
Mana whenua partnership	33	0	50	17
Legal compliance - slido only	18	46	27	9
Private and sensitive data –slido only	18	73	9	0

# Trend/range risk appetite statements Community health and safety

**Cautious-flexible** The Council will take all practicable and legally required steps to reduce the chance of harm to the public on Council managed sites. The Council will work with partners and the public on safety initiatives in public spaces. This may include mitigating environments that create opportunities for harmful social behaviour

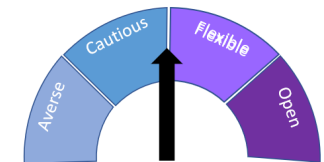


**Cautious** The Council will take all practicable and legally required steps to reduce the chance of harm to the public on Council managed sites. The Council will proactively work with partners to mitigate environments that create opportunities for harmful social behaviour.

**Flexible** The Council will take practicable and legally required steps to reduce the chance of harm to the public on Council managed sites and engage with public safety initiatives on other sites.

# Trend/range risk appetite statements Capital Budget and insurance headroom

**Cautious-flexible** We will not tolerate actions that have a significant negative impact on long term financial sustainability. We will hold balance sheet capacity to cover 40-80% of uninsured expected losses in a major event. We will consider variations in capital budgets outside contingency on a case-by-case basis. All critical assets must have insurance cover and we will seek a mix of external insurance and self-insurance cover based on criteria relating to availability, cost, benefit and criticality. Alternative and innovative risk funding will be considered for non-critical assets.

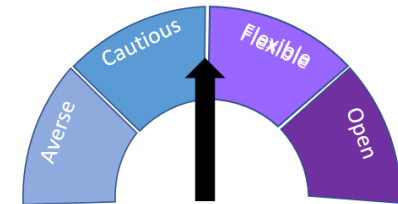


**Cautious** We will not tolerate actions that have a significant negative impact on long term financial sustainability. We will hold balance sheet capacity to cover 60-80% of un-insured expected losses in a major event. Major capital projects must meet budget within contingency for all variations within Council's control. All critical assets must have comprehensive insurance cover.

**Flexible** We will not tolerate actions that have a significant negative impact on long term financial sustainability. We will hold balance sheet capacity to cover 40-60% of un-insured expected losses in a major event. We will consider variations in capital budgets outside contingency on a case-by-case basis. We will seek a mix of external insurance and self-insurance cover based on criteria relating to availability, cost, benefit and criticality. Alternative and innovative risk funding will be considered for non-critical assets.

# Trend/range risk appetite statements Operational Budget

**Cautious-flexible** We will not tolerate fraudulent or corrupt financial transactions. Minor budget variations are acceptable, provided they are in line with the WCC Procurement Policy, and variations fall within 5% of the activity or group budget.

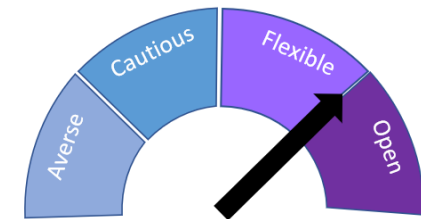


**Cautious** We will not tolerate fraudulent or corrupt financial transactions. Minor budget variations are acceptable provided spending is in line with procurement policy and falls within 5% of the activity budget.

**Flexible** We will not tolerate fraudulent or corrupt financial transactions. We trust individual budget holders to make decisions about budget variances in their own departments provided the overall activity group budget is within 5%

# Trend/range risk appetite statements Mana whenua partnerships

**Flexible-open** The Council will engage and work with mana whenua as partners to deliver shared outcomes but generally focus on WCC priorities. Council will take Tūpiki Ora outcomes into consideration for key decisions and meet all legal requirements for engagement and consultation.



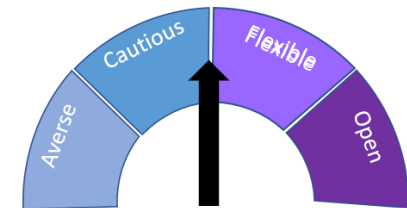
**Flexible** The Council will engage and work with mana whenua as partners when there are shared outcomes that benefit WCC over and above legal requirements. Council will take Tūpiki Ora outcomes into consideration for key decisions.

**Open** The Council will generally prioritise its own strategic priorities and will adhere to all legal requirements for engagement and consultation with mana whenua.

# Trend/range risk appetite statements

## Legislative compliance

**Cautious-flexible** We will focus our efforts on monitoring compliance with key legislation and will not tolerate deliberate breaches of these key Acts. We will take a risk-based approach to non-compliance with all other legislation that may apply to WCC



**Cautious** We will not tolerate deliberate breaches of key legislation. Unintentional breaches of the key Acts may occur but we will reduce this as much as practicable.

**Flexible** We will focus our compliance monitoring on the key legislation. We will take a risk-based approach to non-compliance with all other legislation that may apply to WCC.