

HUTT CITY COUNCILFINANCE AND AUDIT COMMITTEE

Report of a meeting held in the Wainuiomata Chambers, Wainuiomata Library,
Queen Street, Wainuiomata on
Wednesday 8 July 2015 commencing at 5.30pm

PRESENT:

Cr C Barry	Deputy Mayor D Bassett
Cr L Bridson	Cr M Cousins
Cr M Lulich	Cr C Milne
Cr M Shierlaw (Chair)	Mayor WR Wallace

IN ATTENDANCE:

Mr T Stallinger, Chief Executive
Ms J Raffills, General Manager, Governance and Regulatory (part meeting)
Mr M Reid, General Manager, Community Services
Ms S Mann, Divisional Manager, Libraries
Ms E Davids, Risk and Assurance Manager (part meeting)
Mr S Keatley, Community Facilities Manager
Ms M Laban, Community Projects and Relationship Manager
Ms A Reilly, Wainuiomata Community Hub Manager (part meeting)
Ms A Laban, Personal Assistant, War Memorial Library
Mrs A Doornebosch, Committee Advisor

PUBLIC BUSINESS1. APOLOGIES

There were no apologies.

2. PUBLIC COMMENT

There was no public comment.

3. CONFLICT OF INTEREST DECLARATIONS

Deputy Mayor Bassett declared a conflict of interest in relation to item 4, Capital Projects: KPMG Project Delivery Review, and took no part in discussions or voting on this matter.

4. **CAPITAL PROJECTS: KPMG PROJECT DELIVERY REVIEW** (15/982)

Report No. FandA2015/3/144 by the General Manager, Governance and Regulatory

The General Manager, Governance and Regulatory elaborated on the report. She advised that late in 2014 Council requested officers to review how well Council was managing projects. As a result KPMG was requested to undertake a Project and Governance Review.

Ms Sue-Anne Lee, Senior Manager Advisory, from KPMG noted the objectives of the review were to focus on the provision of governance, resourcing and scheduling to Council capital projects. KPMG selected a sample of projects underway and met with representatives involved. She noted the key theme identified was that projects were being managed within their own work areas with no overarching programme view. She advised a programme view would provide a strategic level mechanism for Council to manage all capital projects, consistency in reporting to one central point, and better coordination. It would provide a forward view of all projects, commitments, and changes in scope or delivery timeframes, and allow Council to mitigate risks.

In response to questions from members, Ms Lee advised a programme view of projects was designed to focus on key points such as timeframes and resources – not the details of each project. She noted that ‘Lessons Learnt’ could be incorporated into the programme and this could identify how key delivery points could be integrated into phases of projects. She advised that a programme view would provide Council with a foundation to manage projects over the busy 2015 to 2017 timeframe.

In response to questions from members, the General Manager, Governance and Regulatory advised that the reporting framework was expected to be submitted to Council’s Strategic Leadership Team in the next two weeks. She noted this framework would be reported to Council.

In response to questions from the Mayor and Deputy Mayor, the General Manager Governance and Regulatory advised KPMG would peer review the final programme framework.

RESOLVED:

Minute No. FandA 15301

“That the Committee:

- (i) notes and receives the report; and*
- (ii) requests a report back from officers in six months regarding the implementation of the KPMG recommendations.”*

5. **RISK AND ASSURANCE UPDATE** (15/944)

Report No. FandA2015/3/187 by the Risk and Assurance Manager

The Risk Assurance Manager elaborated on the report.

In response to questions from members, the Risk and Assurance Manager noted that all identified risks were rated against Council's Risk Management Guidelines. She advised a higher level of detail could be provided to members on request. She highlighted that as a result of recent security issues at public counter areas in government facilities, a Workplace Security Risk Assessment had been completed with a report produced to the Risk Management Working Group (RMWG). The recommendations from this report had been prioritised and initial Crisis Resilience training workshops through Jack Milford QSM had been conducted and will be provided to other customer facing officers.

In response to questions from members, the Chief Executive advised there were processes in place to mitigate the risk of a cyber attack. He further noted that Council's Chief Information Officer was a member of the RMWG. He advised he would request the Chief Financial Officer to update members on the maximum probable loss insurance arrangements for Council assets.

In response to questions from members, the Chief Executive advised the General Manager, City Infrastructure would be able to advise further regarding ongoing street lighting issues in the city. He noted that officers would consider writing to Wellington Electricity to follow up the issue, and if necessary the Electricity Commissioner or the Commerce Commissioner.

RESOLVED:

Minute No. FandA 15302

"That the Committee:

- (i) notes the information in this report;*
- (ii) notes the top operational risks as at May 2015, as approved by the Strategic Leadership Team (SLT);*
- (iii) notes the internal audit activity as follows:*
 - a. Internal Audit Plan 2014/2017 – approved by SLT 1 December 2014;*
 - b. UrbanPlus Limited - Internal Audit – 24 February 2015;*
 - c. Seaview Marina Limited - Internal Audit – 20 April 2015; and*
 - d. Landfill Revenue – Corrective Actions Follow-up Review – 16 June 2015;*
- (iv) notes the Risk Management Working Group activity as follows:*
 - a. Agree phasing and actioning of Workplace Security Risk Assessments January 2015 recommendations. Currently being progressed;*
 - b. Review of Crisis Management Plan – March 2015; and*
 - c. Service Continuity Framework – key service priorities confirmed December 2015;*
- (v) notes other assurance activities as follows:*
 - a. Staff 'Receiving of Gifts Policy' revision SLT approved 1 December 2015. The centralised staff gifts register continues to be maintained;*

- b. Staff Conflict of Interest declarations re-circulated February 2015. The centralised staff interest declarations register updated and continues to be maintained; and*
- c. The Fraud Register as per Fraud Policy is being maintained;"*
- (vi) *asks officers to prepare a memorandum advising Councillors what options are available in response to the poor level of service from Wellington Electricity Lines Ltd; and*
- (vii) *asks for an update from the Chief Financial Officer on current maximum probable loss insurance arrangements."*

6. **ACTIVITY 1 REVIEW - LIBRARIES** (15/998)

Report No. FandA2015/3/146 by the Divisional Manager, Libraries

The Divisional Manager, Libraries, elaborated on the report.

The General Manager, Community Services highlighted the work libraries were providing in the digital space, Science, Technology, Engineering, Manufacturing and Mathematics (STEMM) and the development of computer clubhouses in the community. He encouraged members to visit the clubhouses, and noted consideration was underway for the development of clubhouses in Stokes Valley and Wainuiomata.

In response to questions from members, the General Manager Community Services advised that he would investigate the reason for the rates funding rise over 2010/11 and 2011/12, and undertook to clarify the other figures included in this chart.

In response to questions from members, the Divisional Manager, Libraries noted that some regional meetings had been held with Wellington City Council regarding the Sharing and Managing a Region Together (SMART) collaboration, who had agreed in principle to consider joining. She advised officers would also liaise with Upper Hutt City Council to discuss enrolling in SMART. She noted they did not charge for reservations as a result of the SMART collaboration, as policies had been rationalised.

In response to questions from members, the Divisional Manager, Libraries advised that the War Memorial Library was constrained in size, that all spaces were being used to their maximum capacity and ongoing demand for diversity in services was placing an increasing strain on facilities. She noted that the Customer Service Survey was conducted over seven days, and undertook to send the results to members.

The Chair asked officers to provide a more segmented breakdown of library expenditure over the last four years to members.

RESOLVED:

Minute No. FandA 15303

"That the report be received and noted."

7. **FINANCE UPDATE - MAY 2015** (15/935)

Report No. FandA2015/3/186 by the Chief Financial Officer

The Chief Executive Officer elaborated on the report. He highlighted the summary report of income and expenditure, and additional income generated from the Silverstream landfill. He noted the General Manager, City Infrastructure was discussing ongoing future developments at the landfill.

In response to questions from members, the Chief Executive noted that rates debtors were well managed, but considered the quality of follow up on other debt could be managed more consistently. He noted all Council managers received a report each month regarding outstanding officers leave. The Chair asked officers to include leave liability in future reports.

RESOLVED:

Minute No. FandA 15304

"That the Committee notes the financial performance results."

8. **INFORMATION ITEM**

2015 Finance and Audit Committee Work Programme (15/936)

Report No. FandA2015/3/145 by the Committee Advisor

The Committee Advisor elaborated on the report.

RESOLVED:

Minute No. FandA 15305

"That the report be noted."

9. **QUESTIONS**

There were no questions.

There being no further business the Chair declared the meeting closed at 7.27 pm.

Cr M Shierlaw
CHAIR

CONFIRMED as a true and correct record
Dated this 28th day of July 2015