

**HUTT CITY COUNCIL****AUDIT AND RISK SUBCOMMITTEE**

Minutes of a meeting held in the Council Chambers, 2nd Floor, 30 Laings Road,  
Lower Hutt on

**Thursday 12 March 2020 commencing at 2.00pm**

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**PRESENT:**

Mayor C Barry (Chair)  
Cr D Bassett (from 2.03pm)      Cr J Briggs  
Cr C Milne                              Cr A Mitchell  
Cr N Shaw

**APOLOGIES:**

There were no apologies.

**IN ATTENDANCE:**

Mr L Allott, Chief Information Officer  
Ms H Oram, Acting General Manager, City Transformation  
Ms J Livschitz, Chief Financial Officer  
Ms E Davids, Risk and Assurance Manager (part meeting)  
Ms C Ellis, Senior Advisor to the Chief Executive (part meeting)  
Mr M Sherwood, Head of Parks and Recreation (part meeting)  
Ms K Stannard, Head of Democratic Services  
Ms T Lealofi, Committee Advisor

**PUBLIC BUSINESS****1. APOLOGIES**

There were no apologies.

**2. PUBLIC COMMENT**

There was no public comment.

**3. CONFLICT OF INTEREST DECLARATIONS**

There were no conflict of interest declarations.

Cr Bassett joined the meeting at 2.03pm.

**4. INSURANCE RENEWAL UPDATE (19/1425)**

Report No. ARSC2020/2/64 by the Financial Accounting Manager

Mr Tony Owen and Mr Brett O'Malley from AON New Zealand elaborated on insurance programme for policies and the remaining policies due for renewal on 1 May 2020.

In response to questions from members, Mr O'Malley and Mr Owen advised that they were confident that the AON team in London had an excellent relationship with the insurers. They would ensure the team would get the best message across to them. They acknowledged there would be an increase in premiums. They expressed concern with the underground assets that had received a lot of media attention later. They assured members would make it clear that the renewals and upgrades for Lower Hutt city were separate networks from Wellington city.

**RESOLVED:** (Mayor Barry/Cr Milne)

**Minute No. ARSC 20201**

*"That the Subcommittee:*

- (i) notes that Council has successfully renewed its insurance programme for policies commencing 1 October 2019 and 1 November 2019 for a 12 month term; and*
- (ii) notes the remaining policies, due for renewal on 1 May 2020, will be negotiated post March 2020 visit to London by Council's insurance advisors Aon and Mark de Haast (from Kapiti Coast District Council) representing the Outer Wellington Shared Service Insurance Group and the Wellington Councils Insurance Group."*

5. **AUDIT NEW ZEALAND FINAL MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2019** (19/1399)

Report No. ARSC2020/2/65 by the Financial Accounting Manager

The Chief Financial Officer elaborated on the report. She highlighted the recent audits currently underway. She noted that the Auditors had not picked up any new issues with the interim audit. She also noted that the audit of the Long Term Plan amendment was on track to receive clearance from the Auditors.

The Chief Financial Officer elaborated on the Rating Information Database as well as processes relating to data maintenance.

In response to questions from members, the Chief Financial Officer advised the Auditors were auditing the Consultation Document to ensure it was fit for purpose. She also advised that the targeted rates such as water supply, wastewater and recycling fixed charges of \$1,000 per property had not been charged against 280 properties. She noted that this had impacted on other ratepayers who had to cover the cost. She highlighted that officers were working on improving the system to ensure it would not occur again. She stated that the review of the Procurement Policy was underway.

In response to a question from a member, the Chief Financial Officer advised that the Statements of Intent for Seaview Marina Ltd (SML), Urban Plus Ltd (UPL) and Hutt City Community Facilities Trust (CFT) had been delivered to the Policy, Finance and Strategy Committee on time. She highlighted that officers were working very carefully with SML, UPL and CFT to ensure they met the June deadline.

**RESOLVED:** (Mayor Barry/Cr Briggs)

**Minute No. ARSC 20202**

*"That the Subcommittee notes Audit New Zealand's management report for the year ended 30 June 2019, attached as Appendix 1 to the report."*

6. **RISK AND ASSURANCE UPDATE AND STRATEGIC RISK PROFILE** (20/18)

Report No. ARSC2020/2/66 by the Risk and Assurance Manager

The Risk and Assurance Manager elaborated on the report.

In response to a question from a member, the Risk and Assurance Manager advised that the salary payment made to an external perpetrator was human error. She highlighted that the relevant team received additional training and the system had been changed.

In response to a question from a member, the Risk and Assurance Manager advised that in relation to Covid-19, there was a pandemic plan in place. She highlighted the establishment of a crisis team that was monitoring as matters as they developed. She also highlighted that the Corporate Leadership Team had been apprised of the potential situation.

The Chair advised that the Chief Executive would be updating Council on Covid-19 at its meeting to be held on 18 March 2020.

Cr Milne suggested an additional part (iii) to the motion with the agreement of the mover and seconder.

**RESOLVED:** (Mayor Barry/Cr Briggs)

**Minute No. ARSC 20203**

*"That the Subcommittee:*

- (i) notes the information in the report;*
- (ii) notes the Strategic Risk Profile 2019/20 as approved by the Corporate Leadership Team, attached as Appendix 1 to the report; and*
- (iii) requests that Council be briefed at the next Council meeting on all aspects of business continuity relating to a potential pandemic."*

For the reason that risk reporting provides the Subcommittee with information to support its governance role. Periodic reporting is stipulated in the internal audit charter and the internal audit functional reporting line to the Audit and Risk Subcommittee supports its authority, objectivity and independence.

7. **SEISMIC PERFORMANCE REGISTER** (20/175)

Report No. ARSC2020/2/69 by the Senior Advisor to the Chief Executive

The Senior Advisor to the Chief Executive elaborated on the report.

In response to a question from a member, the Head of Parks and Recreation advised that the Fraser Park building had not undergone a recent engineering assessment. He noted the previous engineering assessment had the building at a low category. He also noted that the building was closed to the public. Cr Shaw expressed concern that she had witnessed members of the public sitting up in the grandstand.

In response to a question from a member, the Senior Advisor to the Chief Executive advised that officers were working to an Operational Management Policy that would assist them to decide when assessments were completed.

In response to a question from a member, the Senior Advisor to the Chief Executive advised that she would report back to members on the Walter Nash corridor.

In response to a question from a member, the Senior Advisor to the Chief Executive advised that she would attach the Operational Management Policy to her report for the members information.

**RESOLVED:** (Mayor Barry/Cr Briggs)

**Minute No. ARSC 20204**

*"That the Subcommittee notes and receives the report."*

8. **INFORMATION ITEM**

**Audit and Risk Subcommittee Work Programme 2020** (20/198)

Report No. ARSC2020/2/33 by the Head of Democratic Services

**RESOLVED:** (Mayor Barry/Cr Bassett)

**Minute No. ARSC 20205**

*"That the programme be noted and received."*

9. **QUESTIONS**

There were no questions.

There being no further business the Chair declared the meeting closed at 2.49 pm.

C Barry  
**MAYOR**

**CONFIRMED as a true and correct record**  
**Dated this 24<sup>th</sup> day of March 2020**