

HUTT CITY COUNCILKOMITI ITI AHUMONI I TŪRARU | AUDIT AND RISK SUBCOMMITTEE

Minutes of a meeting held via Zoom on
Tuesday 19 April 2022 commencing at 2.00pm

PRESENT: Ms S Tindal (Independent Mayor C Barry (Deputy Chair)
 (via audio-visual link) Chair)
 Cr J Briggs Cr S Edwards
 Cr A Mitchell

APOLOGIES: Cr Rasheed and Cr Shaw

IN ATTENDANCE: Ms J Miller, Chief Executive
 (via audio-visual link) Ms A Blackshaw, Director Neighbourhoods and Communities
 Mr J Griffiths, Director of Strategy and Engagement
 Mr K Puketapu-Dentice, Director Economy and Development
 Ms J Livschitz, Group Chief Financial Officer
 Mr J Kingsbury, Head of Transport
 Mr P Baker, IT Operations Manager
 Ms K Crandle, Head of Parks and Reserves
 Ms N Reddy, Risk and Assurance Manager
 Mr B Wu, Financial Accounting Manager
 Ms A Leong, Finance Project Manager
 Ms H Stringer, Financial Transaction Services Manager
 Mr A Quinn, Project Manager (Naenae)
 Ms K Stannard, Head of Democratic Services
 Ms T Lealofi, Democracy Advisor
 Ms H Clegg, Minute Taker

PUBLIC BUSINESS1. **APOLOGIES**

RESOLVED: (Ms Tindal/Cr Mitchell)

Minute No. ARSC 22201

"That the apologies received from Cr Rasheed and Cr Shaw be accepted and leave of absence be granted."

2. PUBLIC COMMENT

There was no public comment.

3. COVID-19 UPDATE

The Chief Executive provided an update on COVID-19 attached as pages 8-9 of the minutes.

In response to questions from members, the Chief Executive confirmed the dates for the next Communities Committee and the Policy, Finance and Strategy Committee meetings as 27 April and 28 April 2022 respectively. She advised that due to the ongoing COVID-19 situation, the available external workforce to recruit was limited. She highlighted that operations were continuing as best they could. She noted recruitment for pool staff included retaining personnel beyond casual contracts.

4. CONFLICT OF INTEREST DECLARATIONS

There were no conflict of interest declarations.

5. RECOMMENDATION TO COUNCIL - 24 May 2022

Review of Sensitive Expenditure Policy and Guidelines (22/574)

The Group Chief Financial Officer elaborated on the report. She acknowledged the work of the Financial Accounting Manager. She added that the Chief Executive for Urban Plus Limited (UPL), along with the Board of UPL, had initiated revoking the extra clauses contained in its policies. She highlighted that the change now enabled Council Controlled Organisations (CCOs) to follow Council 's group policies going forward.

In response to a question from a member, the Group Chief Financial Officer confirmed the wording of the document would be amended to provide clear guidance regarding approval of the elected members' expenses.

RECOMMENDED: (Ms Tindal/Cr Briggs)

Minute No. ARSC 22202

"That the Subcommittee recommends that Council:

- (1) notes and receives the information contained in the report;*
- (2) approves the updated Sensitive Expenditure Policy attached as Appendix 1 to the report;*
- (3) approves the updated Sensitive Expenditure Guidelines attached as Appendix 2 to the report;*
- (4) notes that the updated Sensitive Expenditure Policy and Guidelines are for the Council Group; and*
- (5) notes that there will no longer be any deviation from the policy by any of the Council Controlled Organisations, in particular Urban Plus Limited."*

6. HOLIDAYS ACT COMPLIANCE (22/746)

Report No. ARSC2022/2/62 by the Finance Project Manager

The Group Chief Financial Officer elaborated on the report. She noted that the delayed "go-live" date for the new payroll system had added to the costs of the project. She stressed that the costs would be covered by the contingency fund that had been previously set aside.

RESOLVED: (Ms Tindal/Cr Edwards)

Minute No. ARSC 22203

"That the Subcommittee notes and receives the report."

7. PAYROLL TAX COMPLIANCE EVALUATION (22/791)

Report No. ARSC2022/2/9 by the Finance Project Manager

The Group Chief Financial Officer elaborated on the report.

The Financial Transaction Services Manager elaborated on the key findings and recommendations.

The Chair advised that other local authorities were also installing the same payroll system and that it would be good practice to share learnings.

In response to questions from members, the Group Chief Financial Officer agreed to report back to members post meeting regarding details of the historical trauma insurance item. She confirmed that officers were investigating how the new payroll system could be audited preferably prior to it going live. She acknowledged the contract with the provider contained a clause such that the new system complied with all relevant New Zealand legislation. She advised that it was crucial the payroll team applied the new system consistently.

RESOLVED: (Ms Tindal/Cr Mitchell)

Minute No. ARSC 22204

"That the Subcommittee:

- (1) notes and receives the report and the Pay As You Earn (PAYE) Compliance Evaluation Report attached as Appendix 1 to the report; and*
- (2) notes the resulting planned actions in Appendix 2 attached to the report."*

8. RIVERLINK UPDATE (22/795)

Report No. ARSC2022/2/63 by the Project Manager Riverlink

The Chair advised members that she had asked officers through the Chief Executive to develop a template for the Project Risk Register to ensure all projects were being assessed in the same way.

RESOLVED: (Ms Tindal/Cr Edwards)

Minute No. ARSC 22205

"That the Subcommittee:

- (1) receives and notes the information contained in the report; and*
- (2) notes the Project Risk Register attached as Appendix 1 to the report."*

9. UPDATE ON PETONE WHARF (22/799)

Report No. ARSC2022/2/10 by the Head of Parks and Reserves

Cr Briggs spoke in support of the motion. He noted there was community uncertainty regarding the future of the Petone Wharf. He was pleased the Petone Community Board was involved in the planning process. He asked that public communications be managed proactively as it was difficult to see the prominent landmark closed to the public.

RESOLVED: (Ms Tindal/Cr Briggs)

Minute No. ARSC 22206

"That the Subcommittee:

- (1) notes and receives the information;*
- (2) notes the Project Risk Register attached as Appendix 1 to the report;*
- (3) notes that a Draft Conservation Plan has been produced for the Petone Wharf to provide greater clarity on heritage values and inform the resource consent application; and*
- (4) notes the financial implications and changes to the budget spread."*

10. **TUPUA HORO NUKU PROJECT UPDATE** (22/805)

Report No. ARSC2022/2/65 by the Head of Transport

In response to a question from a member, the Head of Transport confirmed officers conducted monthly meetings with the Petone-Melling cycleway project team. He added the increasing costs of the Tupua Horo Nuku Project were reflective of the nationwide construction industry situation. He confirmed that by joining the Alliance with Te Ara Tupua, it was hoped economies of scale would assist in reducing cost overruns for the Tupua Horo Nuku project.

RESOLVED: (Ms Tindal/Cr Mitchell)

Minute No. ARSC 22207

“That the Subcommittee:

- (1) notes the key risks and updates on the Tupua Horo Nuku project;*
- (2) notes the increasing construction costs to deliver the Tupua Horo Nuku project and that discussions are on-going with Crown Infrastructure Partners (CIP) and Waka Kotahi to seek additional funding;*
- (3) notes the project budgets (both capital expenditure and revenue) approved by Council in the Long-Term Plan 2021-2031 following public consultation and updated for Council decisions made in the preparation of the draft Annual Plan 2022-23, as detailed in the “Financial Considerations” section of the report; and*
- (4) notes that Council will be required to approve any increase in funding requirements which exceeds the Long-Term Plan 2021-2031 budgeted position and that the impact of the significance of increases on requirements for Council to consult on changes will be considered alongside the outcome of discussions with funding partners.”*

11. **INFORMATION ITEMS**

a) **Naenae projects - progress update** (22/790)

Memorandum dated 30 March 2022 by the Project Manager (Naenae)

The Project Manager (Naenae) elaborated on the report. He explained the demolition of the former Naenae pool would be completed by the end of April 2022. He noted the focus was shifting to the set-up phase and the procurement process, with a mix of local and international procurement being proposed. He added the co-design process for the former Post Office building was progressing with a third workshop between the advisory group and the community having just been completed.

In response to questions from members, the Project Manager (Naenae) advised a Key Performance Indicator for the project was that 80% of procurement was sourced locally. He added that it was anticipated the contractors, Apollo, would be involved in the procurement process to

familiarise them with the local systems and processes.

RESOLVED: (Ms Tindal/Cr Mitchell)

Minute No. ARSC 22208

"That the Subcommittee notes and receives the memorandum."

b) **Audit and Risk Subcommittee Forward Programme 2022** (22/608)

Report No. ARSC2022/2/64 by the Democracy Advisor

The Chief Executive advised of a new programme of work that was not showing in the Forward Programme. She reminded members of her verbal report regarding the findings of the Building Consent Accreditation audit from International Accreditation New Zealand (IANZ). to the previous Subcommittee meeting. She noted this was report through the Audit and Risk Subcommittee minutes to the Council meeting on 23 March 2022. She confirmed that the required Action Plan had been submitted to IANZ on time and that IANZ had accepted the Action Plan. She further added that officers were progressing with having all the required documentation to IANZ by the specified deadline of 29 April 2022. She advised that she would provide a detailed report to the next subcommittee meeting on the Action Plan, acceptance of the Action Plan, the evidence and documentation and how officers would manage the risk.

The Chief Executive said that a report would be considered by the Infrastructure and Regulatory Committee on 3 May 2022 on the statutory timeframes under the Resource Management Act and the Land Information Memorandum applications.

RESOLVED: (Ms Tindal/Cr Edwards)

Minute No. ARSC 22209

"That the Subcommittee receives and notes the Forward Programme for 2022 attached as Appendix 1 to the memorandum."

12. **QUESTIONS**

There were no questions.

13. **EXCLUSION OF THE PUBLIC**

RESOLVED: (Ms Tindal/Mayor Barry)

Minute No. ARSC 22210

"That the public be excluded from the following parts of the proceedings of this meeting, namely:

14. *Cyber Security (22/792)*

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

(A)	(B)	(C)
<i>General subject of the matter to be considered.</i>	<i>Reason for passing this resolution in relation to each matter.</i>	<i>Ground under section 48(1) for the passing of this resolution.</i>
<i>Cyber Security</i>	<i>The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage (s7(2)(j)).</i>	<i>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exist.</i>

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified in Column (B) above."

There being no further business the Chair declared the public meeting closed at 2.46pm.
The non-public portion of the meeting closed at 2.56pm.

S Tindal
CHAIR

CONFIRMED as a true and correct record
Dated this 24th day of May 2022

Audit and Risk Subcommittee 19 April 2022

Further to my update to the Subcommittee on 15 February 2022 where I provided information on our response to being in the "red traffic light" setting, this report provides further information on how we are managing to live and work with Covid.

Over the quarter around 20% of our permanent workforce contracted Covid, many more were required to isolate due to having a family member with Covid or being a close contact. There were 38 exposure events across our sites. Staff in our administration buildings worked in bubbles or teams as per our updated business continuity plans. Staff in public-facing roles especially in our libraries, pools and hubs had the highest rate of staff absence and were particularly hard hit by Covid.

We managed our facilities to keep most open throughout the quarter as we applied our business continuity plan. As particular facilities were closed or offered reduced opening hours including summer pools, Stokes Valley Pool, Moera library and hubs, other facilities could remain open. Wherever practicable staff were moved around facilities and roles to keep key services and functions open, e.g., front counter at Laings Road. There is a full report to the Communities Committee on the impact of Covid on our facilities.

Visitor numbers to our libraries, hubs, museums, and pools continued to track down due to concern with exposure, and less programming of events and activities as these moved online. This resulted in a revenue loss of approximately \$1.675M as at 31 March the majority of which is from pools (\$1.038M) with parking and parking enforcement at \$375K lost revenue. We will report these financial impacts through to the Policy, Finance and Strategy Committee.

Some services like recycling collection and roading work were disrupted. Rubbish services and priority maintenance work continued. Capital projects suffered delays due to world-wide shipping delays on products and increased costs and shortages of materials. Contractors across the region were impacted with staffing shortages due to Covid.

We participated in the Regional Leadership Group who co-ordinated the Covid response across all councils supported by health partners and MSD.

Working locally with 2DHB and the PHO we supported testing, the booster roll-out and vaccinations for young people. We worked locally responding to requests for welfare support to families isolating. Demand for food parcels and welfare packs rose.

Te Rūnanganui o Te Āti Awa ki te Upoko o Te Ika a Maui worked in partnership with marae across the Hutt Valley to deliver services including vaccinations, testing and other health initiatives. We assisted with this by putting in a road at the Rūnanga to enable the health effort including vaccinations and distribution of tests. We also continued our work to support the Hutt Valley Emergency Kai Collective to distribute food.

The anti-mandate protest at Parliament spread to Wainuiomata Marae. We supported the efforts there to keep the protestors away. This included being on site, putting blocks in place to prevent access to nearby streets and support with communications including a combined press release which can be viewed [here](#).

On 5 April in line with government announcements we removed Vaccine Passes at our sites and facilities and paused the requirement for staff to be vaccinated following a further risk assessment and taking into account high vaccination rates. Our policies, protection framework and guidance for leaders and staff were updated to reflect these decisions. Health and safety measures and wellbeing initiatives continued to be a high priority and, again, these changes were welcomed by staff and the community.

As at the date of this report we are at the “orange” traffic light setting. The key change at for us is that there are no capacity limits or distancing requirements at venues. We expect that planning for events may ramp up as a result of this decision, but the level of activity at sites will be constrained in the short term due to the capacity of our front-line staff.

Hospitality and event businesses are welcoming the easing of restrictions. We are working on a paper to Council for 18 May regarding support for hospitality businesses and other sectors significantly affected by Covid-19.

As I noted further reporting on the impacts of Covid are provided to the Communities Committee and Policy, Finance and Strategy Committee.

Ngā mihi nui

Jo Miller

Chief Executive