

Date: Tuesday 21 May 2024 at 12noon
Venue: Council Chambers, 63 Miranda Street, Stratford

Present

Mr P Jones (the Chair), the District Mayor N C Volzke, the Deputy Mayor M McKay, Councillors: G W Boyde and J M S Erwood

In attendance

Councillors: S J Beck, E E Hall and C M Tongaawhikau.

The Chief Executive – Mr S Hanne, the Director – Corporate Services – Ms T Radich, the Director – Assets – Mrs V Araba, the Director – Environmental Services – Mr B Sutherland, the HR and Governance Administrator – Mrs C Reynolds, the Projects Engineer – Mr) Mabumbo, the Services Assets Manager – Mr J Cooper (*part meeting*), the Corporate Accountant – Mrs C Craig, the Health and Safety/Emergency Management Advisor – Mr O Konkin (*part meeting*), Principal - Corporate, Marsh New Zealand - Matthew Meacham (*part meeting*), and one member of the media (Stratford Press).

1. Welcome

The opening karakia was read.

The Chair welcomed the District Mayor, Councillors, staff and the media to the meeting.

The Chair reiterated the health and safety message and emergency procedures.

2. Apologies

An approved leave of absence was noted from Councillor V R Jones and an apology noted from Councillor W J Sandford.

Recommendation

THAT the apologies be received.

JONES/McKAY
Carried
A&R/24/11

3. Announcements

There were no announcements.

4. Declarations of Members Interest

The Chair requested councillors to declare any real or perceived conflicts of interest relating to items on this agenda.

There were no conflicts of interest declared.

5. Attendance Schedule

Page 11

The attendance schedule for Audit and Risk Committee meetings was attached.

6. Programme of Works

D21/42807

Page 12

Recommendation

THAT the Audit and Risk Committee's rolling programme of works up to September 2025 be received.

McKAY/BOYDE
Carried
A&R/24/12

- The Director – Corporate Services noted the Terms of Reference Review has not been included in this agenda. The Chairman advised that after discussion with the Chief Executive it was decided it would be beneficial for Elected Members to think about what Council is doing well, what is Council not doing well, and what is Council not doing that it should. It was discussed that this could be worked at during a workshop, to be scheduled Tuesday 16 July at 12pm (before the next meeting).
- The Chairman questioned if the LTP debrief will be ready by the next meeting. It was advised raw information will be available.

7. Confirmation of Minutes

7.1 Audit and Risk Committee – 19 March 2024

D24/12999

Page 13

Recommendation

THAT the minutes of the Audit and Risk Meeting of Council held on Tuesday 19 March 2024 be confirmed as a true and accurate record.

JONES/ERWOOD
Carried
A&R/24/13

8. Matters Outstanding

D18/27474

Page 21

It was noted that there were no outstanding matters on the list.

9. Information Report – Health, Safety and Wellbeing Report

D24/21509

Page 22

Recommendation

THAT the report be received.

BOYDE/ERWOOD
Carried
A&R/24/14

Questions/Points of Clarification:

- The Chairman questioned the Anzac Parade is a Council or public event. It was clarified it was an event organised by Council therefore the incident that occurred during the event falls within Council's responsibility. It was advised a Health and Safety Plan was put together for the event which included provisions for the need of first aid and medical services.

- The Chairman advised he would like to explore in the next Health, Safety and Wellbeing report the top five health and safety risks, how they are being managed and how Council is tracking with an overall assessment.

The Health and Safety/Emergency Management Advisor left the meeting at 12.11pm.

10. Information Report – Audit Matters Outstanding – Deloitte Annual Audit
D24/21554 Page 26

Recommendation

THAT the report be received.

McKAY/VOLZKE
Carried
A&R/24/15

The Director – Corporate Services noted that a recommendation from the audit report was to review policies and keep them up to date. Currently Officers are working on important out of date policies. One of the outstanding items related to the Percy Thomson Trust, where the recommendations from audit have largely been rejected by the Trust.

Questions/Points of Clarification:

- Councillor Boyde questioned what is being put in place to ensure Council is up to date on policies, is there a plan or strategy to realign this? Mr Hanne noted even if policies are overdue for review they are still in place. He advised if Elected Members wanted officers to be 100% up to date with the policies a resourcing conversation would need to happen. Councillor Boyde questioned what the genuine risk was noting some will have a great risk and no longer be fit for purpose. Ms Radich advised auditors highlighted three high risk policies which are currently being worked on. The District Mayor noted the key point to remember is the policies do not expire, that a policy is a statement of an organisations position on a subject, and any policy which is critical can be bumped up the list and reviewed at any time. He noted it is a mistake to portray the issue as broken.
- The Chairman advised the fact that the Percy Thomson Trust disagrees with the recommendation from the audit, is a risk to Council. The District Mayor advised there are a number of significant issues, including the future structure of the Trust currently under discussion, these conversations are occurring outside of this committee. He noted there is a specific recommendation from the auditors, and Council as the controlling organisation, should formally express the view to the trust that they need to comply, that is the requirement from the audit and the view of the committee.

Recommendation

THAT the Audit and Risk Committee recommend to Council that a formal letter of expectation is issued to the Percy Thomson Trust to align with item 2.3 of this agenda.

VOLZKE/BOYDE
Carried
A&R/24/16

At this point in the meeting approval was given to move item 17 and 18 forward for discussion due to the availability of the external presenters .

17. Resolution to Exclude the Public

Recommendation

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

Agenda Item No: 19

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:

General subject of each matter to be considered	Reason for passing this resolution to each matter	Grounds under section 48(1) for the passing of this resolution
Insurance Framework and options	The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information <i>and</i> to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	That the public conduct of the whole or 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 would exist, under section 6 and section 7 of the Act - specifically Section 7(2)(b)(ii) and Section 7(2)(h). (Section 48(1)(a) Local Government Official Information and Meetings Act 1987.

BOYDE/MCKAY
Carried
A&R/24/17

The member of the media left and Mr Meacham joined the meeting 12.29pm.

18. Public Excluded Item

Mr Meacham left the meeting at 1.00pm.

Recommendation

THAT the open meeting resume.

ERWOOD/McKAY
Carried
A&R/24/19

The member of the media re-joined the meeting.

Recommendation

THAT the report be received.

McKAY/ERWOOD
Carried
A&R/24/20

Questions/Points of Clarification:

- The Chairman advised a critical item is page 59, which is the projection. He noted his concern for the forecast of 38% completion, and the risk of not achieving these projects. Mrs Araba advised the main issue is the non-delivery of the grit tank as it is currently still being designed, and a lot of the budget will not be able to be spent this year. She noted a lot of water projects came under budget, and some were assessed as no longer being required. These under budget projects are a testament to officers procurement.

The Services Asset Manager joined the meeting at 1.33pm.

- Mr Mabumbo advised many of the projects needed to be reevaluated.
- It was questioned if the Diatomix project saved money because the project did not go ahead? Mr Cooper advised the cost was a lot less as the project was not producing the desired results so the project is not going to continue.
- Councillor Boyde questioned what the national average of project completed is. The Chairman advised the average is generally increasing and is generally in the 70%, this has been criticised as a sector. He noted council needs to be better at explaining what the real story is, some of the projects council budgets in one year, do not spend all the money, and add it to the next years budget which is double dipping. He questioned what the risk is of not achieving capital projects.

The Services Asset Manager and Projects Engineer left the meeting at 1.45pm

Recommendation

THAT the report be received.

JONES/McKAY
Carried
A&R/24/21

The Director – Corporate Services noted the following points:

- There are a couple of emerging risks which will be kept an eye on.
- The Long Term Plan is currently under audit and capital delivery is something they have indicated they will be looking at. The capital budget is quite high and how is that going to be achieved. Mr Hanne noted the focus is always on staff, but questions should be on decision makers on projects for the year. Councillor Hall noted when elected members were making decisions, particularly around capital projects, a lot of questions were if they were deliverable.
- Councillor Boyde questioned the percentage of what has been completed year on year. Mr Hanne noted it is a more interesting number is the average of 3 years as most projects not delivered are delivered the next year and after 3 years around 99% of projects are probably completed. When council is asked if the projects can be delivered, internally the answer is yes but there are external

factors. Ms Radich noted there are different risks for not completing projects, e.g. not completing Prospero Place is not a big risk, but not replacing a damaged pipe brings a bigger risk.

- The Deputy Mayor questioned with the Emerging Risks if there is a risk noted using artificial intelligence, e.g. if a message came out to the public from the Mayor or CE but it is not actually them. Ms Radich advised there is a policy being created currently to cover the use of artificial intelligence. Mr Hanne advised in the public arena there is very limited that could be done.

13. [Decision Report – Internal Audit Plan 2024](#)
D24/18243 Page 98

Recommendations

1. THAT the report be received.
2. THAT Internal Audit Plan for 2024 be approved.

VOLZKE/BOYDE
Carried
A&R/24/22

Questions/Points of Clarification:

- The Chairman questioned if on page 100 of the agenda, item 4.1 – Internal Audit Plan 2024, bullet point 5 should be focused on all assets. He noted the infrastructure assets are likely more critical in value, the biggest being written off is water assets. Ms Radich advised it is looking at the accuracy of the assets rather than fraudulent behaviour.

14. [Correspondence](#)

There was no correspondence.

15. [General Business](#)

There was no general business.

16. [Questions](#)

There were no questions.

19. [Closing karakia](#)
D21/40748 Page 323

The closing karakia was read.

The meeting closed at 2.06pm.

P Jones
Chairman

Confirmed this 16th day of July 2024

N C Volzke
District Mayor