

Date: Tuesday 17 September 2024 at 2pm
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 V R Jones.

In attendance

Councillors: S J Beck, E E Hall and J Sandford.

The Chief Executive – Mr S Hanne, the Acting Director – Corporate Services – Mrs C Craig, the Director – Assets – Mrs V Araba, the Director – Environmental Services – Mr B Sutherland, the Acting Director – Community Services – Mrs E Bishop, the Committee Secretary – Ms E Coulton, the Projects Manager – Mr S Taylor, the Audit and Risk Advisor – Mrs T Radich, the Health and Safety/Emergency Management Advisor – Mr O Konkin (*part meeting*), and the Communications Manager – Ms G Gibson (*part meeting*).

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

It was noted that Councillor J M S Erwood has an approved leave of absence.

3. Announcements

The Chief Executive introduced Mrs Radich as the Audit and Risk Advisor assisting the committee for the time being.

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

Attendance schedule for Audit and Risk Committee meetings was attached.

6. Programme of Works
D21/42807 Page 10

Recommendation

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

McKAY/BOYDE
Carried
A&R/24/36

The Chief Executive noted:

- Local Water Done Well (3 Waters) has been pushed out within the audit and risk space due to elected members recently undergoing an extensive workshop surrounding this matter. The intent is to have this discussed at the next meeting but it depends on what stage of the journey it is at.

Questions/Points of Clarification:

- The Chairman questioned if the annual report is on target. The Corporate Accountant noted that it is on target to be adopted on the 10th of December.
- The District Mayor noted that within the programme of works Local Water Done Well is still noted as 3 Waters.

7. Confirmation of Minutes

7.1 Audit and Risk Committee – 16 July 2024
D24/38200 Open D24/34064 PE Page 11

Recommendation

THAT the minutes of the Audit and Risk Committee Meeting, including the public excluded section, held on Tuesday 16 July 2024 be confirmed as a true and accurate record.

McKAY/JONES
Carried
A&R/24/37

- The District Mayor noted that the 3rd bullet point on page 17 requires alteration. He noted that a portion of the sentence needs to be removed to make it make more sense.

8. Matters Outstanding
D18/27474 Page 26

Recommendation

THAT the matters outstanding be received.

P JONES /BOYDE
Carried
A&R/24/38

Recommendation

THAT the report be received.

V JONES/BOYDE
Carried
A&R/24/39

Questions/Points of Clarification:

- The Chief Executive highlighted that as per the committee's request, relevant risk events from around the country have been included within the report.
- Councillor Boyde questioned what the estimated cost is for the devices noted in 6.8. The Health and Safety/Emergency Management Advisor noted that the cost is dependent on the road council decides to take, whether the council purchases or hires the devices.
- Councillor Boyde inquired about the lack of use of lone worker devices by staff and whether it poses a concern. The Health and Safety/Emergency Management Advisor acknowledged that it could be an issue but pointed out that many staff members have alternative communication methods, like cell phones. Councillor Boyde further asked about liability if the Council provides the equipment and it isn't used but an incident occurs. The Health and Safety/Emergency Management Advisor confirmed that he has emphasised the importance of using the devices to the staff.
- The District Mayor questioned if not replacing the devices is an option moving forward due to the lack of staff utilizing them. He noted that due to cell phones, lone worker devices are only necessary for those travelling outside of cell phone coverage.
- Councillor Jones questioned if the suggested Sat Nav devices is included within the budget set for the year. The Chief Executive noted that the alternative devices suggested fit into the existing budget.
- The Chairman questioned if the frequency of contractor audits is sufficient. The Health and Safety/Emergency Management Advisor noted that he would like to see the number increase. The Chief Executive subsequently noted that it also depends on the time of year due to different time periods of work.

The Health and Safety/Emergency Management Advisor left the meeting at 2.22 pm.

Recommendation

THAT the report be received.

Recommended Reason

This report informs the Committee of the issues identified in the final Deloitte Audit Management Report for the 2022/23 Annual Report and/or brought forward as outstanding from previous years audits, and current status.

McKAY/P JONES
Carried
A&R/24/40

The Audit and Risk Committee Advisor noted:

- The Report is a wrap up of the previous financial year.
- There has been no official response from the Percy Thomson Trust regarding the outstanding audit matters.

Questions/Points of Clarification:

- The Chief Executive noted that a meeting has been held with the Audit and Risk Chair and the auditors from Deloitte who produced an extensive spreadsheet breaking down the hours they were forecasted to undertake. He noted that the spreadsheet was rather in depth and highlighted the large amount of hours and people involved. It was noted that in this meeting it was emphasised that Council is being audited on the same level as councils 3 times our size.
- Councillor Boyde asked whether the departments with the highest audit costs had been examined and compared to those of other councils. The Chief Executive clarified that only the overall cost was available, not the breakdown by department.
- The Chairman noted that there are no lower auditing standards that can be applied to smaller councils now like in the past.
- Councillor Boyde questioned if there is a possibility of standards being changed so that there is not a yearly audit required. The Chief Executive noted that not in accordance with the current standards. The Chairman noted that there is hope that a lesser standard will be introduced for smaller councils in future.
- The District Mayor noted that the level of auditing is disproportionate to the size of the organisation, however he understands that size does not affect overall processes as much as adding in additional activities.

11. Information Report – Risk Management

D24/43070 Page 38

Recommendation

THAT the report be received.

Recommended Reason

To provide an update to the Audit and Risk Committee of any risk events or threats in relation to significant risks on Council's risk register, as part of Council's risk management processes.

McKAY/JONES
Carried
A&R/24/41

The Audit and Risk Committee Advisor noted:

- This report is an update on risks managed over the past months, there is nothing major to report.

Questions/Points of clarification:

- The Chairman asked as to where the council has ended up with budgets. The Chief Executive noted that the funding from NZTA has come through, and is slightly above the requested figure, however the funding for each category has been changed from what we requested. The Chairman questioned if it's possible to transfer between categories. The Chief Executive noted that it is dependent on what project it is used for, as it is a matter of politically supported budgets vs politically unsupported budgets.
- The District Mayor noted that they are currently clearing snow off Pembroke Road and as council are now responsible for special roads, this cost will fall onto us. The Chief Executive highlighted that this was budgeted for accordingly within the reactive maintenance budget.

Recommendations

THAT the report be received.

Recommended Reason

To present an update on the progress of our key capital projects in the 2024/25 financial year.

BOYDE/McKAY
Carried
A&R/24/42

Questions/Points of Clarification:

- Councillor Boyde referenced the Whangamomona septic tank in section 5.1 and questioned whether Council had “dropped the ball” on this issue. He asked if Iwi reports are now required for all septic tank resource consents or if this requirement only applies to this project. The Projects Manager clarified that the Iwi report is specific to this project. The Director of Assets sought clarification on what Councillor Boyde meant by “dropping the ball.” Councillor Boyde explained that the problems with the septic tank were identified three years ago, but no actions were taken to mitigate the risk of failure, leading to the current situation.
- Councillor Boyde addressed the situation in section 5.3, Prospero Place, noting that it seems to be progressing very slowly. He mentioned that discussions began six years ago and questioned whether it’s time to move forward without focusing on obtaining the land.
- Councillor Boyde discussed the Flint Road subdivision, noting that the wetlands identified were not initially recognized. He inquired about when they would receive information regarding the impact on size, shape, and other factors. The Projects Manager mentioned that the survey has captured the footprint of the wetlands, and they are currently working on the concept design. He also pointed out that wetland regulations have changed since the land was purchased, which has created some challenges.
- Councillor Boyde raised concerns about the water meters, noting issues with the contractor who is on the verge of liquidation. He asked if this would lead to a significant increase in costs when retendering. The Projects Manager confirmed they have received notice of the contractor’s liquidation and are currently in the retendering process. While there may be cost implications, he pointed out that the original tender was quite low, so the increase shouldn’t be substantial. Councillor Boyde also inquired about the delivery timeline, asking if it would still be April 2025. The Projects Manager explained that the original schedule was set for November, but there might be a slight delay. They will have more clarity once the tenders come back, with the project expected to be completed by the end of June. Councillor Jones sought clarification on whether we are losing the contractor or the product. The Chief Executive clarified that we are supplying the product, therefore we are only losing the contractor.
- Councillor Beck questioned if council has been monitoring the installation of the water meters for quality control. The Projects Manager noted that yes we have been, but out of 160 meters installed only 2 have had to be revisited for repairs.
- The Deputy Mayor addressed item 5.3 regarding Prospero Place, stating that the last she was aware, there was a sale and purchase agreement in place, subject to certain work being completed. She asked if that situation had changed. The Chief Executive noted that the property owner has not yet signed the agreement, and there hasn’t been any recent progress. He also pointed out that the columns have not yet been signed off, raising concerns about risks, building consents, and that engineering has not approved one specific aspect. The Deputy Mayor asked as to at what point do we implement a withdraw in this deal. The Chief Executive noted that they are willing to do this at any point the elected members instruct them to.
- The Chairman noted that this is the first report for the financial year, he asked what is anticipated to be reported on in subsequent meetings. The Projects Manager noted that this

report will be reporting and monitoring projects, risk and consequences associated with the projects as well as progress. The Chairman sought direction from the committee regarding the content of these reports, he asked whether it is necessary to include every project at every meeting and if we should just focus on high risk projects as well as emerging risks. Councillor Boyde suggested a graph highlighting projected timelines and deliveries.

13. Tabled – Decision Report – Risk Management Policy – Audit and Risk Committee D24/4427

Recommendations

1. THAT the report be received.
2. THAT the amended Risk Management Policy be reviewed and approved.

Recommended Reason

The Policy is due for review, and was last reviewed in August 2021.

BOYDE/McKAY
Carried
A&R/24/43

- The Audit and Risk Advisor noted that the tabled policy is due for a review and was raised to committee within a workshop setting previously. At this workshop it was discussed to add in an emerging risks section, aside from this there have been no other major changes.
- Councillor Hall questioned if there is an opportunity to incorporate a sustainability policy in this area, expressing her interest but uncertainty about the logistics. The Audit and Risk Advisor responded that she is not certain if sustainability is included in other councils risk management policies. She mentioned that adding sustainability to the policy would introduce another layer of consideration for assessing risks. The Audit and Risk Advisor noted that if there is appetite to explore the addition of this, we can investigate this.
- The Chairman noted that there was a review any appetite statements within the policy that state committee members comfortability with certain reoccurring risks. He noted that this may need readdressing. This matter was discussed further and was decided to be put on the programme of works to be readdressed at a later date.
- The committee noted that the policy is solid but want to explore sustainability further. The Chairman suggested that we receive the report and request that the current policy be brought back to the next committee meeting with considerations for sustainability included.

The Projects Manager left the meeting at 3.28 pm.

14. Correspondence

7.1 LFGA Quarterly Report to Shareholders

7.2 Letter – Proposed changed to the appointed Auditor for Stratford District Council

- The Chief Executive noted that within the letter received from the OAG it states that we asked for this change in auditors, however this is not the case as no formal process with the OAG was undertaken to change auditors. Regardless, Council staff are happy with the change and happy to move forward with the change to Audit New Zealand.
- The District Mayor highlighted that a response is required by the 20th of September, he queried whether the committee is required to give instruction or if this decision can be made at an executive level. The Deputy Mayor noted that she is comfortable for this decision to be made at an executive level.

- The Acting Director - Corporate Services noted that Audit New Zealand is typically better versed in local government in comparison to Deloitte. The Chairman highlighted that only 5 councils are serviced out of Deloitte Wellington whereas Audit New Zealand is in the 20s.
- It was decided that the executive team will respond yes to this matter.

15. General Business

16. Questions

17. Closing karakia

The closing Karakia was read.

The Meeting closed at 3.37pm

P Jones
Chairman

Confirmed this 19th day of November 2024.

N C Volzke
District Mayor