

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

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

Tuesday 26 November 2024, commencing at 2:00 pm

**PRESENT:** S Tindal (Independent Chair) Mayor C Barry (Deputy Chair) (from 2:36pm)  
Cr K Morgan Cr T Stallinger

**APOLOGIES:** Apologies were received from Cr Edwards and Cr Briggs.  
An apology for lateness was received from Mayor Barry.

**IN ATTENDANCE:** J Miller, Chief Executive (part-meeting)  
A Blackshaw, Director Neighbourhoods and Communities  
J Griffiths, Director of Strategy and Engagement  
J Kingsbury, Director Economy and Development  
J Livschitz, Group Chief Financial Officer  
D Newth, Financial Accounting Manager  
N Reddy, Risk and Assurance Manager  
M Connew-Simmons, Programme Manager  
L Allott, Chief Digital Officer  
R Lemalu, Project Delivery Manager  
A Quinn, Project Manager  
L Siriwardena, Legal Operations Advisor  
J Kilty, Democracy Advisor

PUBLIC BUSINESS**1. OPENING FORMALITIES - KARAKIA TIMATANGA**

Whakataka te hau ki te uru	Cease the winds from the west
Whakataka te hau ki te tonga	Cease the winds from the south
Kia mākinakina ki uta	Let the breeze blow over the land
Kia mātaratara ki tai	Let the breeze blow over the ocean
E hī ake ana te atakura	Let the red-tipped dawn come with a
He tio, he huka, he hau hū	sharpened air.
Tihei mauri ora	A touch of frost, a promise of a
	glorious day.

**2. APOLOGIES**

**RESOLVED:** (S Tindal/Cr Morgan) .....Minute No. ARSC 24501

*"That the apologies from Cr Edwards and Cr Briggs be received and leave of absence granted."*

3. **PUBLIC COMMENT**

There was no public comment.

4. **CONFLICT OF INTEREST DECLARATIONS**

There were no conflict of interest declarations.

5. **RECOMMENDATIONS TO COUNCIL: OVERVIEW OF ARTIFICIAL INTELLIGENCE AT COUNCIL**

Ben Wakey, Partner, PwC, was in attendance for the item.

The Director, Strategy and Engagement elaborated on the report.

**RESOLVED:** (S Tindal/Cr Morgan)

**Minute No. ARSC 24502**

*“That the public be excluded from the following parts of the proceedings of this meeting, namely: Overview of Artificial Intelligence at Council - Confidential Attachment 3*

*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>Overview of Artificial Intelligence at Council - Confidential Attachment 3.</i>	<i>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 (s7(2)(b)(ii)).</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.*

*Ben Wakey, Partner at PwC is permitted to remain after the public section of the meeting, as he has knowledge that will assist the subcommittee regarding this item.”*

The meeting returned to the public part of the meeting at 2:16pm.

**RESOLVED:** (S Tindal/Cr Morgan)

**Minute No. ARSC 24502**

*“That the Subcommittee recommends Council:*

- (1) notes that Artificial Intelligence (AI) is increasingly being used by a range of public and private organisations to improve operational effectiveness and service delivery;*
- (2) notes that AI encompasses a range of unique risks, which, combined with the emergence and rapid uptake of the technology, means it is appropriate for Council’s Audit and Risk Subcommittee to maintain oversight of Council’s AI work;*
- (3) notes that the AI Strategy and AI Policy approved by Council’s Corporate Leadership Team form a sound basis to guide the organisation’s AI use;*
- (4) notes AI has been included in Council’s Strategic Risk Register, which will ensure the Corporate Leadership Team and elected members have appropriate oversight of risks associated with AI;*
- (5) notes that a strategic partnership has been agreed upon between Hutt City Council and PwC to work together on AI initiatives and that this partnership has a range of benefits to Council, including access to resources and expertise and reduced AI implementation costs;*
- (6) notes an internal improvement project is underway called “AI-Volution”, which is implementing AI within Council’s environment in a way that will lead to savings in the short-medium term;*
- (7) notes that Council’s focus on AI supports the strategic intentions set out in the Long Term Plan, particularly the focus on improving operational efficiency and achieving cost savings, and delivering this work in a way that represents value for money; and*
- (8) notes that AI is a focus of the Chief Executive’s Performance Objectives for this financial year, and AI-related work underway is consistent with achieving those objectives.”*

**6. EXTERNAL AUDIT UPDATE - URBAN PLUS LIMITED (PARENT AND GROUP)**

Report No. ARSC2024/5/347 by the Financial Accounting Manager

The Financial Accounting Manager elaborated on the report.

**RESOLVED:** (S Tindal/Cr Stallinger)

**Minute No. ARSC 24503**

*“That the Subcommittee notes the Audit New Zealand’s management report on the audit of Urban Plus Limited Group Annual Report 2023-24, as attached as Appendices 1, 2 and 3 to the report.”*

7. **EXTERNAL AUDIT UPDATE - SEAVIEW MARINA LIMITED**

Report No. ARSC2024/5/348 by the Financial Accounting Manager

The Financial Accounting Manager elaborated on the report. He mentioned that the recommendations arising from the audit would be implemented before June 2025.

**RESOLVED:** (S Tindal/Cr Stallinger)

**Minute No. ARSC 24504**

*"That the Subcommittee notes the Audit New Zealand's management report on the audit of Seaview Marina Limited Annual Report 2023-24, as attached as Appendix 1 to the report."*

8. **EXTERNAL AUDIT UPDATE - HUTT CITY COUNCIL**

Report No. ARSC2024/5/349 by the Financial Accounting Manager

The Group Chief Financial Officer elaborated on the report.

In response to questions from members, the Group Chief Financial Officer explained that the increase in asset valuation was primarily due to improved data regarding water assets. She noted that Wellington City Council had experienced a similar uplift in valuation a few years prior. However, not all councils saw the same increase in valuation as the Council did in 2024. She also mentioned that discussions about procurement processes would be necessary with Wellington Water Limited.

The Chair noted that several councils across New Zealand still needed to conduct asset revaluations, unlike this Council. She mentioned a noticeable trend of increasing asset valuations throughout the country, which the Infrastructure Commission had also observed. She stated that the Annual Plan review and Wellington Water Committee would examine these valuation increases.

**RESOLVED:** (S Tindal/Cr Morgan)

**Minute No. ARSC 24505**

*"That the Subcommittee:*

- (1) receives and notes Audit New Zealand's management report on the audit of the Hutt City Council Group Annual Report 2023-24, attached as Appendix 1 to the report; and*
- (2) notes that two Audit NZ management recommendations have been closed out and resolved in the 2023-24 report, being:*
  - (a) Valuation of Property, Plant and Equipment; and*
  - (b) IT Disaster Recovery Plans require testing."*

9. **SENSITIVE EXPENDITURE DISCLOSURES**

Report No. ARSC2024/5/110 by the Financial Accounting Manager

The Financial Accounting Manager elaborated on the report.

**RESOLVED:** (S Tindal/Cr Stallinger)

**Minute No. ARSC 24506**

*"That the Subcommittee:*

- (1) receives and notes the information; and*
- (2) notes the Sensitive Expenditure disclosure information attached as Appendix 1 to the report: Sensitive Expenditure 1 July to 30 September 2024."*

10. **RISK MANAGEMENT AND ASSURANCE UPDATE**

Report No. ARSC2024/5/350 by the Risk and Assurance Manager - Finance

The Risk and Assurance Manager elaborated on the report.

**RESOLVED:** (S Tindal/Cr Morgan)

**Minute No. ARSC 24507**

*"That the Subcommittee:*

- (1) receives and notes the information;*
- (2) notes there are 10 risks (previously eight) on Council's strategic risk register;*
- (3) notes, two new risks (Risk 2, Seaview Wastewater Treatment Plant and Risk 9, Artificial Intelligence) have been added to the Strategic Risk Register;*
- (4) notes the update on "Other Activities" contained within the report; and*
- (5) notes the Risk Register as of 31 October 2024 attached as Appendix 1 to the report."*

Mayor Barry joined the meeting at 2:36pm.

**11. HUMAN RESOURCES INFORMATION SYSTEM AND PAYROLL PROJECT**

Report No. ARSC2024/5/351 by the Programme Manager

The Programme Manager elaborated on the report. She explained that the tenders submitted for the Human Resources Information System were designed with strict requirements to ensure compliance with the Holidays Act. She added that several panel members were responsible for verifying this compliance.

**RESOLVED:** (S Tindal/Cr Stallinger)

**Minute No. ARSC 24508**

*"That the Subcommittee receives and notes the progress on the Human Resources Information System and Payroll Project."*

**12. TE WAI TAKAMORI O TE AWA KAIRANGI (RIVERLINK) UPDATE**

Report No. ARSC2024/5/352 by the Project Manager - City Delivery

The Director, Economy and Development elaborated on the report.

**RESOLVED:** (S Tindal/Cr Morgan)

**Minute No. ARSC 24509**

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

**13. TUPUA HORO NUKU - QUARTERLY UPDATE**

Report No. ARSC2024/5/354 by the Project Delivery Manager

The Project Delivery Manager elaborated on the report.

**RESOLVED:** (S Tindal/Cr Stallinger)

**Minute No. ARSC 24510**

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

**14. COMPLYWITH: LEGAL COMPLIANCE REPORT 1 JANUARY 2024 TO 30 JUNE 2024**

Report No. ARSC2024/5/111 by the Legal Co-ordinator

The Legal Co-ordinator elaborated on the report.

**RESOLVED:** (S Tindal/Cr Stallinger)

**Minute No. ARSC 24511**

*"That the Subcommittee:*

- (1) notes the ComplyWith legal compliance report for the period 1 January 2024 to 30 June 2024;*
- (2) notes that out of the 40 non-compliances recorded during the survey, 29 are already resolved;  
and*
- (3) notes that once the duplicate from the remaining 11 non-compliances has been removed, 10  
Corrective Actions remain attached as Attachment 1 to the report."*

**15. INFORMATION ITEMS**



a) **Whakatupu Ngaengae**

Memorandum dated 7 November 2024 by the Project Manager (Naenae)

The Project Manager (Naenae) elaborated on the report.

Mayor Barry highlighted the remarkable achievement of the pool's Green Star rating, emphasising that everyone could take pride in this success.

The Chief Executive stated that viewing the project through a risk lens ensured that requirements were met by addressing risks upfront. She acknowledged the efforts of the Director Neighbourhoods and Communities for her contributions.

**RESOLVED:** (S Tindal/Cr Morgan)

**Minute No. ARSC 24512**

*"That the Subcommittee:*

- (1) *receives and notes the information; and*
- (2) *notes the following progress that has been made on the Whakatupu Ngaengae project in the reporting period September through October 2024:*
  - (a) *practical completion of Te Ngaengae Pool +Fitness is scheduled for 15 November 2024, and plans for a blessing and public opening of the building on Wednesday, 4 December 2024, are now well advanced;*
  - (b) *tenders for the Walter Mildenhall Park close in early November 2024, and we expect to confirm a preferred contractor in mid-December 2024. Works are planned to commence site works by the end of January 2025; and*
  - (c) *confidence is high that Walter Mildenhall Park can be delivered on time and budget."*

b) **Audit and Risk Subcommittee Forward Programme 2025**

Memorandum dated 11 November 2024 by the Democracy Advisor

**RESOLVED:** ( Tindal/Cr Stallinger)

**Minute No. ARSC 24513**

*"That the Subcommittee receives and notes the Forward Programme for 2025, attached as Appendix 1 to the memorandum."*

16. **QUESTIONS**

There were no questions.

**17. CLOSING FORMALITIES - KARAKIA WHAKAMUTUNGA**

Unuhia!	Release us from the supreme
Unuhia!	sacredness of our tasks
Unuhia i te uru-tapu-nui	To be clear and free
Kia wātea, kia māmā	in heart, body and soul in our
Te ngākau, te tinana,	continuing journey
te wairua i te ara takatū	Oh Rongo, raise these words up high
Koia rā e Rongo	so that we be cleansed and be free,
whakairihia ake ki runga	Yes indeed, we are free!
Kia wātea, kia wātea!	Good and peaceful
Ae rā, kua wātea!	
Hau, pai mārire.	

There being no further business, the Chair declared the public part of the meeting closed at 2.56 pm. The public excluded part of the meeting closed at 2:10pm.

S Tindal  
CHAIR

**CONFIRMED as a true and correct record**  
**Dated this 10th day of December 2024**