

HUTT CITY COUNCIL**KOMITI 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 August 2025 commencing at 2:00 pm

To watch the livestream of the meeting, please click the link here: [26 August 2025 - Audit and Risk Subcommittee](#)

PRESENT:

S Tindal (Independent
Chair)

Cr S Edwards

Cr K Morgan

Cr T Stallinger (via Zoom)

APOLOGIES:

Mayor Barry and Cr Briggs.

IN ATTENDANCE:

A Blackshaw, Director Neighbourhoods and Communities
J Kingsbury, Director Economy and Development
J Livschitz, Group Chief Financial Officer
B Cato, Chief Legal Officer
T Johnstone, Acting Director Environment and Sustainability
K Alkema, Chief People Officer
P Hewitt, Head of Transport (part meeting)
D Kennedy, Transport Projects Manager (part meeting)
D Newth, Financial Accounting Manager (part meeting)
M Connew-Simmons, Programme Manager
A Andrews, Financial Transaction Services Manager
B Hodgins, Strategic Advisor
L Siriwardena, Legal Operations Advisor
J Young, Democracy Advisor

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

Whakataka te hau ki te uru
Whakataka te hau ki te tonga
Kia mākinakina ki uta
Kia mātaratara ki tai
E hī ake ana te atakura
He tio, he huka, he hau hū
Tihei mauri ora

Cease the winds from the west
Cease the winds from the south
Let the breeze blow over the land
Let the breeze blow over the ocean
Let the red-tipped dawn come with a
sharpened air.
A touch of frost, a promise of a
glorious day.

2. **APOLOGIES**

RESOLVED: (S Tindal/Cr Morgan

Minute No. ARSC 25401

"That the apology received from Mayor Barry and Cr Briggs be accepted and leave of absence be granted."

3. **PUBLIC COMMENT**

There was no public comment.

4. **CONFLICT OF INTEREST DECLARATIONS**

There were no conflicts of interest declarations.

5. TUPUA HORO NUKU UPDATE

Report No. ARSC2025/4/219 by the Transport Project Manager

The Transport Project Manager elaborated on the report.

In response to questions from members, the Transport Project Manager explained that the allowable trip delay threshold had increased from five to six minutes. He added that while cumulative time savings were greater, the shorter-term duration was slightly longer. He noted that this issue had been raised and included in the assessment of the three-lane strategy.

The Head of Transport stated that the maximum allowable delay was six minutes and confirmed that all delays are currently below this limit.

The Transport Project Manager reported that the early morning peak is a busy time for workers on site and noted that all data collected since 4 August 2025 showed no delays exceeding the six-minute threshold.

In response to a question from a member, the Head of Transport advised that power pole placements had been undertaken by Wellington Electricity and through the Alliance. Regarding Mahina Bay, he confirmed that the Alliance was working with residents on location issues.

In response to questions from a member about the programme, the Head of Transport indicated that physical work was scheduled to be completed by the end of March 2026. He added that activity was expected to peak soon, with the number of workers on-site and work rates declining toward February and March 2026.

In response to questions from members, the Director Economy and Development explained that discussions with Wellington Electricity confirmed the area's complexity, making it impossible to underground power lines within the programmes timeframes. He noted that, despite initial hopes for reconsideration, Wellington Electricity lacked capacity within the programme's timeframe, and Council had no funding to pursue it independently.

The Chair stated that final decisions on such matters rested with the Electricity Distribution Business, which had the authority and responsibility for the network.

RESOLVED: (S Tindal/Cr Edwards)

Minute No. ARSC 25402

"That the Subcommittee :

- (1) receives and notes the information;*
- (2) notes that the approved Three Lane Closure Strategy is expected to mitigate financial risk from an extended timeline and avoid cost escalations beyond the approved budget through reducing the project duration by 26 weeks, bringing the forecast completion date forward to March 2026, and aligning delivery with the Ngā Ūranga ki Pito-One programme; and*
- (3) notes that modelling indicates the revised approach will minimise the risk of additional preliminary and general costs by aligning delivery with Ngā Ūranga ki Pito-One and reduce*

cumulative public delays despite a slight increase in peak hour trip delays."

6. INSURANCE RENEWAL UPDATE

Report No. ARSC2025/4/220 by the Treasury Officer

The Financial Accounting Manager elaborated on the report.

In response to questions from members, the Financial Accounting Manager advised that councils did not insure roading assets. He explained that major roading damage was partly offset by NZ Transport Agency Waka Kotahi (NZTA) funding for critical assets, which was the primary reason Council did not insure these assets.

The Chair confirmed this advice, noting that most councils and other central government agencies adopted the same approach. She highlighted that asset location, particularly in high-risk areas, was also a key consideration.

RESOLVED: (S Tindal/Cr Morgan)

Minute No. ARSC 25403

"That the Subcommittee:

- (1) notes that Council has successfully renewed its Property and Infrastructure insurance programme for policies commencing 1 May 2025 for a 12-month term;*
- (2) notes the remaining policies, renewed on 1 November 2024, for a 12-month term;*
- (3) notes the insurance renewals information as outlined in paragraphs 10 and 11 of the report; and*
- (4) notes that insurance costs for 2025/26 are budgeted to be \$5.8M."*

7. HUMAN RESOURCE INFORMATION MANAGEMENT AND PAYROLL SYSTEMS PROJECT, AND HOLIDAYS ACT REMEDIATION PROJECT UPDATE

Report No. ARSC2025/4/221 by the Programme Manager

The Programme Manager and Manager Finance Transaction Services elaborated on the report.

In response to questions from members, the Manager Financial Transaction Services advised that the Statement of Work required the new system to be fully compliant with the Holidays Act, without needing any further remediation to maintain compliance.

The Chair mentioned that if the legislation were to change in the future, the supplier would be responsible for ensuring ongoing compliance. She highlighted that this requirement was included in the Statement of Work and was reinforced by a warranty in the contract, placing the responsibility on the supplier.

RESOLVED: (S Tindal/Cr Morgan)

Minute No. ARSC 25404

"That the Subcommittee:

- (1) notes and receives the update to the HRIS/Payroll project;*
- (2) notes that a full procurement process was undertaken by Officers and two integrated systems, Datapay and Workday, have been chosen and will be implemented by delivery partner Datacom;*
- (3) notes that a key part of contract negotiation was to ensure there was additional wording included in the contract around Holidays Act compliance;*
- (4) notes there is still an onus on Council to provide accurate data to ensure payroll compliance;*
- (5) notes that the first tranche of the Holidays Act remediation payments (Phase 1) was completed in July 2022, covering the period from March 2015 to March 2022, and included payments in line with the approved remediation model;*
- (6) notes that Phase 2 of the Holidays Act remediation payment process was completed in July 2025, bringing the remediation period up to February 2025;*
- (7) notes that the remediation calculations for Phase 2 were based on the model developed by a payroll calculation specialist and previously tested in mid-2022, providing confidence in the accuracy of the payment amounts;*
- (8) notes that 388 current staff were paid during this phase, equating to \$357,434 before tax and KiwiSaver;*
- (9) notes that a webpage remains on Council's external website providing information on Holidays Act remediation and enabling eligible former staff to lodge their details to receive payment; and*
- (10) notes that the financial provision for Holidays Act remediation in Council's accounts as at 30 June 2025 is \$1.495M."*

8. **SENSITIVE EXPENDITURE DISCLOSURES**

Report No. ARSC2025/4/101 by the Financial Accounting Manager

The Financial Accounting Manager elaborated on the report.

RESOLVED: (S Tindal/ Cr Edwards)

Minute No. ARSC 25405

"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 April 2025 to 30 June 2025."*

9. **HUTT CITY COUNCIL GROUP ANNUAL REPORT 2024/25 AND UPDATE ON EXTERNAL AUDIT PROCESSES**

Report No. ARSC2025/4/222 by the Financial Accounting Manager

The Financial Accounting Manager elaborated on the report.

The Chair observed that completing an interim audit without issues was unusual. She confirmed, based on her one-on-one meeting with the appointed auditor, that no concerns were raised.

RESOLVED: (S Tindal/ Cr Morgan)

Minute No. ARSC 25406

"That the Subcommittee:

- (1) receives and notes the update on the preparation of the Group Annual Report 2024/25;*
- (2) notes that the interim audit was completed by 30 June 2025;*
- (3) notes that the final audited Group Annual Report 2024/25 is expected to be available for Council adoption on 7 October 2025;*
- (4) notes that the statutory deadline for the adoption of the Group Annual Report 2024/25 is 31 October 2025; and*
- (5) notes that the draft unaudited Group Annual Report 2024/25 will be considered by the Subcommittee at its meeting on 23 September 2025."*

10. WATER SERVICES MATTERS

Report No. ARSC2025/4/223 by the Strategic Advisor

The Strategic Advisor elaborated on the report. He advised that all partner councils had adopted the Water Services Delivery Plan (WSDP) and that the Local Government Water Services Bill had its third reading the previous Tuesday and was now awaiting Royal Assent.

In response to member questions, the Chief Financial Officer explained that Table 3: Rates Revenue Increases in Attachment 3 separated the estimated revenue for the new entity, detailing both specific targeted rates and general rates for stormwater. She noted that the graph in the public communications provided a broader overview of the capital programme and operational costs. She explained that Council had faced deficits for several years due to underfunding in the last Long Term Plan. She emphasised that Council was working to balance the budget, and the incoming Council would need to make trade-offs regarding rate-setting.

The Chair noted that Table 3: Rates Revenue Increases and the graph in the public communications were not directly related, a point confirmed by the Chief Financial Officer.

RESOLVED: (S Tindal/Cr Edwards)

Minute No. ARSC 25407

"That the Subcommittee:

- (1) notes the actions to date that Wellington Water Limited has undertaken to implement its Wellington Water Culture and Value for Money Improvement Plan;*
- (2) notes the progress of work on the Water Services Delivery model and the Water Services Delivery Plan to meet legislative requirements of water reform; and*
- (3) notes the latest financial projections post the water services transition to a new entity."*

11. SIX MONTHLY UPDATE ON HEALTH & SAFETY PERFORMANCE

Report No. ARSC2025/4/224 by the Health & Safety Manager

The Chief People Officer elaborated on the report.

RESOLVED: (S Tindal/Cr Stallinger)

Minute No. ARSC 25408

"That the Subcommittee receives and notes the report."

12. INFORMATION ITEMS

a) **ComplyWith Survey - legal compliance report for period 1 January 2025 - 30 June 2025**

Report No. ARSC2025/4/103 by the Legal Operations Advisor

The Legal Operations Advisor elaborated on the report.

RESOLVED: (S Tindal/Cr Morgan)

Minute No. ARSC 25409

"That the Subcommittee:

- (1) receives and notes the information;*
- (2) notes that out of the 17 non-compliances recorded during the survey, 11 are already resolved;*
- (3) notes that five corrective actions remain; and*
- (4) notes that the list of the five remaining unresolved Corrective Actions and the mitigations that are or will be put in place to address these can be reviewed in Appendix 1 attached to the report."*

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

Memorandum dated 6 August 2025 by the Democracy Advisor

RESOLVED: (S Tindal/Cr Edwards)

Minute No. ARSC 25410

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

13. **QUESTIONS**

There were no questions.

14. **EXCLUSION OF THE PUBLIC**

RESOLVED: (S Tindal/Cr Morgan)

Minute No. ARSC 25411

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

15. *Te Wai Takamori o Te Awa Kairangi | RiverLink Update*

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>Te Wai Takamori o Te Awa Kairangi RiverLink Update.</i>	<i>The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities (s7(2)(h)). The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (s7(2)(i)).</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 reasons 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 part of the meeting closed at 2.38pm. The public excluded part of the meeting closed at 2.43pm.

S Tindal
CHAIR

CONFIRMED as a true and correct record
Dated this 29th day of September 2025