

**Absolutely Positively
Wellington City Council**

Me Heke Ki Pōneke

Ordinary Meeting of Unaunahi Māhirahira | Audit and Risk Committee Ngā Meneti | Minutes

9:30 am Rāapa, 21 Huitanguru 2024

9:30 am Wednesday, 21 February 2024

Ngake (16.09), Level 16, Tahiwī

113 The Terrace

Pōneke | Wellington



PRESENT

Mayor Whanau
Councillor Apanowicz
Councillor Chung
Pouiwi Kelly
Councillor Pannett
Councillor Randle (Deputy Chair)
Bruce Robertson (Chair)
Wendy Venter

IN ATTENDANCE

Deputy Mayor Foon
Councillor Abdurahman
Councillor Calvert
Pouiwi Hohaia
Councillor O'Neill

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1. Meeting Conduct

1.1 Karakia

The Chairperson declared the meeting (hui) open at 9:30am and read the following karakia to open the hui.

**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 atākura.
He tio, he huka, he hauhū.
Tihei Mauri Ora!**

Cease oh winds of the west
and of the south
Let the bracing breezes flow,
over the land and the sea.
Let the red-tipped dawn come
with a sharpened edge, a touch of frost,
a promise of a glorious day

1.2 Apologies

Moved Bruce Robertson, seconded Councillor Randle

Resolved

That the Unaunahi Māhirahira | Audit and Risk Committee:

1. Accept the apologies received from Councillor Pannett for lateness.

Carried

(Pouiwi Kelly joined the hui 9:32am.)

1.3 Conflict of Interest Declarations

No conflicts of interest were declared.

1.4 Confirmation of Minutes

Moved Bruce Robertson, seconded Councillor Apanowicz

Resolved

That the Unaunahi Māhirahira | Audit and Risk Committee:

1. Approves the minutes of the Unaunahi Māhirahira | Audit and Risk Committee Meeting held on 29 November 2023, having been circulated, that they be taken as read and confirmed as an accurate record of that meeting.

Carried

1.5 Items not on the Agenda

There were no items not on the agenda.

1.6 Public Participation

No request for public participation were received.

2. General Business

(Councillor Pannett joined the hui at 9:47am)
(Mayor Whanau left the hui at 9:55am)
(Mayor Whanau joined the hui at 9:58am)

2.1 Audit New Zealand - FY2024 Annual Report Audit Plan

Moved Councillor Randle, seconded Councillor Chung

Resolved

That the Unaunahi Māhirahira | Audit and Risk Committee:

1. Receive the information.
2. Note the draft audit plan prepared by Audit New Zealand (attachment 1) and their approach to the audit of the 30 June 2024 annual report for the Council and Group.
3. Delegate the authority to finalise the Audit Plan to the Chief Financial Officer and Chair of the Unaunahi Māhirahira | Audit and Risk Committee.

Carried

(Mayor Whanau left the hui at 10:10am)

2.2 Audit New Zealand - 2024-34 Long Term Plan Audit Update

Moved Bruce Robertson, seconded Councillor Pannett

Resolved

That the Unaunahi Māhirahira | Audit and Risk Committee:

1. Receive the information.
2. Note the WCC LTP 2024-34 Memo to Audit and Risk Committee prepared by Audit New Zealand for the 2024-34 Long Term Plan (LTP) (attachment 1).
3. Delegate the authority to finalise the 2024-34 LTP audit plan, engagement letter and audit fee to the Chief Strategy and Governance Officer, Chair of the Unaunahi Māhirahira | Audit and Risk Committee and the Mayor.

Carried

2.3 Long Term Plan Process Update

Moved Liz Kelly, seconded Councillor Chung

Resolved

That the Unaunahi Māhirahira | Audit and Risk Committee:

1. Receive the information.
2. Note that officers will provide an update presentation on the progress of the 2024 LTP development programme. This will also reference the decisions made at the 15 February Kōrau Tōtōpū | Long-term Plan, Annual Plan and Performance committee.
3. Note that Audit NZ has committed to a schedule for the audit of the Consultation Document and supporting information to enable the Council to adopt the Consultation Document with an audit opinion on 10 April 2024. We expect to receive full documentation from Audit NZ on the LTP audit programme shortly.
4. Note that Audit NZ will provide an update of the LTP Audit programme to the meeting.

Carried

Attachments

- 1 Long Term Plan Process Update - Slides

The hui adjourned at 10:57am and resumed at 11:09am with the following members present Councillor Apanowicz, Councillor Chung, Pouiwi Kelly, Councillor Pannett, Bruce Robertson and Wendy Venter.

(Pouiwi Kelly left the hui at 11:17am)

(Pouiwi Kelly joined the hui at 11:21am)

2.4 Assurance and Business Integrity Update

Moved Councillor Apanowicz, seconded Wendy Venter

Resolved

That the Unaunahi Māhirahira | Audit and Risk Committee:

1. Receive the update on the Assurance and Business Integrity workplan.
2. Receive the update on management's progress to address recommendations from internal audit and other independent sources of assurance.
3. Receive the update on Council's exposure to fraud risk, protected disclosures and investigations.

Carried

(Councillor Randle joined the hui 11:28am)

2.5 Raising internal controls assessment from Core to Good

Moved Councillor Apanowicz, seconded Bruce Robertson

Resolved

That the Unaunahi Māhirahira | Audit and Risk Committee:

1. Receive the information.
2. Endorse the proposed actions to lift the internal controls assessment from “Core” to “Good”.
3. Note the *Organisational Policies and Controls* risk profile which forms the baseline and target for the internal controls uplift.
4. Note that the Organisational Policies and Controls risk will not be included as one of Council’s strategic risks.

Carried

2.6 Building Consent Authority Accreditation - towards May 2025 Assessment

Moved Liz Kelly, seconded Councillor Apanowicz

Resolved

That the Unaunahi Māhirahira | Audit and Risk Committee:

- 1) Receive the information.

Carried

2.7 Health and Safety Performance Report

Moved Bruce Robertson, seconded Councillor Pannett

Resolved

That the Unaunahi Māhirahira | Audit and Risk Committee:

1. Receive the information.

Carried

2.8 Actions Tracking and Forward Programme

Moved Councillor Apanowicz, seconded Councillor Randle

Resolved

That the Unaunahi Māhirahira | Audit and Risk Committee:

1. Receive the information.

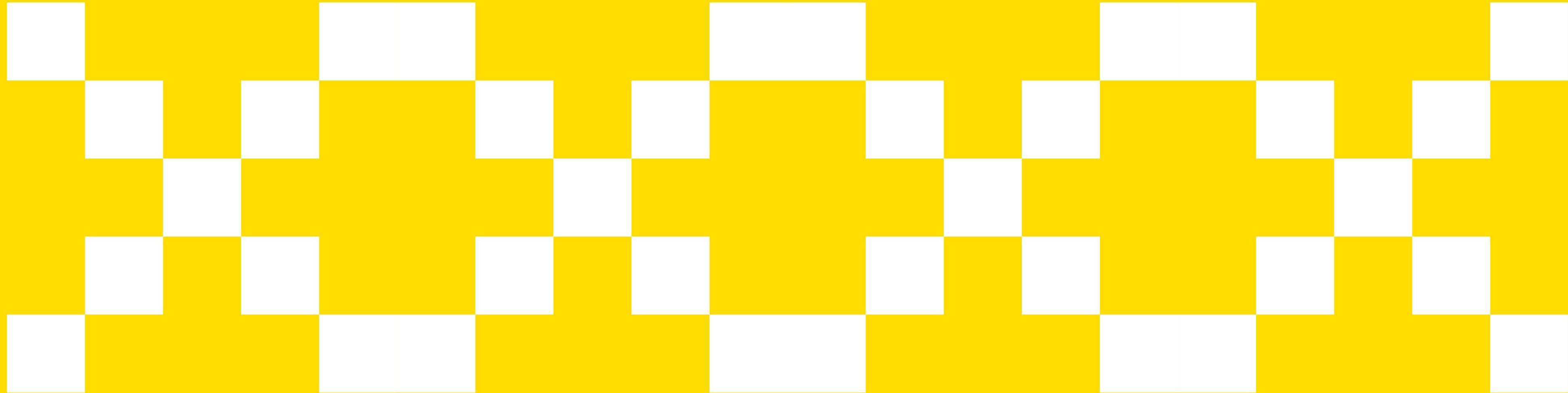
Carried

The hui concluded at 12:09 pm with the reading of the following karakia:

Unuhia, unuhia, unuhia ki te uru tapu nui	Draw on, draw on
Kia wātea, kia māmā, te ngākau, te tinana, te wairua	Draw on the supreme sacredness To clear, to free the heart, the body and the spirit of mankind
I te ara takatū	
Koia rā e Rongo, whakairia ake ki runga	Oh Rongo, above (symbol of peace)
Kia wātea, kia wātea	Let this all be done in unity
Āe rā, kua wātea!	

Authenticated: _____

Chair



2024-34 Long-term Plan Update

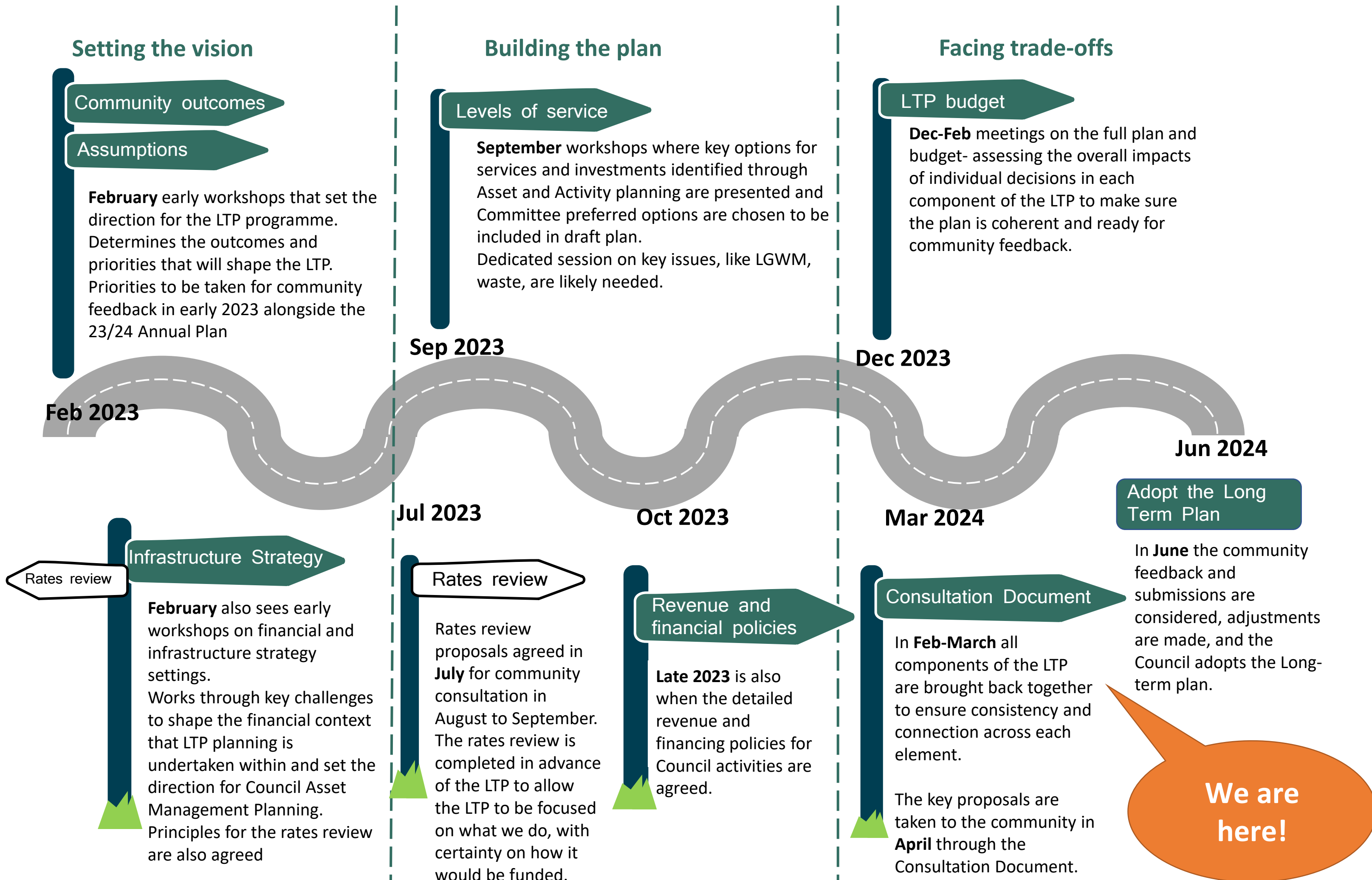
Our 10-Year Plan
2024-2034

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Recap: process and context



Recap: We have come a long way and we are on track



LTP Programme overview

Programme

Overall programme timeline is on track, supporting material for consultation is being finalised.

- At the February 15 Annual Plan / Long-term Plan Committee Deliberations decisions were made on the budget, consultation document options, and supporting information. The following were agreed:
 - Agreed the draft Significant Forecasting Assumptions, draft Infrastructure Strategy, draft Financial Strategy, and the draft Revenue & Financing Policy.
 - Consultation issues have been agreed, with options provided around Waste, Three Waters, and Perpetual Investment Fund.
- Our current focus is gathering the underlying information of the key documents in preparation for the Consultation Document Audit.



What has changed?

Three Waters

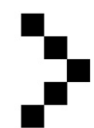
- Central government has now formally confirmed intent to repeal three waters legislation
- Our LTP has reverted to assumption of continued ownership of three waters in current state.
- Given this change, consultation options on three waters investment are being included into our CD.

LGWM

- Central government, alongside partner Councils, have also confirmed the end of the LGWM programme
- Our draft LTP has been updated to reflect this change (the inclusion of Golden Mile, Thorndon Quay/Hutt Road and City Streets in WCC work programme)

LTP Process Options

- Central government provided flexibility to LTP processes given the three waters reform change (to allow LTPs to progress with no audit of the CD or adopt late or defer by a year)
- We are not planning to take up these options - Council's inability to set rates until the LTP is adopted poses cash flow risks, especially as we must also establish the sludge levy for the first time alongside rates in 2024/25. Moreover, our LTP programme is on track, and any delay would hinder community consultation in April 2024. Additionally, the audit programme is fixed, leaving no significant procedural benefits to postponing adoption.



Audit update

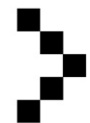
Stage	Dates	Status
First Audit Review (Cold Review)	11 th December – 18 th January	✓
Consultation Document Audit	4 th March – 28 th March	
LTP Adoption Audit	3 rd – 14 th June	

- Audit NZ initial feedback (‘informal cold review’) is complete - with constructive feedback being incorporated
- Formal audit of consultation material begins in March 2024 once a clear set of proposals for the community are agreed
- We continue to work closely with auditors on underlying material for feedback



Documents required for the Consultation Document Audit

Stage	Key Documents
Consultation Document Audit	<ul style="list-style-type: none">• Consultation Document• Infrastructure Strategy• Financial Strategy• Asset Management Plans• Significant Forecasting Assumptions• Activity Group statements• Key Performance Indicators• Revenue & Financing Policy• Forecast Financial statements• Financial Impact Statements• Consultation Option material <p><i>*all underlying information supporting these key documents</i></p>

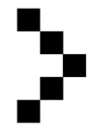


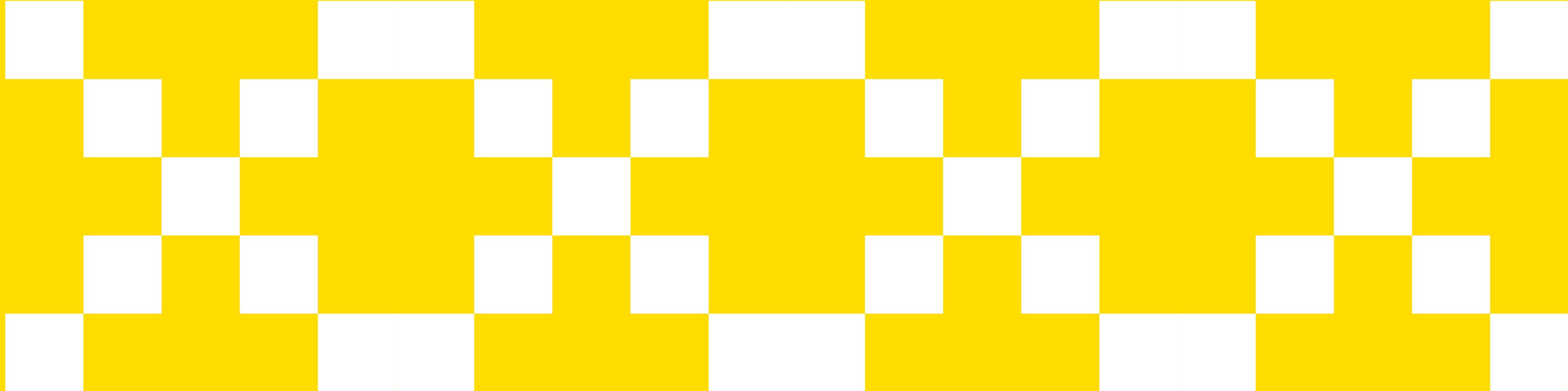
Next Steps



Next steps of the LTP process

- **21 February:** LTP process update
- **13 March:** Agree Consultation Document to Audit (*LTP Committee*)
- **10 April:** Consultation Document adoption and Approve DC Consultation (*LTP Committee*)
- **12 April - 12 May:** Consultation
- **9-22 May:** Public Hearings/Oral submissions
- **30 May:** Deliberation on the final LTP (*LTP Committee*)
- **26-27 June:** Adopt the 2024-34 LTP (*LTP Committee and Council*)





Questions

Our 10-Year Plan
2024-2034

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