
ORDINARY MEETING

OF

KĀWAI MĀHIRAHIRA | AUDIT AND RISK SUBCOMMITTEE

MINUTES

Time: 1:30pm
Date: Tuesday, 3 May 2022
Venue: Ngake (16.09)
Level 16, Tahiwī
113 The Terrace
Wellington

PRESENT

Councillor Condie (Deputy Chair)
Liz Kelly
Councillor Pannett (via audiovisual link)
Councillor Paul (via audiovisual link)
Linda Rieper (External)
Bruce Robertson (Chair)
Roy Tiffin (External)

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1. Meeting Conduct

1.1 Karakia

The Chairperson declared the meeting open at 1:30pm and invited members to stand and read the following karakia to open the meeting.

Whakataka te hau ki te uru,	Cease oh winds of the west
Whakataka te hau ki te tonga.	and of the south
Kia mākinakina ki uta,	Let the bracing breezes flow,
Kia mātaratara ki tai.	over the land and the sea.
E hī ake ana te atākura.	Let the red-tipped dawn come
He tio, he huka, he hauhū.	with a sharpened edge, a touch of frost,
Tihei Mauri Ora!	a promise of a glorious day

1.2 Apologies

Moved Bruce Robertson, seconded Councillor Condie

Resolved

That the Kāwai Māhirahira | Audit and Risk Subcommittee:

1. Accept the apologies from Liz Kelly for early departure and from Councillor Pannett and Mayor Foster for intermittent absence.

Carried

1.3 Conflict of Interest Declarations

Roy Tiffin declared a conflict of interest with public excluded item 3.2 Wellington City Council Building Consent Risks and Liabilities and agreed to leave the room.

1.4 Confirmation of Minutes

Moved Bruce Robertson, seconded Linda Rieper

Resolved

That the Kāwai Māhirahira | Audit and Risk Subcommittee:

1. Approves the minutes of the Kāwai Māhirahira | Audit and Risk Subcommittee Meeting held on 2 February 2022, 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 are no items not on the agenda.

1.6 Public Participation

There were no requests for public participation.

2. General Business

2.1 Audit & Risk Subcommittee | Kāwai Māhirahira self-assessment survey 2022

Moved Bruce Robertson, seconded Councillor Condie

Resolved

That the Kāwai Māhirahira | Audit and Risk Subcommittee:

- 1) Receive the information.
- 2) ~~Recommend any additional areas for inclusion in the survey.~~

Carried

2.2 Assurance & Business Integrity Plan 2022-23

Moved Liz Kelly, seconded Councillor Condie

Resolved

That Kāwai Māhirahira | Audit and Risk Subcommittee:

- 1) Approve the Assurance & Business Integrity Workplan for 2022-23.
- 2) Receive information about the completion of the Elected Member Gifts and Hospitality register.

Carried

2.3 Health, Safety and Security (Performance) Report

Moved Councillor Condie, seconded Linda Rieper

Resolved

That the Kāwai Māhirahira | Audit and Risk Subcommittee:

- 1) Receive the information.
- 2) Recommend to the Pūroro Tahua – Finance Performance Committee to receive the information on 19 May 2022.

Carried

2.4 Draft 2021/22 Annual Report Format Including Financial Statements and Proposed Sign-Off Process

Moved Bruce Robertson, seconded Liz Kelly

Resolved

That the Kāwai Māhirahira | Audit and Risk Subcommittee:

- 1) Receive the information.
- 2) Note the approach and structure for the 2021/22 Annual Report (and Summary Annual Report) is similar to the 2020/21 Annual Report. This is subject to:
 - a. The key themes and final performance story for actual full year results; and
 - b. The key messages for the summary story for the year.
- 3) Note the Audit Plan for the year ending 30 June 2022.
- 4) Approve the proposed format and disclosures for the 2021/22 financial statements subject to:
 - a) Consideration of the implications of any changes in NZ GAAP arising up to 30 June 2022 which may be required to be applied retrospectively; and
 - b) The determination and disclosure of the results of operations, cash-flows and financial position for the year ending 30 June 2022 (and any subsequent impact on the notes to the financial statements); and
 - c) Receiving final clearance from Audit New Zealand.
- 5) Approve the sign-off process and timetable for the 2021/22 financial statements.

Carried

Attachments

- 1 Slides - 2020/21 Annual Report Update

The meeting adjourned at 3.05 pm and reconvened at 3.19 pm with the following members present: Bruce Robertson, Roy Tiffin, Linda Rieper, Councillor Condie, Councillor Paul (via audiovisual link).

(Councillor Pannett returned to the meeting at 3:23pm)

(Liz Kelly returned to the meeting at 3:35pm)

2.5 Strategic Risks Update April 2022

Moved Bruce Robertson, seconded Linda Rieper

Resolved

That Kāwai Māhirahira | Audit and Risk Subcommittee:

- 1) Receive the information.
- 2) Approve the Risk Management Team Workplan.

Carried

2.6 Actions Tracking

Moved Bruce Robertson, seconded Councillor Condie

Resolved

That the Kāwai Māhirahira | Audit and Risk Subcommittee:

- 1) Receive the information.

Carried

2.7 Forward Programme and Workplan Update

Moved Bruce Robertson, seconded Linda Rieper

Resolved

That the Kāwai Māhirahira | Audit and Risk Subcommittee:

- 1) Receive the information.

Carried

3. Public Excluded

Moved Bruce Robertson, seconded Councillor Condie

Resolved

That the Kāwai Māhirahira | Audit and Risk Subcommittee:

1. Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
3.1 Legal and Risk Updates	7(2)(g) The withholding of the information is necessary to maintain legal professional privilege. 7(2)(i) 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).	s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.
3.2 Wellington City Council Building Consent Risks and Liabilities	7(2)(i) 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).	s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.

Carried

The meeting went into public-excluded session at 3:55pm.

The meeting returned from public-excluded session and concluded at 5:08pm 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

ORDINARY MEETING

OF

KĀWAI MĀHIRAHIRA | AUDIT AND RISK SUBCOMMITTEE

MINUTE ITEM ATTACHMENTS

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Business

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**2.4 Draft 2021/22 Annual Report Format Including Financial
Statements and Proposed Sign-Off Process**

1. Slides - 2020/21 Annual Report Update

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2021/22 Annual Report Update

Audit and Risk Sub-Committee

3 May 2022

Agenda

- **Timeline overview**
- **Approach to 2021/22 Annual Report i.e:**
 - **Report structure**
 - **Outcomes and performance measures, interim audit areas of interest**
 - **Document presentation**
 - **Questions**



High-level timeline

- **Tuesday 3 May** - Audit plan, Annual Report Process & timeline, year-end
 - **Thursday 16 June** - Annual Report process, timeline and themes
 - **Monday 27 June** - Pre-final Audit begins
 - **Thursday 18 August** - F&P (AR update, early look SSP results)
 - **Tuesday 30 August** - Annual Workshops
 - Statement of Service Performance
 - Financials and Audit progress
 - **Tuesday 14 September** - post interim/ pre-final audit management report
 - **Thursday 29 September** - Finance and Performance Committee (to be scheduled) -Recommend current Council to approve Annual Report
 - **Monday 3 October** - Final Audit begins
 - **Thursday 8 December** - Council briefing – recommend to adopt
 - **Thursday 15 December** - Council to adopt Annual Report including the provision of the Auditor’s opinion
-

Approach - Structure and content

- **A simplified front-end summary including a short and visual overview of financial and non-financial performance.**
- **Aligned with our strategic framework in the 2021-31 LTP**
- **Publication in two volumes with a common look and feel i.e. Volume 1 overview and performance in our strategic activity areas, and Volume 2 detailed financial performance; and**
- **Covers the requirements for entry into the Australasian Reporting Awards (ARA) which provides us with independent feedback allows us to compare with best practice**

Structure

Volume 1:

Section 1: Summary of our year

- Message from the Mayor
- Message from the Chief Executive
- Our city
- Our strategic direction
- Sustainability
- Summary of our performance
- Key projects and programmes

Section 2: Our performance

- Governance
- Environment & infrastructure
- Economic development
- Cultural wellbeing
- Social and recreation
- Urban development
- Transport
- Our performance in detail

Section 3: Our leadership and our people

- Our Council
- Our organisation
- Our staff
- Our volunteers

Independent Auditor's Report

Appendices

- Global Reporting Index
 - Glossary
 - Index
-

Volume 2: Our Finances

- Message from the Chief Financial Officer
- Statement of Compliance & Responsibility
- Statement of Comprehensive Revenue & Expense
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows
- Other disclosures
- Financial prudence
- Funding impact statements

Blue indicates new section

Outcomes and performance measures

- **Outcomes - longer-term indicator trends** (direction of the city)
 - 2018 Census data is now available however confidence in data to show updated trends is to be tested
- **Approach to reporting performance against 2021-22 LTP target(s)**
 - Provide an honest accounting of our performance - explain actual performance with a balance of positive / negative / neutral results
 - A balanced narrative of results / trends
 - Continue to use case studies drawn from BAU service delivery, activity area achievements and performance against financial and / or non-financial targets
 - Highlight and explain significant variances (e.g. KPIs with actual results significantly greater or less than 10% off target, activity area financials >\$500k and 10% off budget), and
 - Where relevant show performance for year to date as at Q3 as part of variance explanation to provide context.

Audit focus for Non-financials: KPI Material Matters for the audit – Three Waters

Meeting customer expectations

Number of complaints about:

- the **drinking water's** clarity, taste, odour, pressure or flow, continuity of supply, and supplier responsiveness*
- the **wastewater** odour, system faults, blockages, and supplier responsiveness*
- **stormwater** system performance*

Compliance and sustainability

Compliance with:

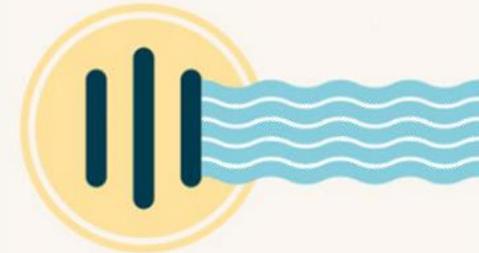
- **Drinking Water** Standards for NZ 2005 (revised 2008) (Part 4 bacterial compliance criteria) (Part 5 protozoal compliance criteria)*
- the resource consents for discharge from its **sewerage** systems*
- the resource consents for discharge from the **stormwater** systems*
- Percentage of real **water loss** from networked reticulation system and description of methodology used
- Dry weather **wastewater** overflows, expressed per 1000 sewerage connections*

Continuity of supply and resolution of faults

Median response time for:

- resolution for urgent call outs*
- **wastewater** overflows*

* Statutory mandatory measure.



Audit focus for Non-financials: Material Matters (*continued*)

Community Support

Customer focus

- Occupancy rate of available housing facilities
- Tenant satisfaction (%) with services and facilities

Outcome measures - Social

- Housing affordability index
- Healthy Housing Stock – House is damp

Building and development control

Timeliness

- Building consents (%) issued within 20 working days

Compliance

- Building Consent Authority (BCA) accreditation retention

Transport

Network condition and maintenance

- Roads (%) that meet smooth roads standards *
- Residents (%) satisfaction with the condition of local roads in their neighbourhood

Outcome measure – Economic

- Residents' perceptions that the transport system allows ease of access to the city



Document design - Continue with the approach established for the 2020-21 Annual Report

Visually strong look & feel with a crisp, clean, intuitive presentation of the narrative with key content linked to the LTP



Questions

