



**MINUTES OF AN ŌPŌTIKI DISTRICT COUNCIL RISK AND ASSURANCE COMMITTEE MEETING HELD ON WEDNESDAY, 6 APRIL 2021 IN THE ŌPŌTIKI DISTRICT COUNCIL CHAMBERS, 108 ST JOHN STREET, ŌPŌTIKI AT 2.03PM**

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PRESENT:

Arihia Tuoro (Chairperson)  
Councillor Debi Hocart  
Councillor Steve Nelson

IN ATTENDANCE:

Deputy Mayor Shona Browne  
Councillor David Moore

Aileen Lawrie (Chief Executive Officer)  
Bevan Gray (Finance and Corporate Services Group Manager)  
Greg Robertson (Chief Financial Officer)  
Peter Bridgwater (Accountant)  
Kris Spencer (Senior ICT Technician)  
Gae Finlay (Executive Assistant and Governance Support Officer)

GUEST:

Leon Pieterse (Audit New Zealand)

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**APOLOGY**

Mayor Riesterer.

**RESOLVED**

**That the apology be sustained.**

Hocart/Nelson

**Carried**

**DECLARATION OF ANY INTERESTS IN RELATION TO OPEN MEETING AGENDA ITEMS**

The Chairperson and Councillor Nelson declared an interest in Item 3 (Hukutaia Growth Area Risk Report) as they are property owners in the Hukutaia area.

**PUBLIC FORUM**

Nil.

**1. MINUTES – RISK AND ASSURANCE COMMITTEE MEETING 10 FEBRUARY 2021 p5**

**RESOLVED**

- (1) That the minutes of the Risk and Assurance Committee meeting held on 10 February 2021 be confirmed as a true and correct record.**

Tuoro/Nelson

**Carried**

**2. RISK AND ASSURANCE ACTION SHEET p10**

The Chief Financial Officer spoke to the Action Sheet items which have been completed.

*Superusers*

The Datacom users have been retained – contractor Emily and the Chief Financial Officer.

Leon Pieterse stated that this will be followed up during the next interim audit. If the Risk and Assurance Committee is comfortable with where it has ended up and accept any residual risk, the item will probably be closed.

*Purchase Order System*

The Chief Financial Officer stated that he is comfortable where the Purchase Order system is at, adding that the system is constantly monitored to seek to improvement where a Purchase Order is done after the purchase.

Leon Pieterse noted that Audit raise issues to get Council to best practice. The Purchase Order system will be looked at during the interim audit.

The Chief Financial Officer advised that a new system has been introduced for credit card and New World card purchasing. Authorisation is now done through a Smartsheet system. The Chief Financial Officer further advised that the tolerance level for Purchase Orders is being reduced.

The Finance and Corporate Services Group Manager stated that contract payments are done through the Contracts Module.

*Conflicts of Interest*

The Chief Financial Officer said although it took longer than anticipated to get all of the completed from back from the Coast Community Board members, this is now an item that can be closed off.

The Chairperson, as mover, moved that an addition clause be added to the recommendation to confirm that the Risk and Assurance Committee approves the items noted as complete. This was agreed to by the seconder.

Leon Pieterse stated that the focus of Audit will be:

- Capital works delays
- Central Government funding
- NZTA funding
- Critical asset conditioning.

The Finance and Corporate Services Group Manager advised that in relation to project management, Council has Ian Morton working with its teams to develop some project management frameworks and processes, together with project management software tools to ensure Council gets the most out of its resourcing and any slippages in projects are identified. A number of the projects in Year 1 of the LTP are already in the project management framework.

The Chief Executive Officer referred to Government funded and ratepayer funded capital works and stated that that Council needs to get on with spending Government funding as Government will be looking to take back some funding around the country. In relation to ratepayer funded capital works, Council has rated for the impacts, hence rated unnecessarily.

The Chief Executive Officer advised that Council's new Engineering and Services Group Manager commences on 1 July 2021. She noted that capital projects are reported in the Quarterly Report which shows how Council's spend is going, along with any issues.

**RESOLVED**

**(1) That the Risk and Assurance Action Sheet be received.**

**(2) That the Risk and Assurance Committee approves the items noted as complete.**

Tuoro/Nelson

**Carried**

### **3. HUKUTAIA GROWTH AREA RISK REPORT**

**p12**

The Chief Executive Officer passed on an apology from the Engineering and Services Group Manager (Acting). She said that the proposed Hukutaia project is the biggest project Council has ever undertaken. Sewerage is highly technical and technicians can have different opinions. The sewerage system project had an advisory group with an independent engineer on that group. The Hukutaia project is more complicated. There is some uptake in Government around housing and Council is aware of an Infrastructure Fund to be announced.

The Chairperson referred to a recommendation from the last Risk and Assurance Committee meeting that Council consider the implementation of an oversight committee.

The Chief Executive Officer advised that the recommendation will go to the April Council meeting. She added that when this goes back to Council there will need to be an outline of the project and what sort of governance or project management should sit over it.

The Finance and Corporate Services Group Manager noted that mitigating as much of the risk as possible needs to be ensured, e.g. capturing actions on the Action Sheet with some possibly assigned to a Steering Group to mitigate.

During a discussion Committee members and Councillors present made comment and raised questions as follows:

- Lack of demand is a big risk
- The project is high risk with a lot of it being hypothetical
- More information is needed, along with engaging with a lot more people
- If development at Hukutaia was identified in the last District Plan, there could have been development already
- Are the sewerage ponds able to cope?
- Do people want to sell their land?
- Will a developer pick it up?
- What will the cost be to the ratepayer?
- Rural land is hard to develop and that will be a big hurdle.

The Chief Executive Officer said it is known that Ōpōtiki is several hundred houses short. However, there is no report to point to. A document with some expert input and data, which we are comfortable with,

is needed before going ahead with a major project like this. Some thought needs to go into scoping and the type of expertise needed. There are a number of people who can assist with writing up a Project Plan and think about the governance of the project.

The Chief Executive Officer further said she will be interested in feedback from Councillors so that a collective view to plan and move forward can be developed.

The Finance and Corporate Services Group Manager stated that Council has to ensure it has the budget and has considered the design process in Year 1. That will involve talking to the community and developers. Council does not have the commitment but is confined to the LTP process.

The Chief Executive Officer suggested that a start be made on a Business Case for when the Infrastructure Fund comes out in July. She added that end treatment and the consent process need to be built into the technical project.

The Chairperson thanked staff for their input into the report.

**RESOLVED**

- (1) That the report titled "Hukutaia Growth Area Risk Report" be received.**
- (2) That the Committee recommends to Council that mitigation measures outlined in the appended report (and any other as deemed necessary) be considered and formalised into an action plan, and responsibility for implementation assigned.**

Hocart/Nelson

**Carried**

**4. IT RISK AND ASSURANCE REPORT**

**p25**

**RESOLVED**

- (1) That the report titled "IT Risk and Assurance Report" be received.**

Tuoro/Hocart

**Carried**

**5. KOHA REPORT**

**p37**

**RESOLVED**

- (1) That the report titled "Koha Report" be received.**

Tuoro/Hocart

**Carried**

**6. RESOLUTION TO EXCLUDE THE PUBLIC**

**p61**

**SECTION 48 LOCAL GOVERNMENT OFFICIAL INFORMATION & MEETINGS ACT 1987**

**THAT the public be excluded from the following parts of the proceedings of this meeting, namely:**

**7. Confirmation of In-Committee Minutes – Risk and Assurance Committee Meeting 10 February 2021.**

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:

<b>Item No</b>	<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48(1) for the passing of this resolution</b>
<b>7.</b>	<b>Confirmation of In-Committee Minutes – Risk and Assurance Committee Meeting 10 February 2021</b>	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 exists.	Section 48(1)(a)

**This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:**

7.	Protect the privacy of natural persons Protect information (commercial sensitivity) Protection from improper pressure or harassment	Section 7(2)(a) Section 7(2)(b)(ii) Section 7(2)(f)(ii)
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Hocart/Nelson

**Carried**

**RESOLVED**

- (1) That the resolutions made while the public was excluded, be confirmed in open meeting.**
- (2) That the public be readmitted to the meeting.**

Tuoro/Nelson

**Carried**

**RESOLVED**

- (1) That the in-committee minutes of the Risk and Assurance Committee meeting held on 10 February 2021 be confirmed as a true and correct record.

Hocart/Tuoro

**Carried**

**THERE BEING NO FURTHER BUSINESS THE MEETING CLOSED AT 3.35PM.**

**THE FOREGOING MINUTES ARE CERTIFIED AS BEING A  
TRUE AND CORRECT RECORD AT A SUBSEQUENT  
MEETING OF THE RISK AND ASSURANCE COMMITTEE  
HELD ON 16 AUGUST 2021**

**PHILIP JONES  
CHAIRPERSON**