WAIMAKARIRI DISTRICT COUNCIL

MINUTES OF A MEETING OF THE AUDIT AND RISK COMMITTEE HELD IN THE COUNCIL CHAMBERS, 215 HIGH STREET, RANGIORA, ON TUESDAY 16 MAY 2017 AT 4:00PM

PRESENT

Deputy Mayor K Felstead (Chairperson), Mayor D Ayers, Councillors N Atkinson, S Stewart and P Williams

IN ATTENDANCE

Councillors D Gordon, W Doody (until 5.55pm)
Messrs J Palmer (Chief Executive), J Millward (Manager Finance and Business Support), S Markham (Manager Engagement and Strategy), N Harrison Ms C Brown (Health and Safety Coordinator) Mr P Christensen (Finance Manager), Ms R McClung (Senior Policy Advisor), Ms V Spittal (Senior Policy Analyst), Ms M Harris (Customer Services Manager) and Mrs A Smith (Committee Advisor).

1 APOLOGIES

An apology was received and sustained from Councillor A Blackie.

2 CONFLICTS OF INTEREST

There were no conflicts of interest noted.

3 CONFIRMATION OF MINUTES

3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 21 March 2017

Moved Councillor Atkinson seconded Councillor Williams

THAT the Audit Committee

(a) Confirms the circulated minutes of a meeting of the Audit and Risk Committee, held on the 21 March 2017, as a true and accurate record.

CARRIED

4 MATTERS ARISING

There were no matters arising.

Item 7.4 (Health and Safety Update May 2017) was taken at this time, followed by the presentation from Alex Robertson relating to the report. Note that the minutes have been recorded in accordance with the order of the agenda as circulated.
5 PRESENTATION/DEPUTATION

5.1 Alex Robertson – Gallus Consulting

Alex Robertson provided a demonstration on how to use the Take Five mobility form for staff out in the field on i-Pads. This is currently being piloted by the Water Unit. It is a pre-start hazard process, guiding staff through the hazards and will be rolled out to the organisation once the initial pilot is complete. There is a reporting system in place, with email notification going to the Health and Safety Coordinator and the Manager of the staff member. This is a means to provide a record that staff members have assessed the work space they are in, capturing the history with a time stamp on it. It is also a tool to ensure the health and wellbeing of staff, especially those working alone in the field. The incident form, and the hazard reporting form are also being piloted.

6 ADJOURNED BUSINESS

Items 6.1 and 6.2 were left to lie on the table at the Audit and Risk Committee meeting of 21 March, as Heather Warwick, Chief Executive, Enterprise North Canterbury, was unable to attend the meeting.

6.1 Enterprise North Canterbury – Statement of Intent for 2017-18 – Simon Markham (Manager Strategy and Engagement)

Mr Simon Markham introduced the three inter-relating reports before the committee Mr Markham explained that at a subsequent Audit and Risk committee meeting, a report will be presented with a draft of the Business Plan for District Promotions for the upcoming 2017/18 year. This is the framework that the committee will receive the six monthly and annual reports on district promotions activities and results. Present were Mrs Heather Warwick (Enterprise North Canterbury (ENC) Chief Executive), Mr Nick Harris (Chairman, ENC Trust) and Mr Ron Van Till (ENC Trustee).

Mrs Warwick spoke on the Statement of Intent, noting that there are two objectives, both around the $600,000 for each objective. The first objective is Exceptional Business, which is where ENC provide business support services to both Waimakariri and Hurunui District Councils. The Councils grant of $200,000 is leveraged by nearly $400,000 this year, to triple the investment of the Council throughout the district. The second strategic objective is to promote the Waimakariri district, through business promotion, marketing and coordination, events promotion and running the Kaiapoi i-SITE visitor information centre. ENC receive $373,000 this coming year, which will be leveraged by nearly $200,000 this year through private operators through activities that ENC do in the district promotion contract.

Moved Councillor Atkinson seconded Mayor Ayers

THAT the Audit and Risk Committee

(a) Receives report No. 170308022219.
(b) Receives the Draft Statement of Intent for Enterprise North Canterbury for the year ending 30 June 2018;
(c) Notes that under the Local Government Act 2002, the Audit and Risk Committee may request ENC to make changes to the Statement of
Intent. ENC would consider these changes requested and re-present the Statement of Intent prior to the 30 June;

(d) Notes ENC have extended an invitation to Council and Board members on Tuesday 28 March, at 2pm to look view their offices and gain a greater understanding of ENC operations and the services offered.

CARRIED

Mayor Ayers noted that over the years the operation of ENC has refined and it is clear that ENC are appreciated in the wider business sector and making a real contribution to economic development in both Waimakariri and Hurunui. The work through Visit Waimakariri is an important part of promoting the district and it is what the ratepayers expect of the Council.

Councillor Stewart referred to a report from Ecan, as part of the economic assessment of the current state of Waimakariri. This is one of a series of reports put out by Enterprise North Canterbury in 2016. This report is written by Simon Harrison from Land Water People, involved with the Water Zone Committee. The task for the report was to quantify the amount of tourism dollars relating to water activities in the Waimakariri. His task was to try to quantify the amount of tourism dollar spent in Waimakariri on water is deficient. This report makes some references to data found on the ENC website, and is critical of this and suggests that this is not able to be quantified. Councillor Stewart said the production of robust data that can be used to base water based tourism spend or associated industry though this was part of the ENC brief. In response, Mr Markham noted disappointment that the author of this report didn’t come and speak to either ENC or Council staff. The surveys of expenditure are conducted by the Ministry of Business Innovation and Employment, ENC is not in the position to collect this data on its own account, as is any other tourism organisation would be. Secondly, the author of this report appears to be adopting a narrow definition of tourism and Mr Markham said the visitor industry in Waimakariri is predominantly out of the Christchurch market. Therefore the use of figures relating to accommodation providers does not include these visitors and the expenditure that this district leverages from its water based sources. Mr Markham suggests that the information in this report is deficient and there needs to be a response to Water Zone Committee. Councillor Stewart also suggests that the Councils Policy department should address the contents of this part of the Ecan report.

Councillor Gordon noted that he had been a member of the Council when Enterprise North Canterbury were first charged with the role of promotion of the district. He still is a strong supporter of the work that Enterprise North Canterbury undertake and wished to acknowledge the work of the Board of Enterprise North Canterbury. Also thanked Heather Warwick and the team who do an excellent job carrying out the day to day work that they do. Councillor Gordon wished to record his acknowledgement of the work that ENC do and his support of them.

Mayor Ayers noted the report and questioned the relevance of a report designed for water use to be the sole basis for saying that ENC is not doing a good job of data collection. Mayor Ayers noted there have been many recent events held in various locations in the district that have drawn visitors from outside the district, that haven’t had any relation to water. Visitors to this district is all about day visitors due to the close proximity to Christchurch, and this relates to the number of visitor accommodation beds available.
Councillor Williams noted that he can see the good work that ENC in the district, but cannot see over $600,000 worth, noting that he has asked that question previously.

Councillor Atkinson, in his right of reply, believes that there is very good value for money being gained for the work of ENC. There is a debt of gratitude owed to ENC for the work that was undertaken post-earthquake to keep many local business doors open and operating. The goals of the Statement of Intent are correct and Councillor Atkinson suggests that ENC should not have to report every year to the Council, this should become part of the ten year plan process.

### 6.2 Enterprise North Canterbury – Six month Report to 31 December 2016 – Jeff Millward (Manager Finance and Business Support)

Mr Millward presented the report, noting that ENC are in a sound financial position. Mrs Warwick added that ENC are tracking ahead of all KPIs. Following the impact of the November 2016 earthquake in Hurunui, ENC stepped up into response and from the 15 January a role for a full time staff member to undertake this position has been fully funded by Ministry of Business Innovation and Employment. This position may be funded until Christmas this year, depending on when the State Highway re-openes.

Moved Mayor Ayers seconded Councillor Atkinson

**THAT** the Audit and Risk Committee

(a) **Receives** report N°170308022106.

(b) **Receives** the six monthly report for the period ended 31 December 2016;

(c) **Notes** that good progress is being made towards achieving the Objectives and targets set in the Statement of Intent.

**CARRIED**

Mayor Ayers noted the unusual circumstances for ENC following yet another earthquake impacting on the businesses operating in Hurunui district. Although this time it was not in our own district, Mayor Ayers wished to acknowledge and thank ENC for the work they have undertaken in Hurunui.

### 7 REPORTS

#### 7.1 Enterprise North Canterbury Promotions Business Plan Activity Report for the six months ended December 2016 – Simon Markham (Manager Strategy and Engagement)

Mr Markham presented the report by way of introduction, noting the smooth transition with the new event funding panel. The new members of the event funding panel are local experienced people and can provide assurance to the Council that they will undertake this process with integrity around how this money is allocated. The increase in the number of events in the district seeking funding was noted.

Mrs Warwick added that these three panel members are all volunteers, who meet twice a year. Previously the Town Promotions Chairs had sat on this panel, and it was a unanimously agreed that ENC chose independent panel members.
moved Councillor Atkinson seconded Mayor Ayers

**THAT** the Audit and Risk Committee

(a) **Receives** Report No. 170508045506

(b) **Notes** the six months ended December 2016 district promotions activity report provided as per standing agreement with Enterprise North Canterbury

(c) **Notes** reported results are generally in line with expectations and no variances are of concern

CARRIED

Councillor Atkinson said it is nice to see most of these figures moving up and that it would be nice to see all of the figures moving up. It was noted by both Councillor Atkinson and Mayor Ayers that the closure of State Highway One has impacted on the movement of traffic through this district and has an impact on businesses located along the Highway.

7.2 **Customer Satisfaction Survey 2016 Reports** – **Customer Service**; **Democratic Process, Communication and Overall Satisfaction** – Rachel McClung (Senior Policy Analyst)

Ms McClung presented her report with the results of the 2016 Customer Satisfaction Survey relating to Customer Service, Democratic Process, Communications and Overall Satisfaction aspects of the survey.

Deputy Mayor Felstead asked if there could be a split available in the levels of service provided at the service centre in Oxford. A small decrease in courteousness of staff across the district was noted from 91% in 2013 to 8% in 2016.

Councillor Gordon asked if it is planned to act on any of the comments picked up in the survey. Mr Markham said there will be some consideration given to the trends coming out of the survey, and the council will be looking at ways that it can improve the delivery of service.

Moved Deputy Mayor Felstead seconded Councillor Williams

**THAT** the Audit and Risk Committee

(a) **Receives** report 170503043785

(b) **Notes** that a comprehensive report on all aspect of the Customer Satisfaction Survey 2016 will be presented to the Council meeting on June 6.

(c) **Refers** this report to the Community Boards for their information

CARRIED
7.3 **Local Government Act 2002 Section 17A Reviews – Veronica Spittal (Senior Policy Analyst)**

Ms Spittal, and Messes N Harrison and M Johnston were present for the consideration of this report. Ms Spittal noted that of the areas noted in this review process, it is recommended that no further S17A Service Review is required for up to six years for District Plan administration, animal control, parking services and other regulatory services.

Mr Millward noted that Waimakariri District Council is seen as leading the way with this S17A Service Review process and some Councils have adopted the process that is undertaken by this Council.

Ms Spittal said the review process is a chance for departments to look at the way that service is provided, and also that there may be proposed changes in the coming years which can then be further reviewed in a shorter time frame to consider any possible changes.

Mr Harrison spoke on the District Plan Administration review, noting that there is a staff of nine in the department and currently some pressure on workloads, with still a position vacant. This means a continuation of some work being undertaken by contract staff.

Moved Mayor Ayers seconded Deputy Mayor Felstead

**THAT** the Audit and Risk Committee

(a) **Receives** Report (TRIM No: 170201008936).

(b) **Notes** Environmental Health Services have moved to a mixed internal/externally provided delivery model.

(c) **Approves** the attached S17A Service Reviews for parking services, alcohol licensing, animal control, food registration, other regulatory services and District Plan administration.

(d) **Confirms** no further S17A Service Review is required for up to six years for District Plan administration, animal control, parking services and other regulatory services.

(e) **Agrees** that a further review of alcohol licensing and food registration services be carried out in 2019.

CARRIED

7.4 **Health and Safety Update May 2017 – Liz Ashton (Manager Organisational Development and Human Resources)**

Mrs C Brown spoke to this report, in conjunction with the presentation by Alex Robertson. An overview was provided on the technology being trialled for mobility for Take 5 and Hazard and Incident forms. This will be trialled for the next two months by the Water Unit staff. Mrs Brown introduced Alex Robertson from Gallus Consulting who demonstrated the Health and Safety mobility forms. *(Refer to Agenda Item 5 Presentation/Deputation)*

Deputy Mayor Felstead asked if it was intended to have this technology available to all staff working out in the field. In reply, Mr Palmer said it is
intended that it would be used by appropriate departments as a hazard identification process. Use of it would be determined by consultation with the relevant teams.

Moved Councillor Atkinson seconded Mayor Ayers

THAT the Audit and Risk Committee

(a) **Receives** report No. 170503043786

(b) **Notes** that the organisational commitment to explore technological advancements in mobility are showing benefits in health and safety.

(c) **Notes** that the mobility trial for Take 5 and Hazard and Incident forms will continue to be in place at the Water Unit for the next 2 months when a decision regarding roll out across the organisation will be made.

(d) **Notes** that a mobile Airfield Incident reporting form is now in use at Rangiora Airfield.

(e) **Acknowledges** the work which is currently been completed by the Health & Safety Advisor and Gallus Consulting to create and implement the forms.

CARRIED

Councillor Atkinson uses a similar system with his own business and speaks very highly of the system, noting that it is a valuable tool in regards for staff members health and safety. It was also noted that it is a saving on paperwork.

7.5 **Proposed Amendment to Target of Key Performance Indicator for District Development in Long Term Plan – Cameron Wood (Senior Policy Planner, Development Planning Unit)**

Mr Wood presented this report, which was taken as read.

Moved Deputy Mayor Felstead seconded Councillor Atkinson

THAT the Audit and Risk Committee

(a) **Receives** Report No. 170317026214.

(b) **Approves** the amended target for the Key Performance Indicator in the Long Term Plan relating to density of residential development to better align with the density required by the Regional Policy Statement, as set out in paragraph 3.2 to this report.

(c) **Notes** that the amended target will take effect from 1 July 2017.

CARRIED
7.6 **Non-Financial Performance Measures 3rd Quarter as at 31 March 2017 – Maria Edgar (Corporate Planner)**

Mr Geoff Meadows presented this report on behalf of Ms Edgar.

 Moved Councillor Atkinson seconded Mayor Ayers

**THAT** the Audit and Risk Committee

(a) **Receives** report no. EXC-08-03/ 170504044271 Non-Financial Performance Measures 3rd Quarter as at 31 March 2017.

(b) **Notes** 63 % of performance measures for the 3rd Quarter were achieved, 34 % have been almost met or it is too early to predict year-end results at this stage of the financial year.

CARRIED

7.7 **Capital Projects Report for the period ended 31 March 2017 – Paul Christensen (Finance Manager)**

Mr Christensen presented this report advising the progress of the capital programme for the period ended 31 March 2017. The largest area of under budget spending is the earthquake recovery, which is due to delays in the Red Zone Recovery Plan being adopted. It is expected this will progress now.

Question was raised on the items on North Rangiora Enverton Drive Ballarat Road Stormwater upgrade which is noted as being Late. The information on this matter was sourced following the meeting and subsequently circulated to members, as follows: This job has been partially completed. The developer who developed 2 Ballarat Rd built the stormwater management area (infiltration trench) sized for his development north of River Road. The infiltration trench will need to be expanded for development of 4 Ballarat Rd. The remaining budget for this, $50k, needs to be carried forward to a future year.

 Moved Deputy Mayor Felstead seconded Councillor Atkinson

**THAT** the Audit and Risk Committee

(a) **Receives** report No 170501041899;

(b) **Circulates** report to the Boards

(c) **Notes** the progress of the capital projects with 85% of the 258 projects on time or completed.

CARRIED
7.8 Financial Report for the year ended 31 March 2017 – Paul Christensen (Finance Manager)

Mr Christensen presented this report, noting that the Council is still well within the Local Government loans levels.

Mr Millward said the Council has now got $10m worth of borrowing, with a very good rate for long term for eight years. The current credit rating that the Council has, provides a benefit in this area.

Mayor Ayers asked if there was any issues on the Government paying out for any of the earthquake recovery work. Mr Christensen noted that there is a fairly rigorous process required by government but to date, Council has been able to meet these requirements of this process.

Moved Mayor Ayers seconded Deputy Mayor Felstead

THAT the Audit and Risk Committee

(a) Receives report no. 170501042039

(b) Notes that progress is tracking favourably in comparison to budget.

CARRIED

7.9 Update of Register of Key Risks – May 2017 – Jeff Millward (Manager Finance and Business Support)

Mr Millward presented this report, providing an updated Register of Key Risks for consideration by the committee.

There has been an increase in the level of high risks and there is now five in this category.

The increase in political instability in the Asian region was discussed, and questions raised was what would the impact on the Waimakariri region be if the risk crystallised? Mr Palmer said should an event occur, the Council would then have to consider what does that mean to us, though noting that sometimes there is nothing that can be done. There may be economic impacts and also the immigration policy is a topical subject at the moment with central government.

Moved Mayor Ayers seconded Councillor Williams

THAT the Audit and Risk Committee

(a) Receives report N=170505044490.

(b) Receives the Register of Key Risks;

(c) Notes there have been no significant changes in risk ratings;

(d) Notes there are five risks that remain rated as high risk after, even after applying actions to mitigate the effects and place in controls that relate primarily to the risk of natural disasters and growth.

CARRIED
8 PORTFOLIO UPDATES

8.1 Audit, Risk, Long Term Plan and Excellence Programme – Deputy Mayor Kevin Felstead

The Control group for the LTP is still meeting regularly and Deputy Mayor Felstead is impressed with the progress that staff are making. The Council is still waiting for the report to come from the Excellence Programme.

8.2 Communications – Councillor Neville Atkinson

Councillor Atkinson had nothing new to report.

9 QUESTIONS

There were no questions.

10 URGENT GENERAL BUSINESS

There was no urgent general business.

11 MATTERS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED

Section 48, Local Government Official Information and Meetings Act 1987

Moved Deputy Mayor Felstead seconded Councillor Atkinson

THAT the public be excluded from the following parts of the proceedings of this meeting.

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:

<table>
<thead>
<tr>
<th>Item No</th>
<th>Minutes/Report of:</th>
<th>General subject of each matter to be considered</th>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Ground(s) under section 48(1) for the passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.1</td>
<td>Report of Maree Harris (Customer Service Manager)</td>
<td>Request for Remission of Rates Penalties on behalf of Charlie Hwang</td>
<td>Good reason to withhold exists under Section 7</td>
<td>Section 48(1)(a)</td>
</tr>
<tr>
<td>11.2</td>
<td>Report of Maree Harris (Customer Service Manager)</td>
<td>Request authority to Write Off a Bad Debt</td>
<td>Good reason to withhold exists under Section 7</td>
<td>Section 48(1)(a)</td>
</tr>
</tbody>
</table>

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 which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:
<table>
<thead>
<tr>
<th>Item No</th>
<th>Reason for protection of interests</th>
<th>Ref NZS 9202:2003 Appendix A</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.1 and 11.2</td>
<td>Protection of privacy of natural persons To carry out commercial activities without prejudice</td>
<td>A2(a) A2(b)ii</td>
</tr>
</tbody>
</table>

CARRIED

CLOSED MEETING

Resolution to resume in Open Meeting

Moved Councillor Atkinson seconded Deputy Mayor Felstead.

THAT the open meeting resumes and the business discussed with the public excluded remains public excluded for Item 11.1 and the recommendation for Item 11.2 be made public.

CARRIED

OPEN MEETING

11.2 Request authority to Write Off a Bad Debt – Maree Harris (Customer Services Manager)

Moved Mayor Ayers seconded Deputy Mayor Felstead

THAT the Audit and Risk Committee

(a) Receives report No. 170309023352.

(b) Approves for invoice 675970 for $7,806.22 be written off by the Audit and Risk Committee as a bad debt.

CARRIED

There being no further business the meeting closed at 5.55pm.

CONFIRMED

__________________________
Chairperson

__________________________
Date