PRESENT

Councillors N Atkinson (Chairperson), Mayor D Ayers, A Blackie, S Stewart and P Williams

IN ATTENDANCE

Councillors D Gordon, J Meyer, W Doody
Messrs J Palmer (Chief Executive), J Millward (Manager Finance and Business Support), S Markham (Manager Strategy and Engagement), G Meadows (Policy Manager), P Christensen (Finance Manager), G Cleary (Manager Utilities and Roading), Ms K LaValley (Project Delivery Manager), M Harris (Customer Services Manager) and Mrs A Smith (Committee Advisor), Auditor General John Mackey.

ELECTION OF COMMITTEE CHAIRPERSON FOR THE MEETING

In the absence of the Committee Chairperson, Jeff Millward opened the meeting and called for nominations for Committee Chairperson for the duration of this meeting.

Moved Councillor Blackie seconded Councillor Williams

THAT role of Audit and Risk Committee Chairperson be Councillor N Atkinson for the duration of this meeting.

CARRIED

Councillor Atkinson assumed the Chair at this time, for the duration of the meeting.

1 APOLOGIES

Moved Councillor Blackie seconded Councillor Williams

THAT an apology be received and sustained from Deputy Mayor Felstead.

CARRIED

2 CONFLICTS OF INTEREST

There were no conflicts of interest reported.

3 CONFIRMATION OF MINUTES

3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 18 July 2017

Moved Councillor Blackie seconded Councillor Williams

THAT the Audit Committee

(a) Confirms the circulated minutes of a meeting of the Audit and Risk Committee, held on the 18 July 2017, as a true and accurate record.
4 MATTERS ARISING

There were no matters arising.

5 PRESENTATION/DEPUTATION

There were no presentations.

6 REPORTS

6.1 Non-Financial Performance Measures for the year ended 30 June 2017 – Maria Edgar

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

Mayor Ayers sought confirmation that the service requests do include “Snap Send Solve”

Moved Councillor Atkinson seconded Councillor Blackie

THAT the Audit and Risk Committee

(a) Receives report no. EXC-08-03/ TRIM No. 170906096317 Non-Financial Performance Measures for the year end 30 June 2017.

(b) Notes 72 % of performance measures for the 2016/17 financial year end were achieved, 22 % were nearly achieved and 6 % were not achieved.

CARRIED

Councillor Atkinson commented that this is a good report and the format is easy to follow.

6.2 Review of Significance and Engagement Policy – Simon Markham (Manager Strategy and Engagement)

Mr Markham presented this report which seeks the Committees recommendation to Council to an amended Significant and Engagement Policy. These changes are minor and of a technical nature. This Policy provides guidance to the Council and the community about what constitutes ‘significant’ decisions warranting specific consultation. Recent consultation on the Waste Management Plan, and the District Development Plan have both used the full Special Consultative Procedure to engage with the community on, as these would have an impact on future of the district.

It was agreed that three additional items should be included in Item 4.2 Strategic Assets, in the Policy. These are:

- Service Centres
- Drainage and stormwater systems as a whole
- Rangiora Airfield

Councillor Atkinson asked if any red zone areas (business areas) should be added into this list. There is still to be conversation on this and it was noted by Mr Palmer that maybe not include any of this as a strategic asset, as it would be the intention to sell this land.
Moved Mayor Ayers seconded Councillor Blackie

**THAT** the Audit and Risk Committee

(a) **Receives** Report No. 170912098422; and

**Recommends** that the Council:

(b) **Approves** amendments to its Significance and Engagement Policy as shown in Document No. 140930106853 as being of a minor/technical nature and without further process, including additions to the list of strategic assets in Section 4.2 as follows:

- Drainage and stormwater system assets as a whole;
- Service Centres;
- Rangiora Airfield

Mayor Ayers noted that this is a requirement of legislation and the Council is tidying up the wording.

6.3 **Capital Projects Report for the period ended 30 June 2017 – Paul Christensen (Finance Manager)**

Paul Christensen and the Auditor General spoke to this report. Mr Christensen highlighted the number of projects completed is 72%, capital expenditure shows that the actual spend under the earthquake recovery projects is well below the budget, and this is due to delays in completing projects.

Moved Councillor Stewart seconded Councillor Atkinson

**THAT** the Audit and Risk Committee

(a) **Receives** report No 170906096337

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

(c) **Notes** the progress of the capital projects with 72% of the 265 projects on time or completed.

**CARRIED**

Councillor Stewart commented on the optimistic timeframes for capital projects and asked why there is so many Council projects not completed within these timeframes? Mr Palmer said collectively for asset managers, if a budget has been set for a project, they like to get on with it. Mr Palmer said that there could possibly be issues around how the Council deal with project management, and sometimes there are resourcing issues which can mean some projects fall behind. There is sometimes not enough time included in planning of projects to include consultation with the community. Bigger projects which are spread over several years are usually well planned, but sometimes there is not enough time allocated for completion of smaller projects.

Councillor Stewart commented further on the capital works programme and questioned if there could be more efficient use of staff resource, when
programmes are being planned. Councillor Stewart suggested that rather than having staff working on a project that wasn’t going to be completed, they could be working on the completion of other projects. Mr Millward said there is always the variables with capital works, such as delays by contractors, understaffing in some areas, and slowdowns in developments have an impact. It was suggested that 86% of completed projects is considered to be a good figure.

Councillor Atkinson suggested this matter is something that could be discussed during the Long Term Plan process.

6.4 Financial Report for the year ended 30 June 2017 – Paul Christensen (Finance Manager)

Mr Mackey (Auditor), noted the audits are proceeding on the Council Controlled organisations, Enterprise North Canterbury and Te Kohaka o Tuhahtara Trust. There have been some challenges with the Council Audit, and processes are being looked at and addressed. This is related to the value of assets in the 3 Waters area. It is expected that there will need to be a re-statement with adjustments of the balances from the previous year. Prior to 2015 there was some time when assets weren't captured through subdivision. Mr Millward said the Council’s system will need to be more robust in future reconciliation and subdivisions. The impact on depreciation is not significant. There will be a complete explanation included in the annual report.

The valuation of assets is completed on a rolling system, with all assets valued at least once every three years and roaded done every year. This correction of the value of asset figures would not have any adverse effect on ratepayers. Mr Palmer said the assets concerned are basically new assets and have little depreciation.

Moved Mayor Ayers seconded Councillor Blackie

THAT the Audit and Risk Committee

(a) Receives report no. 170906096691

(b) Notes that the preliminary result for the year ended 30 June 2017 is a surplus of $26.1 million. The final audited accounts will be presented for adoption on 3rd October.

CARRIED

7 PORTFOLIO UPDATES

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

Deputy Mayor Felstead was not present.

7.2 Communications – Councillor Neville Atkinson

Nothing further to advise.

8 QUESTIONS

There were no questions.
9 URGENT GENERAL BUSINESS

There was no urgent general business.

10 MATTERS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED

Section 48, Local Government Official Information and Meetings Act 1987

Moved Councillor Blackie 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>10.1</td>
<td>Report of Gerard Cleary (Manager Utilities and Roading and Kelly LaValley (Project Delivery Manager)</td>
<td>Development Contributions – Review of major subdivisions and developments</td>
<td>Good reason to withhold exists under Section 7</td>
<td>Section 48(1)(a)</td>
</tr>
<tr>
<td>10.2</td>
<td>Report of Maree Harris (Customer Service Manager)</td>
<td>Request to Remit Statute Barred Rates</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>10.1 and 10.2</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

See In Committee minutes

OPEN MEETING

There being no further business, the meeting closed at 5.26pm.
CONFIRMED

_______________________
Chairman

_______________________
Date

WORKSHOP
At the conclusion of the meeting a Workshop was held to review the Revenue and Finance Policy