WAIMAKARIRI DISTRICT COUNCIL

MINUTES OF A MEETING OF THE AUDIT AND RISK COMMITTEE HELD IN THE COUNCIL CHAMBERS, 215 HIGH STREET, RANGIORA, ON TUESDAY 21 MARCH 2017 AT 4:00PM

PRESENT

Deputy Mayor K Felstead (Chairperson), Mayor D Ayers, Councillors N Atkinson, A Blackie (until 5.02pm), S Stewart (until 5.05pm) and P Williams

IN ATTENDANCE

Councillors W Doody, D Gordon, P Allen (until 5.05pm) and J Meyer
Messrs J Palmer (Chief Executive), J Millward (Manager Finance and Business Support), S Markham (Manager Engagement and Strategy), Mrs L Ashton (Manager Organisational Development and Human Resources), Mr G Byrnes (Te Kōhaka o Tūhaitara Trust), and A Smith (Committee Advisor).

1 APOLOGIES

There were no apologies.

2 CONFLICTS OF INTEREST

Councillor Atkinson noted he is the Council appointment to the Te Kohaka o Tuhaitara Trust (relating to Item 6.2 in the agenda)

3 CONFIRMATION OF MINUTES

3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 14 February 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 14 February 2017, as a true and accurate record.

CARRIED

4 MATTERS ARISING

There were no Matters arising.

5 PRESENTATION/DEPUTATION

There was no presentations or deputations.
6 REPORTS

At this time, Item 6.2 was considered by the committee.

6.1 Audit New Zealand Audit Engagement and Arrangements letters for the year ending 30 June 2017 – Jeff Millward (Manager Finance and Business Support)

Mr John Mackey (Audit Director) was present and spoke to this report. Presented with the report is the Audit Engagement and Arrangements letters for the year ending 30 June 2017. Mr Mackey noted that the Audit is now more complicated than it was when the current base fee was set, which was at a time when the Council staff level was much lower and the audit was not as complicated as it is now. The follow on from the 2010/11 Canterbury earthquakes are also having an impact on the work required by Auditors.

Regarding public/private partnerships, it was advised that there are no plans for any of these to be developed. Mr Palmer also noted that there is no proposals for shared services between Canterbury Councils.

Mr Mackey asked about conflicts of interests and fraud, noting a recent case with the Ministry of Transport. This highlights the importance of proper management, noting that Council officers and Councillors must declare any conflicts of interest. Councillors were asked, and advised that they are not aware of any fraud within this organisation.

Following discussion on the audit fee, Mr Palmer noted that the Council’s Audit is required to be carried out by one of only four or five organisations in the country.

Moved Deputy Mayor Felstead seconded Councillor Williams

THAT the Audit and Risk Committee

(a) Receives report No 170301019614.

(b) Agrees to the engagement for the year ended 30 June 2017, as provided within the arrangements letter provided by Audit New Zealand;

(c) Agrees to the arrangements for the year ended 30 June 2017 as provided within the arrangements letter provided by Audit New Zealand;

(d) Notes the fees being proposed are expected to be relative to forecast budgets provided for the 2017.

CARRIED

Mayor Ayers noted that this Council has just been through the Local Government Excellence Programme, though the results are yet to be advised.
Mr Greg Byrnes was present and spoke to the report, presenting the Trusts Statement of Intent for the year ending 30 June 2018. An apology was tendered from the Trust Chair Catherine MacMillan, who was unable to attend.

Changes to the previous year’s Statement of Intent were highlighted and advised to the committee.

Pest control in the ECMA – Councillor Blackie asked what pests are needing to be controlled and how this will be undertaken. Mr Byrnes said it is proposed to install kill traps, for hedgehogs and stoats. Most predominant pests caught in the traps to date are hedgehogs, rats, stoats and some cats. The trust keep records of the number of pests caught, with each trap being numbered and these figures are provided each month to the Trust. There was discussion on ferrel and domestic cats.

Moved Councillor Blackie seconded Councillor Atkinson

THAT the Audit and Risk Committee

(a) Receives report No 170306021290.
(b) Receives the Statement of Intent for Te Kōhaka o Tuhaitara Trust for the year ending 30 June 2018;
(c) Notes that under the Local Government Act 2002, the Audit and Risk Committee may request Te Kōhaka o Tuhaitara Trust to make changes to the Statement of Intent. Te Kōhaka o Tuhaitara Trust would consider these changes requested and re-present the Statement of Intent prior to the 30 June.

CARRIED

Councillor Gordon expressed thanks to Greg Byrnes and the work that is being done at the track and Tutaepatu lagoon. Mr Byrnes replied that he is very appreciative of the support that the Trust is given from the Council, supporters from the community, and support of the education programme.

Mr Jim Palmer noted that it has been recommended that the Trust come to the Council’s annual plan process with a Business Plan.

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

As the General Manager Heather Warwick was unable to attend this meeting, it was agreed that this report lie on the table until the following Audit and Risk Committee meeting.

Moved Councillor Atkinson seconded Mayor Ayers

THAT this report lie on the table until the next Audit and Risk Committee.

CARRIED

As the General Manager Heather Warwick was unable to attend this meeting, it was agreed that this report lie on the table until the following Audit and Risk Committee meeting.

Moved Councillor Atkinson seconded Mayor Ayers

**THAT** this report lie on the table until the next Audit and Risk Committee.

CARRIED

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

Mr Palmer spoke to this report, which updates what is being done with contractor management which is one of the higher risk areas in the organisation. Council is looking at the minimum pre-qualification for contractors, currently contractors must be Sitewise accredited. Contractors are now going to be asked to attain a level of 50% of more of Sitewise accreditation. Staff are also looking at subcontractors and this is a reasonably significant piece of work.

Councillor Atkinson noted that he has concerns with the impact on small contractors of having to meet these minimum requirements to undertake work for the Council. Mr Palmer said the Council is responsible for what contractors do, and Mr Palmer needs to be reasonably satisfied that these contractors are able to carry out the work to the correct standard. Council does not want to rule out small operators. Ideally the small operators will also meet the requirements and the Council will continue to employ them. Councillor Atkinson noted that some contractors who do some work for the Council, and are required to meet these standards, but work other times for private firms where they do not have to meet these standards. Councillor Atkinson believes the threshold is too high, based on what he is being told. Mr Palmer noted that this issue is not solely of this Council. Mr Millward noted that the Council has a responsibility to have the highest of standards on work sites.

Councillor Williams asked why isn’t the Council being responsible at keeping the price better for contractors. Mr Palmer said there are standards that are acceptable. Price is a determinant, but only once it has been satisfied that the contractor is able to undertake the work. The Council needs to have standards and if it doesn’t, it puts the Council at risk. Mr Millward said the Council has to be seen to be leading the way.

Moved Councillor Atkinson seconded Deputy Mayor Felstead

**THAT** the Audit and Risk Committee

(a) **Receives** report no. 170306021456.

(b) **Notes** that Contractor Management continues to be a high risk activity for the organisation and one of our key areas of focus for 2017.
Notes the project plan which has been created following feedback from key internal stakeholders and addresses improvements to our current contractor management processes.

CARRIED

Councillor Atkinson believes that this health and safety requirement is killing the country. He is not suggesting that he wants to see anyone die or be injured at work. He believes that the cost of setting up of the health and safety compliance will be millions of dollars. Councillor Atkinson is not objecting to having to do this, but is objecting to the high levels that are required. Local contractors are not submitting for contracts with the Council as they do not meet the health and safety standards.

Councillor Williams believes it is a cost factor that is impacting on some smaller contractors.

Mayor Ayers said everybody in the community has to be part of the improvements in health and safety, and New Zealand has had an abysmal record with deaths in workplace. This is not a question of going too far, but just going as far as Britain or Australia are going. The Council has to be seen as community leaders in this field.

Councillor Atkinson said it is a well known fact that both America and Britain are now pulling back on the required standards for health and safety.

7 PORTFOLIO UPDATES

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

The Control Group is up and running for the Long Term Plan. Noted the Council Excellence Programme, with the report due approximately June or July.

7.2 Communications – Councillor Neville Atkinson

There have been 60,459 views of the videos that have been put on the Council website and these are being well received. There will be further discussion on live streaming of Council meetings. The Council's Facebook page is also well viewed.

8 QUESTIONS

There were no questions.

9 URGENT GENERAL BUSINESS

There was no urgent general business.
There being no further business, the meeting closed at 5.26pm.

CONFIRMED

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Chairperson

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Date