WAIMAKARIRI DISTRICT COUNCIL

MINUTES FOR THE MEETING OF THE AUDIT AND RISK COMMITTEE HELD IN THE WAIMAKARIRI DISTRICT COUNCIL CHAMBERS, 215 HIGH STREET, RANGIORA ON TUESDAY 24 JULY 2018 COMMENCING AT 3.30PM.

PRESENT

Councillor N Atkinson (Chairperson), Deputy Mayor K Felstead, Mayor D Ayers, Councillors A Blackie and K Barnett

IN ATTENDANCE

Councillors D Gordon, W Doody, J Meyer
Messrs J Palmer (Chief Executive), J Millward (Manager Finance and Business Support), S Markham (Manager Strategy and Engagement), Ms C Brown (Health, Safety and Quality Manager), Messrs S Hart (Business and Centres Manager), G Meadows (Policy Manager), Ms M Harris (Customer Services Manager), Ms J Simon (CIO) and Mrs A Smith (Committee Advisor)

1 APOLOGIES

Moved Deputy Mayor Felstead Seconded Councillor Barnett

THAT an apology for absence be received and sustained from Cr P Williams.

CARRIED

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 22 May 2018

Moved Councillor Barnett  seconded Deputy Mayor Felstead

THAT the Audit Committee

(a) Confirms the circulated minutes of a meeting of the Audit and Risk Committee, held on the 22 May 2018, as a true and accurate record.

CARRIED

4 MATTERS ARISING

There were no matters arising.
5 PRESENTATION/DEPUTATION

There were no presentations or deputations.

6 REPORTS


Ms C Brown spoke to this report on behalf of L Ashton, presenting the achievements against the agreed Health and Safety 2017/18 Annual Plan (work plan) and presented the 2018/19 Annual Plan (work plan) for review.

The proposed Annual Work Plan for the 2018/19 year, has five key Actions and these will be reported on monthly to both the Management Team and Council.

Councillor Doody asked about Safeplus. Ms Brown noted that this is the form of accreditation which the Council now aligns itself to, which replaces the ACC.

Information on any incidences involving contractors is not consistent at the moment. At the moment there are 127 assessed and current preferred contractors that the Council uses, which are Sitewise accredited. Health and safety measures are assessed for each individual contract. Councillor Barnett asked if smoking was allowed on sites where contractors are working. C Brown said it is the expectation of Council that each contractor would set up designated areas for smoking in a site specific safety plan. Council staff can do random site audits.

Mayor Ayers asked on the difference between an accident or an incident. C Brown said Council endeavour not to use the word accident when there is no injury involved. It was suggested there could be a change in wording to replace the word accident with injury. Staff will look at this suggestion.

Moved Deputy Mayor Felstead seconded Councillor Atkinson

THAT the Audit and Risk Committee

(a) Receives report No. 180702073233.

(b) Reviews the progress against the 2017/18 Health and Safety Work plan (Annual Plan).

(c) Notes the additional Health and Safety activities that have been achieved during this period.

(d) Reviews and Acknowledges the Health and Safety Work plan (Annual Plan) for 2018/19

CARRIED

Councillor Atkinson commended the culture in the organisation at the moment and is impressed with the improved reporting of near misses which allow potential issues to be resolved.
6.2 **Cyber Security – Jolanda Simon (CIO)**

Ms J Simon presented this report to discuss Cyber security work that has been undertaken at the Council over the last year. Cyber security has been identified in the Council’s Risk Register and the threats are becoming more prevalent.

Every quarter a report will come back to this committee on items of high risk. 70 – 80 % of issues are the result of incoming emails with links which are scams.

Deloitte has undertaken a Cyber Security Review for a number of Canterbury Councils, including Waimakariri (as part of the Canterbury Shared Services). A report will be brought back to the November meeting of the Audit and Risk Committee.

Staff are also investigating Cyber insurance cover. This would not stop any cyber security breaches happening but would help to cover any costs incurred.

Mayor Ayers asked about security risks for on-line voting. J Simon said it would depend on what platform was used for this. If there was an online system there would be many facets of it that would need to be looked at.

J Simon confirmed that currently staff cannot download anything from the internet, but do still use USB sticks.

The report noted that staff had been offered Phriendly Phishing Training and Councillor Barnett said it would be useful for elected members to have the phishing training as well. J Simon said this could be made available.

Moved Councillor K Barnett seconded Councillor A Blackie

THAT the Audit and Risk Committee

(a) **Receives** report No. 180711077023.

(b) **Notes** the cyber security work undertaken so far which includes training, cyber response plan, and implementation of various security recommendations.

(c) **Notes** that (Cyber) Security and other ‘High’ IT Risks will be reported quarterly to the Audit and Risk Committee.

(d) **Notes** that the Deloitte Cyber Security assessment report and recommendations will be reported back to the Audit and Risk Committee in November.

(e) **Notes** that work is being undertaken to finalise Cyber Insurance and this will be reported back to the Audit and Risk Committee in November.

Councillor Barnett said it is very important for everyone to have information on how to protect the Council’s system against scammers and fraud.
6.3 **Local Government Act 2002 Section 17A Cost Effectiveness of Service Delivery Reviews for Security Services and Solid Waste Education Services – Veronica Spittal (Senior Policy Analyst)**

Mr G Meadows presented this report, in the absence of V Spittal. There are three Section 17A reviews that have been recommended to be deferred, being:

**Campgrounds** – J Millward advised that this is to be discussed at the next staff briefing and the S17 review will be undertaken following this.

**Airfield Management** Review was previously deferred to 18 July 2017. There is a consultation process being undertaken regarding a plan change and designation for the Rangiora Airfield and surrounding land. This process involves both the operative plan and also needs to be factored into the District Plan review. It is anticipated this is likely to attract a number of submissions and mean that the whole process could take up to two years or more to complete.

**Community Housing and Housing for the Elderly** - Following options being considered at Council workshops, there is still a significant amount of information being processed to form a view and have a final position regarding Community Housing and Housing for the Elderly.

Moved Deputy Mayor Felstead seconded Councillor Barnett

**THAT** the Audit and Risk Committee

(a) **Receives** report No.180628071950.

(b) **Approves** the attached S17A Reviews for Security Services-After Hours, Cash Transportation Security and Educational Services-Waste Minimisation and 3 Waters.

(c) **Agrees** that no further review of Security Services-After Hours is needed until 2024 prior to contract renewal in 2025, subject to successful completion of the contract.

(d) **Agrees** that the need for and/or nature of the Cash Transportation Security Contract be reviewed prior to 30 June 2020, subject to successful completion of the current contract.

(e) **Agrees** that no further review of Educational Services-Waste Minimisation and 3 Waters is needed until 2024 prior to contract renewal in 2025, subject to successful completion of the contract.

(f) **Agrees** to defer the S17A Review for Airfield Management until the outcome of the proposed Rangiora Airfield Plan Change and associated designation is known.

(g) **Agrees** to re-programme the S17A Reviews of Community Housing and Housing for the Elderly to the 20 November 2018 Audit and Risk Committee meeting.

**CARRIED**
6.4 Standard and Poors Crediting Rating Report – Jeff Millward (Manager Finance and Business Support)

Mr J Millward presented this report to provide an update of the Standard and Poors credit rating received last April, noting the conditions that were surrounding the rating. The Council got a negative outlook, due to the significant increase to the capital expenditure programme that takes loan funding near to some of the policy limits. If the Council operates to the budget a couple of actions can happen, the negative rating will come off, and if it doesn’t, it could get a further negative outlook or it could be degraded to AA or AA-.

J Millward advised that a number of additional actions are being taken. For example a contracts register has been develop to track capital projects. An Asset Management Steering group has been established to assess and monitor capital projects and programmes. This will provide some greater assurance and control of projects reported to the Council.

Question from Councillor Gordon, asked what is being done to make sure the Council maintains the budget levels and controlling Council expenditure. J Millward noted there are some further internal controls being set up, to give more assurance to both the Council and staff. An Asset Steering Group has been set up and the scope of that group has been increased to include the monitoring of the capital works programme. This group will make recommendations to Management Team and to Council. They will look at the capital programme and for any new capital works and they will look at ways to find additional funding, or offset that capital against current or future works, or if there is any savings to be made, they will review the whole programme. Another area where additional controls are being established is with Procurement and Contract management maturity assessment. This will identify the whole procurement from the planning stage right through to the post review stage of the project. There will be a Contracts Register which will have the complete oversee of capital works, and gives a greater overview of contracts. This is something that the Asset Steering Group will be looking at.

Councillor Gordon asked what processes are in place to ensure that the Council is getting best value? J Millward advised that the Procurement and Contract Management Assessment looks at documentation and tendering information that is being sent out. project contract management to give assurance of the programme. Preliminary information for those doing the assessment is that the Council has a very good culture and a good organisation which a review has been conducted on. Mr Palmer added that it is the “big stuff” that the Council does well, with a robust systems in place, but with the smaller jobs there is sometimes an impression that the Council is not good procurers of services and goods. The Council needs to increase its awareness of this and there is some work to be done to improve this. There are good purchase arrangements for many items that the Council purchases, but it is a matter of making sure that this applies to both operational expenditure and capital expenditure.

Moved Deputy Mayor Felstead seconded Councillor Blackie

THAT the Audit and Risk Committee

(a) Receives report TRIM 180713078284

(b) Notes that as a result of the Credit Rating review undertaken by Standard and Poors the Council has retained a Credit Rating of AA / A-1+, with a negative outlook;
(c) **Notes** that where the Council can contain its expenditure within the limits of the policy and financial forecasts provided within the 2018-28 Long Term Plan, it would be expected that the Council would retain the AA / A-1+ credit rating with a stable outlook being issued;

(d) **Notes** that the next credit rating review is programmed to be undertaken in April 2019;

(e) **Notes** that additional actions are being undertaken to ensure capital programmes are being monitored and improving efficiencies.

CARRIED

### 6.5 Oxford Bulletin – Maree Harris (Customer Services Manager)

Ms M Harris presented this report to provide an update on arrangements for the Oxford Bulletin. The Council has agreed with Bruce and Emily Chapman that they will take over the Bulletin as from next month. They have undertaken to keep the advertising rates as what the Council set until the end of this calendar year.

Moved Councillor Barnett seconded Deputy Mayor Felstead

**THAT** the Audit and Risk Committee

(a) **Receives** report No. 180704074184.

(b) **Agrees** that the Council will cease producing the Oxford Bulletin from the 3 August 2018 issue and that from this date responsibility for publication of the Bulletin will transfer to Bruce and Emily Chapman.

CARRIED

### 6.6 Enterprise North Canterbury Statement of Intent and Business Plan for year beginning 1 July 2018; and Proposed District Promotions Plan for 2018/19 – Simon Markham (Manager Strategy and Engagement)

Mrs H Warwick and C Watton were present during consideration of this report.

Simon Markham presented a Powerpoint presentation on the district event funding process which had previously been requested by the committee. Previously, in 2013 the amount in the fund was increased to $45,000 as a result of a review then. This was segmented to provide potentially multi-year funding up to five years, that is non-contestable for a small number of events to assist in growing those events. That period is over and the panel is now considering their way of managing the fund, and the feedback from applicants is that they would prefer that the whole sum is contestable on an annual basis.

The Panel acts as an independent panel who make the decisions, but they do source advice from Heather Warwick. This fund is to be used for event promotion or event coordination, or both. It was noted that funds are not able to be used by the local Promotions Groups for coordinator costs. The majority of the funding will go to events that has the potential to, or does attract visitors. There is a robust process of application, with reporting required, and an audit trail through the work of Audit NZ on ENC’s activities as well.

The review process included an independent event specialist. S Markham pointed out that from the Council’s point of view the fund does not allow for
meaningful contributions to large budget events and this is the reality. There is a $5,000 maximum which typically means an event budget of less than $100,000. There were presentations from organisers of large scale events who believe there is potential to hold events up to $250,000. These are not being considered at this stage.

Mr Markham said there was discussion by the panel on what can be done to stimulate large events in the district, looking at the potential to underwrite events and to get them to come and stay how. The amounts discussed was $15,000 to underwrite, to begin to grow. The financial risk needs to be considered.

There is 800 events in the calendar in a year which is impressive for the district, and this is steadily growing. It is finding the right balance between being open to all but ultimately there are a few fairly average quality events and how does the Council balance this to get the best events for the district

H Warwick noted this is been done by ENC for over ten years and is one of the most contentious issues that ENC deals with. It is a balancing act and to be fair, equitable and accessible. ENC is an enabler not a regulator and help get the applications to be the best they can be for the panel of Robin Brown, Clare Gifford and Christine Watton can gauge it as the best application that is presented on the day

Cr Gordon, as part of the panel, has great confidence in the process that was undertaken, and with the independent report. Important to see the enabling of flexibility, for instances with events that are established. There is the potential to de-risk large events, and these offer huge potential for the district. Was a worthwhile exercise and enjoyed being part of it.

Deputy Mayor Felstead, noted that the Oxford Menz Shed puts on the “Spring into Oxford” function, and asked was there any availability for organisations being able to have an ongoing funding source to be available. As this event is dependent on a day with good weather, what would the situation be if it rained on the planned day of an event and the Menz Shed could have funding. Councillor Atkinson asked is there the possibility of insuring an outdoor event from the fund and this question will be followed up.

Mayor Ayers noted that there has been discussion on growing events, but is there potential that an event may get too big to be held in towns in this district? Some events put the town under a lot of pressure and there could be other events that could potentially put similar pressure in other areas of the district.

Regarding the Statement of Intent: ENC Strategic Planning session was held at the end of March, following which the vision has changed slightly and now reads:

“To inspire, attract and retain individuals, businesses and social enterprises to invest in our region:

and there has been a new strategic objective added, being

“Attract and inspire businesses, Te Runanga o Ngai Tahu and Government to invest in our region.

These two changes were unanimously agreed by the ENC Board on the 31st May 2018.
Councillor Barnett asked about the Christchurch friends and family market and attracting day visitors from Christchurch. H Warwick noted this is not a specific item in the business plan but relates to events and friends and family coming north to participate in our district. There are two new members of the team Elizabeth Pitcorn, who specialises in marketing (social media) and Janine Rogers, around Product Development.

Councillor Barnett asked about visitor promotions in the area – in relating to the sister city in China. H Warwick showed a PowerPoint presentation which related to this.

The presentation highlighted activities of ENC:

Development of a Walking and Cycling Guide as part of the Official Visitor Guide – 30,000 guides were printed, self funded, sent to I-Sites and to many locations throughout Christchurch.
I-Site had a good year – sales up 31% on last year
Events – down to 550, this figures is due to not profiling all farmers markets or craft days and keeping it for larger events, 52,000 distributed over 16 events this past year.
Business Support is continued to be given for any potential investors for the district. Reports can be available for any type of industry.
New Activity – Wheels to Waipara – new cycle track, completely off road between Christchurch and Waipara.
Janine is working on the Loop track, which is about 90 kms in our district, into Silverstream that is being developed there.
Developing a product to take to TRENZ. This is a trade show to be held in Christchurch in May 2019 and ENC are getting ready for this.
ENC are seeking out new business partners and being pro active
Developing tourism specific training workshops.
Developing a portfolio of photos, videos and Waimakariri image story. This story is going to be based on biodiversity, culture and history.

Moved Councillor Atkinson seconded Councillor Barnett

THAT the Audit and Risk Committee

(a) Receives report No. 180708075704
(b) Approves ENC’s Statement of Intent for the Financial Year beginning 1 July 2018
(c) Receives ENC’s 2018/19 Business Plan
(d) Approves ENCs Draft District Promotions Business Plan for 2018/19

CARRIED

Councillor Atkinson welcomes this report and is supportive of the continued work of ENC. Looks forward to continued enabling that ENC does, for people who have good ideas. Councillor Atkinson encourages the continued success of the bigger events that are currently held in the district. ENC are moving forward and looking forward but also would like to see the continuing of the smaller events that are well supported in the district. The word “enabling” needs to be continued, and encourage as many people as we can to come to this district.

Councillor Barnett found this report inspiring, with the potential for Waimakariri to have a key product that gives us an edge over some other places, who may have greater infrastructure and greater marketing. This Committee has to
make sure the questions are asked, and they have been and answers have been found and now moving forward. Councillor Barnett questions the comments earlier of natural cycle of events – some people support repeat events over a long period of time, noting some local events (being the Woodend Flower Show running 86 years), and the Kaiapoi Art Expo. Important that these events continue as they provide value. Need to enable the district to support growth in events and would like to see support for the ‘bread and butter market’ (visitors coming from across the bridge to enjoy the Waimakariri district from Christchurch). Would like to see some innovation in that space and welcome this from the new staff members.

Councillor Gordon noted the positive work of ENC and the high calibre staff that are working for the organisation. Like Councillor Barnett, Councillor Gordon feels inspired by this report. Enjoyed the work with the review of the event funding programme. Would like to see the de-risking of events explored and to explore guarantees against loss. This should be looked at and to see if it is worth having this available for groups. Noted the Kaiapoi Art Expo has now been running for 13 years. There is a role for all types of events in this district and the Council needs to support these. Councillor Gordon supports this report and the Statement of Intent.

Mayor Ayers noted that part of event management is to have appropriate advertising of the ways to drive into Rangiora and using all three ways, not just the one way which is signposted on the motorway.

Mayor Ayers also mentioned the spaces that are available here, and the wide open spaces that are available to spend time in. Suggested it needs to be looked at what we are promoting about our district. Noted that the visitor numbers to our district are significant. Also noted that there are several long running annual events held in the district and a lot of these are self promoting and encourage a lot of visitors from outside the district.

Councillor Doody noted that putting on events is a lot of hard work and there is always just a few people involved in organising these. Regarding the event funding, supports the application process now in place.

6.7 **Non-Financial Performance Measures 3rd Quarter Results as at 31 March 2018 – Maria Edgar (Corporate Planner)**

Mr J Millward spoke to this report

Councillor Barnett questioned the resolution to wondering stock complaints, which is just 55%. M Harris noted that sometimes the conclusion often comes in late and these often happen out of hours. Information entered in after hours is improving now, though there is still room for improvement.

Councillor Barnett also questioned re measure (top of page 8) and that this is noted as almost met, when it is well outside the criteria. There is some anomalies in the figures provided in this report.

Moved Deputy Mayor Felstead seconded Councillor Atkinson

**THAT** the Audit and Risk Committee

(a) **Receives** the report Non-Financial Performance Measures 3rd Quarter Results as at 31 March 2018, Trim No. 180625070106.

**CARRIED**
Deputy Mayor Felstead noted the concerns of Councillor Barnett and these will be followed up by Mr Palmer for the next update to be provided to the committee.

Councillor Barnett suggested that this is a public report and doesn’t make the Council look particularly good. The expectations of this audit don’t provide a good commentary in this report. Councillor Barnett would like to see some of these measures expanded out. Has been raising this issue for five years and believes this hasn’t changed. Councillor Barnett will leave this in staffs hands for this report to actually advise what is happening in the community.

7 PORTFOLIO UPDATES

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

LTP document has been entered into a SOLGM competition.

7.2 Communications – Councillor Neville Atkinson

Councillor Atkinson advised be through the employment process by mid to end of August for a Communications Team Leader.

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 Mayor Ayers

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>Minutes of the Public Excluded Portion of the Audit and Risk Committee meeting of 22 May 2018</td>
<td>Confirmation of Minutes</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 Rates</td>
<td>Good reason to withhold exists under Section 7</td>
<td>Section 48(1)(a)</td>
</tr>
<tr>
<td>10.3</td>
<td>Report of Sarah Nichols (Governance Manager)</td>
<td>Insurance Renewal Update for 2018/19</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 – 10.3</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 Councillor Barnett

THAT open meeting resumes and the business discussed with the public excluded remains public excluded and the recommendations be made public.

CARRIED

**OPEN MEETING**

There being no further business, the meeting closed at 5.40pm.

CONFIRMED

_________________________  
Chairperson

_________________________

Date