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 20 NOVEMBER 2018 COMMENCING AT 3.30PM.

PRESENT

Deputy Mayor K Felstead (Chairperson), Mayor D Ayers, Councillors A Blackie, K Barnett and P Williams

IN ATTENDANCE

Councillors W Doody, D Gordon (left the meeting at 4.10pm), S Stewart, J Palmer (Chief Executive), J Millward (Manager Finance and Business Support), S Markham (Manager Strategy and Engagement), L Ashton (Manager Organisational Development and HR), P Christensen (Finance Manager), M Harris (Customer Services Manager), H Street (Corporate Planner) and A Smith (Governance Coordinator)

APPOINTMENT OF CHAIRPERSON

In the absence of Committee Chairperson Councillor N Atkinson, J Millward opened the meeting and called for nominations for a Chairperson for this meeting.

Moved Councillor Blackie seconded Councillor Barnett

THAT Deputy Mayor Felstead be appointed as Chairperson for the duration of this meeting of the Audit and Risk Committee.

CARRIED

Deputy Mayor Felstead assumed the role of Chair at this time.

1 APOLOGIES

Moved Councillor Williams seconded Deputy Mayor Felstead

THAT an apology for absence be received and sustained for Councillor Atkinson and an apology for departure from the meeting of Councillor Barnett at 5.30pm.

CARRIED

2 CONFLICTS OF INTEREST

There were no conflicts of interest recorded.
3 CONFIRMATION OF MINUTES

3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 18 September 2018

Moved Councillor Blackie seconded Councillor Barnett

THAT the Audit Committee

(a) Confirms the circulated minutes of a meeting of the Audit and Risk Committee, held on the 18 September 2018, as a true and accurate record.

CARRIED

4 MATTERS ARISING

Councillor Williams highlighted Item 6.2 and the information that was to be provided on the Urban Cycleway budget and it was confirmed that a report had been presented to the Council meeting of 6 November. Mr Palmer advised that this had confirmed there had been a spend of $2.8m against a budget of $2.5m and an estimate of construction of approximately $2.6m.

5 PRESENTATION/DEPUTATION

There was no presentations or deputations.

6 REPORTS

6.1 Annual Report for Enterprise North Canterbury for the year Ended 30 June 2018 – Jeff Millward (Manager Finance and Business Support)

H Warwick was present for the presentation of this report and presented the Annual Report for Enterprise North Canterbury (ENC) for the year ended 30 June 2018.. H Warwick advised that Audit NZ have given a clear audit for Enterprise North Canterbury and have confidence that ENC operate in a low risk environment and there have been no major profile change or its leader. It was noted that this was the fourth time H Warwick had presented to the Audit and Risk Committee this year.. ENC have had a very productive year as seen in the report. Spoke on future developments in the coming year. Re grant from the Provincial Growth Fund, a decision is to be received by the end of November regarding approval of this application. This funding relates to the NC cycle trail and also to upscaling businesses and ENC are investigating opportunities for this. It is considered that ENC is well engaged with the businesses in North Canterbury but is continuing to engage with more businesses who aren’t familiar with ENC. This includes attending numerous mix and mingle functions, coastal promotion events and attended the Silverstream breakfast club. There is continued good sponsorship for the Business Centre in Kaiapoi and Ravenswood has just been signed up as a bronze sponsor. Immediately that ENC hear about new businesses in the area, contact is made with them.

Following question from Councillor Barnett, H Warwick provided information on the criteria for events being listed on the website, as it was noted that there had been a reduction in the number of events listed, due to not including small events. Confirmed that all events are still included but recurring events not listed individually i.e. farmers markets.
Councillor Barnett also complimented the Walking and Cycling Guide and asked how this was being promoted in Christchurch. H Warwick advised that copies of the North Canterbury Cycle guide are available at Christchurch Airport and Christchurch visitors centres and there is also a powerpoint presentation being shown at the Christchurch i-Site. The guides are also available in the feeder districts – Kaikoura and Greymouth.

In addition to the report, Deputy Mayor Felstead noted that there is a delegation from Enshi visiting on Monday 3 December and H Warwick noted that any Councillors who wish to join this visit are welcome to attend. Anyone who is interested in attending, please meet at 1.20pm at the ENC offices in Kaiapoi to be ready for a 1.30pm departure. The visitors will be attending a sheep farm to view sheep shearing, sheep dogs and fleeces and then visit a honey extraction business at Okuku.

J Millward advised that the Trust has met all its measures in the Statement of Intent and added that there had been a good audit of unmodified accounts.

Following a question from Councillor Blackie on net surplus figures which were similar, and the large variance in the taxation expense from 2017 and 2018, H Warwick confirmed this was a result of a tax loss the year before.

Moved Councillor Blackie seconded Mayor Ayers

(a) Receives report No 181109132111
(b) Receives the Annual Report of Enterprise North Canterbury for the year ended 30 June 2018;
(c) Acknowledges the work carried out by Enterprise North Canterbury over the year and thanks the Trustees and staff for their efforts;
(d) Circulates the report to the Boards.

CARRIED

Councillor Gordon acknowledged the work of H Warwick and the ENC team for their work for the year. ENC has a very visible role in the business community. Councillor Gordon also acknowledged the role of the voluntary Trustees of ENC for the job they do. Councillor Gordon also appreciates the work of H Warwick in her advocacy role and this is highly valued by the business community.

Mayor Ayers noted that there is a Trustee appointment pending, and there is to be an appointment confirmed in the next two weeks, subject to the confirmation of both Waimakariri and Hurunui District Councils. H Warwick noted that the Board would like to offer an internship on the Board for a year, which may lead onto this person becoming a full Trustee in future. There has been some potential candidates suggested to be interviewed for this role and this will progress after the appointment of the new Trustee member. H Warwick also acknowledged the judges who provided their voluntary service for the North Canterbury Business Awards. Mayor Ayers noted this is a very robust judging process for these awards. In closing H Warwick acknowledged the continued support of ENC from the Council and the importance of this.
6.2 Annual Report for Te Kōhaka o Tūhaitara Trust for the year ended 30 June 2018 – Jeff Millward (Manager Finance and Business Support)

Greg Byrnes and Catherine McMillan were present for this report and presented the Annual Report of the Trust. C McMillan advised that this year had been one of great development, and Trust had reached its 25 year achievement goal in 20 years which is very pleasing. Noted that there was an unqualified audit report received again this year. The work of G Byrne was acknowledged with his wisdom and energy in his role of General Manager. It was acknowledged that there is a bigger team at the Trust now, partly as a result of the business case put to the Council.

G Byrne noted the busy year that is has been for the Trust, as noted in the report. The highlight for the year is the support of the Council for the business plan and has subsequently allowed the Trust to hire two full-time rangers who are on staff for this year. This past year has seen much bigger engagement with the community then previous years and the future is exciting. The visits to the Park of representatives from other settlers was mentioned, some of these who had never been to the park previously, noting it is pleasing to be able to show them the work being undertaken. G Byrne advised bigger projects to be looked at in the future are the regeneration lands at Kairaki and The Pines, and investigation work on the granting of human status for the Tuhaitara Coastal Park, Ashley Rakahuri estuary, and possibly Brooklands and also possibly the lower reaches of the Ashley Rakahuri River, from the State Highway bridge. There will need to be funding sought to progress these investigations. The Trust has had two Youth Advisory Trustees for the first time this year, who both offer a lot at the meetings they have attended. G Byrnes took the Trusts annual report taken as read.

Mayor Ayers, referring to the Map on page 54 of the Agenda, noted the section of land at the Ashley Rakahuri estuary which is shown as being Te Kōhaka o Tūhaitara Trust land. G Byrnes advised that this has been investigated with LINZ and is confirmed as a small area of land belonging to the Trust and added this could assist with the pursuing the human status for the estuary. By way of explanation, G Byrnes said the reasons for pursuing this were that as the Trust land comes under the requirements of the Reserves Act – to protect and enhance fresh water, protect and enhance mahinga kai etc, this is seen as the only way to protect it from activities that are undertaken in other parts of the district.

K Barnett asked how the Trust is connecting with the Pegasus Residents Association. G Byrnes noted that there is a good work being done by the Corrections team, with some brush cutting having been undertaken but there is no mowing to be undertaken. This is not considered to be a fire risk. There has been planting of 2,500 natives in the area adjacent to Pegasus was assisted with by the local community.

J Millward also commented on the unmodified audit, thanked the Trust for the period when the forestry harvest was undertaken which caused some disruption to their services. G Byrnes added that this has been a difficult time, but also acknowledged and wished it to be recorded, that J Millward has been exceptionally good to work with during this time.

Moved Councillor Barnett seconded Councillor Williams

THAT the Audit and Risk Committee

(a) Receives report No 181109132152
(b) **Receives** the Annual Report for Te Kōhaka o Tūhaitara Trust for the year ended 30 June 2018;

(c) **Acknowledges** the work carried out by the Trust and thanks the Trustee’s and General Manager for their efforts;

(d) **Circulates** the report to the Boards.

**CARRIED**

Councillors Barnett and Williams both acknowledged the good work that the Trust do. Councillor Barnett acknowledged the work that young people are involved with regenerating the coastal areas and the work being done at Pegasus.

Councillor Gordon complimented G Byrne on his role as General Manager, and his enthusiasm for his role. Councillor Gordon also acknowledged the partnership with the Rangiora Rotary Club, in developing the Peter Allen Memorial biota node and the way this was enabled by Greg to make it happen. Thanks C McMillian and the Trustees for their lead and support of the General Manager.

Relating to the Trust seeking sentient status, Councillor Stewart asked if the Trust were comfortable with the proposal of the Waimakariri Zone Committee draft ZIPa (Zone Implementation Programme Addendum) and what is included in it, which will go to Council for adoption in December. G Byrnes noted that the Trust is pleased that the Council has included in its Coastal Bylaw the investigations of the of granting sentient status for the estuary. This was going to be left out of the ZIPa and in the consultation the Trust have asked that it gets included. It would be disappointing if this was not included.

Councillor Barnett, in reply, said there is some more conversations to be had on the ZIPa, which is a long term document for a long term vision and the Trust is dealing with a 200 year vision. Encourages the Trust to keep putting forward its views and for these to be relayed by Councillor Stewart as Zone committee.

6.3 **Cyber Security – Jolanda Simon, (CIO)**

J Millward presented this report, which provided an update to the committee on the Cyber Security Review and the recommendations that Deloitte performed for a number of Canterbury Councils, as part of the Canterbury Shares Services. Seven of the eleven Canterbury councils undertook the review.

One of the recommendations from the review is that there be quarterly reports brought to the Audit and Risk Committee on the computer systems and any breaches that occur. The first of these was Attachment iii of the report, the Audit and Risk Quarterly Cyber Security Status Report. Cyber security is to be seen as a “business” issue, not just IT.

J Millward advised that cyber security insurance is being sought from the Council’s insurance broker, which will provide a more specific insurance for the Council’s needs, rather than waiting for a generalised cyber insurance cover through ALGIM.

J Millward noted that tomorrow Council staff will be involved with an exercise on business continuity and disaster recovery plans. The exercises will
involve setting up an EOC offsite at Mainpower, and dealing with a hazardous substance.

Councillor Barnett asked if there would be any input from Councillors on the Cyber Security review. J Millward confirmed that members will be involved and will be part of the exercise, on the same basis as staff are.

Moved Councillor Barnett seconded Councillor Blackie

**THAT** the Audit and Risk Committee

(a) **Receives** report No. 181015120380.

(b) **Notes** the recommendations will be completed by July 2019;

(c) **Notes** Council is currently sourcing appropriate Cyber Security insurance.

**CARRIED**

Councillor Barnett supports this recommendation, noting that cyber security is something that can’t be taken lightly and can be a huge cost to organisations. The Council is in a reasonably good position currently, but Councillor Barnett believes it is important that there is insurance in place in case of a major event.

6.4 Non-Financial Performance Measures 1st Quarter Results as at 30 September 2018 – Helene Street (Corporate Planner)

H Street presented this report of the non-financial performance measures for the first quarter of this financial year, up to 30 September 2018. It was noted that there are some areas that measures have not started yet, with explanations provided. There were no questions.

Moved Councillor Blackie seconded Councillor Barnett

**THAT** the Audit and Risk Committee

(a) **Receives** report no. 1811021208750 and Non-Financial Performance Measures 1st Quarter Results as at 30 September 2018, Trim No. 181102128822

**CARRIED**

6.5 Sefton Community Library – Application for a Rates Remission – Maree Harris (Customer Service Manager)

M Harris presented this report, requesting a remission of rates. This library went out of business in the 1990s and the Trust committee has continued to pay the rates up until approx. two to three years ago, at which time the committees funds had all been used. The terms of the Trust has meant it has not been a straightforward process for the property to be sold. Legal work has been required and the solicitors are soon to lodge the papers in the High Court to get this underway. It was considered a better option to not have rates arrears accumulating while this was happening.

The library committee are doing all they can and are trying to do the right thing by selling the property and making those funds available for the Sefton Community Hall for earthquake repairs.
THAT the Audit and Risk Committee

(a) **Receives** report No. 181106130682.

(b) **Approves** a rates remission of $1,261.53 under the Policy for Remission of Rates in Miscellaneous Circumstances on the Sefton Community Library Trustees property at 14 Pembertons Road, Sefton (Assessment 2149019400).

(c) **Notes** that a rates penalty remission of $226.03 will be made under the Policy for Remission of Rates Penalties on the Sefton Community Library Trustees property at 14 Pembertons Road, Sefton (Assessment 2149019400), under the delegation of the Manager, Finance & Business Support.

CARRIED


L Ashton and C Brown presented this report presenting the outcomes of the October 2018 WDC ACC Workplace Safety Management Practices internal review. This is the last audit under this programme as the Council transits to the SafePlus assessment. The Health and Safety team in general are pleased with the current documentation and practices that are in place in relation to this old ACC review process.

There were no questions.

Moved Deputy Mayor Felstead seconded Councillor Barnett

THAT the Audit and Risk Committee

(a) **Receives** report No 181015119987,

(b) **Reviews** the outcomes of the WDC ACC Workplace Safety Management Practices internal review from October 2018, and

(c) **Notes** that this review signals the close-out of this programme for WDC, and the transition to SafePlus assessment programme.

CARRIED

6.7 **SafePlus Online Assessment Audit Plan 2018– Liz Ashton (Manager Organisational Development and HR)**

L Ashton presented this report, which presents to the committee the plan for the SafePlus online assessment audit in December 2018. This is a different way the audit is undertaken from the ACC Workplace Safety Management Practices audit. This looks at three key areas – worker engagement, leadership and risk management. It is designed to look at behaviour first and then look into the practices. There will be a survey circulated in December and following this the feedback will determine the content of the audit going forward.
One of the significant changes is the 20% discount the Council got from ACC because of the highest accreditation through the WSMP, is no longer viable for the Council which was discontinued through the old programme.

There were no questions.

Moved Councillor Blackie seconded Councillor Williams

**THAT** the Audit and Risk Committee

(a) **Receives** report No 181005116061,

(b) **Receives** the plan for the SafePlus online assessment audit in December 2018.

(c) **Notes** the requirement for participation in the online assessment for all staff and Councillors, and

(d) **Notes** that the intention is to set a benchmark for WDC, and to be further evaluated against an external assessment in December 2019.

**CARRIED**

### 6.8 Outcomes of the WDC Health and Safety Risk Register Review September 2018 – Liz Ashton (Manager Organisational Development and HR)

L Ashton presented this report which presented the outcomes of the WDC Health and Safety Risk Register Review that was undertaken in September this year and the Action Plan outcomes. These reviews are raising awareness of the kinds of risks across the organisation and each time a review is undertaken, matters are being added to, or updating or changing the risks. One of the specific matters noted is the site security fencing around the sewerage treatment ponds, after a child managed to get through the fencing. This Risk Register and Action Plan gets reviewed by the Management Team on a monthly basis.

Mr Palmer added commented on the work that has been done on the Risk Register and one of the things that was focused on was risks that have high consequence or impact on the organisation and targeted them specifically. Mr Palmer is pleased with the progress that is being made in addressing high risk issues from a health and safety perspective. These are the ones that could result in serious injury or worse and Mr Palmer acknowledged the good work that has been done there so far.

There were no questions.

Moved Deputy Mayor Felstead seconded Councillor Blackie

**THAT** the Audit and Risk Committee

(a) **Receives** report No 181005115961,

(b) **Reviews** the outcomes of the WDC Health and Safety Risk Register Review September 2018, and
(c) **Receives** Risk Register Action Plan outcomes from September 2018 and notes the next steps for implementation.  

**CARRIED**

### 6.9 Financial Report for the period ended 30 September 2018 – Paul Christensen (Finance Manager)

P Christensen presented this report and the financial result for the quarter ended 30 September 2018, the first quarter of the financial year. Currently the Council has $145m worth of debt which is less than the end of year budget of $173m. There is currently a surplus over budget due to development contributions, and there has been a gain from sale of forestry stock. An update on the debt figures was provided and it was noted that it is not expected to have to raise any further debt until mid-2019.

Moved Councillor Barnett  seconded Councillor Blackie

**THAT** the Audit and Risk Committee

(a) **Receives** report No. 181105129258.

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

**CARRIED**

### 6.10 Capital Projects Report for the period ended 30 September 2018 – Paul Christensen (Finance Manager)

P Christensen presented this report on the progress of the capital programme for the year ended 30 September 2018. It was noted that there is to be a workshop following the meeting to discuss the progress on the capital programme. There has been $21.9m spent to the end of the quarter, which is 25% of the full year budget. Of that $21.9m, $13m has been spent last year and has been carried forward and there has been $8m spent in this quarter.

Moved Councillor Blackie seconded Councillor Williams

**THAT** the Audit and Risk Committee

(a) **Receives** report No. 181101128611.

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

(c) **Notes** that progress of the capital projects with $21.9 million (26%) of the full year revised budget spent

**CARRIED**

### 7 PORTFOLIO UPDATES

#### 7.1 Audit, Risk, Long Term Plan and Excellence Programme – Deputy Mayor Kevin Felstead
Attended an Annual Plan PCG meeting with the Mayor and Staff today. This group will meet on a regular basis to make sure the Annual Plan document gets out on time. It was noted there could be a change in format of the document.

7.2 Communications – Councillor Neville Atkinson

Councillor Atkinson was not present.

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 Deputy Mayor Felstead seconded Councillor Blackie

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 18 September 2018</td>
<td>Confirmation of Minutes</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</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 Deputy Mayor Felstead seconded Councillor Blackie

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

CARRIED

OPEN MEETING

As there was no further business, the meeting closed at 4.35pm.

CONFIRMED

____________________________
Chairperson

____________________________
Date

WORKSHOP

At the conclusion of the meeting a workshop was held to discuss capital works. Various staff were in attendance to discuss their capital works programmes.