PRESENT

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

IN ATTENDANCE

Councillors D Gordon, S Stewart.
J Millward (Manager Finance and Business Support), G Cleary (Manager Utilities and Roading), C Brown (Manager Community and Recreation), L Ashton (Manager Organisational Development and HR), G Meadows (Policy Manager), P Christensen (Finance Manager), K Simpson (3 Waters Manager), J McBride (Roading and Transport Manager), D Roxborough (Implementation Project Manager, District Regeneration), M Harris (Customer Services Manager) (for public excluded portion of meeting), C Browne (Health, Safety and Quality Manager), K LaValley (Project Delivery Manager), H Street (Corporate Planner), S Morrow (Rates Officer Land Information) (for public excluded portion of meeting) and A Smith (Governance Coordinator).

1 APOLOGIES

There were no apologies.

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 20 November 2018

Moved Deputy Mayor Felstead seconded Councillor Blackie

THAT the Audit Committee
(a) Confirms the circulated minutes of a meeting of the Audit and Risk Committee, held on the 20 November 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

6.1 Audit New Zealand Management Report for the year ended 30 June 2018—Jeff Millward (Manager Finance and Business Support)


Vested assets – improvements in the processes suggested in recognising vested assets that come to the Council. This will be incorporated into the improvements to the Strategic Asset Management System that is being developed. The process will require a Project Manager to be appointed for each of the projects and assets that are accepted into the system.

Development contributions – this has been brought to the Council in a separate report. J Millward noted that there has been changes in processes since the Auditor’s Report and more staff are able to get alerts and reports on developments that occur now.

Harvesting of Council forests. J Millward advised the processes have been reviewed and assessments will be done in future advising how much capital has been removed or added to the Council.

There were some other quite minor issues that have been dealt with and J Millward considers this was a good Audit Management Report.

Moved Councillor Barnett seconded Deputy Mayor Felstead

THAT the Audit and Risk Committee
(a) Receives report No. 190111002184.
(b) Receives Audit New Zealand’s Management Report for the year ending 30 June 2018;
(c) Notes there are no significant matters arising from the management letter. Audit New Zealand have made a number of recommendations where systems could be improved and these improvements have been made or are programmed to be completed.

CARRIED

6.2 Non-Financial Performance Measures 2nd Quarter Results as at 31 December 2018 – Helene Street (Corporate Planner)

H Street presented this report which provides an update on the Long Term Plan non-financial performance measures for the second quarter of the 2018/2019 financial year. There was a marked improvement compared to the same period last year and good explanations for any matters that haven’t met target.

Councillor Barnett asked about monitoring on wastewater and drainage and issues with customer service. What happens when there is requests/complaints that involve matters with shared responsibility of both this Council and with Environment Canterbury? G Cleary noted that if there is anything that is a service request relating to roading and 3Waters Team Leaders in the respective departments are managing these requests, which are followed up and if it is appropriate, these are directed to the agency concerned. It was confirmed that if a request is handed over to another agency, the customer is advised and the matter closed off appropriately with the Council.
THAT the Audit and Risk Committee

(a) Receives the report Non-Financial Performance Measure 2nd Quarter Results as at 31 December 2018, TRIM No. 190123006733

CARRIED

Councillor Barnett commented on the favourable results and the improvements in percentages. Also noted the reporting is easy to follow and it is pleasing to see improved results in areas where resources have been directed.

6.3 Results of WorkSafe SafePlus Online Assessment Questionnaire – Charlotte Browne (Health, Safety and Quality Manager)

C Browne presented this report which provides results of the organisation-wide WorkSafe SafePlus Online Assessment questionnaire which was completed by WDC in December 2018. Councillors who completed the assessment were thanked for doing so and any comments made. This questionnaire confirmed that the Council is at a ‘performing’ level which is the median performance level for any organisation participating in the programme. There was a relatively high participation rate of 245 out of 413 requests, which was pleasing. Specific results highlighted were that 81% of staff either strongly agreed or agreed with the statements regarding the effectiveness of Health and Safety Leadership within WDC; 70% of staff either strongly agreed or agreed with the statements regarding the effectiveness of Health and Safety Worker Engagement within WDC; and 84% of staff either strongly agreed or agreed with the statements regarding the effectiveness of Health and Safety Risk Management within WDC. Staff also provided feedback to WorkSafe on how they can improve their Questionnaire in future.

THAT the Audit and Risk Committee

(a) Receives report No. 190109001638.

(b) Notes the results of the WorkSafe SafePlus Online Assessment for 2018 (Level = Performing);

(c) Notes the future emphasis that will be placed on Worker Engagement and three key risk areas;

(d) Notes the Online Assessment data moderation process and associated feedback to WorkSafe regarding questionnaire design.

CARRIED

6.4 Financial Report for the period ended 31 December 2018 – Paul Christensen (Finance Manager)

P Christensen presented this report and the financial result for the quarter ended 31 December 2018. Three key financial indicators:

- Surplus was $6.2 million against the budget of $2.8 million – this is mainly as a result of revenue being larger than expected - $1.1 million from forestry revenue and $3.5 million from development contributions revenue.
• Debt is still at $145 million, which is the same as at the end of the last quarter.
• Capital Expenditure is $31 million which is 30% of the full year budget.

Following a question from Councillor Barnett on the liquidity ratio, P Christensen and J Millward provided an explanation.

Moved Councillor Barnett seconded Councillor Blackie

THAT the Audit and Risk Committee
(a) Receives report No. 190128008390.
(b) Notes that progress is tracking favourably in comparison to budget.

CARRIED

6.5 Capital Projects Report for the period ended 31 December 2018 – Paul Christensen (Finance Manager), Kalley Simpson (3 Waters Manager) and Chris Brown (Manager Community and Recreation)

Presenting this report were P Christensen, C Brown (Manager Community and Recreation), G Cleary (Manager Utilities and Roading) and K Simpson (3 Waters Manager).

G Cleary noted that it is the intention of both himself and C Brown to be present at future Audit and Risk Committee meetings to keep the Committee informed on the delivery of the capital works programme.

P Christensen advised that as at the end of December $31.1 million of the capital works programme has been spent, which is 36% of the full year revised budget. At this time also, 318 of the 341 projects are expected to be completed, though 47 of this completed figure have been identified “at risk” of not being completed for various reasons.

At this time K Simpson provided an overview of the information in the report on capital projects progress, including those on time, those programmes at risk, and those behind programme for each of the Council’s activities. There was also explanation given on the additional information being provided as part of this report on projects.

Councillor Atkinson asked if further information could be available to the Council on the “at risk” portion of projects. K Simpson advised that there is a summary of the risk provided in this reporting, which indicates if a project is “on programme”, or if it is “programme at risk” meaning there is a risk it will go to carry over at the end of the year, or a project being “behind programme” means it is already anticipated to be a carry over. Currently the details of the risk for projects is being analysed at a staff management level. Councillor Atkinson asked if this level of risk could be available in the reporting and this would be advantageous to be available to the Council. This would provide some reassurance if this is a low risk or otherwise. G Cleary noted the comments beside each of the projects noted as “project at risk” do provide some detail to the Council and questioned whether there would be any benefit in providing more detail than this. C Brown noted that for each of the projects that are “at risk” in the Recreation activities, the comments section should identify exactly why that project has been put “at risk”.


Councillor Gordon asked if the information available on carry overs that is provided to Standard and Poors is going to be satisfactory for them and meet what they are looking for and will be understood clearly. J Millward noted that this information is just one of eight items that will be given to Standard and Poors for them to understand the capital programme; they will also be given a capital comparison to the LTP to show that there has been no increase in capital, showing the loan profile, treasurer report from Bancorp which will state the Council is in a good position relating to other Councils, and also show the forecasting capital spend going out to future years. They will also receive a liquidity ratio to determine if the Council is in a good position or bad which is much improved. Standard and Poors will also have good discussion with the Mayor and Chief Executive to determine their views. All this information is providing them what they are looking for.

G Cleary said that what staff have tried to achieve is to give the Council a broad view of how projects are tracking across the entire organisation and also to then allow a view of any of the services separately to get a broad view there. It is also then possible to have a look on a project by project basis. There is also more work being undertaken to be able to include the effects of seasonality in capital projects. This information is a really useful tool for staff as well to keep track on projects.

Councillor Stewart asked is there a large amount of resource required to provide this additional information? K Simpson said there has been a change in how the information from managers is tracked. This is done through the Asset Management system.

Councillor Barnett suggested that information could be included in the recommendation on the predicted money that would be spent on the expected total capital spend for the financial year. J Millward said it would be appropriate to show projects that may not be completed and this information could be provided.

Mayor Ayers noted there is always projects which are partially completed. A project can be underway but may not be completed. Regarding accuracy of reporting, for multi-year projects listed as carryovers, it was advised that the Council is obligated to carry this budget over in its entirety for accounting purposes because the item is still not being used. It was agreed these could be identified separately also.

Moved Councillor Atkinson seconded Councillor Blackie

**THAT** the Audit and Risk Committee

(a) **Receives** report No. 190128008548.

(b) **Notes** that staff are to add further refinements to the information provided in future reports.

(c) **Notes** that progress of the capital projects with $31.1 million (36%) of the full year revised budget spent.

(d) **Notes** that 318 (93%) of the 341 projects are expected to be completed or on time this financial year.

(e) **Circulates** the report to the Community Boards.

**CARRIED**
Councillor Atkinson noted there will be benefits of the refinements that have been discussed today. It is important that this is also a tool for staff to use. It is the responsibility of this committee to continue refining this information and this can come through suggestions from both the staff and from the committee.

Councillor Blackie agreed that this is a living document.

Councillor Barnett said it is important that information is available in the summary and the area of carryovers is a difficult but important area. Councillor Barnett would like staff to give the committee the overall picture in the report and back it up with the data.

7 PORTFOLIO UPDATES

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

Deputy Mayor Felstead advised that the Annual Plan process is currently on track and this will come to Council at the next Council meeting on 19 February.

7.2 Communications – Councillor Neville Atkinson

The Communications department is now fully staffed. Staff are reviewing strategies and looking at the marketing tools currently being used.

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 Atkinson  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>Report of Scott Morrow (Rates Officer Land Information)</td>
<td>Applications for a Rates Remission</td>
<td>Good reason to withhold exists under Section 7</td>
<td>Section 48(1)(a)</td>
</tr>
</tbody>
</table>

190208014226 Audit and Risk Committee Minutes GOV-01-15 as Page 6 of 7 12 February 2019
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</td>
<td>A2(a)</td>
</tr>
<tr>
<td></td>
<td>To carry out commercial activities without prejudice</td>
<td>A2(b)ii</td>
</tr>
</tbody>
</table>

CARRIED

**CLOSED MEETING**

**Resolution to resume in Open Meeting**

Moved Councillor Atkinson    seconded Councillor Barnett

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

CARRIED

**OPEN MEETING**

There being no further business, the meeting closed a 5.20pm.

CONFIRMED

_______________________  
Chairperson

_______________________
Date