PRESENT

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

IN ATTENDANCE

Councillors P Allen, D Gordon
Messrs J Palmer (Chief Executive), J Millward (Manager Finance and Business Support), P Christensen (Finance Manager), Mrs L Ashton (Manager Organisational Development and Human Resources), Mrs V Spittal (Policy Analyst), Ms M Edgar (Corporate Planner), Mr G Meadows (Policy Manager, WDC), Mr G Byrnes (Te Kōhaka o Tūhaitara Trust), Mrs C MacMillan (Te Kōhaka o Tūhaitara Trust) and Mrs E Stubbs (Minutes Secretary).

1 APOLOGIES

Nil.

2 CONFLICTS OF INTEREST

N Atkinson Item 6.1

3 RECEIPT OF MINUTES

3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 13 December 2016

Moved Councillor A Blackie seconded Councillor P Williams

THAT the Audit Committee
(a) Confirms the circulated minutes of a meeting of the Audit and Risk Committee, held 13 December 2016, as a true and accurate record.

CARRIED

4 MATTERS ARISING

S Stewart noted that she had requested the minutes for ENC at the previous meeting and asked for an update on when they would be available. J Millward replied that he would follow that up. Mayor Ayers noted there had been one meeting this year and those minutes had not been confirmed. He had provided a short report on ENC in his Mayor’s report.

5 PRESENTATION/DEPUTATION

Nil.
REPORTS

6.1 Six month Financial Statements for the period ended 31 December 2016 - Te Kōhaka o Tūhaitara Trust – Jeff Millward (Manager Finance and Business Support)

J Millward advised he would take the report as read and would pass over to G Byrnes (General Manager) and C MacMillan (Trustee) to provide an update from Te Kōhaka o Tūhaitara Trust.

G Byrnes commented that it had been an exciting first six months with a number of neat initiatives and consolidation of other projects such as the biota nodes and education programme. It was exciting where the residential recovery plan would take things for the next six months. There were potential funding opportunities and extension of relationship with University of Canterbury with the possibility for a research facility on site. There were a number of other things happening including an automated weather station.

C MacMillan noted with the 200 year vision with long term planting and restoration - the question was how to inspire the next generation. The University of Canterbury longitudinal studies and the schools programme were going very well and were part of that long term vision.

Mayor Ayers noted that under the residential red zone plan the Te Kōhaka o Tūhaitara Trust (the trust) was being allocated land in the Kairaki and Pines Beach area, were interested in the Eastern Conservation Management Area (ECMA) at Pegasus and were in talks with Trustees at Kaiapoi Pa and asked if the trust had the capacity for that. He requested that a comment be made on how the trust would deal with the extra land. C MacMillan commented that the trust recognised that there was one paid person and they were currently having discussions about the structure, functions and skill base required. They were in the process of drafting ideas around that and options for funding. They were conscious they had limited resources and currently had limited borrowing capacity. However, at the moment there was a lot of momentum, the UC relationship was strong and a number of potential funders were watching the space. They were conscious of being financially prudent. From a district point of view the park was the ‘jewel in the crown’ tourism wise and there was consideration of how that could be leveraged. G Byrnes added that he hoped the Council would support the ECMA. He noted there were economies of scale with the ECMA, Kairaki and Pines Beach area, the Pa site and a number of other riparian opportunities and that they were the funding opportunities to allow for additional staff.

Mayor Ayers commented that he believed funding from the Kaiapoi Pa area would be easier to achieve that the ECMA and asked if they had spoken to the Pegasus Residents Association. G Byrnes advised they had, and there was consensus from the association that the trust was the most appropriate agency to manage that on behalf of the community. G Byrnes also advised of an opportunity with the ‘Million metres’ crowd funding environmental project for riparian enhancement. G Byrnes noted that in terms of the ECMA, if the trust was not so enthusiastic on managing that on behalf of the community there would be a cost to the ratepayers for its management and there was an expectation that that would be the minimum the Council would invest and the trust would seek funding for additional work.

Councillor Blackie asked if $5000 for director insurance was reasonable and J Millward replied that it was, they were covered for the same public liability as councillors. It included working on site.
Mayor Ayers asked if the trust received funding from Te Rūnanga o Ngāi Tahu and G Byrnes advised it was listed under ‘Grants Other’ and that they received $80,000 per annum for three years.

J Millward advised the trust had sent their Statement of Intent which he had not picked up. It would be presented at next meeting in March.

Moved Mayor D Ayers seconded Councillor Stewart

THAT the Audit and Risk Committee
(a) Receives report N° 170203010479
(b) Receives the Six month report for the Te Kōhaka o Tūhaitara Trust for the period ended 31 December 2016.

CARRIED

Mayor Ayers congratulated the trust on the great work they were doing and noted it was exciting to see what was ahead.

Councillor Stewart endorsed the comments of Mayor Ayers.

6.2 Health and Safety Update February 2017 – Liz Ashton (Manager Organisational Development and Human Resources)

L Ashton presented this report highlighting the achievement of tertiary status following the recent ACC Workplace Safety Management Practices (WSMP) Audit. This is an improvement on the previous audit and resulted in a twenty percent decrease in ACC levies and L Ashton believed it was a great achievement for the staff and management team.

Deputy Mayor Felstead noted that the Rangiora Service Centre dominated the report and asked about the rest of the district. L Ashton advised that due to the size of the organisation the auditors could take a snapshot of the business at their discretion. They had chosen to audit the Rangiora Service Centre and the Rangiora Library. Mayor Ayers asked if that snapshot could have been taken of the water unit for example, and L Ashton replied it could have, however it would not be looked at in isolation. The management system would be looked at alongside practices to see that there were consistencies.

Mayor Ayers noted the audit had been completed by ACC and asked where Worksafe fitted in. L Ashton advised that ACC had been completing the audits for a number of years. It was likely that the audit process would be reviewed in line with changes in legislation and something new would be rolled out in the future.

Councillor Allen commented that he was interested in staff safety in relation to dealing with clients, he noted emergency management came under the ACC brief and asked if ACC had any comments regarding the systems the council had in place for staff security. L Ashton commented that underway at the time of audit was a site safety security review. The audit had been completed for the Rangiora Service Centre, Rangiora Library and Kaiapoi Library, it was on a phased programme and part of a continuous improvement plan. ACC had advised that they were pleased WDC had taken action and looking to make improvements in that area.

Moved Deputy Mayor Felstead seconded Councillor Blackie
THAT the Audit and Risk Committee

(a) **Receives** report no. 170201009393

(b) **Notes** the achievement of tertiary status on completion of the ACC WSMP audit completed in December 2016 and the associated 20% reduction in ACC levies which we are now able to claim for the next two years.

(c) **Acknowledges** the work which is currently being completed by the Health and Safety Advisor, Managers and Team members which significantly contributes to this achievement  

CARRIED

Deputy Mayor Felstead congratulated the team on a good result.

6.3 **Local Government Act 2002 Section 17A Service Reviews – Veronica Spittal (Policy Analyst)**

V Spittal and M Edgar spoke to the report which presented completed S17A Service Review reports on the cost-effectiveness of certain services. V Spittal noted seven of the fourteen scheduled reviews for this financial year had been completed and the remaining seven would be considered at the May meeting. Three service reviews were programmed for the 17/18 financial year. The council was well on track for achieving its legislative requirements. V Spittal provided an apology for W Taylor who was not able to talk to the building control review.

V Spittal advised that the Building Control Review concluded the delivery of service was working well and status quo was recommended.

M Harris advised that the after hours telephone service which involved answering calls after hours, logging details, service requests and emergency callouts was delivered through an external contract based in Christchurch. M Harris advised that it was not a service that could be delivered in house giving resourcing requirements as it would require another two shifts with two people on site handling very few calls. CCC was in the process of getting a new telephone system and had the potential to take up the after hours service for WDC. A consideration would be the requirement for an alternate site that calls could be switched to. The recommendation was to continue with an external provider as it was the most cost-efficient option.

Councillor Atkinson requested clarification around item 5.1 of the report which referred to engagement of external expertise for a service review. J Palmer advised that all the service review related work had been undertaken using existing resources. If there was a part of the business that sought review with a different perspective to staff there would be the option to engage external expertise. The only area being looked at for external review was under the shared work programme and was a strategic assessment of Three Waters and Roading and looking at the best ways of delivering those services across Canterbury.

J Millward clarified that the S17 reviews were not to get mixed up with reviews of shared service agreements with a number of Councils. 25 councils were about to undertake a procurement and contract management review with Deloittes. The cost of that was being shared across 25 councils and was cost efficient.
Mayor Ayers raised that two different departments had provided reviews in different formats and asked if they had the freedom to choose. V Spittal explained that there were templates for a light review and another for a full review.

Mayor Ayers asked in terms of the after hours service whether there was enough resilience to have one backup location. M Edgar commented that Christchurch and Auckland were geographically apart and that the system had worked well for the Christchurch earthquakes where calls were picked up in Auckland. The only issue was that Auckland did not know local conditions.

Mayor Ayers asked if there was the capability for WDC to say provide answering services for Timaru. M Edgar commented it would depend on the technology available. During an emergency staff could be requested to remain to take after hour calls. J Palmer noted that the idea of providing calls for other Councils had been looked at by Palmerston North and there were advantages and disadvantages. It was noted that the councils phone technology was up for review this year.

M Edgar advised that the Customer Services Rates Administration covered a wide range of functions most of which was carried out in house. The exceptions were property valuation services and processing and printing of rates assessments. A rates administration review by Ernest Young the previous year had recommended closer collaboration between councils to standardise policies and procedures. It was noted that rates were a highly specialised field and anything that documented the process was helpful. In addition the rates database was the nucleus for the rest of the council operation and its integration with the rest of the council system was critical.

Mayor Ayers asked if one Council could carry out the service for another council. M Edgar advised it was generally just for the Regional Councils. J Palmer commented the idea had been explored in Canterbury and while it may be possible the challenge was the integration and connectivity of the database. In terms of an independent provider able to the job, they did not exist.

J Millward advised that the Bay of Plenty had a system where there was a central agency that managed the rating valuations and councils extracted information onto their systems. For WDC to join that it would cost an extra $1.78 per ratepayer.

Mayor Ayers asked if it was legal for council to carry out its own valuations and M Edgar replied yes. It was not advocated. J Millward noted that there was a shared services arrangement with Waimakariri, Selwyn, Kaikoura and Ashburton District Council which had provided significant savings on valuation fees. It was also a way to transfer risk as the valuations were independent to council.

Moved Mayor Ayers seconded Councillor Atkinson

THAT the Audit and Risk Committee:

(a) Receives Report (Trim No: 170130007945).

(b) Approves the attached S17A Service Reviews for building control, customer services after hours telephone services and rates administration.
(c) **Confirms** no further S17A Service Review is required for up to six years for building control, customer services after hours telephone service, customer services rates administration (excluding valuation services).

(d) **Agrees** that a further review of valuation services be carried out in 2019.

**CARRIED**

Mayor Ayers thanked V Spittal and M Edgar for the reviews commenting that it was a good opportunity for the audit committee to look at various parts of the council operation. To have QV carrying out the rating valuations was an advantage from a conflict of interest point of view.

6.4 **Non-Financial Performance Measures 2nd Quarter result as at 31 December 2016 – Maria Edgar (Corporate Planner)**

M Edgar advised that she would take the report as read and asked if there were any questions. J Palmer noted the removal of red and green colouring for clarity and the table on Page 61 which tried to balance the need to read the whole document versus providing an overview.

Deputy Mayor Felstead appreciated the changes and noted he was able to focus on those measures identified.

Councillor Atkinson noted the below target performance of the building warrant of fitness audits commenting that his understanding was that they had been over resourced. J Palmer noted there had been a general slowdown in building consents however the team had been assisting with the earthquake response in Hurunui.

Moved Deputy Mayor Felstead  seconded Councillor Blackie

THAT the Audit and Risk Committee:

(a) **Receives** report no. EXC-08-03/ 170202009646 Non-Financial Performance Measures 2nd Quarter as at 31 December 2016.

(b) **Notes** 67% of performance measures for the 2nd Quarter were achieved, 29% have been almost met or it is too early to predict year end results at this stage of the financial year.

**CARRIED**

6.5 **Capital Projects Report for the period ended 31 December 2016 – Paul Christensen (Finance Manager)**

P Christensen presented this report on capital project expenditure to the end of December 2016. He noted the graphical presentation of on time/late projects.

Moved Councillor Atkinson  seconded Deputy Mayor K Felstead

THAT the Audit and Risk Committee:

(a) **Receives** report N° 170127007442;

(b) **Circulates** report to the Board
(c) **Notes** the progress of the capital projects with 84% of the 262 projects on time or completed.

CARRIED

Councillor Atkinson commented the fact there were no questions ‘said it all’. The format was well understood. He would like to see progress on capital projects above 84% in time to come.

6.6 **Financial Report for the period ended 31 December 2016 – Paul Christensen (Finance Manager)**

P Christensen presented this report with the financial report for the period ended 31 December 2016 noting the new section which provided a brief snapshot of the financial statement measures. Three main points were noted:

- surplus was $4.2 which was over budget.
- external loans were at $90 million, there had not been any more debt raised this quarter.
- capital expense was $30 million which was 37% of the full year budget.

Moved Councillor Blackie seconded Councillor Williams

**THAT** the Audit and Risk Committee

(a) **Receives** report no.170201009079

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

CARRIED

Councillor Blackie commented that the report had a much better presentation to follow.

Deputy Mayor Felstead commented it was good to have the snapshot on the first page so that it immediately highlighted any issues. P Christensen asked the committee if there were any other measures they would like displayed and there was consensus that the six presented were a good snapshot.

7 **PORTFOLIO UPDATES**

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

Deputy Mayor Felstead advised there was a control group organised for the Long Term Plan.

The Excellence Programme was an item on the agenda for Rural and Provincial meeting in Wellington. J Palmer provided an update on the Excellence Programme advising the assessors would be present 13/14th March to undertake the assessment associated with the programme. Prior to that there needed to be an internal assessment which would be undertaken over the next 10 days. On Friday 23rd February the Mayor and Deputy Mayor would undertake a review of that document on behalf of council to say it was fair assessment. It would be circulated to all councillors to provide comment. There was a tight timeframe for it to be signed off Monday 26th February. There was a lot involved to complete the internal assessment.
7.2 Communications – Councillor Neville Atkinson

Councillor Atkinson noted the video content being placed on social media. He had provided a word of caution to Matt that care needed to be taken to have a good level of video rather than flood the market as people could stop taking notice.

Councillor Atkinson made the comment that some of the requests for reporting back particularly at the community board level were falling off the radar and he asked what triggered a response.

Councillor Atkinson said there had been a big step up on communication in comparison to just a few years ago including to social media and more understandable reporting.

Mayor Ayers commented that at the community board level a good way of making sure things were not forgotten was for members to write notes down and use the workshop time at the end to raise those issues. Members were currently using reporting time to raise issues which would be more productive if raised during workshop.

Councillor Allen commented that he had been asked by elderly ratepayers whether council meetings were open to the public. Following on from that he raised the idea of whether live streaming of council meetings could be investigated by Matt and his team. Councillor Atkinson advised that an investigation was already underway and a practice had been held at the last council meeting. If it was found to be achievable it would come back to council for consideration. J Palmer noted that one of the challenges was having a static camera verse effectively filming.

8 QUESTIONS

Nil.

9 URGENT GENERAL BUSINESS

Nil.

There being no further business, the meeting closed at 5.05pm.

CONFIRMED

______________________
Chairperson

______________________
Date