MINUTES FOR THE MEETING OF THE AUDIT AND RISK COMMITTEE HELD IN THE WAIMAKARIRI DISTRICT COUNCIL CHAMBERS, 215 HIGH STREET, RANGIORA ON TUESDAY 18 JULY 2017 COMMENCING AT 4PM.

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

IN ATTENDANCE
Councillors D Gordon, W Doody (until 5.55pm)
Messrs J Palmer (Chief Executive), J Millward (Manager Finance and Business Support), S Markham (Manager Strategy and Engagement), G Meadows (Policy Manager), S Hart (Business and Centres Manager), Ms L Ashton (Manager Organisational Development and HR) Ms C Brown (Health and Safety Coordinator) and Mrs A Smith (Committee Advisor).

1 APOLOGIES
An apology was received and sustained from Mayor Ayers.

2 CONFLICTS OF INTEREST
There were no conflicts of interest noted.

3 CONFIRMATION OF MINUTES
3.1 Minutes of the Audit and Risk Committee held on Tuesday 16 May 2017
Moved Deputy Mayor Felstead seconded Councillor Blackie
THAT the Audit and Risk Committee:
(a) Approve corrections to minutes of a meeting of the Audit and Risk Committee held on the 16 May 2017, as follows
   Comments from Councillor Stewart on Page 3, second paragraph, second/third sentences following recommendation, to read:
   This is one of a series of reports put out by Ecan in 2016. This report is written by Simon Harrison from Land Water People to Ecan and supplied to the Waimakariri Water Zone Committee

(b) Confirms the circulated minutes of a meeting of the Audit and Risk Committee, held on the 16 May 2017, as a true and accurate record, with the corrections as noted in (a) above.
   CARRIED

MATTERS ARISING
Councillor Stewart asked regarding item 6.1 in the minutes, to follow up if Mr Markham had responded to the Zone committee on this matter.

4 PRESENTATION / DEPUTATION
There were no presentations/deputations.
5 ADJOURNED BUSINESS

No adjourned business.

6 REPORTS

6.1 2016/17 Health and Safety Review (Annual Report) and submission of 2017/18 Annual Plan – Liz Ashton (Manager Organisational Development and HR), and Charlotte Brown (Health and Safety Advisor)

Ms Ashton and Ms Brown presented this report. Risk register development and process is very robust throughout the organisation. The positives highlighted included the Councils safety management review, which saw the Council receiving tertiary accreditation, which is the highest accreditation. The reporting of accidents and incidents is hoped to improve, as well as near misses. It is hoped that the updated reporting system will encourage this.

With regard to Anti-skid driver training, in future this will only be made available to staff who drive Council vehicles.

Councillor Doody asked on the two projects that are noted as being “on hold” – it is considered that with behavioural safety, there has been noted a shift in management with taking accountability for actions, and this was not seen as a priority now and has been deferred. Field Work systems check is on hold as the new field work tools are introduced, with a proposed start date to be in the third quarter of 2017.

Ms Brown highlighted the proposed annual plan objectives for 2017/18.

Councillor Doody questioned the effectiveness of just headlights being used by Water Unit staff, and whether there was any other systems that could improve safety and visibility of these staff.

Councillor Atkinson asked if future reports could show comparison graphs with the previous year’s information. It was agreed that these comparisons could be provided in future.

Moved Councillor Atkinson seconded Councillor Williams

THAT the Audit and Risk Committee:

(a) Receives report No. 170705069380

(b) Notes the Health and Safety outcomes for 2016/17 against the Health and Safety Workplan.

(c) Notes the key Health and Safety lagging and leading indicators for 2016/17.

(d) Notes the proposed set of Health and Safety objectives and Workplan for 2017/18.

(e) Notes the proposed objectives to be included in the 2017/18 Health and Safety Workplan have been reviewed and accepted by Health and Safety Committee and Management Team.

CARRIED
6.2 **Long Term Plan 2018-2028 Project Update - Maria Edgar (Senior Policy Analyst)**

Mr Geoff Meadows presented this report showing the progress of the Long Term Plan 2018-2028 project.

Councillor Stewart questioned the currency of some of the information provided in the report, specifically the note of community engagement for the Draft Annual Plan 2017/18 deliberations, which have already been undertaken. An explanation of the “Big Issues” noted in the report was provided. There will be another health check undertaken later in the year and this matter will be covered then. Councillor Stewart had concerns that the report was not clear and would not be clear to any members of the public reading it.

Moved Deputy Mayor Felstead seconded Councillor Blackie

**THAT** the Audit and Risk Committee:

(a) **Receives** report no. LTC-03-13/ TRIM No. 170704068754 Long Term Plan 2018-2028 Project Update

(b) **Notes** that the Long Term Plan 2018-2028 is on track for this stage of the project.

**CARRIED**

6.3 **Audit New Zealand’s Interim audit report for the year ending 30 June 2017 – Jeff Millward (Manager Finance and Business Support)**

Mr Millward presented this report and Audit New Zealand Director John Mackey was present and commented on the audit. Mr Mackey noted it was pleasing to see that Management have introduced suggested recommendations for improvements. Councillor Stewart questioned how there are different issues that need resolving after each audit has been undertaken. Mr Mackey noted that each Audit shows that things are improving, though acknowledged that there are different people undertaking different tasks each year, or in some cases there have been changes in processes.

Mr Millward provided an explanation of the Audit recommendation on Delegations, with the clarification that delegations cannot be combined.

The Council is to be commended as to where it has got to in planning for the Long Term Plan. There are issues with community interest in matters that need to be consulted on. Mr Mackey noted that a key part of the LTP is the Asset Management Plan, and combining that with the Infrastructure Strategy, questioned if this matter is under control. Messrs Millward and Palmer confirmed that this is in hand and the affordability of programmes and is under active management. Another issue noted by Mr Mackey is the residential red zone, which will impact on the Annual Plan, and also the Annual Report. Grants from Governments are complex, and this will need to be incorporated in the audit. Mr Palmer noted that the value of the land will need to be estimated, there will need to be a conversations with both LINZ and the Auditors on this matter when the time comes. There was discussion on the issue of FENZ, and the fire assets. This matter requires further discussion.
Councillor Atkinson noted the potential complications with the roading assets in red zones, and the transfer of these parcels of land back to the Council.

Councillor Gordon, asked Mr Mackey if he could offer advice on any ways that this Council could be operating using better practice. It was noted that if there was any suggestions, these would have been included in the Audit report.

Moved Councillor Atkinson seconded Councillor Stewart

THAT the Audit and Risk Committee:

(a) Receives report No. 170705069442

(b) Receives Audit New Zealand’s Interim Management Report for the year ending 30 June 2017

(c) Notes there are no significant matters arising from the interim audit, however there are a number of recommendations made by Audit New Zealand within the report where improvements could be made and the Management have agreed within their response to undertake

(d) Notes there will be a further report to the Audit & Risk Committee on the progress of the recommendations.

CARRIED

Councillor Atkinson and Stewart offered congratulations to management and staff in operating the Council business at a level “above the bar”, as noted by Mr Mackey.

6.4 Enterprise North Canterbury 2017/18 Statement of Intent and Business Plan and District Promotions Plan – Simon Markham (Manager Strategy and Engagement)

Messrs Markham and Hart presented this report, which requests the Committee to recommend to Council the adoption of the ENC proposed Statement of Intent for 2017/18, receives the related Business Plan and approves the proposed District Promotions Business Plan for 2017/18.

Moved Councillor Atkinson seconded Councillor Blackie

THAT the Audit and Risk Committee:

(a) Receives Report No. 170712072157

AND recommends that the Council:

(b) Adopts Enterprise North Canterbury’s (ENC) proposed Statement of Intent (SOI) for the 2017/18 year

(c) Receives Enterprise North Canterbury’s 2017/18 Business Plan

(d) Adopts Enterprise North Canterbury’s proposed District Promotions Business Plan for 2017/18.

CARRIED

Councillor Stewart abstained from voting

Councillor Williams noted his concerns, which had also been highlighted at previous meetings, with the value for money that the Council receives for the costs for the Enterprise North Canterbury contract. It is understood that Enterprise North Canterbury are providing some good outcomes, but not for the cost to this Council. It was noted that members have not been receiving
copies of minutes of the ENC Board meetings. This matter will be followed up.

Councillor Stewart advised she would abstain from voting, and has concerns with the vehicle delivery and the lack of accountability. Councillor Stewart believes this function is a legitimate one that a Council should be involved in, but does not support the way this is undertaken, in this case. Until some transparency is seen, Councillor Stewart will abstain from voting. It is suggested there needs to be a review of this delivery.

Councillor Atkinson asked if there was different approaches from other Councils on the deliveries from their Council Controlled Organisations. Mr Palmer provide some information on this. The current arrangements between ENC and this Council is a standard arrangement, with accountability of what they deliver. ENC have always been very prompt with accountability.

Councillor Gordon suggests that having the delivery of this work constantly questioned, is destabilising the work of ENC. The Council has made a decision on Section 17A, and staff can be asked to review this. Another option is for Council to raise a Notice of Motion.

Councillor Williams said he has asked several times what value is the Council receiving for the amount of money they are paid. Mr Markham noted that there was a workshop undertaken earlier this year on this which provided this information. Councillor Williams said he did not see any evidence of this at that meeting.

Councillor Stewart asked for copy of the previous review of this CCO, and this will be provided. Councillor Stewart said she does not wish to destabilise ENC at all and does not have any problem with the service being delivered, but has concerns with the way it is delivered.

Councillor Atkinson said ENC are delivering what they are being asked by the Council to deliver. He does not support having a review, and this would not be economic.

7 PORTFOLIO UPDATES

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

Deputy Mayor Felstead said the Councils mark in the Excellence Programme is still to be confirmed. Mr Palmer provided an update on this, and an explanation of the categories of scoring.

7.2 Communications - Councillor Neville Atkinson

Nothing further to add.

8 QUESTIONS

There were no questions.

9 URGENT GENERAL BUSINESS

There was no urgent general business.
MATTERS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED

Section 48, Local Government Official Information and Meetings Act 1987

Moved Deputy Mayor Felstead seconded Councillor Williams

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 meeting of 16 May 2017</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 Sarah Nichols (Governance Manager)</td>
<td>Potential Sale of Civic Assurance House</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 2017/18</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>

CLOSED MEETING

Resolution to resume in Open Meeting

Moved Deputy Mayor Felstead seconded Councillor Atkinson

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

CARRIED
OPEN MEETING

11 NEXT MEETING

The next meeting of the Audit and Risk Committee is scheduled for 4pm, Tuesday 19 September 2017 in the Council Chambers, 215 High Street, Rangiora.

THERE BEING NO FURTHER BUSINESS THE MEETING CLOSED AT 5.55PM.

CONFIRMED

________________________
Chairperson

________________________
Date

Briefing (Public Excluded)

1. Revenue and Financing Policy Review - Jeff Millward (Manager Finance and Business Support)

The current Policy was looked at and committee considered whether there is an appetite to review any aspects of the policy leading into the LTP.