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 27 MARCH 2018 COMMENCING AT 3.30PM.

PRESENT

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

IN ATTENDANCE

Councillors W Doody (until 4.45pm) D Gordon, S Stewart
Messrs J Palmer (Chief Executive), J Millward (Manager Finance and Business Support), S Markham (Manager Strategy and Engagement), L Ashton (Organisational Development and HR), Mr S Hart (Business and Centres Manager), J Simon (Information and Technology Services Manager) and Mrs A Smith (Committee Advisor)

1 APOLOGIES

An apology was received and sustained from Councillor Atkinson.

2 CONFLICTS OF INTEREST

3 CONFIRMATION OF MINUTES

3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 13 February 2018

Moved Deputy Mayor Felstead seconded Councillor Williams

THAT the Audit and Risk Committee

(a) Confirms the circulated minutes of a meeting of the Audit and Risk Committee, held on the 13 February 2018, as a true and accurate record.

CARRIED

4 MATTERS ARISING

There were no matters arising.

5 PRESENTATION/DEPUTATION

There were no presentations.
6 REPORTS

6.1 Enterprise North Canterbury Half Year Report to December 2017, Draft Statement of Intent for year beginning 1 July 2018; and Six month Promotions Report to December 2017 – Simon Markham (Manager Strategy and Engagement)

Heather Warwick (ENC Chief Executive) and Miles Dalton (ENC Business Support Manager) were present during consideration of this report. Simon Hart (WDC Business and Centres Manager) was also present.

Mr Markham spoke to this report, and provided a summary of the attachments to the report.

Ms Warwick spoke to a PowerPoint presentation on the activities of ENC for the half year report to December 2017 including the Business Service Programme and highlighted what has worked well. There has been good uptake from sponsorships for the Business Centre. Projects planned for the next six months were also highlighted.

Regarding tourism, there are good trends showing tourism injecting spending into the area. These figures are sourced from Ministry of Business, Industry and Employment surveys on the spending via credit cards and the origins of spend total expenditure. It was agreed that information will be provided to Councillors on the breakdown of visitor spend from Christchurch, and Hurunui over the past few years.

District Promotion – the visitor numbers and commission generated at the i-SITE in Kaiapoi has been down due to the earthquakes, but it was noted a considerable improvement in these figures in January and February 2018. A marketing programme is being developed for the cycle ways in the district and it is planned for this to be ready with the opening of the Northern arterial motorway cycle lane in 2020.

Coming up is the review being undertaken in April of the events grant budget and the role and the i-SITE and this will be presented to the Audit and Risk committee in May 2018.

Councillor Barnett asked about town centre promotion support and was there more ways that ENC could support the area of the district west of Rangiora, to Oxford. Ms Warwick noted that as a result of large developers focusing on the eastern part of the district a lot of ENC’s recent work has been in this area. There is plans for ENC to offer assistance as required to any businesses in the Oxford area.

Simon Hart provided an overview of the differences in his role as WDC Business and Centres Manager and the role of Miles Dalton, ENC Business Support Manager. An example of the different roles was shown in assisting a new business setting up in the district. M Dalton deals with businesses who are in the transitional phase, assisting established businesses with growth.

S Hart spoke on the Business Lifecycle Support and the difference the two roles play with these. The WDC role assists with regulatory requirements and the strength with ENC is there is no fee charged to people for assistance. It was noted that there had been 40 requests for start-up information this year and case studies and examples were highlighted.
Moved Councillor Williams seconded Mayor Ayers

THAT the Audit and Risk Committee recommends

THAT the Council

(a) Receives report No. 180313026438
(b) Receives the ENC’s Half Year Report to Dec. 2017, including profit and loss budget analysis
(c) Supports ENC’s Draft Statement of Intent for the 2018/19 year
(d) Receives the Six-Month Promotions Report to December 2017

CARRIED

Mayor Ayers commented on tourism in the district and the longstanding areas that people visit in this district (the beaches and Ashley Gorge), and the annual events that bring people into Waimakariri district and returning each year. Mayor Ayers also commented on the district’s current cycle ways and those still to be opened, noting the prospect of these bringing more people into the district. ENC also play a very important role in encouraging new businesses to the district.

Councillor Barnett said there is always the question of equity of the council dollar spend across the district and needs to make sure that the money is being spent here in Waimakariri. Councillor Barnett would like to see some evidence of tourism from the Christchurch market, and how is Waimakariri district being promoted to Christchurch people. Councillor Barnett sees potential with promotion of the sister city Enshi China.

6.2 Te Kohaka o Tuhaitara Trust – Statement of Intent for the Year ending 30 June 2019 and Business Case – Jeff Millward (Manager Finance and Business Support)

Mr Millward introduced his report summarising and highlighting the attachments to this report.

G Byrnes spoke on the Statement of Intent, noting the implementing of the education strategy, completing the work on the regeneration land, and the work on the ECMA and the Western ridge.

Catherine McMillan spoke on the Business Plan, noting that this has indicated the Trust will be operating at a loss for several years. There will need to be funding sourced before any projects can be undertaken. The concept plan for the regeneration land is currently out for consultation.

Moved Councillor Blackie seconded Councillor Barnett

THAT the Audit and Risk Committee recommends

THAT the Council

(a) Receives report No. 180313026469.
(b) Receives the Statement of Intent for Te Kōhaka o Tuhaitara Trust for the year ending 30 June 2019.

(c) Notes that under the Local Government Act 2002, the Audit and Risk Committee may request Te Kōhaka o Tuhaitara Trust to make changes to the Statement of Intent. Te Kōhaka o Tuhaitara Trust would consider these changes requested and re-present the Statement of Intent prior to the 30 June.

(d) Receives the Business Case for Te Kōhaka o Tuhaitara Trust and notes that the Council has made provision in the draft 2018-28 LTP for an additional $120,000 per annum to the Trust to assist in its operations

CARRIED

Councillor Barnett noted the Te Kohaka Track is a jewel in the crown for the district.

6.3 Te Kohaka o Tuhaitara Trust – Six month Financial Statements for the period ending 31 December 2017 - Jeff Millward (Manager Finance and Business Support)

This report presents the six monthly financial statement from Te Kohaka o Tuhaitara Trust for the period ending 31 December 2017. As noted, a milestone is the Eastern and Western Conservation Areas now being under the ownership and management of the Trust. The Trust is in a relatively sound position, though relies on funding grants and contributions from shareholders to meet its objectives.

Moved Councillor Barnett seconded Councillor Blackie

THAT the Audit and Risk Committee

(a) Receives report No. 180315027524

(b) Receives the Six Month Report for the Te Kōhaka o Tūhaitara Trust for the period ended 31 December 2017;

(c) Notes the operations for the six months to 31 December progressing as planned and within budget.

CARRIED

There has been excellent feedback from Pegasus residents on the work that the Trust has done for the wetlands

6.4 IaaS (Infrastructure as a Service) Project Finalisation – Jolanda Simon and David Sewell (ICT Team Leader)

Ms Simon spoke to this final report on the project to move to Infrastructure as a Service (IaaS) project and the highlighted the outcomes achieved to date. A PowerPoint presentation was shown.

IaaS refers to the renting of computer hardware (servers, networking technology, storage and date centre space) instead of buying and installing it in your server room. This has been mandated for public service by the Government CIO (Chief Information Officer). This then turns server
infrastructure from Capital into Operational cost. Council considered options as part of its 2016/17 annual plan and IaaS was preferred, with lower cost in the long run, reduced risk of infrastructure failure, and the Council would only pay for what it uses. The presentation also summarised the project timeline, the key achievements of the IaaS project and the Budget figures. In the case of a Business Continuity Plan (BCP) event, the Council have reduced the risk of having no server access, IaaS will allow for easy relocation to temporary office locations (Mainpower, Farmers, RTH etc). IaaS includes disaster recovery

Moved Deputy Mayor Felstead seconded Councillor Blackie

THAT the Audit and Risk Committee

(a) Receives report No. 180313026656.
(b) Notes the success of the Infrastructure as a Service project;
(c) Notes that the Infrastructure as a Service project cost were within budget. The budgets provisions in the 2018-2028 LTP have been able to be reduced by at least $300,000 on original estimates based on a more efficiently managed Servers and reductions in contract rates

CARRIED

6.5 Adoption of SafePlus Health and Assessment Scheme (WorkSafe endorsed) – Liz Ashton (Manager Organisational Development and HR)

L Ashton presented this report, adopting the WorkSafe endorsed SafePlus assessment scheme as the preferred scheme for assessing the effectiveness of the Council health and safety programme.

Mr Palmer added said that as Officers, it is helpful that members discharge their responsibilities.

Moved Deputy Mayor Felstead seconded Mayor Ayers

THAT the Audit and Risk Committee

(a) Receives report No. 180315027921.
(b) Notes the adoption of the WorkSafe endorsed SafePlus assessment scheme as the preferred scheme for assessing the effectiveness of Waimakariri District Council health and safety programme.
(c) Notes that current Safety Management Systems will be redeveloped to align with the SafePlus assessment model during the remainder of FY 2017/18.

CARRIED

6.6 Audit New Zealand Management Report for the year ended 30 June 2017 – Jeff Millward (Manager Finance and Business Support)

Mr Millward presented this report, noting an apology from John Mackey, the Auditor General who was unable to be present. Some recommendations from the auditor’s report have been identified and are not a significant amount of work for the Council.
THAT the Audit and Risk Committee

(a) Receives report No. 180316028179

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

(c) Notes there are no significant matters arising from the management letter. Audit New Zealand have made a number of recommendations where systems and reporting could be improved and these improvements have been made or are programmed.

CARRIED

6.7 Risk Management Framework – Jim Palmer (Chief Executive)

Mr Palmer presented this report, presenting a framework to help talk about what are the risks that the Council assesses, how well is Council responding to this and how does it consider risk. Mr Palmer would like the Council to increase its focus on risk management and be more active in considering risk, at corporate level and project level. What risk profile does this organisation want and what is best of the long term for this district? The guardianship role and stewardship roles of the Council are very important and Mr Palmer suggests there needs to be more discussion on this matter. Council categorises risks into five main themes or sources of risk, being natural hazards and environmental events; growth; financial, operational; and political risks. Mr Palmer highlighted the risks of natural disaster, and the potential for future issues relating to climate change. Risks relating to growth including being able to match the needs of growth. There is also risks associated with the release of the 3 Waters Review. Council should be reporting regularly on the top nine or ten risks, and what the Council is doing about them. Council will be using this framework across the organisation, and the issue of risks will be considered more.

Mayor Ayers noted the changing perception of the residents and the areas they live – some residents of rural areas consider they live in residential areas, not rural. These can include requests for reticulated water supplies, and sealed roads.

Councillor Stewart noted that there is potential for a cap to be put in place on the take of groundwater supplies in some parts of the district. This would include private water supplies and which in time may restrict development in these areas. Mr Palmer suggested that this wouldn’t translate to a high risk for that part of our district. Any assessments would need to be put out for submission.

The LGNZ Excellent Programme recommended that the Council should develop a risk policy and Mr Palmer believes this is a good way to initiate conversation on this matter.

THAT the Audit and Risk Committee

(a) Receives report No. 180316028255.
(b) **Recommends** to the Council that it

- **Adopts** the Risk Management Framework (Trim No. 180316028262)

- **Notes** that the Risk Management Framework will be formally reviewed annually, and that the Register of Key Risks will be presented to the Audit and Risk Committee on a six monthly basis.

(c) **Notes** the Register of Key Risks as at March 2018 (Trim 180321030354).

**CARRIED**

6.8 **Tax Risk Management Framework Strategy – Jeff Millward (Manager Finance and Business Support)**

Mr Millward spoke to this report which presented a Tax Risk Governance Framework as proposed by the Tax Team from PwC. This framework covers how Council deals with tax and manages the tax risk that comes from Council’s business environment.

Waimakariri District Council is part of the Canterbury Shared Services and currently only one other Council has such a framework in place. Mr Millward will be promoting this to all these members of this group.

Moved Deputy Mayor Felstead seconded Councillor Barnett

THAT the Audit and Risk Committee

(a) **Receives** report No. 180312026006

(b) **Approves** the Tax Risk Governance Framework (Trim 18036028352) and agrees to the engagement with PwC;

(c) **Notes** funding provision exists within the Finance, Planning and Control budget.

**CARRIED**

7 **PORTFOLIO UPDATES**

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

Deputy Mayor Felstead noted so far 108 submissions have been received in the Draft LTP consultation, with 13 days to go before the end of submissions period.

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 N°</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 Jeff Millward, Manager Finance and Business Support</td>
<td>Te Kohaka o Tuhaitara Trustee appointments</td>
<td>Good reason to withhold exists under Section 7</td>
<td>Section 48(1)(a)</td>
</tr>
</tbody>
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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 N°</th>
<th>Reason for protection of interests</th>
<th>Ref NZS 9202:2003 Appendix A</th>
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</thead>
</table>
| 10.1    | Protection of privacy of natural persons  
To carry out commercial activities without prejudice | A2(a) A2(b)ii |

**CARRIED**

**CLOSED MEETING**

*Resolution to resume Open Meeting*

Moved Deputy Mayor Felstead seconded Councillor Blackie

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

**CARRIED**

**OPEN MEETING**

There being no further business, the meeting closed at 6.00pm.
WORKSHOP

At the conclusion of the meeting, Simon Markham conducted a workshop on

Town Promotions Associations Reporting Arrangements