

**WAIMAKARIRI DISTRICT COUNCIL**

**MINUTES OF THE MEETING OF THE AUDIT AND RISK COMMITTEE HELD IN THE COUNCIL CHAMBERS, CIVIC BUILDINGS, HIGH STREET, RANGIORA ON TUESDAY, 13 FEBRUARY 2024, AT 9AM.**

**PRESENT**

Deputy Mayor N Atkinson (Chairperson), Councillors T Fulton, J Goldsworthy, J Ward, and P Williams.

**IN ATTENDANCE**

Councillors B Cairns and P Redmond via Teams.

J Millward (Chief Executive), N Robinson (General Manager Finance and Business Support), C Brown (General Manager Community and Recreation), P Christensen (Finance Manager), H Street (Corporate Planner), D Young (Senior Engineering Advisor), and K Rabe (Governance Advisor).

**1 APOLOGIES**

Moved: Councillor Goldsworthy

Seconded: Councillor Williams

That apologies for absence be received and sustained from Mayor Gordon and Councillors Blackie and Brine.

**CARRIED**

**2 CONFLICTS OF INTEREST**

There were no conflicts of interest declared.

**3 CONFIRMATION OF MINUTES**

**3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 12 December 2023**

Moved: Councillor Williams

Seconded: Councillor Fulton

**THAT** the Audit and Risk Committee:

- (a) **Confirms**, as a true and accurate record, the circulated Minutes of a meeting of the Audit and Risk Committee held on 12 December 2023.

**CARRIED**

**3.2 Matters Arising**

There were no matters arising.

3.3 **Workshop Notes of the Audit and Risk Committee held on Tuesday 12 December 2023**

Moved: Councillor Fulton

Seconded: Councillor Goldsworthy

**THAT** the Audit and Risk Committee:

- (a) **Receives**, the circulated notes of a workshop of the Audit and Risk Committee, held on 12 December 2023.

**CARRIED**

**4 PRESENTATION/DEPUTATION**

Nil.

*Item 7.7 was taken at this time. Note that the Minutes have been recorded in accordance with the order of the Agenda as circulated.*

**5 REPORTS**

5.1 **Six Month Financial Statement for the Period Ended 31 December 2023 – Te Kōhaka o Tūhaitara Trust– N Robinson (General Manager Finance and Business Support)**

Chairperson Joseph Hullen and General Manager Nick Chapman of the Te Kōhaka o Tūhaitara Trust (the Trust) were in attendance and presented the Trust's Six Month Financial Statement. The six-month Financial Statement showed that the Trust had an operating deficit of \$42,537 with a year-to-date budget deficit of \$61,790, which was primarily driven by higher year-to-date grant income.

N Chapman gave a brief overview of the Trust's current work, which included being well ahead on the development of a walking /cycling trail and the development of the Huria Reserve.

J Hullen noted that the Trust was tracking well due to the stewardship of its General Manager, N Chapman. He also announced that the Trust would be going through a recruitment process shortly. Unfortunately, N Chapman had resigned from his position for personal reasons.

Councillor Williams noted that the Financial Statements listed the Trust's current assets as \$555,881. However, it also listed assets of \$11.3 million, which was confusing for a layman to understand. He noted he understood that the \$11.3 million included the land management component, however, he suggested that the information be made easier to understand in future reports.

Councillor Fulton noted that the report indicated that grants mainly drove the Trust's funding. N Chapman confirmed that grants were used for operational purposes.

Moved: Deputy Mayor Atkinson

Seconded: Councillor Williams

**THAT** the Audit and Risk Committee:

- (a) **Receives** Report No 240202015087.
- (b) **Receives** the Six Month Report for the Te Kōhaka o Tūhaitara Trust for the period ended 31 December 2023.

- (c) **Notes** the operations for the six months to 31 December 2023 are progressing as planned as presented in the Statement of Intent.

**CARRIED**

Deputy Mayor Atkinson thanked J Hullen and N Chapman for their work, noting that grant funding was getting more difficult to source, and he admired the Trust for adjusting as required to manage the risks appropriately. He also commended the Trust on its work at the Huria Reserve, which would be a major asset for the district. Deputy Mayor Atkinson was sorry to hear of N Chapman's resignation and wished him luck in the future.

Councillor Williams noted that he had heard the Trust complimented within the community and thanked the Trust for the continued high-quality work in a challenging financial environment.

Councillor Ward thanked N Chapman for the work he had achieved during his tenure as General Manager.

Councillor Fulton thanked the N Chapman and the Trust for the time it had taken to assist and advise the Water Zone Committee over the past few months.

5.2 **Annual Report for the Waimakariri Art Collection Trust for the Year Ended 30 June 2023 – P Christensen (Finance Manager) and M Garrod (Accountant)**

P Christensen was in attendance to present the Waimakariri Art Collection Trust's (the Trust) Annual Report as at 30 June 2023. He noted that Audit New Zealand had issued a qualified opinion on the Trust's financial statement as no assessment had been carried out on the Trust's asset value due to the valuer being unavailable and the cost of carrying out the assessment.

Deputy Mayor Atkinson questioned if there were any implications in getting a qualified opinion, and P Christensen replied that there would be a slight increase in risk due to insurance coverage; however, no fines or penalties would be levied.

Councillor Williams queried if the Council had received any indication of the increased value of art from other sources such as art galleries or other collections, and P Christensen replied that this sort of information would be considered an assessment and would incur a cost.

Councillor Ward enquired if the Council trusted B Hoult's assessment that there had been little movement in the value of the collection and was told that for the assessment to be recognised by Audit New Zealand, the assessment had to be from an independent party.

Deputy Mayor Atkinson noted that it would be appropriate for staff to investigate the option of audit exemption under the Local Government Act 2002.

Moved: Councillor Williams

Seconded: Councillor Ward

**THAT** the Audit and Risk Committee:

- (a) **Receives** Report No. 240124009917.
- (b) **Receives** the Annual Report of the Waimakariri Art Collection Trust for the year ended 30 June 2023.
- (c) **Acknowledges** the work carried out by the Trust and thanks the Trustees, Brian Hoult and Miranda Hales.

- (d) **Notes** report is late because of waiting for Audit New Zealand to complete the audit of the Trust.
- (e) **Requests** that exemption for the Waimakariri Art Collection Trust from the reporting on performance requirements under the Local Government Act 2002 be investigated.

**CARRIED**

Councillor Williams agreed with staff that the need for an assessment was not worth the cost and noted he was pleased to see that the collection was being displayed in Council buildings.

Councillor Goldsworthy requested that with the agreement of the Mover and Seconder, recommendation (e)'s wording be altered from 'consider' to 'request', thereby affecting Deputy Mayor Atkinson's comment regarding seeking an exemption. This change in wording was accepted.

Councillor Goldsworthy noted that this change would benefit the Trust and save the cost of auditing.

5.3 **Six Month Financial Statements for the Period Ended 31 December 2023 - Waimakariri Public Arts Trust – P Christensen (Finance Manager) and M Garrod (Accountant)**

P Christensen took the report as read, and there were no questions from the Committee members.

Moved: Councillor Fulton

Seconded: Councillor Ward

**THAT** the Audit and Risk Committee:

- (a) **Receives** Report No. 240123009212.
- (b) **Receives** the six-month report for the Waimakariri Public Arts Trust for the period ending 31 December 2023.

**CARRIED**

Councillor Ward noted that this was a good report which was easy to follow.

5.4 **Financial Report for the period ended 31 December 2023 – P Christensen (Finance Manager)**

P Christensen took the report as read.

Councillor Williams queried the surplus shown and queried if any excess funds would be returned to the Council for reallocation. P Christensen explained that there was an 83% completion forecasted, and while some budgets were not fully spent, some of the projects may take longer than expected; however, the funds for those projects would be utilised. Any unspent budgets would be evaluated, collated and presented during the annual planning or long term plan process for reallocation.

Councillor Fulton noted that there seemed to be a recurring issue of overspending, especially in drainage and maintenance areas and asked if contingencies should be built into the budgets. J Millward stated that the Council did not include contingencies for this type of work. However, any overspending would be considered at the end of the financial

year, and further funding would be requested from the Council, which would then impact the rates for the following financial year.

Councillor Goldsworthy noted that the recreational budget showed an overspend and queried if this was due to the preparation of sports fields at the start of the year and would be rectified as the year progressed and was advised that he was correct in his assumption.

Moved: Council Ward

Seconded: Councillor Goldsworthy

**THAT** the Audit and Risk Committee:

- (a) **Receives** Report No. 240122008523.
- (b) **Notes** the surplus for the period ended 31 December 2023 is \$14.4 million. This is \$1.0 million (6%) under budget.

**CARRIED**

Councillor Ward thanked staff for a good clear report.

5.5 **Non-Financial Performance Measures for the quarter ended 31 December 2023 – H Street (Corporate Planner)**

H Street took the report as read, and there were no questions from the Committee members.

Moved: Councillor Fulton

Seconded: Councillor Goldsworthy

**THAT** the Audit and Risk Committee:

- (a) **Receives** report No. 240124009750.
- (b) **Notes** 82 (74%) of performance measures for the second quarter of the 2023/24 financial year were achieved, and 29 were not achieved.
- (c) **Notes** 7 of the 29 (26%) measures that did not meet the target were within 5% of being achieved.
- (d) **Notes** all measures were reviewed and incorporated into the 2021-2031 Long Term Plan.
- (e) **Notes** all measures have been reviewed for the 2024-2034 Long Term Plan.

**CARRIED**

Councillor Fulton commended staff and asked them to keep up the good work.

Councillor Goldsworthy commented that he found the explanations clear and easy to understand and thanked the staff for a good report.

5.6 **2023/24 Capital Works June to December Quarterly Report – D Young (Senior Engineering Advisor), G Cleary (General Manager Utilities and Roading) and C Brown (General Manager Community and Recreation)**

C Brown reported on the delivery of the 2023/24 Capital Works Programme as of 31 December 2023. He noted that currently, the Council had 416 projects, and of these, 94 were complete, 209 were on track for completion, 57 were at risk of not being completed on time, and 56 projects had been delayed.

Councillor Williams noted that the Shovel Ready projects showed a budget of approximately \$6 million with a spend of approximately \$4 million and queried what would happen to the remaining budget. C Brown advised that by the time the projects had been completed by June 2024 the full budget would have been spent.

Moved: Councillor Ward

Seconded: Councillor Williams

**THAT** the Audit and Risk Committee:

- (a) **Receives** Report No 240125010928.
- (b) **Notes** the actual and predicted achievement across all tracked capital expenditure.
- (c) **Notes** that of the \$89.96 million total capital spend, \$25.5 million (28%) has been completed as at 31 December 2023 and \$74.97 million (83%) is predicted to be completed as at 30 June 2024 (subject to weather and other matters outside our control).
- (d) **Notes** that the current predicted completion of 83% at 30 June 2024 compares to the previous September Quarterly Report predicted completion of 86.5%. However, the predicted spend is similar (\$74.97M vs \$74.4 million), but the budget has increased (\$89.96 million vs \$85.98 million). This is because budget carry-overs have since been loaded against the budget, and the drainage budget has increased as a number of flood projects have been included.
- (e) **Notes** that actual completion of works in 2022/23 for the full year was approximately \$64 million.
- (f) **Notes** that progress towards achieving the 23/24 Capital Works Programme is well advanced across most areas. However, there are a number of projects either delayed or at risk, as reported elsewhere.

**CARRIED**

Councillor Ward commended staff noting that all projects seemed to be on track and showed a good year.

*Public Excluded portion of the meeting was taken at this time. Note that the Minutes have been recorded in accordance with the order of the Agenda as circulated.*

## **6 PORTFOLIO UPDATES**

### **6.1 Audit, Risk, Annual / Long Term Plans – Councillor Joan Ward**

- The core Audit work was finished on Friday, 9 February 2024.
- The Consultation document for the 2024/34 Long Term Plan would be reviewed by the Auditor General prior to going to Council on 22 February 2024. The Auditor General would highlight areas which readers should be aware of and note possible risks. It was anticipated that the Long Term Plan would be out for consultation from 15 March to 15 April 2024.
- LTP audit fees were \$106,800 and had increased since the last LTP which cost \$97,583 in 2021, a 9% increase.
- The Waimakariri District Council were published in Auditor General's Guidance Report as an example of excellence.

- Ten New Zealand councils had advised they had deferred their LTP process due to uncertainty relating to Three Waters.

## 6.2 **Communications and Customer Services – Councillor Joan Ward**

### **Communications**

#### *News articles*

Following the recent Council meeting, media was released on:

- Chlorination strategy
- Waikuku Beach campground
- Integrated Transport Strategy
- Rangiora new laneway
- New facilities in Kaiapoi food forest

#### *Proposed Engagement for the 2024/34 Long Term Plan*

The consultation document is currently being designed and going through the proofing process. The level of detail required by the auditors had grown considerably in recent years. The challenge is balancing the level of detail required by the auditors and making it understandable and relevant for residents.

Drop-in sessions and planned for the engagement period of 15 March 2024 to 15 April 2024 and are tentatively locked in as below. To be noted was that the engineering team are working on a Mandeville specific event.

- Rangiora – Council chambers – Tuesday 26 March – 4pm to 6pm
- Oxford – Town Hall A&P Room – Monday 8 April – 4pm to 6pm
- Kaiapoi – Ruataniwha – Wednesday 10 April. 4pm – 6pm
- Pegasus – Ronel's Cuppa – Wednesday 10 April. 10am - 11.30am

An anticipated 8.94% rate increase was predicted which looked to be the lowest in Canterbury. However, a good number of submissions are expected. The marketing campaign would coincide with the engagement period opening and would utilise all advertising and comms channels available.

#### *Snap, Send, Solve award*

Waimakariri District Council had been honoured with the Top 10 Councils Award in Snap Send Solve's 'Solver of the Year' Awards. The awards celebrated the remarkable efforts of over 500 councils and other Solvers across Australia and New Zealand to better their communities. This was thanks to snappers, as well as staff who worked hard to solve people's queries.

#### *Online engagement platform*

The digital engagement platform continued to grow its following with over 2400 registered participants on the platform. When emailed these participants respond with an average open rate of 80% which was outstanding. By comparison 25% was considered an effective email marketing campaign.

Recent projects which used the platform included the Northern Pegasus Bylaw review, Pegasus Beach Survey, and Oxford Dog Park.

#### *Recruitment*

Late last year Karen Lindsay-Less left the team for a role at NZTA. The recruitment process had been started and interviewing had occurred during the previous week. It was hoped the role would be filled within the next month.

### *Social media*

The social channels continued to grow in reach throughout the community. While primarily focused on facebook, the last six months the team had put particularly emphasis on growing the Instagram and LinkedIn followings. Both were providing a new audience for the Council's content and getting high engagement. Recent social campaigns include Good Street Beats, water conservation, changes to rubbish and recycling on top of more operational communication.

### **Customer Services**

- Business quiet over the Christmas holidays with 178 service requests being entered, with the most common requests for replacement/repair of kerbside bins and excess noise each with 21 entries.
- Formal demands had recently been made on mortgagees to pay rates where arrears were owing from 2022/23. In addition, 340 letters were been sent to ratepayers where there were no arrears carried forward, and no payment had been received for the first and second instalments in the current year which may highlight issues like changes of address or notices not being received.
- The 2023 year finished with 1908 LIMs issued, an increase of 155 over the previous year.
- The team (subject matter experts) had started training on the new Datacom computer system and had service request training the previous week with the rates team training days being spread over the following two weeks.
- Results of the Association of Local Government Information Management (ALGIM) National Customer Experience Audit were received in December and the WDC team had again achieved a great result being 11<sup>th</sup> out of 80 overall (including Regional Councils) and 6<sup>th</sup> out of 54 District Councils. The overall score was a drop of seven places from the previous survey, however the overall standard has also increased from the previous year.
- Interactions were based on five focal points – first impressions, communication and listening, ability to problem solve, knowledge and overall experience. The team achieved 90.6% in the phone audit and 95.7% in the email audit.

## **7 QUESTIONS**

Nil.

## **8 URGENT GENERAL BUSINESS**

Nil.



**9 MATTERS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED**

In accordance with section 48(1) 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 (or sections 6, 7 or 9 of the Official Information Act 1982, as the case may be), it is moved:

Moved: Councillor Ward                      Seconded: Councillor Goldsworthy

1. That the public be excluded from the following part of the proceedings of this meeting:  
Item 9.1      Application for Rates Remission

The general subject of the matter to be considered while the public was 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:

Meeting Item No. and subject	Reason for excluding the public	Grounds for excluding the public-
9.1 Application for Rates Remission	Good reason to withhold exists under section 7	To protect the privacy of natural persons, including that of deceased natural persons (s 7(2)(a)).

**CARRIED**

**CLOSED MEETING**

***Resolution to resume in Open Meeting***

Moved: Councillor Williams                      Seconded: Councillor Goldsworthy

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

**CARRIED**

The public excluded portion of the meeting commenced at 9.42am and concluded at 10.01am.

**OPEN MEETING**

**NEXT MEETING**

The next meeting of the Audit and Risk Committee will be held on Tuesday 12 March 2024 at 9am.

THERE BEING NO FURTHER BUSINESS, THE MEETING CONCLUDED AT 10.14AM

CONFIRMED

\_\_\_\_\_  
Chairperson  
Deputy Mayor Neville Atkinson

\_\_\_\_\_  
Date