

WAIMAKARIRI DISTRICT COUNCIL

MINUTES OF THE MEETING OF THE AUDIT AND RISK COMMITTEE HELD IN THE COUNCIL CHAMBERS, RANGORA SERVICE CENTRE, 215 HIGH STREET, RANGIORA ON TUESDAY, 10 DECEMBER 2024, WHICH COMMENCED AT 8.30AM.

PRESENT

Councillor J Goldsworthy (Chairperson), Deputy Mayor Atkinson, Councillors T Fulton, J Ward (arrived 8.43am) and P Williams (arrived at 8.37pm).

IN ATTENDANCE

Councillors B Cairns and P Redmond.

J Millward (Chief Executive), G Bell (Acting General Manager Finance and Business Support), P Christensen (Finance Manager), S Hart (General Manager Strategy, Engagement and Economic Development), S Salthouse (General Manager Organisational Development), K Blake (Health, Safety and Wellbeing Manager), A Keiller (Chief Information Officer), Own Payne (Cyber Security Analyst), T Kunkel (Governance Team Leader), and K Rabe (Governance Advisor).

1 APOLOGIES

Moved: Deputy Mayor Atkinson

Seconded: Councillor Fulton

THAT the Audit and Risk Committee:

- (a) **Receives and sustains** apologies for absences from Mayor Gordon and Councillor Blackie.

CARRIED

2 CONFLICTS OF INTEREST

No conflicts of interest were declared.

1 CONFIRMATION OF MINUTES

1.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 12 November 2024

Moved: Deputy Mayor Atkinson

Seconded: Councillor Goldsworthy

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 November 2024.

CARRIED

1.2 Matters Arising

There were no matters arising from the minutes.

2 PRESENTATION/DEPUTATION

2.1 Kaiapoi Promotions Association

Members of the Kaiapoi Promotions Association were in attendance and gave an update on current events held in Kaiapoi, focusing mainly on the recent carnival. A decision had been made to move the carnival which, although appeared to be unpopular by some, had worked very well. The day was a success with positive feedback from all who attended. The Summer Sounds were also relocated from Kaiapoi Rugby Grounds to Wylie Park due to slow ticket sales and also was a great success. This concert was a great opportunity to showcase local talent, allowing them to learn and working with more experienced performers. It was acknowledged that sometimes changing things up resulted in a better result in the long run and had created a fun vibe. The Association thanked the very many people who assisted them in setting up and running an extremely successful event which had drawn many visitors from Christchurch.

Councillor Goldsworthy commented that he had been unable to attend however had heard plenty of positive feedback from others who had attended.

Deputy Mayor Atkinson congratulated the Association on a fantastic job which showcased the local businesses and talent. He commented that everyone benefited from a carnival, economically as well as allowing families to enjoy a happy local experience. He commended the Association for taking the decision to move the event and advised them not to take notice of the gainsayers.

Councillor Cairns stated it was a bold move to change locations which required a huge amount of effort however this had paid off for the town with many visitors attending and bringing much needed economic benefit to the businesses in the area.

Councillor Goldsworthy congratulated the Association on its successful event encouraging them to keep up the good work. He agreed that events that had been running for some time often needed a refresh and reassessment to keep them current and vibrant. He thanked the association for their presentation.

3 REPORTS

3.1 Audit New Zealand Report to the Council for the year ended 30 June 2024 – G Bell (Acting General Manager Finance and Business Support)

G Bell spoke to the report which presented the Audit New Zealand report to the Council for the year ended 30 June 2024. The Auditor had made three new recommendations relating to the Council's processes. Key matters addressed included the revaluation of assets and the correction of an error in the 2022/23 Annual Report in relation to the number of complaints received about the Council's water supply.

Councillor Williams, in referring to internal controls, queried why these had taken so long to be addressed noting that attention had been drawn to this matter in the 2021 audit. G Bell noted that the issue is being addressed as the new computer system is implemented. P Christensen noted that the other area that was picked up was that the physical data held on job descriptions had not been updated, however the data in the system was correct. He assured members that although the roles were incorrectly labelled the delegations were correct in the system, and no role had been able to authorise an amount not delegated to that role.

In response to Councillor Redmond's query regarding significance of the improvement to valuation process, G Bell stated that the recording of water supply complaints would need to be improved. Councillor Redmond noted that the report makes mention of a letter sent to the Acting General Manager, Finance and Business Support and requested if this could be circulated to the Committee. G Bell agreed that this could be arranged. Councillor Redmond also asked with the Government's new direction on efficiencies if this would impact the Council's focus during its audits. J Millward replied that this matter had been discussed at the Mayoral Forum and it seemed that the Auditor General's wish was to make audits less technical, more efficient and more easily understood by ratepayers.

Councillor Fulton commented he was concerned with the increased audit fees which seemed out of proportion to the task. G Bell stated that auditing a local authority was a complex undertaking and was very technical in nature. Auditors had to abide by the Auditing Standards and the Local Government Act and provide checks and balances to ensure they upheld their responsibilities. Currently audits were more technical in nature than is ensuring that funds were spent wisely which was the change that the Government was looking to administer.

Councillor Goldsworthy asked if there would be any impact on resourcing with the changes and was told there would not be.

J Millward noted that the Council was in the process of changing financial systems and although there were many trials and double checking it was inevitable that some errors would occur which would impact audits until the system had been fully bedded in.

Councillor Fulton queried the contingency for this process and A K Keiller confirmed there was a 15% contingency set aside.

Moved: Deputy Mayor Atkinson

Seconded: Councillor Fulton

THAT the Audit and Risk Committee:

- (a) **Receives** report No. 241125208414.
- (b) **Receives** Audit New Zealand's Report to Council for the year ending 30 June 2024 (TRIM 241127210456).
- (c) **Notes** there are no significant matters arising from the audit. Audit New Zealand have made a number of recommendations where processes could be improved, and staff have agreed with the recommendations.

CARRIED

Deputy Mayor Atkinson noted that this was a good report from Audit New Zealand and for members to remember it was not possible to get 100% on an audit as that was the nature of audits, they highlighted where improvements could be made. He acknowledged that not all improvements happened quickly, especially those that relied on the purchase of new systems. He acknowledged the increase in audit fees however also acknowledged it was the cost of doing business and a reality of life.

Councillor Fulton agreed that this was a good report and acknowledged that auditors were necessary to ensure improvements were ongoing.

Councillor Williams stated it made him nervous when identified improvements took over three years to be addressed.

Councillor Redmond noted that this was mainly a tick box exercise and he hoped in the future that audits would be more meaningful to ratepayers in the future.

3.2 Outcomes of the Waimakariri District Council Health and Safety Risk Register Review September 2024 – K Blake (Health, Safety and Wellbeing Manager)

K Blake took the report as read.

Councillor Goldsworthy queried how staff stress could be measured as a critical risk and K Blake explained that this was assessed against consequences vs likelihood.

Councillor Redmond queried when elected members, attending a community event, had a near miss, if it should be reported through the council or to the event holders. K Blake replied that this matter should be reported to the Council's Human Resources team.

Moved: Councillor Fulton

Seconded: Councillor Goldsworthy

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 241122207615.
- (b) **Notes** that there has been no significant change in risk assessments during this review, however, there has been an improvement in the quality of descriptors of current control measures/risk treatments for each risk.
- (c) **Notes** the current Health, Safety and Wellbeing Risks (Appendix A).
- (d) **Approves** the general updates to Health, Safety and Wellbeing risk register.

CARRIED

Councillor Fulton noted that it was a good report while Councillor Goldsworthy acknowledged his risk assessment was different to most peoples' given he regularly ran into burning buildings.

3.3 Cyber Security – Status Report – O Payne (Cyber Security Analyst)

A Keiller spoke to the report which presented an update on cyber security's work programme through the Cyber Security Status report. The Council's scores were consistent or showing higher than previously which indicated that measures taken were effective in combating risks. Currently A Keiller was investigating the market for a cyber security partner who could assist the Council if it ever had issues with a cyber attack.

In response to Deputy Mayor Atkinson's question on how other council's measured their performance, O Payne replied that there were several different options on the market.

Councillor Williams questioned if the Council's success and high score was due to diligence in security or if it was because the Council spent more money on cyber security than other councils. O Payne replied that it was a bit of both, however to successfully protect the network, the Council needed to continue moving forward.

Councillor Fulton queried the risk of tampering through other devices that may have been left unprotected such as laptops and cell phones. O Payne replied that the Council focused on educating staff on cyber security and best practice. Some of those educational measures would be rolled out to elected members shortly.

Moved: Councillor Ward

Seconded: Councillor Fulton

THAT the Audit and Risk Committee:

- (a) **Receives** report No. 241029187446.
- (b) **Notes** that our overall Framework compliance score sits at 84.26% against a New Zealand Wide benchmark of other council of 58.19%.
- (c) **Notes** that the benchmark score is compared against the progress of 49 New Zealand Councils that are enrolled and actively using the framework.
- (d) **Notes** that the Council is currently assessing their targets for the SAM for Compliance Framework.
- (e) **Notes** that in the next 6 months we will focus on improving our Incident response plan, engaging a supplier for extended incident response and support, implementing information governance controls and software and investigating improvements to supplier management.

CARRIED

Councillor Ward thanked the staff for the work they did in minimising the risks of cyber attacks on the Council.

Council Fulton commented that it was a good report.

3.4 Reporting on LGOIMA Requests for the period 1 September 2024 to 30 November 2024 – T Kunkel (Governance Team Leader)

T Kunkel was in attendance and took the report as read noting that during this quarter the Council had received 51 requests for information at a cost of \$9,120 of staff time.

Councillor Fulton queried what constituted a new request if it was similar to a previous request. T Kunkel replied it depended if further information was required to answer the question in full.

Councillor Redmond queried if neighbouring councils were charging for information and if so what were the costs. T Kunkel confirmed that other councils were charging and the costs followed the guidelines put out by the Ombudsman. In clarification, T Kunkel noted that one letter/email could contain six different questions which would then be counted as six different requests even though they may have originated from the same person. If the question required staff to research the response it was treated as a new query.

Moved: Deputy Mayor Atkinson

Seconded: Councillor Williams

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 241127209850 for information.
- (b) **Notes** that the Council received 51 requests and responded to 60 official requests of information from 1 September 2024 to 30 November 2024, nine fewer than the 69 official requests responded to in the same period in 2022/23.
- (c) **Notes** that a workshop will be held with the Council in February 2025 regarding a proposed LGOIMA charging process.

CARRIED

Treasury management

Standard and Poors team are undertaking its annual review of WDC's credit rating currently. They met with the Mayor, Deputy Mayor, Chief Executive, and Acting GM Finance and Business Support last month and are expecting an update soon. As we know Standard and Poors are likely to reduce its score for the institutional framework in which we operate – that was for the New Zealand Local Government sector as a whole - and that this may have an impact on our rating.

Annual Plan 2025/26

Work on the annual plan 2025/26 was now well underway. Budget holders had prepared their draft budgets, and these were reviewed by the Management Team last week. Most budgets were in line with the LTP, however cost pressures remain, and budgets always need to reflect up to date information. Updated budgets would be discussed at the Council Budget meetings on 28 and 29 January 2025.

4.2 Communications and Customer Services – Councillor Joan Ward

Summer Marketing Communications Campaigns

This update provided information on the summer marketing communication campaigns that Communications and Engagement would focus on for social media content.

The broad outline of topics and campaigns were listed below and would be scheduled to run over the summer/Christmas period when the Council was closed. Outside of this time staff would ensure there was more dynamic content as per business as usual.

- Water Safety New Zealand – ‘Swim between the flags’
- Lawa (Land, Air, Water Aotearoa) - ‘Can I swim here?’. This campaign tracks algal blooms across population swim spots nationwide - <https://www.lawa.org.nz/explore-data/swimming>
- Waimakariri Dog Park promotion
- Playground and park promotions – reusing this content - <https://www.waimakariri.govt.nz/council/news-and-information/2024/08/a-guide-to-waimakariri-playgrounds>
- Pegasus Bay Bylaw changes reminder
- Council services/opening hours information for Pools, Libraries, Dumps
- Enterprise North Canterbury promotion of F&B and retail providers
- Online services available from the Council

It also looks like we may have a role to play in supporting the below MPI campaign too:

- MPI (Ministry for Primary Industries) – Bird Flu, Be Ready - <https://www.facebook.com/MPIgovtnz/posts/pfbid02b7FiHriZNTDZXJktxaX7MVfE8VuJi3KUYUch3ZjWKVnAAHYjp7hxAhB23HsjxoqQl>

Draft Annual Plan

Staff are starting the process of drafting the Annual Plan word document based on high level direction from the Project Control Group. This would allow us to hit the ground running in the New Year with the refinement of the document as well as graphic design.

Customer Services

The second rates instalment were due at the end of November 2024. Two thousand and eighty letters/emails had been sent to ratepayers where amounts remained owing. This number was similar to the previous years.

The team were busy with the Datascape implementation with work on rates, cemeteries, cash receipting, sundry debtors, kerbside bins and dog registrations during the last month. It was great to have such a capable team to share the load.

The business continuity plan was being updated with more attention being paid to the information we would need to have on hand if our databases were not available.

LIM numbers were still high in comparison to recent years. November 2024 had 227 LIMs issued and with a month to go we are 100 ahead of last year's total.

We have started regular meetings with the 3 Waters and Water Unit teams to review how we were working together, particularly with regard to customer information and responses.

5 QUESTIONS

Nil.

6 URGENT GENERAL BUSINESS

Nil.

NEXT MEETING

The next meeting of the Audit and Risk Committee will be held on Tuesday 11 February 2024 at 9am.

THERE BEING NO FURTHER BUSINESS, THE MEETING CONCLUDED AT 9.57AM.

CONFIRMED

Chairperson
Councillor Goldsworthy

2024

Date