

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, 12 DECEMBER 2023, AT 9AM.

PRESENT

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

IN ATTENDANCE

Councillors B Cairns and P Redmond.

J Millward (Chief Executive), N Robinson (General Manager Finance and Business Support), A Keiller (Chief Information Officer), O Payne (Cyber Security Analyst), M Harris (Customer Service Manager), S Nichols (Governance Manager), T Kunkel (Governance Team Leader), S Nation (Quality and Risk Coordinator), and A Smith (Governance Coordinator).

1 APOLOGIES

There were no apologies.

2 CONFLICTS OF INTEREST

There were no conflicts of interest recorded.

3 CONFIRMATION OF MINUTES

3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 14 November 2023

Moved: Councillor Fulton

Seconded: Councillor Williams

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 14 November 2023.

CARRIED

3.2 Matters Arising

There were no matters arising.

4 PRESENTATION/DEPUTATION

Mayor Gordon presented a long service award to staff member S Nation, who was unable to attend the recent ceremony acknowledging long serving Council staff.

The meeting was adjourned at 9.02am for a workshop with Bancorp and resumed at 9.57am.

5 REPORTS

5.1 Sefton Community Library- Application for a Rates Remission – M Harris (Customer Services Manager)

M Harris spoke to this report which requested a remission of rates for the Sefton Community Library Trustees property for the 2023/24 year. Rates remission had been granted to this group previously and there was progress towards the sale of this property. The most recent update advised that all of the Crown law approvals had been obtained, with signing of the final two documents required before an application to the High Court was made. It was confirmed that the Trustees planned to use the proceeds from the sale of this property for the Sefton Community Hall project.

Councillor Williams expressed concern with the length of time this process had taken and the continued requests for rates remission. M Harris advised that the difficulty with this situation was that the names of Trustees had not been updated on the title, which meant there was no ownership of the property which was the reason for the delay. Crown Law required that the ownership situation needed to be settled first, and it would be unlikely to have got through the High Court process.

M Harris confirmed that Environment Canterbury would also be remitting the rates on this property.

Moved: Councillor Ward

Seconded: Councillor Goldsworthy.

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 231129191760.
- (b) **Approves** a rates remission of \$734.97 to cover the 2023/24 rates on the Sefton Community Library Trustees property at 14 Pembertons Road, Sefton (Rates Assessment 2144019400) under the Policy for Remission of Rates in Miscellaneous Circumstances.

CARRIED

Councillor Ward acknowledged that this had been a long process however hoped matter would be resolved in the near future.

Councillor Redmond commented that the delays had been a frustrating situation for all concerned however he was pleased that there had been progress and supported the motion.

5.2 Cyber Security – Status Report – A Keiller (Chief Information Officer) and O Payne (Cyber Security Analyst)

Prior to speaking to this report, A Keiller took the opportunity to introduce staff member Owen Payne, Cyber Security Analyst to the Committee. O Payne worked behind the scenes to ensure that the Council IT services were as safe as possible.

The report was taken as read, highlighting that it was planned to focus on education and awareness, noting that only 60% of security modules had been reviewed. It was planned to hold a simulation exercise in 2024, including the management team, so everyone would understand their roles.

Councillor Williams enquired on the cost to the Council of the added cyber security and with a score of over 80% compliance against the New Zealand wide benchmark. It was pointed out that there were some other Councils who were possibly taking bigger risks than this Council was with cyber security.

N Robinson added that there had been other councils subjected to cyber attacks which had impacted them for more than ten days and this council had been subject to some breaches, however these had been addressed immediately by the team through the cyber security that was in place. Attacks were getting more sophisticated, and it was believed to be money well spent to have this level of security in place. A Keiller added that most of the cost involved was staff time and it was business as usual. It was important for the Council to keep on top of security matters, and this was seen as an insurance policy.

Councillor Ward asked if there would be any risk of an increase in cyber-attacks with the change to the new ERP solution. A Keiller suggested that it would not increase the risk of attack and noted that there was an opportunity with the change to the new system to design and incorporate new security systems.

Moved: Councillor Ward

Seconded: Councillor Fulton

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 231122187395
- (b) **Notes** that the Council's overall Framework compliance score sits at 80.99% against a New Zealand Wide benchmark of other councils of 55.65%.

CARRIED

Councillor Ward acknowledged the importance of having effective security systems in place on the Councils IT systems.

Councillor Fulton thanked staff for the report and acknowledged the compliance score for the Council in comparison to other Councils.

5.3 Risk Management Work Programme and Corporate Risks Update – S Nation (Quality and Risk Coordinator)

S Nation presented her report which provided the Committee with an update on the Risk Management Work Programme and a summary of the current Corporate Risks Register. The six-monthly full review of the Corporate Risk Register had recently been undertaken and she added that this register was also reviewed monthly by the Management Team.

The report was taken as read and there were no questions from members.

Moved: Councillor Ward

Seconded: Councillor Fulton

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 231102175295.
- (b) **Notes** the progress of the Risk Management Work Programme.
- (c) **Notes** the current 'Corporate Risks' rated 'Critical' and 'High'.

CARRIED

5.4 Update on NZ Mutual Liability (Riskpool) – S Nichols (Governance Manager)

S Nichols spoke to this report, which informed the Council of an unbudgeted expense from NZ Mutual Liability (Riskpool), the Council's public liability insurer. This related to a call for \$105,339 resulting from long legal proceedings dating back to 2017 with Napier City Council. The Council was liable for this, having been part of Riskpool at the time of the original claim and would be funded from general ratepayers from the following financial year, as it was unbudgeted.

There were potentially five other defect claims in the system, however there was no indication at this time, of the size of these claims. Riskpool had advised that there would be no more financial calls this financial year and it was still taking some time to work through the legalities for the five outstanding claims and hoped to be informed in the first quarter of 2024. S Nichols suggested that the Napier City Council claim was likely to be the biggest of the claims.

Councillor Williams suggested that with claims against Riskpool by other Councils, could there be a claim made against other Councils. J Millward noted that this insurance fund was set up because of a number of issues with buildings and the fund was spread across New Zealand to reduce exposure. It also put in place legal framework to work on behalf of Councils. It was also noted that this did not come down to negligence but from the standards that were in place in relation to buildings at the time.

S Nichols confirmed that there had been a number of weathertight claims paid by Riskpool between 2010 – 2015 to the Waimakariri District Council.

Mayor Gordon suggested a workshop be held in the new year, to provide an understanding of insurance arrangements to the Council and any exposure that it may be called on.

Moved: Mayor Gordon

Seconded: Councillor Goldsworthy

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 231127190428.
- (b) **Notes** the payment of \$105,339 (GST exclusive) payable 20 December 2023 to NZ Mutual Liability Riskpool would be funded from general rates and post funded for the 2024/25 financial year.
- (c) **Circulates** a copy of this report to the Council for information.

CARRIED

Mayor Gordon reiterated his suggestion for a workshop on the insurance arrangements that the Council had in place with Riskpool and LAPP. He declared that he was an LGNZ representative on the LAPP Board. This was a payment that the Council had to make, however it was also noted that over the years the Council had been the beneficiary under various schemes with respect to the exposure that it had.

Councillor Goldsworthy commented that it was always better to have insurance cover than not have it in place.

Councillor Fulton noted that there were some members of the community that disapproved of the Council having any association with mutual groups, or insurance funds related to LGNZ.

In response, Mayor Gordon noted that this was an open transparent Council, and in reference to the previous presentation from Bancorp, for the record, the Chief Executive and himself had not received any backhanders or payments for the Council's involvement with the Local Government Funding Agency despite what had been alleged. In relation to the report under consideration, though the Council may not like to make this payment, it was something that the Council was obligated to do.

5.5 Reporting on LGOIMA Requests for the period 1 September 2023 - 30 November 2023 – T Kunkel (Governance Team Leader)

T Kunkel confirmed that 65 LGOIMA requests were received during the time period from 1 September to 30 November 2023.

Mayor Gordon suggested that the community may be interested to know the costs involved in responding to these LGOIMA requests. It was also confirmed that staff were seeking advice from the Ombudsman on meeting the required standards for LGOIMA requests. It appeared that some of the requests were intended to purely disrupt Council staff time, acknowledging the continuous questioning from one individual, on information that was largely available on the Council website.

It was confirmed that the Council information was public property, and information had to be provided, however there was private information that was redacted from some of the documentation provided. Staff names are included in information provided, as they are public servants and Councillor Ward expressed concern for the safety of staff.

Following a question from Councillor Fulton, S Nichols advised that information was provided via the LGOIMA requests in good faith, however what happened to it after that, was out of the Council's control.

Deputy Mayor Atkinson requested that a copy of the LGOIMA regulations be circulated to all members, to provide an understanding of the rules under which LGOIMA requests are responded to.

Moved: Mayor Gordon

Seconded: Councillor Ward

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 231128190794 for information.
- (b) **Notes** that the Council received 65 requests and responded to 73 official requests of information from 1 September 2023 to 30 August 2023, which was 30 more than the 43 official requests responded to in the same period in 2022.
- (c) **Requests** staff bring a report back to the Committee on options for greater clarity on the LGOIMA requests and the costs of staff time in processing these requests and what opportunities were available for cost recovery.

CARRIED

Mayor Gordon noted that LGOIMA and OIA requests were a part of Council operations however had concerns that a requester did not need to prove their identity in order to submit a request. Mayor Gordon believed submitters names should be provided, and they should be accountable. The cost to the Council of responding to the current level of LGOIMA requests was starting to reach significant levels and Mayor Gordon believed ratepayers should be made aware of this.

Mayor Gordon acknowledged the professionalism of staff in handling the responses to LGOIMA requests.

Councillor Ward believed there needed to be changes to the Laws under which LGOIMA requests were required to be responded to.

Reiterating the comments from Mayor Gordon, Councillor Williams also suggested that the names of people submitting LGOIMA requests should be provided. Councillor Williams believed there needed to be a cautious approach to recovering costs for processing LGOIMA requests.

Councillor Fulton commended staff for the report. He also expressed his concern that there was no requirement for submitters of LGOIMA requests to provide a name, and to then mis-represent this information for their own purposes. He suggested a submission to the Ombudsman may be in order on this matter.

6 PORTFOLIO UPDATES

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

The Mayor and Councillor Ward had attended a number of LTP Control Group meetings and the project plan was on track.

Management Team had a series of workshops, working with staff over the last few months, to present both an affordable operational budget and a responsible capital works programme which maintained levels of service, as well as meeting future demands. Staff were also modelling numbers to keep inside the thresholds and maintain the Council's AA Standard and Poors credit rating due to be published early in 2024.

Debt remained at \$180m, and had not changed significantly in three years, and most of the debt related to 2010 and 2011 earthquakes Build Back Better programme.

Capital rates had moved around 35% over the last three years and other contractual indexes had moved similarly, which would make the budget to be presented for approval to the Council in January 2024 challenging.

With this being the last Audit and Risk Committee meeting for the year, I've enjoyed another satisfying and successful year with a council that puts it's community first and I am proud to be associated with a wonderful and hard-working team.

6.2 Communications and Customer Services – Councillor Joan Ward

Update from the Customer Services team included:

- The second rate instalment penalty date was 27 November 2023 and penalty letters had been emailed.
- Rates Policies had been combined into a single Policy document, which would come to the Council for approval in the new year.
- Customer Services team had been working on the new Datacom project and work was progressing well.
- Customer Services had a full complement of staff now with the final two vacancies having been filled during the week of 11 December 2023. Currently coordinating staff coverage over the Christmas holiday period, and phone messages were being updated to advise of closure details. Staff would be working at both Rangiora and Kaiapoi over this time.

Highlights from the Communications and Engagement team included:

- Ten comms and engagement plans, 30 news stories, 64 media inquiries.
- Ten engagement opportunities and the Council database now had 2,333 signed up participants, which was 186 new users since the last quarter. Data showed engagement opportunities pushed through this have an 80% success rate.
- During this quarter over 5,000 residents visited the Council engagement platform to learn about and get involved in Council projects. The topic of cycleways and the Mandeville resurgence helped increase numbers.
- 152,000 unique website visits and analytics show the design focused on search was working in terms of the pages visited (search pages) and time spent looking for information (under 51seconds.)
- 8000+ online transactions were made through e-services and Online WDC platforms.
- Social media platforms continued to grow and the Facebook audience was now 23,300 which was slightly less than the total number of households in the district.
- There was more content through Google advertising which was seeing the Council's reach expanding vastly. Videos were now getting over 5,000 views and campaigns (such as dog registration) had a reach of over 170,000.

7 **QUESTIONS**

There were no questions.

8 **URGENT GENERAL BUSINESS**

There was no urgent general business.

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: Deputy Mayor Atkinson

Seconded: Councillor Goldsworthy

1. That the public be excluded from the following parts of the proceedings of this meeting:

Item 9.1 Confirmation of Minutes of the Public Excluded portion of the Audit and Risk Committee meeting on 14 November 2023

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:

Meeting Item No. and subject	Reason for excluding the public	Grounds for excluding the public-
9.1 Confirmation of Minutes of the Public Excluded portion of the Audit and Risk Committee meeting on 14 November 2023	Good reason to withhold exists under section 7	To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations. To prevent the disclosure or use of official information for improper gain or improper advantage (s 7(2)(h)(j)).

CARRIED

CLOSED MEETING

Resolution to resume in Open Meeting

Moved: Councillor Ward Seconded: Deputy Mayor Atkinson

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

CARRIED

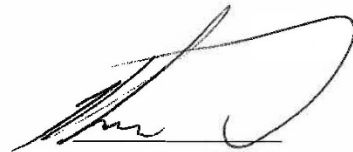
OPEN MEETING

NEXT MEETING

The next meeting of the Audit and Risk Committee will be held on Tuesday 13 February 2024 at 9am.

There being no further business, the meeting concluded at 10.56am

CONFIRMED



Chairperson
Deputy Mayor Neville Atkinson

13 February 2024

Date