

**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 SEPTEMBER 2024, WHICH COMMENCED AT 9AM.**

**PRESENT**

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

**IN ATTENDANCE**

Councillors B Cairns and P Redmond.

J Millward (Chief Executive), G Bell (Acting General Manager Finance and Business Support), C Brown (General Manager Community and Recreation), S Hart (General Manager, Strategy, Engagement and Economic Development), P Christensen (Finance Manager), T Kunkel (Governance Team Leader) and K Rabe (Governance Advisor).

**1 APOLOGIES**

Moved: Councillor Williams

Seconded: Councillor Ward

**THAT** the Audit and Risk Committee:

- (a) **Receives and sustains** an apology for absence from Councillor J Goldsworthy.

**CARRIED**

**2 CONFLICTS OF INTEREST**

No conflicts of interest were declared.

**3 CONFIRMATION OF MINUTES**

**3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 13 August 2024**

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 13 August 2024.

**CARRIED**

**3.2 Matters Arising**

Nil.

## **4 PRESENTATION/DEPUTATION**

### **4.1 Oxford Promotions Action Committee – Annual Report**

Peter Rielly, Chairperson for the Oxford Promotions Action Committee (OPAC), spoke to his presentation (Trim Ref: 240910154443).

P Rielly gave a brief overview of past events and upcoming initiatives, noting that 2023 had been challenging. It had been a struggle to fill all the Committee positions and there had been a concern that OPAC may have to go into recess. Thankfully, all positions were filled by new members joining the Committee. All events had a good turnout; however, only one mix-and-mingle event was held. The OPAC newsletter was reinstated, with positive feedback being received on the reinstatement. An appreciation plaque was installed at the Oxford public toilet mural. Donations were made to Oxford Community Trust for their assistance with various annual events and also \$1,000 to the Dark Sky Project. Sprout Accountants funded OPAC's Xero Accounting System which had proved a huge timesaver. OPAC had also received the Council's Annual Capacity Grant to cover annual Christmas events and other community events at OPAC's discretion, while the Oxford-Ohoka Community Board had assisted with funding to light the tree for the Matariki event. Unfortunately, the Oxford Christmas flags were of poor quality and would need to be replaced. OPAC members were working with Councillor Cairns to resolve this matter.

The Chairperson thanked P Rielly and the Committee for their work within the community and for ensuring that Oxford continued to be a strong and vibrant community.

Councillor Fulton also thanked P Rielly for persevering in ensuring all OPAC positions were filled, which allowed it to continue its work. He acknowledged the impact breaking its term deposit had on the group; however, due to the timing of Matariki, this had been unavoidable.

Councillor Cairns requested clarification on whether there had been an increase in visitors to the region, and P Rielly noted that there was a slight drop during the last year. However, he was confident that this would be resolved with the improving economic position.

Councillor Ward commended P Rielly's enthusiasm and leadership during a difficult economic year and wished OPAC well for the future. She also queried if it would help if Oxford used more lighting during the Christmas period, as with the Matariki/Winter Light Festival, to improve the Christmas spirit.

P Rielly noted that there had been requests for the tree to be lit all year; however, this was an expensive undertaking. He acknowledged that during summer the time the lights would be on would be much shorter than during mid-winter. This matter was currently under discussion with Council staff.

Deputy Mayor Atkinson thanked P Reilly for her presentation.

### **4.2 Kaiapoi Promotions Association – Annual Report**

Mr John Rule, Chair of the Kaiapoi Promotions Association, could not attend the meeting.

### **4.3 Rangiora Promotions Association – Annual Report**

Debs Taylor-Hayhurst, Chairperson for the Rangiora Promotions Association (RPA), spoke to her presentation (Trim Ref: 240910154521).

RPA had a major relaunch that reassessed its values and purpose and focused on its mission for the future. The result was that the group would focus on community events, supporting community initiatives that would profit local businesses in the long run. Event criteria would include being community-centric, connecting business and community, and connecting community to community.

D Taylor-Hayhurst gave a brief overview of events held in 2023 and spoke to the challenges to be faced during the 2024/25 financial year, which included a lack of funding, impacts from the economic downturn, lack of board members and no supporting contractors. She thanked the Council for its ongoing support over the years and during the relaunch.

Deputy Mayor Atkinson thanked the RPA for its work, which benefitted the community, businesses, and the township as a whole.

Mayor Gordon acknowledged the time and effort required to complete the relaunch and overcome the challenges brought on by the economic downturn, falling volunteer numbers, and the cost of traffic management.

Councillor Cairns endorsed the Mayor's comments and thanked D Taylor-Hayhurst for her willingness to assist other promotion groups. He asked how the upcoming Celebration Night would impact retailers along the High Street. D Taylor-Hayhurst replied that during the relaunch, the RPA had received feedback regarding the high expectations of retailers during community events. However, the RPA was now focused on the community rather than retailers. It believed that successful events would impact retailers down the line and economic growth. The Celebration Night would utilise stalls for the most part; however if retailers opted to stay open and participate in the event, they would be welcome.

Councillor Ward asked if D Taylor-Hayhurst thought the Rangiora Centre was festive enough during the holiday season and if she believed more could be done to make High Street more inviting to shoppers. D Taylor-Hayhurst reiterated that the RPA was now community-centric rather than only concentrating on retailers; however, retailers would benefit as a byproduct of any community initiatives. This was to mitigate the retailers' disappointed expectations.

Councillor Fulton noted that events could focus on entertainment rather than food and suggested that donations to attend events should be encouraged. D Taylor-Hayhurst replied that this matter had been discussed, and when the event was in a contained area, they had asked for donations for entry; however, this approach did not work for every event.

Deputy Mayor Atkinson supported the new direction, noting it had been a brave move that seemed to be working. D Taylor-Hayhurst agreed, saying membership was increasing. She believed that by the end of the financial year, the member figure would be in three digits. This was the first time in some years that the RPA was showing a positive balance.

In response to Mayor Gordon's request to explain the process followed in the relaunch, D Taylor-Hayhurst replied that the first step had been to survey retailers and other stakeholders to get information. Four facilitated meetings were held to analyse the information received and to brainstorm on a way forward. This had resulted in a long list of ideas which had then been reviewed and prioritised. All events were assessed using agreed criteria to ensure that the RPA were following their goal of community centric initiatives.

Councillor Williams asked if the RPA had information which detailed which retailers were owner/operators and who were franchisees. D Taylor-Hayhurst replied that the group did not hold that information however Enterprise North Canterbury would have the information required.

Deputy Mayor Atkinson thanked D Taylor-Hayhurst for her presentation.

#### 4.4 **Bancorp Treasury – David Walker**

D Walker from Bancorp spoke to his presentation (Trim Ref: 240911154772) which gave an overview of the current economic situation.

D Walker noted that while the economic situation was still unpredictable, there were small signs of recovery. Overall, he believed that the Waimakariri District Council were performing well during a difficult financial time.

Councillor Fulton, referring to the historical data provided, queried what a 1.75% reduction in rates would mean for councils. D Walker replied that this could result in low long-term rates; however, there would be benefits for councils, as rates were set every 90 days and could have an accumulative effect.

Councillor Williams queried if D Walker believed that the previous Government had created the economic downturn with the way it had managed the pandemic and lockdowns. D Walker stated that it was easier to see what should/could have been better managed in hindsight and believed that the Reserve Bank had thrown everything at managing the problems that resulted from the pandemic. Councillor Williams asked if the Council should be slowing its borrowing to mitigate the effects and was told that the Council found itself in a better position than expected, and ratio and affordability had to be considered, especially considering it had an AA (negative outlook) rating and what the district had achieved in rebuilding after the earthquakes.

In response to a question from Councillor Cairns, D Walker stated that councils would not benefit from Bitcoins.

Mayor Gordon noted that the Council had an intergenerational debt to ensure the district recovered from the earthquakes, and it was now in a far better position than many other councils, both in its upgraded assets and its financial position.

J Millward noted that the situation would have been far different if the Council had to rely on the banking sector. However, the Local Government Finance Agency was significantly more flexible, with lower legal costs and the best rates available. The rating system was set up to guarantee and ensure there would be no major issues within the sector, and exposure was related to total rate revenue, which for WDC was currently at 0.3.

Deputy Mayor Atkinson thanked D Walker for his presentation and advice.

## 5 **REPORTS**

### 5.1 **Financial Report for the Period ended 30 June 2024 – P Christensen (Finance Manager)**

P Christensen presented the report, which advised the Committee of the financial position for the period ending 30 June 2024.

In response to a question by Councillor Williams regarding the sale of assets, P Christensen replied that this arose when assets were replaced during maintenance and the current asset had to be disposed of, which if in good condition, could be sold rather than disposed.

Councillor Fulton queried the revaluation of three water assets and was told that these needed to be revalued due to the rise in construction costs, which impacted asset values. There were significant variances in the book value of assets due to the time lapse between developers building the assets and the Council taking ownership of them.

Moved: Councillor Ward

Seconded: Councillor Fulton

**THAT** the Audit and Risk Committee:

- (a) **Receives** Report No. 240827143868.
- (b) **Notes** the preliminary surplus for the year ended 30 June 2024 is \$50.0 million. This is \$31.5 million over budget and reflects the high level of non-cash vested asset revenue.
- (c) **Notes** Significant expenditure variances include losses on disposals of assets \$4.2 million over budget and \$5.7 million costs from expenditure budgeted as capital but that must be accounted for as operating expenditure.
- (d) **Notes** the additional audit fee of \$55,000 incurred on the audit of the Long-Term plan 2024-34, and notes that the Canterbury Mayoral forum is writing to the Local Government Minister regarding increases in audit fees.
- (e) **Notes** that the Annual Report is currently being audited by Audit New Zealand. The Annual Report will be presented to the Council in October for adoption.

**CARRIED**

Councillor Ward thanked the Finance team for their work and for handling difficult challenges during a trying year while maintaining the Council's positive financial position.

Councillor Fulton agreed, acknowledging the many moving parts and uncertainties faced by the team during the year.

5.2 **Reporting on LGOIMA Requests for the period 1 June 2024 to 31 August 2024 – T Kunkel (Governance Team Leader)**

T Kunkel spoke to the report, which provided an update on the requests for information made under the Local Government Official Information and Meetings Act 1987.

Councillor Fulton queried if the time cost to staff was increasing and was told that there had been a 63% increase in requests since 2020.

Councillor Williams asked if the relevant departments were aware of questions asked especially in relation to flooding. T Kunkel replied that all Level Two Managers oversaw the queries and, therefore, their departments were made aware of any requests relating to their specific area.

Mayor Gordon noted that the staff treated all requests professionally and respectfully dealt with any affected individuals when necessary.

Councillor Fulton sought clarification on privacy matters related to the requests for information, namely, whether the requestee came to an elected member regarding the response received. T Kunkel explained that the Council protected the privacy of the individual asking the question, and if they then approached an elected member, that was their decision.

Councillor Redmond noted that several requests for information had been made against a particular resource consent. He asked why one request took three days to respond to while others only took two days. J Millward replied that although queries were made on the same topic, it did not mean that all the queries were the same, and staff responded to each query accordingly.

Moved: Mayor Gordon

Seconded: Councillor Fulton

**THAT** the Audit and Risk Committee:

- (a) **Receives** Report No. 240828145041 for information.
- (b) **Notes** that the Council received 64 requests and responded to 61 official requests of information from 1 June 2023 to 31 August 2024, 13 less than the 74 official requests responded to in the same period in 2022/23.

**CARRIED**

Mayor Gordon thanked T Kunkel for her work on the requests for information, which generated significant work and time commitment.

Councillor Fulton acknowledged the cost the Council paid by being open and transparent to its community. However, this was a fact of life and had to be handled in the best interests of all.

## **6 PORTFOLIO UPDATES**

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

#### Annual report

The financial statements were complete and were currently being audited. Staff were running a little behind their planned timetable because of the extra work with the revaluation of three water assets. This revaluation of 3 Water assets had not been planned for June 2024. However, the rate of inflation meant that the revaluation had to be brought forward to make sure the assets were recorded at fair value. The revaluation of the roading, water and buildings had increased the Council's net asset value by more than 10%. The finance team was working closely with the auditors to keep the audit on track with the aim of being able to adopt the annual report on 15 October 2024.

#### LTP Audit Fees

As reported in the June finance report, the audit fee set for the LTP audit did not really reflect the work required, and as a result, the Council had to pay additional fees. This was an issue across the local government sector, and the increased expectations placed on audit teams and councils regarding audit work indicated that future audit fees would be higher than expected. This was probably something that would need to be considered at a national level.

#### Treasury Management

We had borrowing and associated interest rate swaps that matured over the coming few weeks. The finance team would be working with Bancorp to determine borrowing requirements and the associated need for additional hedging.

#### 2025/26 Annual Plan

Planning for the 2025/26 Annual Plan was now underway, with the first Project Control Group meeting scheduled for 16 September 2024.

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

### Communications

This quarter had been another busy one. At the last Council meeting, Councillor Fulton asked some questions regarding website performance. This will be covered in more detail in a briefing session later in the year; however, there are some high-level highlights below:

- 26 news stories, created four comms and engagement plans for significant projects and responded to 102 media queries.
- News related to the adoption of the Long Term Plan, and this process generally.
- The engagement platform now had 2,900 registered users who wanted to engage with the Council on topics of interest.
- Website sessions of 155,000. This was up from 140,000 compared to 2022 and seemed in line with population growth.
- Search was dominant in terms of the most popular page.
- Website user activity compared to 2022 showed a big decrease in 'scrolling' (85% of sessions in 2022, compared to 29% in 2024) which suggested users were finding what they were looking for faster.
- Themes e-newsletters were achieving an open rate of between 62 and 71%. In marketing a good email open rate should be between 17-28%. This showed our content through e-news was offering residents something interesting/different and highlighting the value of Council services.
- Social media continued to grow. Facebook remained the most popular platform, with 24,301 followers. Successful posts could reach up to 52,411 users. Instagram was growing and now had 562 followers. The content strategy on this platform would increase the numbers in coming reports.
- 126 graphic design projects were completed in-house. These included Let's Talk projects, all-ratepayer communications regarding the LTP, the Tradie Breakfast, and briefing material for a ministerial visit on the Council's strategic roading programme.

In summary, the Council continued to provide extensive information, value-added messaging, and engagement opportunities for residents in support of the Council.

Councillor Williams asked for clarification on the process of banning someone from the social media page, and J Millward agreed to circulate the information to all councillors.

### Customer Services

- The first rates instalment due date was towards the end of August. Reminder notices were also sent out for dog registrations, so the counter staff had been busy.
- 2,355 rates rebates were issued between 15<sup>th</sup> July and 31 August, just slightly more than the previous year. Of these, 2,001 applicants received the maximum rebate of \$790, and the total received in rebates was \$1,756,199. Staff were now contacting residents of retirement villages who may qualify for rates rebates and inviting them to apply.
- Work on implementing the new Datascape system was gaining momentum, with most of the team now involved. Over the last month, staff attended workshops on Dog Registrations, LIMs, and Cemetery Management. Staff training on rates, land, and property would occur in the following week, with cash receipting and debtors and debt management training expected to be scheduled before the end of September 2024.
- Letters had been sent to ratepayers with balances owing from the last financial year. The team received a good response to this request to either pay or get in touch. Follow-up letters will be sent where necessary at the end of September 2024.

**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 Williams

Seconded: Councillor Ward

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

Item 9.1 Confirmation of Public Excluded Minutes of Audit and Risk Committee of 13 August 2024.

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 was as follows:

<b>Meeting Item No. and subject</b>	<b>Reason for excluding the public</b>	<b>Grounds for excluding the public-</b>
9.1 Confirmation of Public Excluded Minutes of Audit and Risk Committee of 13 August 2024	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) (LGOIMA s 7(2)(i)).

**CARRIED**

**CLOSED MEETING**

*The public excluded portion of the meeting commenced at 11.01am and concluded at 11.02am.*

**OPEN MEETING**

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

Moved: Councillor Williams

Seconded: Councillor Fulton

**THAT** the open meeting be resumed and the business discussed with the public excluded remained public excluded.

**CARRIED**

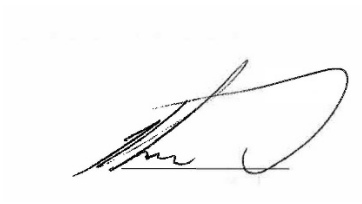
**NEXT MEETING**

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

THERE BEING NO FURTHER BUSINESS, THE MEETING CONCLUDED AT 11.02AM.



**CONFIRMED**



---

Acting Chairperson  
Deputy Mayor Atkinson

12 November 2024

---

Date