

**CANTERBURY REGIONAL COUNCIL
ENVIRONMENT CANTERBURY**

REPORT OF THE PERFORMANCE, AUDIT AND RISK COMMITTEE

**THE 128th MEETING HELD IN THE COUNCIL CHAMBER
200 TUAM STREET, CHRISTCHURCH
ON THURSDAY, 9 FEBRUARY 2017 AT 2.04PM**

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PRESENT

Councillors Rod Cullinane (Chair), Claire McKay, Lan Pham, Peter Scott and John Sunckell

IN ATTENDANCE

Chairman David Bedford

MANAGEMENT AND OFFICERS PRESENT

Miles McConway (Director Finance and Corporate Service), Stefanie Rixecker (Director Science), Don Rule (Chief Operating Officer), Katherine Trought (Director Communications), Catherine Schache (General Counsel), Katherine Harbrow (Chief Financial Officer), and Louise McDonald (Senior Administration Officer)

Report writers and other staff were also in attendance.

WELCOME

Cr Cullinane welcomed everybody to this meeting.

1. APOLOGIES

There were no apologies.

2. CONFLICTS OF INTEREST

No conflicts of interest were declared.

3. DEPUTATIONS AND PETITIONS

There were no petitions or requests for deputations received.

4. CONFIRMATION OF MINUTES

Meeting held 1 December 2016.

Refer page 3 - Performance, Audit and Risk Committee Agenda

Resolved

That the Council:

Confirms as a true and correct record and adopts the minutes of the meeting held on 1 December 2016: subject to the following amendments:

- **item 4.2 – 454 water consents**
- **item 5.1 – Julian Tan of Audit New Zealand advised that he had worked with Cr Cullinane.**

Cr McKay/Cr Sunckell
CARRIED

Part of the meeting held with the public excluded on 1 December 2016.

Refer page 9 - Performance, Audit and Risk Committee Agenda

Resolved

That the Council:

Confirms as a true and correct record and adopts the minutes of part of the meeting, held with the public excluded, on 1 December 2016.

Cr Pham/Cr McKay
CARRIED

5. PERFORMANCE

5.1 Action List

Refer page 11 – Performance, Audit and Risk Committee Agenda

Miles McConway presented this report.

Resolved

That the Performance, Audit and Risk Committee receive the Action List – 9 February 2017.

Cr Scott/Cr McKay
CARRIED

5.2 Operational Performance Report

Refer page 14 – Performance, Audit and Risk Committee Agenda

Wendy Gainford presented this report for the year to 31 December 2016.

Resolved

That the Performance, Audit and Risk Committee receive the Operational Performance report for the year to 31 December 2016.

Cr Scott/Cr Pham
CARRIED

5.3 Financial Health Report

Refer page 33 – Performance, Audit and Risk Committee Agenda

Wendy Gainford presented this report.

The following information was requested:

- More detail on the variance in the consultancy expenditure that is currently \$1.5M under budget.
- Average month end cash balances over the last two years.

Resolved

That the Performance, Audit and Risk Committee receive the monthly financial health report for the period ending 31 December 2016.

Cr Sunckell/Cr McKay
CARRIED

5.4 Greater Christchurch Metro Financial Update

Refer page 40 – Performance, Audit and Risk Committee Agenda

Rob Woods presented this report. Responding to questions regarding patronage levels, he advised that 2017 should see an improvement in passenger trips to the central business district as more workers move into the city. But there are still a lot of roadworks and changes in land use patterns that will affect patronage for some routes.

The increase in the commerciality ratio for December 2016 was noted and clarification sought on the relationship with patronage for that month.

Resolved

That the Performance, Audit and Risk Committee receives the financial update on the Greater Christchurch Metro Programme.

Cr Scott/Cr Pham
CARRIED

5.5 Treasury Function

Refer page 44 - Performance, Audit and Risk Agenda

John McClelland presented this report.

The Committee expressed interest in the role of Council's treasury advisor (Bancorp) and requested an informal meeting with their advisor.

Resolved

That the Performance, Audit and Risk Committee receives the treasury function report.

Cr McKay/Cr Pham
CARRIED

5.6 Review of Performance, Audit and Risk Committee Terms of Reference

Refer page 79-Performance, Audit and Risk Committee Agenda

Katherine Harbrow presented this report and tabled a revised copy of the proposed committee terms of reference with minor changes to layout and grammar.

Resolved

That the Performance, Audit and Risk Committee recommends to the Council:

- 1. That the revised Terms of Reference for the Performance, Audit and Risk Committee be adopted.**

Cr Sunckell/Cr Scott
CARRIED

5.7 2017/18 Annual Plan Engagement

Refer page 84 – Performance, Audit and Risk Committee Agenda

Katherine Harbrow presented this report.

There was discussion about the Councillors' involvement in the informal engagement. Staff will prepare information that Councillors can take to meetings with stakeholders including Territorial Authorities and Zone Committees.

Resolved

**That the Performance, Audit and Risk Committee recommends to the Council:
That the Council:**

- 1. uses an informal engagement process similar to that used last year for the draft 2017/18 Annual Plan and as outlined in this report and attachments;**
- 2. accepts online feedback as well as written feedback for the 2017/18 Annual Plan;**
- 3. notes that at this stage there is an indicative total rate increase of 2.9% in the draft 2017/18 Annual Plan; and**

Confirmed at the Performance, Audit and Risk Committee meeting 2 March 2017

4. **that the draft 2016/17 Annual Plan and engagement document presented at the 23 February 2017 Council meeting are the documents to be used in the engagement process.**

Cr McKay/Cr Pham
CARRIED

6. AUDIT

6.1 Follow up on Audit New Zealand 2015/16 Management Report Actions

Refer page 87 – Performance, Audit and Risk Committee Agenda

Katherine Harbrow presented this report.

Resolved

That the Performance, Audit and Risk Committee receive the follow up report on Audit New Zealand 2015/16 Management Report Actions.

Cr Scott /Cr Sunckell
CARRIED

6.2 Internal Audit

Refer page 91 – Performance, Audit and Risk Committee Agenda

Tanya Clifford presented this report.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Approve changes as indicated in the Internal Audit Charter; and**
- 2. Notes the responses to questions raised at the December Performance, Audit and Risk Committee meeting.**

Cr Sunckell/Cr McKay
CARRIED

7. RISK

7.1 Health and Safety Report

Refer page 102 – Performance, Audit and Risk Committee Agenda

Miles McConway presented this report.

Resolved

That the Performance, Audit and Risk Committee receive the Health and Safety report.

Cr Scott/Cr Pham
CARRIED

7.2 Risk Management

Refer page 106 – Performance, Audit and Risk Committee Agenda

Katherine Harbrow presented this item, inviting Councillors to advise staff of any risks to the Council.

Councillors asked for reports on the following reviewing risks associated with the following:

- Drinking water standards. This to include identifying nitrate and pathogen trends.
- The use of OVERSEER in a consent process.

Resolved

That the Performance, Audit and Risk Committee requests assurance from staff that risks associated with the following items are known and are being reviewed, assessed and monitored:

- Reputational risk
- Drinking water standards
- OVERSEER

Cr Phan/Cr McKay
CARRIED

8. EXTRAORDINARY AND URGENT BUSINESS

There was no extraordinary or urgent business.

9. NOTICES OF MOTION

There were no notices of motion.

10. QUESTIONS

There were no questions.

11. NEXT MEETING

Thursday 2 March 2017 at 2 p.m

CLOSURE

The meeting closed at 3.18 pm.

CONFIRMED

DATE

2 March 2017



CHAIRPERSON