

Minutes of the 140th meeting of the Performance, Audit and Risk Committee held in the Waimakariri Room, 200 Tuam Street, Christchurch on Thursday, 26 April 2018 at 2.07pm

Contents

1. Apologies
2. Conflicts of Interest
3. Deputations and Petitions
4. Risk
 - 4.1 Health and Safety
5. Performance
 - 5.1 Action List
 - 5.2 Operational Report March 2018
 - 5.3 Financial Health Report March 2018
 - 5.4 2017/18 8+4 Forecast Report
 - 5.5 Mayoral Forum Projects Delegation
 - 5.6 Public Transport Finance Update
6. Audit
 - 6.1 Audit NZ Management Letter on Consultation Document
 - 6.2 OAG Local Government: Results on the 2016/17 Audits
 - 6.3 Internal Audit Standing Paper
7. Public Excluded
8. Notices of Motion
9. Extraordinary and Urgent Business
10. Questions
11. Next Meeting
12. Closure

Present

Cr Rod Cullinane (Chair)

Cr Peter Scott

Cr John Sunckell

In Attendance

Management and officers present

Bill Bayfield (Chief Executive Officer), Miles McConway (Director Finance and Corporate Service), Katherine Trought (Director Strategy and Planning), Stefanie Rixecker (Director Science), Nadeine Dommissie (Chief Operating Officer), Katherine Harbrow (Chief Financial Officer) and Vivienne Ong (Committee Advisor)

Report writers and supporting staff were also in attendance.

Welcome

Cr Cullinane welcomed everyone to the meeting and declared the meeting open.

1. Apologies

Councillors Lan Pham and Claire McKay.

2. Conflicts of interest

There were no conflicts of interest recorded.

3. Deputations and petitions

No petitions or requests for deputations were received.

4. Risk

4.1 Health and Safety Report

Refer page 7 – Performance, Audit and Risk Committee Agenda

Matthew Bennett presented this report.

- Concern over the uncertainty of the quality and management of PPE. External expert has been engaged for advice and input into the Health and Safety programme, focusing on purchase, cost, allocation and management of PPE. Report available mid-July.
- Operations and Science sections are currently working on Standard Operating Procedures (SOP) to ensure they are fit for purpose.
- Challenge at present regarding resource, quality of data and reporting.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Receive the Health and Safety Governance report for April 2018.**

Cr Sunckell/Cr Scott
CARRIED

5. Performance

5.1 Action List

Refer page 14 – Performance, Audit and Risk Committee Agenda

Katherine Harbrow presented the action list.

Resolved

That the Performance, Audit and Risk Committee:

1. Receive the Action List for the 26 April 2018 meeting agenda.

Cr Scott/Cr Sunckell
CARRIED

5.2 Operational Report

Refer page 16 – Performance, Audit and Risk Committee Agenda

Chantel Mills presented on the operational performance for the nine months ended 31 March 2018.

- 83 of the 88 Levels of Service on track or have been achieved.
- Planning, Consents and Compliance portfolio lower than budgeted partially due to fewer consent applications and the Operations restructure still in the process of coming into alignment with the budget.
- Overspend in Community Transport programme due to increased patronage in:
 1. Vehicle trusts (fixed grant)
 2. Total Mobility (consumption based)

Resolved

That the Performance, Audit and Risk Committee:

- 1. Receive the Operational Performance report for the nine months ended 31 March 2018.**

Cr Sunckell/Cr Scott
CARRIED

5.3 Financial Health Report

Refer page 39 – Performance, Audit and Risk Committee Agenda

Chantel Mills took the Committee through the financial results for the period ending 31 March 2018.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Receive the monthly Financial Health report for the nine months ended 31 March 2018.**

Cr Scott/Cr Sunckell
CARRIED

5.4 2017/18 8+4 Forecast Report

Refer page 46 – Performance, Audit and Risk Committee Agenda

Chantel Mills compared the 2017/18 8+4 forecast results to the original 2017/18 budget. The forecast deficit of the year 2018 was lower than estimated at time of budget meaning there has been a lower draw on reserves. The next PARC meeting will report on progress towards the 8+4 forecast budget of \$0.66m underspent.

Significant work went into 8+4 forecast to ensure the forecast accurate.

The Committee recognised that the budgets were based on a number of assumptions, including inflation. The Committee asked staff to check LTP budget phasing to address minimising the variance position.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Receive 2017/18 8+4 forecast and note the anticipated effect upon the year end result**

Cr Sunckell/Cr Scott
CARRIED

5.5 Mayoral Forum Projects Delegation

Refer page 49 – Performance, Audit and Risk Committee Agenda

Katherine Harbrow proposed Mayoral Forum projects be paid through Environment Canterbury where there are arrangements in place with MBIE (or another provider) to provide Environment Canterbury with funding.

It was acknowledged there would be no financial effect on Environment Canterbury.

The Committee requested minuted resolutions from the Mayoral Forum were to be used as guiding authority for payments from this organisation

Resolved

That the Performance, Audit and Risk Committee:

- 1. RECOMMENDS TO COUNCIL that delegation be made jointly to the Chief Executive and the Director Finance and Corporate Services to approve contracts and provide funding to suppliers for Mayoral Forum projects as approved in the Forum minutes**

Cr Sunckell/Cr Scott
CARRIED

5.6 Public Transport Financial Update

Refer page 52 – Performance, Audit and Risk Committee Agenda

Stewart Gibbons presented this report and provided an update on the monthly activity and risks.

- Patronage down due to two less working days in the month.
- A three-month wifi trial will be launched next week, on the rapid Rolleston and the Airport routes.
- Risk register to bus driver retention.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Receive the Financial Update on Public Transport Programme.**

Cr Scott/Cr Sunckell

6. **Audit**

6.1 **Audit NZ management letter on consultation document**

Refer page 58 - Performance, Audit and Risk Committee Agenda

Katherine Harbrow presented a copy of the Audit NZ Report on the 2018-28 Consultation Document and reported there were no outstanding issues.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Receive and acknowledge that there are no outstanding issues in the Audit NZ Report to the Council on the audit Canterbury Regional Council's Long-Term Plan Consultation Document for the period 1 July 2018 to 30 June 2028.**

Cr Sunckell/Cr Scott
CARRIED

6.2 **OAG Local Government: Results of the 2016/17 audits**

Refer page 69 - Performance, Audit and Risk Committee Agenda

Katherine Harbrow provided a summary of the Auditor General's annual report to Parliament on the 2016/17 Local Government audits.

The only issue of relevance was compliance issues on Regional Councils contracting out rates service to Territorial Authorities. The Court of Appeal has deemed that these arrangements are valid. These arrangements were seen as good practice by the Courts.

Environment Canterbury's rating resolutions are being peer reviewed by external expert.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Receive and acknowledge that there are no issues affecting Environment Canterbury from the report from the Office for the Auditor General on 2016/17 Local Government audits.**

Cr Sunckell/Cr Scott
CARRIED

6.3 **Internal Audit Standing Paper**

Refer page 73 - Performance, Audit and Risk Committee Agenda

Tanya Clifford presented this report and after general discussion, explained the compliance internal audit was currently looking at risks plus robustness of data; stage two would be looking at Business Improvement.

Resolved

That the Performance, Audit and Risk Committee:

1. Note the progress of the internal audit programme, and
2. Advise staff there are no internal audit issues for this month.

Cr Scott/Cr Sunckell
CARRIED

7. **Public excluded**

Resolved

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

The general subject of the matters to be considered while the public is excluded, the reason for passing this resolution 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:

Item No.	Minutes/Report of	General Subject of each matter considered	Reason for passing this resolution to each matter	Ground(s) under section 48(1) for the passing of this resolution
1.1	Risk Standing Report	Update	Good reason to withhold exists under section 7	Section 48(1)(a)

This resolution is made in reliance on 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 which would be prejudiced by the holding of the whole or relevant part of the proceeding of the meeting in public are as follows:

Item No.	
1.1	Enable the Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

That appropriate officers remain to provide advice to the Committee.

Cr Scott/Cr Sunckell
CARRIED

The meeting went into public excluded session from 2.55pm to 3.10pm.

8. **Notices of motion**

There were no notices of motion.

9. **Extraordinary and urgent business**

There was no urgent business.

10. **Questions**

There were no questions.

11. **Next meeting**

Thursday, 24 May 2018

12. **Closure**

Cr Cullinane declared the meeting closed at 3.10 pm.

CONFIRMED

16/5/2018
Date


Chairperson