

Minutes of the 142nd meeting of the Performance, Audit and Risk Committee held in the Waimakariri Room, 200 Tuam Street, Christchurch on Thursday, 28 June 2018 at 2.08pm

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 May 2018
 - 5.3 Financial Health Report May 2018
 - 5.4 Efficiency and Productivity Report Transformation in Operations
 - 5.5 Registered Dam Safety Assurance Programmes
 - 5.6 Public Transport Financial Update
6. Audit
 - 6.1 Internal Audit Standing Paper
 - 6.2 Audit NZ Audit Plan for the year ended 30 June 2018
 - 6.3 Audit NZ Report to Council on the Interim Audit for the year ended 30 June 2018
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 Claire McKay

Cr Peter Scott
Chairman Steve Lowndes

Management and officers present

Bill Bayfield (Chief Executive Officer), Miles McConway (Director Finance and Corporate Service), Katherine Trought (Director Strategy & Planning), Nadeine Dommissse (Chief Operating Officer), Katherine Harbrow (Chief Financial Officer), Catherine Schache (General Counsel), David Perenara-O'Connell (Programme Manager Ngai Tahu), Tania Harris (Senior Manager Operational Support), Dirk Brand (Manager Regional Support), Paul Hulse (Manager Zone Delivery) and Vivienne Ong (Committee Advisor)

Report writers and supporting staff were also in attendance.

Welcome

Cr Cullinane welcomed everyone to the meeting.

1. Apologies

An apology was received from Councillor John Sunckell.

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 8 – Performance, Audit and Risk Committee Agenda

Matthew Bennett presented this report and went through progress and improvements made during the past month:

- It was pleasing to note through the past six months there have been no major incidents.
- Health and safety work, as required by regulations, has begun in preparation of re-opening the Oxford quarry. This Environment Canterbury owned quarry removes rock for use in Waimakariri flood protection.

During questioning, members were advised even though Environment Canterbury was not a direct member of MinEx (a national health and safety council for New Zealand's mining and quarry industry), it was well informed on quarrying matters as the MDB people who operate the quarry, were members.

- A Critical Risk Rules pocket guide has been published and has been well received. This will assist in health and safety risk mitigation. Matthew to provide each Councillor with a copy.

Resolved

That the Performance, Audit and Risk Committee:

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

Chair Lowndes / Cr McKay
CARRIED

5. **Performance**

5.1 **Action List**

Refer page 13 – 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 28 June 2018 meeting agenda.**

Cr Scott / Chair Lowndes
CARRIED

5.2 **Operational Report**

Refer page 15 – Performance, Audit and Risk Committee Agenda

Chantel Mills and Katherine Harbrow presented the operational performance for the 11 months ended 31 May 2018. At present the position was similar to the same time last year; however, as the year end position had a level of uncertainty to it, members would be advised once the outcome has been confirmed.

Resolved

That the Performance, Audit and Risk Committee:

1. **Receive the Operational Performance report for the 11 months ended 31 May 2018.**

Cr McKay / Cr Scott
CARRIED

5.3 **Financial Health Report**

Refer page 39 – Performance, Audit and Risk Committee Agenda

Chantel Mills and Katherine Harbrow took the Committee through the financial results for the period ending 31 May 2018. Staff are currently working with the Ministry of Civil Defence and Emergency Management (MCDEM) to resolve debt recovery for Environment Canterbury and Territorial Authorities relating to the Hurunui and Kaikōura earthquake recovery.

As it was Chantel Mills last meeting, the Chair thanked Chantel for her input with PARC.

Resolved

That the Performance, Audit and Risk Committee:

1. **Receive the monthly Financial Health report for the 11 months ended 31 May 2018.**

Chair Lowndes/ Cr McKay
CARRIED

5.4 **Efficiency and Productivity Reporting**

Refer page 45 – Performance, Audit and Risk Committee Agenda

Tania Harris and Dirk Brand gave an overview, via presentation, on how approaches to delivery of water, land and biodiversity outcomes had evolved over time and how it was shaping the Council's actions and resources, enabling maximum impact.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Receive the Efficiency and Productivity report and presentation made to the Committee at the meeting**
- 2. Note the ongoing focus on this work across the organisation and that further reports will be provided to the Committee**

Cr McKay/ Cr Scott
CARRIED

5.5 **Registered Dam Safety Assurance Programmes**

Refer page 48 – Performance, Audit and Risk Committee Agenda

Tania Harris opened the discussion on why the Level of Service (LOS) for the Building Consent Authority of "Registered Dam Safety Assurance Programmes" was not being met.

As a building authority Environment Canterbury must have a dam safety assurance programme and must adopt a policy on dangerous dams; however, the Government has proposed management of dam safety may be better dealt with under the Resource Management Act 1991 (RMA) instead of an MBIE regulation that referred to the Building Act 2004. So, until regulations are gazetted, Environment Canterbury will not be able to finalise the drafted Dangerous Dams policy. It was noted that whilst the draft policy does not contain all requirements of the Act (as they are not available), it is in line with dam safety guidelines.

It was queried whether the draft policy which has been in draft format since 2006 could be adopted by Council as 'policy' notwithstanding the reasons put forward, since it appears that this was in contravention of the Building Act 2004 – s161(1) where there was a requirement of a Regional Authority to have a policy within 18 months (of commencement of the relevant part). The General Counsel, Catherine Schache, was asked to investigate this option.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Note the reasons for the Level of Service not being met.**

Cr Scott / Chair Lowndes
CARRIED

5.6 Public Transport Financial Update

Refer page 50 – Performance, Audit and Risk Committee Agenda

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

Wifi Trial:

Two bus routes were part way through the wifi trial, ie: 85 Rolleston and 29 Airport. The wifi technology used on the Airport route had proved unsuitable, so the same wifi technology as on the Rolleston route has been implemented onto the Airport route.

A final report will be presented to this Committee when the trial is completed.

Interchange and Small Vehicles

Because of route changes and in response to citizens requests via the Long-Term Plan, small bus vehicles were likely to be used on the upcoming Westmorland to CBD route at certain times of the day.

Stewart explained the Bus Interchange was designed in 2013 and small vehicle usage was not anticipated at design time. Currently looking for a solution to support small buses at the Interchange.

Airport Services

It is planned to trial electric buses using the Airport route.

It was noted Christchurch International Airport Ltd (CIAL) were also environmentally conscious as they have their own electric vehicle fleet. Environment Canterbury staff will be engaging with CIAL to support promotion and transport integration logistics for the new electric buses.

Resolved

That the Performance, Audit and Risk Committee:

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

Chair Lowndes / Cr McKay
CARRIED

6. Audit

6.1 Internal Audit Standing Paper

Refer page 57 - Performance, Audit and Risk Committee Agenda

Katherine Harbrow, Nadeine Dommissie and Paul Hulse presented this report.

Compliance Monitoring Internal Audit findings:

It was noted that Auditors found the Council undertook an appropriate range of compliance activities which were supported by excellent prioritisation methods and documentation and systems.

The audit provided 16 recommendations, 12 already have initiatives underway to be resolved, and two have significantly progressed.

Resolved

That the Performance, Audit and Risk Committee:

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

Cr Scott / Cr McKay
CARRIED

6.2 Audit NZ Audit Plan for the year ended 30 June 2018

Refer page 64 – Performance, Audit and Risk Committee Agenda

Katherine Harbrow presented the Audit NZ Audit Plan for the year ended 30 June 2018, including the high-level timeframes and auditors' expectations of Council.

This document is a requirement that leads into the Annual Report.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Acknowledge the Audit Plan; and**
- 2. Recommend that the Council receive the Audit NZ Audit Plan for the 2017/18 Annual Report.**

Cr McKay / Chair Lowndes
CARRIED

6.3 Audit NZ Report to Council on the Interim Audit for the year ended 30 June 2018

Refer page 81 – Performance, Audit and Risk Committee Agenda

Katherine Harbrow presented a copy of the Audit NZ report on the 2017/18 interim audit that was undertaken in April 2018.

Audit NZ identified three new issues; and there are three outstanding recommendations from previous audits. All these issues are minor and appropriate mitigations have been put in place.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Acknowledge the Audit NZ Interim Audit Report and note the issues that have been raised and the progress that has been made to resolve outstanding recommendations**

Chair Lowndes / Cr Scott
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
7.1	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.	
7.1	Enable the Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) – Section 7(2)(i)

That appropriate officers remain to provide advice to the Committee.

Cr McKay / Cr Scott
CARRIED

The meeting went into public excluded session from 3.19pm to 3.22pm.

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, 9 August 2018

12. **Closure**

Cr Cullinane declared the meeting closed at 3.23pm.

CONFIRMED

19 July 2018

Date



Chairperson