

Minutes of the 147th meeting of the Performance, Audit and Risk Committee held in the Council Chamber, 200 Tuam Street, Christchurch on Thursday, 28 March 2019 at 2.04pm

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Present

Cr Peter Scott (Deputy Chair) Cr John Sunckell
Chair Steve Lowndes

Management and officers present

Bill Bayfield (Chief Executive), Katherine Harbrow (Chief Financial Officer), Catherine Schache (General Counsel), Katherine Trought (Director Strategy & Planning), Nadeine Dommissie (Chief Operating Officer), Stefanie Rixecker (Director of Science), David Perenara-O'Connell (Programme Manager, Ngāi Tahu), Stewart Gibbon (Senior Manager Public Transport), Tarsha Triplow (Team Leader Corporate Reporting), Tanya Clifford (Internal Auditor), Chris Tapili (Senior Health & Safety Officer), Rachel Walton (Team Leader Systems Support and Design), and Vivienne Ong (Committee Advisor)

Report writers and supporting staff were also in attendance.

Welcome

Deputy Chair Peter Scott welcomed everyone to the meeting.

1. Apologies

Apologies were received from Councillors Rod Cullinane 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

Chris Tapili spoke to the report. During questioning the following points were raised:

- Fit for Work: Occupational health monitoring will be used as a measure of safety performance of staff. Members requested further detail on when this would come into effect.
- Flood Protection: It was clarified the actions required under flood protection mainly involved risks around heavy machinery

Resolved

That the Performance, Audit and Risk Committee:

- 1. Receive the Health and Safety Governance report for March 2019.**

Cr Sunckell / Chair Lowndes
CARRIED

4.2 Local Government Funding Agency (LGFA) Draft Statement of Intent (SOI) and Half Yearly Report

Refer page 15 – Performance, Audit and Risk Committee Agenda

Katherine Harbrow presented the report which identifies LGFA intentions. Discussion ensued.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Receive the Local Government Funding Agency 2019-20 Statement of Intent and the half year report.**

5. **Performance**

5.1 **Action List**

Refer page 72 – 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 March 2019**

Cr Sunckell / Chair Lowndes
CARRIED

5.2 **Operational Report**

Refer page 74 – Performance, Audit and Risk Committee Agenda

Tarsha Triplow and Katherine Harbrow reported on operational performance by portfolio for the period ended 28 February 2019 and advised that they are on budget. Currently collating the 8+4 forecast which is looking favourable.

Resolved

That the Performance, Audit and Risk Committee:

1. **Receives the Operational Performance report for the period ended 28 March 2019.**

Chair Lowndes / Cr Sunckell
CARRIED

5.3 **Financial Health Report**

Refer page 94 – Performance, Audit and Risk Committee Agenda

Tarsha Triplow and Katherine Harbrow took the Committee through the financial results for the period ended 28 February 2019. Members attention was drawn to the fact that cash positions had since improved to the one reported on at this meeting.

Resolved

That the Performance, Audit and Risk Committee:

1. **Receives the monthly Financial Health report for period ended 28 February 2019.**

5.4 Public Transport Financial Update

Refer page 101 – Performance, Audit and Risk Committee Agenda

Stewart Gibbon provided an update on the financial performance of Public Transport for the period ending 28 February 2019.

Total Mobility

Analysis had been requested on the number of trips originating or terminating at the Christchurch Hospital. Stewart reported that the trends for all trips, and hoist specific trips, did not suggest any fundamental change in usage pattern other than slight growth which was in line with Total Mobility's general growth.

Route Trials Leeston and Darfield

Trials continue for Leeston and Darfield. Whilst the Darfield service was performing well, it was noted that there was a larger patronage coming into town rather than going back out. This may require further survey of patrons on their preferred return times.

The Leeston service was not performing well. To be considered viable long term the route would require a farebox of 30% or higher. Further work was underway with the community to understand what might increase their patronage.

Network Risk

It would be prudent to flag bus driver retention as a future network risk. It was a risk that currently impacted other regions throughout New Zealand. Drivers' breaks were one possible emerging issue which staff were currently investigating with industry.

Resolved

That the Performance, Audit and Risk Committee:

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

Cr Sunckell / Chair Lowndes
CARRIED

In the light of the recent terror atrocities in Christchurch the Committee appreciated the agility of Public Transport and took the opportunity to thank them in the way they effectively responded to the situation.

6. **Audit**

6.1 **Internal Audit – Contract Efficiencies**

Refer page 109 – Performance, Audit and Risk Committee Agenda

Tanya Clifford, Katherine Harbrow and Rachel Walton spoke to the report. The Committee were briefed on the processes being put in place on improving resources ensuring

consistency in practices between areas; they felt confident in the improved efficiencies and were comfortable with the processes/actions being set up.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Notes the summary findings and action plans of the Internal Audit – Contract Efficiencies report**

Cr Sunckell / Chair Lowndes
CARRIED

6.2 Internal Audit – Proposed Plan for 2019/20

Refer page 112 – Performance, Audit and Risk Committee Agenda

Tanya Clifford, Rachel Walton and Katherine Harbrow outlined the general process and the proposed internal audit plan for the 2019/20 financial year, and the three audits proposed for review were discussed:

- 1. Revenue and Rates**

A review of this audit area was timely as it would allow any recommendations put forward could be incorporated in the next Long Term Plan.

- 2. Asset Management**

An internal audit of the full asset management framework was an important exercise to ensure capital assets remained in order.

- 3. Legislative Compliance**

The importance of performing an internal audit review on Legislative Compliance was noted (the last audit review was in 2013/14). Environment Canterbury had a duty to ensure it was compliant with all applicable legislation. Several Council specific amendments had become effective since the last review; therefore, it was important to confirm there were effective systems in place to ensure Council remained compliant.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Approves the internal audit plan for the 2019/20 financial year as stated in the paper,**

Chair Lowndes / Cr Sunckell
CARRIED

6.3 **Office of the Auditor-General's (OAG) Matters Arising from Audits of the 2018-28 Long Term Plans**

Refer page 116 – Performance, Audit and Risk Committee Agenda

Katherine Harbrow presented a synopsis of matters arising and recommendations, resulting from the OAG review of the Local Government 2018-28 Long Term Plans (LTP).

Resolved

That the Performance, Audit and Risk Committee:

1. **Receives the Office of the Auditor-General's (OAG) Matters Arising from Audits of the 2018-28 Long Term Plans report and notes the OAG's recommendations**

Chair Lowndes / Cr Sunckell
CARRIED

7. **Notices of motion**

There were no notices of motion.

8. **Extraordinary and urgent business**

There was no urgent business.

9. **Questions**

There were no questions, but it was noted that Audit New Zealand were taking registrations to attend their information update, which includes a session about Audit and Risk Committees; in Christchurch on 10 April 2019

10. **Next Meeting**

Thursday, 2 May 2019.

11. **Closure**

Peter Scott declared the meeting closed at 2.47pm.

CONFIRMED

Date



Chairperson

11/04/2019