

Minutes of the 148th meeting of the Performance, Audit and Risk Committee held in the Council Chamber, 200 Tuam Street, Christchurch on Thursday, 2 May 2019 at 2.00pm

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Present

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

Management and officers present

Miles McConway (Director Finance and Corporate Services), Katherine Harbrow (Chief Financial Officer), Catherine Schache (General Counsel), Katherine Trought (Director Strategy & Planning), Stewart Gibbon (Senior Manager Public Transport), Tarsha Triplow (Team Leader Corporate Reporting), Matthew Bennett (Principal Health and Safety Advisor), Caroline Hart, (Programme Manager), Sam Elder (Programme Manager), and Vivienne Ong (Committee Advisor)

Report writers and supporting staff were also in attendance.

Welcome

After his opening remarks, the new Chair, John Sunckell, welcomed everyone to the meeting.

1. Apologies

Apologies were received from Councillors Steve Lowndes (for early departure) and Claire McKay.

Chair's Comments

The Chair acknowledged Councillor Rod Cullinane for his past Chairmanship of the Performance, Audit and Risk Committee (PARC) and gave recognition for the issues he successfully managed during his tenure.

A welcome was also extended to Councillor Iaeen Cranwell who was attending his first PARC meeting.

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

- Will soon have the ability to compare/benchmark Environment Canterbury's health and safety data against other Regional Councils. This will include incidence, severity and frequency rates. It was noted that health and safety was taken seriously at Environment Canterbury and it was a standing item on each PARC and Executive Leadership Team agenda.
- The health and safety schedule of activities was currently being compiled. Once compiled, the activities will be reviewed; this year it was envisaged some reviews will be brought in-house.

In response to concern raised for the security/exposure of the public front facing receptionists, Matthew advised design changes may happen, meanwhile there were methods in place to create a degree of separation and escape. He also advised procedures were in place. Health and safety was a cycle of continuous improvement.

Members requested at the next PARC meeting, Health and Safety provide a brief presentation on how the organisation informed staff in making decisions in tricky situations, along with how the organisation identifies and mitigates risk.

5.2 **Update Reserve Policy**

Refer page 17 – Performance, Audit and Risk Committee Agenda

Katherine Harbrow went through the reviewed reserve limits and explained that the Asset Replacement Reserve matched the balance that was accumulating to replace key operating assets such as in the 200 Tuam Street building. At present this was sitting in cash reserves and matched depreciation costs. Katherine Harbrow to provide a more detailed explanation outside of the PARC meeting.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Approves the updated Policy on reserve funds; and**
- 2. Recommends to Council that it adopt the updated Policy on Reserve Funds**

Cr Scott / Cr Cranwell
CARRIED

5.3 **Operational Report**

Refer page 30 – Performance, Audit and Risk Committee Agenda

Tarsha Triplow and Katherine Harbrow reported on operational performance by portfolio for the period ended 31 March 2019 and advised the Hurunui-Waiau Targeted Plan level of service was now back on track.

Caroline Hart provided background information on the Fit for Future project. She also explained that variances in the biosecurity/biodiversity portfolio budget would be due to seasonal components in contracts.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Receives the Operational Performance report for the period ended 31 March 2019.**
- 2. Approves the spend (\$400k) in the Fit for Future project retrospectively and recommends to Council that its delegation to the Chief Executive is approved for the overspend for Fit for Future.**

Cr Cranwell / Cr Scott
CARRIED

5.4 **Financial Health Report**

Refer page 48 – Performance, Audit and Risk Committee Agenda

Tarsha Triplow and Katherine Harbrow took the Committee through the financial results for the period ended 31 March 2019.

It was agreed a workshop to discuss the context of annual plans, requests for expenditure, and cash reserve levels may be required.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Receives the monthly Financial Health report for period ended 31 March 2019.**

Chair Lowndes / Cr Scott
CARRIED

5.5 Public Transport Financial Update

Refer page 55 – Performance, Audit and Risk Committee Agenda

Stewart Gibbon provided an update on the financial performance of Public Transport.

- Patronage for March was down, which was against trend for the year. The March attacks had an impact on service delivery, people were not travelling, and schools were closed.
- The e-bus trial was delayed as buses were not expected to be in service until late June 2019. Currently working with Red Bus Ltd on how they will come into service and how they can be promoted.
- Bus driver retention moved from medium risk to high risk. This was due to changes in the Employment Relations Act which comes into effect 6 May 2019, involving new rest and meal break entitlements for employees. Currently working closely with bus operators, Government and the wider industry to understand the full implications of the legislative change and to minimise any impact on public transport services. No service cancellations were anticipated. The Government has provided 12 months grace to enable the public transport industry to interpret the long-term impact of the Employment Relations Act.

Chair Lowndes left the meeting 2:45pm

Resolved

That the Performance, Audit and Risk Committee:

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

Cr Cranwell / Cr Scott
CARRIED

6. Audit

There was nothing to report.

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.

10. **Next Meeting**

Thursday, 30 May 2019.

11. **Closure**

The Chair declared the meeting closed at 2.50pm.

CONFIRMED

16 May 2019

Date



Chairperson