

Minutes of the 162nd meeting of the Performance, Audit and Risk Committee held in the Council Chamber, Environment Canterbury, 200 Tuam Street, Christchurch on Thursday, 29 April 2021 at 2.00pm

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Present

Committee Chair, Councillor John Sunckell
Chair Jenny Hughey
Councillor Nicole Marshall
Tumu Taiao Iaeen Cranwell

Councillor Ian Mackenzie
Councillor Grant Edge
Councillor Megan Hands
Independent Member, Graeme McGlenn

Management and officers present

Stefanie Rixecker (Chief Executive)
Caroline Hart (Senior Strategy Manager)
Catherine McMillan (Chief Financial Officer)
Catherine Schache (General Counsel)
David Perenara-O'Connell (Senior Strategy Manager)
Jesse Burgess (Senior Strategy Manager)
Katherine Harbrow (Director Operations)
Katherine Trought (Director Strategy and Planning)
Matthew Bennett (Principal Health and Safety Advisor)
Miles McConway (Director Finance and Corporate)
Nicholas Hill (Risk and Business Improvement Manager)
Paul Hulse (General Manager RMA Operations)
Stewart Gibbon (General Manager Public Transport)
Tarsha Triplow (Team Leader Corporate Reporting)
Vivienne Ong (Committee Advisor)

Report writers and supporting staff were also in attendance.

1. **Mihi/karakia tīmatanga - opening**

Committee Chair, Councillor John Sunckell welcomed everyone to the meeting.

Karakia: laean Cranwell

2. **Apologies**

Apologies were received from Independent Member Graham Naylor and Councillors Vicky Southworth and Councillor Claire McKay.

3. **Conflicts of interest**

There were no conflicts of interest recorded.

4. **Call for general business items**

There were no items for general business.

5. **Deputations and petitions**

There were no petitions or deputations by appointment.

6. **Risk**

6.1 **Health and safety report**

Refer page 11 – Performance, Audit and Risk Committee Agenda

Matthew Bennett summarised the analysis of the health and safety events and activities for the period up to 31 March 2021.

Benchmarking and comparative figures

Questions of clarification were answered regarding reporting processes for incident status and data trends, leading to a discussion on benchmarking. It was determined that benchmarking would be challenging due to the difficulties in obtaining a “like-for-like” comparison; and rather than be backwards looking comparing past performance with other organisations, it would be more prudent to be forward looking investing that time and money in continuing improvements.

Members stated it would be beneficial and provide more understanding and assurance if on future health and safety reporting comparative figures from previous years were shown.

Workplace stress and mental health

Monitoring performance on workplace stress and mental health related injuries was queried. It was agreed psychosocial harm came under the health and safety framework and systems were in place. The Committee also commented that the organisation had an obligation to protect their employees from work related risks/factors that could

cause harm to stress and mental health, and it could be worthwhile considering investigating on taking steps to eliminate or minimise that risk.

Resolved

That the Performance, Audit and Risk Committee:

- 1. receives the Health and Safety Governance report.**

Cr Grant Edge/Graeme McGlinn
CARRIED

6.2 Risk standing report

Refer page 21 – Performance, Audit and Risk Committee Agenda

Nicholas Hill provided an update on the risk management programme.

Gift register

A clear framework/process regarding acceptance and declaration of gifts and hospitality was requested. Any gift or service with a value of \$50 or more must be disclosed and details added to the organisation's gift register. For governors, the process of adding to the gift register would be via the Governance Team.

Staff wellbeing during plan changes

Members requested assurance regarding mitigating staff burnout and risk of intense pressures of workload whilst achieving and delivering outcomes of the plan change processes.

ACTION: Nicholas Hill to investigate and review and report back on progress.

Resolved

That the Performance, Audit and Risk Committee:

- 1. receives the Risk Standing report as an update on risk management activities**
- 2. advises staff that there are no issues requiring additional risk assurance.**

Chair Jenny Hughey/Graeme McGlinn
CARRIED

7. Performance

7.1 Action list

Refer page 23 – Performance, Audit and Risk Committee Agenda

Nicholas Hill provided an update to the Action List and noted the Councillor's Allowance and Reimbursement Policy was in the process of being updated and a paper would be brought back to this committee to consider the changes.

Resolved

That the Performance, Audit and Risk Committee:

- 1. receives the Action List.**

Chair Jenny Hughey/Graeme McGlinn
CARRIED

7.2 Public transport financial update

Refer page 25 – Performance, Audit and Risk Committee Agenda

Stewart Gibbon reported on monthly activity and risks for the nine-month period from 1 July 2020 to 31 March 2021 and during questioning provided clarification on activity, trends, and risk analysis.

A more in-depth conversation ensued regarding farebox recovery and patronage demographics. It was also explained that convenience was at the top of the list of patrons' decisions trees for transport choice, with convenience trumping price; for instance, the MyWay trial in Timaru offered significant service and convenience at a higher price seeing patronage growth during a time of COVID-19 when no other region experienced growth. Need to consider social community benefit versus economic performance.

Resolved

That the Performance, Audit and Risk Committee:

- 1. receives the Public Transport financial update.**

Cr Grant Edge/Cr Megan Hands
CARRIED

7.3 Portfolio financial report March 2021

Refer page 33 – Performance, Audit and Risk Committee Agenda

Tarsha Triplow and Catherine McMillan presented the Portfolio Financial Report for the period ended 31 March 2021. Discussion centred on cash position and revenue implications for deliverability and do-ability for the work programmes.

Resolved

That the Performance, Audit and Risk Committee:

- 1. receives the Portfolio Financial Report for the period ended 31 March 2021.**

Cr Nicole Marshall/Cr Megan Hands
CARRIED

7.4 **Financial health reports March 2021**

Refer page 42 – Performance, Audit and Risk Committee Agenda

Tarsha Triplow and Catherine McMillan reported on the financial results for the period ended 31 March 2021. In response to questioning it was advised the debtors' balance was being carefully monitored.

Resolved

That the Performance, Audit and Risk Committee:

- 1. receives the monthly Financial Health Report for the period ended 31 March 2021**
- 2. notes the table of unbudgeted expenditure that has already been approved by Council.**

Tumu Taiao laean Cranwell/Cr Grant Edge
CARRIED

7.5 **8+4 Forecast report**

Refer page 49 – Performance, Audit and Risk Committee Agenda

Tarsha Triplow and Catherine McMillan reported on the 2020/21 8+4 forecast results compared to the original 2020/21 budget, providing an estimate on what the surplus was expected to be at year end.

Discussion centered on the Long-Term Plan and ensuring staffing and financial resources were available to deliver programme commitments, ie: the do-ability of the Long-Term Plan work programme. The decision was made that the two Independent Members of this Committee would meet next week with the Strategy and Planning Director and Managers to discuss do-ability with Long-term Plan commitment of projects.

To keep reserves in tune to growth, need to ensure a balanced statement of financial position was maintained. To manage and mitigate risk it was suggested to undertake a policy reserves review then move the budget over the new few years to accumulate reserves.

Resolved

That the Performance, Audit and Risk Committee

- 1. notes the results of the 2020/21 8+4 forecast and note the anticipated effect upon the year end result**
- 2. notes the proposal to review the Reserves Policy document as part of the development of the LTP21/31 Year 2 Annual Plan to ensure reserve policy levels are appropriate for the level of activity and expenditure adopted in the LTP21/31.**

Graeme McGlinn/Cr Ian Mackenzie
CARRIED

8. **Audit**

8.1 **Audit NZ Reports March 21**

Refer page 53 – Performance, Audit and Risk Committee Agenda

Tarsha Triplow and Catherine McMillan introduced the item and answered questions of clarification.

Resolved

That the Performance, Audit and Risk Committee:

- 1. receives the Audit New Zealand report on the Long-Term Plan 2021-31 Consultation Document**
- 2. acknowledges the two recommendations on pages 9-11 of the attached report**
- 3. receives the Audit New Zealand report on the debenture trust limited assurance engagement.**

Graeme McGlinn/Cr Megan Hands
CARRIED

9. **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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
1.1 Healthy Homes 1.2 Funding Support for Addressing Contamination from Racecourse Road Amberley	That good reason exists for not discussing the matter with the public present and is not outweighed by the public interest.	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.		Section
1.1 1.2	Enable the Council holding the information to carry out, without prejudice or disadvantage commercial activities	7(2)(h)
1.1 1.2	Enable the Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	7(2)(i)
1.1	The withholding of the information is necessary to maintain legal professional privilege	7(2)(g)

That appropriate officers remain to provide advice to the Committee.

Cr Megan Hands/Cr Grant Edge
CARRIED

The meeting went into public excluded session from 3.14pm to 3.34pm

10. **Notices of motion**

There were no notices of motion.

11. **Extraordinary and urgent business**

There was no extraordinary or urgent business.

12. **General business**

There was no general business.

13. **Questions**

There were no questions.

14. **Next meeting**

The next meeting will be held 27 May 2021.

14. **Mihi/karakia whakamutunga – closing**

It was noted that this was Miles McConway's, last meeting and the Chair thanked Miles for his time and assistance and wished him the best in his new role at the Christchurch City Council.

Karakia: Tumu Taiao laean Cranwell

The Chair declared the meeting closed at 3.35pm.

CONFIRMED

23/06/2021

Date



Chairperson