

Minutes of the Audit, Finance and Risk Committee (under COVID-19 Orange Traffic Light restrictions) held at Environment Canterbury, Council Chamber, 200 Tuam Street, Christchurch on Thursday, 26 May 2022 at 10:00 am.

Present

Committee Chair Cr John Sunckell, Tumu Taiao laean Cranwell*, Cr Grant Edge, Cr Megan Hands, Cr Ian Mackenzie, Cr Nicole Marshall, Independent Member Graeme McGlinn, Cr Claire McKay, Independent Member Graham Naylor, and Cr Vicky Southworth*.

Cr Phil Clearwater* and Tumu Taiao Yvette Couch-Lewis* were in attendance, Yvonne Yang of Audit New Zealand was in attendance for item 8.5

Report writers and other staff were also present.

*via MS Teams

1. Mihi / Karakia Timatanga - Opening

Tumu Taiao laean Cranwell opened the meeting with a mihi whakatau and acknowledged the recent passing Dame Aroha Reriti-Crofts of Ngāu Tūāhuriri, and Karen Morgan of Ōnuku. Tumu Taiao laean Cranwell followed with a karakia.

The Chair advised a paper on Annual Plan challenges that was to come to the Committee in April went directly to the full Council due to timing constraints.

2. Apologies

An apology for absence was received from Chair Jenny Hughey
An apology for lateness was received from Cr Megan Hands.

3. Conflicts of Interest

There were no conflicts of interest reported.

4. Public Forum, Deputations, and Petitions

There were no requests for public forum, deputations and petitions.

5. Extraordinary and Urgent Business

There was no extraordinary or urgent business.

6. Notices of Motion

There were no notices of motion.

7. Minutes

Resolved AFRC/2022/32

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. Confirms the minutes from the Audit, Finance and Risk Committee meeting held on 24 March 2022.

Cr Claire McKay/Cr Ian Mackenzie
CARRIED

8. Report Items

8.1 Audit, Finance and Risk Committee Resolutions Status Report - May 2022

Staff provided visibility on the status of resolutions made by the Audit, Finance and Risk Committee.

Resolved AFRC/2022/28

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. Notes the status of previous resolutions provided in the Status of Audit, Finance and Risk Committee Resolutions report May 2022.

Cr Nicole Marshall/Graham Naylor
CARRIED

8.2 Outstanding actions from internal audits and external reviews

Staff reported on progress against agreed actions in response to recommendations from internal audits and external reviews.

Resolved AFRC/2022/29

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. Receives the update on outstanding actions from previous internal audits and external reviews.
2. Notes that work is being undertaken to populate this report going forward.
3. Notes that an internal audit of past audits and significant external reviews is currently being completed.

Graeme McGlinn/Cr Claire McKay
CARRIED

8.3 COVID-19 Recovery Projects

Staff provided the Committee with an update on the current status of COVID-19 recovery projects.

Resolved AFRC/2022/30

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. Notes the report on the current status of Environment Canterbury's COVID-19 recovery projects.

Cr Claire McKay/McGlinn
CARRIED

An additional recommendation was moved by Cr Grant Edge and seconded by Cr John Sunckell.

2. Requests staff re-circulate a report describing the regional wide river berm transition projects with location maps and an update on progress and expenditure of each

Cr Grant Edge/Cr John Sunckell
LOST

8.4 Treasury Policy Review

The Committee reviewed the Treasury policy and recommended changes to Council.

Staff recommendation.

That the Audit, Finance and Risk Committee:

1. Notes the proposed changes to the Treasury Policy and recommends the amended policy be presented to Council for approval.

Resolved AFRC/2022/31

That the Audit, Finance and Risk Committee:

1. Notes the proposed changes to the Treasury Policy and recommends the amended policy be presented to Council for approval.
2. Requests staff prepare a briefing paper for Council to discuss and consider further review and amendments to the Treasury and Liability Management Policy to help inform the 2024-2034 Long-Term Plan.
3. Requests staff provide a report that provides a description schedule of each Asset type showing property location maps and other relevant information.

Cr Grant Edge/Graeme McGlinn

CARRIED

The Chair requested the following notes be added to the minutes:

- NOTE: In relation to Resolution 3 - Staff requested to prepare a forward programme report for asset types showing property location maps and other relevant information for future discussion.
- NOTE: Development of a workplan for an approach of consistency and clarity.

Cr Megan Hands joined the meeting at 10.42 am.

8.5 Audit New Zealand - Audit Plan 2022

Staff spoke to the Audit New Zealand Plan for the year ending 30 June 2022, identifying areas of focus for the audit, and outlined the audit process and proposed timeline for the completion of the audit.

Resolved AFRC/2022/33

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. Receives the Audit Plan for year ending 30 June 2022 from Audit New Zealand.
2. Notes the areas of focus and proposed timeline of the audit.

Cr Megan Hands/Cr Nicole Marshall

CARRIED

8.6 Portfolio Performance Report Third Quarter 1 July 2021 - 31 March 2022

Staff reported on portfolio performance for the period 1 July 2021 - 31 March 2022 (end of quarter three of the 2021/2022 financial year) regarding progress made on the commitments to the community in the Long-term Plan 2021-31.

Resolved AFRC/2022/34

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. Notes the information in the Portfolio Performance Report (to end of the third quarter) 1 July 2021 – 31 March 2022 for the five portfolios: Water and Land, Biodiversity and Biosecurity, Climate Change and Community Resilience, Air Quality, Transport and Urban Development, and Regional and Strategic Leadership.
2. Notes that the Regional and Strategic Leadership Committee has also received this report at the 12 May 2022 meeting.

Graeme McGlinn/Cr Ian Mackenzie

CARRIED

8.7 Borrowing and Interest Averaging Approach

Staff outlined the new approach to allocating interest costs to programmes and assets being applied from 1 July 2022.

Resolved AFRC/2022/35

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. Notes the new approach to allocating the interest costs of Environment Canterbury's debt portfolio.

Cr Ian Mackenzie/Graeme McGlinn

CARRIED

8.8 Bancorp Treasury Report for March 2022 Quarter

Staff presented Environment Canterbury's Bancorp Treasury Quarterly Report for the quarter ended 31 March 2022.

Staff recommendation

That the Audit, Finance and Risk Committee:

1. Receives the quarterly treasury report.

Resolved AFRC/2022/36

That the Audit, Finance and Risk Committee:

1. Receives the quarterly treasury report.
2. Notes the positive representations Bancorp had made to the committee regarding policy compliance over the period.
3. Requests future reports graphically report on the compliance trends with the various covenants and policy bands.

Cr Megan Hands/Graham Naylor
CARRIED

8.9 Civic Financial Services Ltd Annual Report 2021

A copy of the Civic Financial Services Limited Annual Report for the year ending 31 December 2021 was presented.

Resolved AFRC/2022/37

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. Receives the Civic Financial Services Limited Annual Report for year ending 31 December 2021.

Cr Claire McKay/Cr Ian Mackenzie
CARRIED

8.10 Office of the Auditor General - Draft Annual Plan 2022/23

The Committee discussed feedback to the Draft Annual Plan letter to The Office of the Controller and Auditor-General (OAG) who had released its draft Annual Plan 2022/23 and requested feedback on its proposed work plan prior to its presentation to Parliament in June 2022.

Staff recommendation

That the Audit, Finance and Risk Committee:

1. Approves the Council providing feedback on the Office of the Controller and Auditor-General (OAG) draft Annual Plan 2022/23.
2. Approves the suggested feedback proposed in the attached letter to Controller and Auditor-General, John Ryan.

Resolved AFRC/2022/38

That the Audit, Finance and Risk Committee:

1. Approves the Council providing feedback on the Office of the Controller and Auditor-General (OAG) draft Annual Plan 2022/23.
2. Approves the suggested feedback proposed in the attached letter to Controller and Auditor-General, John Ryan, including any additional comments identified by the Committee, ie work addressing effects of climate change.

Cr Grant Edge/Cr Megan Hands

CARRIED

The meeting adjourned at 11.49am and reconvened at 12.01pm.

9. Resolution to go into Public Excluded

Resolved AFRC/2022/39

That Catherine Schache, Brian Elliott, John Gamba, James Rees-Thomas of PWC (for item 9.2.3), and Lisa Stewart (for item 9.2.7) were permitted to remain at the meeting after the public had been excluded because of their knowledge of items under discussion and remained after the public had been excluded as they had knowledge that was relevant.

That at 12.01pm the resolution to exclude the public set out on pages 231 to 232 of the agenda be adopted.

Cr Nicole Marshall/Cr Megan Hands

CARRIED

The public were re-admitted to the meeting at 1.06pm.

10. Next Meeting

The next meeting will be held on Thursday, 23 June 2022 at 1.00pm.

11. Mihi / Karakia Whakamutunga - Closing

A karakia was provided by Cr Nicole Marshall.

The meeting concluded at 1.07pm.

CONFIRMED:

Chair Cr John Sunckell
Councillor, Environment Canterbury

Date