

Minutes of the Audit, Finance and Risk Committee, held at Environment Canterbury, Council Chamber, 200 Tuam Street, Christchurch on Wednesday, 1 November 2023 at 1.01pm.

Present

Committee Chair Grant Edge, Committee Deputy Chair John Sunckell*, Councillors Tutehounuku Korako, Ian Mackenzie, Genevieve Robinson, and Vicky Southworth; Independent Members Graeme McGlinn, and Graham Naylor.

Ex-Officio: Chair Peter Scott

In Attendance

Councillors David East, Joe Davies, and Nick Ward.

*via audio/visual link and in person

1. Karakia/Mihi Timatanga - Opening

Cr Korako opened the meeting with a karakia, followed by a mihi whakatau.

The Chair granted speaking rights to Cr East.

The Chair advised there was a change to the order of business in the public excluded agenda, and that item 9.2.5 Cyber Security Update would be taken between items 9.2.1 Audit, Finance and Risk Resolutions Status Report Public Excluded – November 2023 and 9.2.2. Internal Audit (Audit Rolling Plan and Internal Audit Update), and that item 9.2.4 Risk Update would follow item 9.2.2 Internal Audit (Audit Rolling Plan and Internal Audit Update), and that item 9.2.3 Legal Update would be taken last.

2. Apologies

No apologies were received.

3. Conflicts of Interest

It was subsequently declared that Chair Scott had a conflict of interest for agenda item 8.5.

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

Refer to pages 9 to 17 of the agenda.

7.1 Unconfirmed Minutes - Audit, Finance and Risk – 4 October 2023

Refer to pages 9 to 17 of the agenda.

Secretarial note: The meeting agreed to correct the attendance of the 4 October 2023 meeting to include Cr Nick Ward's attendance.

Resolved AFRC/2023/94

Staff recommendation.

That the Audit, Finance and Risk Committee:

1. Confirms the minutes from the Audit, Finance and Risk Committee meeting held on 4 October 2023 as amended.
 - Inclusion of Cr Nick Ward in the 'Attendance' portion of the minutes.

Cr Southworth/Cr Robinson
CARRIED

8. Report Items

Refer to pages 18 to 177 of the agenda.

8.1 Audit, Finance and Risk Committee Resolutions Status Report - November 2023

Refer to pages 18 to 22 of the agenda.

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

Resolved AFRC/2023/95

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. Notes the status of previous resolutions provided in the Audit, Finance and Risk Committee Resolutions Status Report November 2023.

Cr Korako/Cr Robinson
CARRIED

Cr Davies joined the meeting at 1.19pm during questions of clarification on agenda item 8.2.

8.2 Health, Safety & Wellbeing Update

Refer to pages 23 to 32 of the agenda.

Staff provided an overview and update in relation to Health, Safety and Wellbeing.

Secretarial note: It was requested that the reporting of Health, Safety and Wellbeing incidents involving the Councillors be reported separately in future Health, Safety and Wellbeing dashboards.

Resolved AFRC/2023/96

Staff recommendations adopted without change.

The recommendation was taken in parts.

That the Audit, Finance and Risk Committee:

1. Receives the report on Health, Safety and Wellbeing (HSW).
2. Notes the progress made in HSW over the past year in relation to the Safe + assessment and the resulting HSW improvement plan.
3. Notes the importance of meaningful qualitative and quantitative reporting and the focus on building relationships and trust through Health and Safety leadership, behaviours, and visibility to successfully improve the safety culture maturity in an organisation.
4. Notes that an updated HSW improvement plan will be presented to the Committee in early 2024.

Cr Sunckell/Graeme McGlinn
CARRIED

5. Recommends to Council that a separate Health and Safety Committee is not established.
6. Recommends to Council that the Terms of Reference for the Audit, Finance and Risk Committee are amended to be more explicit about its role in relation to Health, Safety and Wellbeing.

Graham Naylor/Graeme McGlinn
CARRIED

Chair Scott joined the meeting at 1.42pm during the presentation on agenda item 8.3.

8.3 Bancorp Treasury Update (1 July - 30 September 2023)

Refer to pages 33 to 50 of the agenda.

David Walker, Consultant, Bancorp Treasury Advisory provided a report to the Committee on Environment Canterbury's financial investments, borrowings, and market comparisons to 30 September 2023.

Resolved AFRC/2023/97

Staff recommendation adopted without change.

That the Audit, Finance and Risk Committee:

1. Receives the report from Bancorp Treasury Services to 30 September 2023.

Cr Robinson/Cr Korako
CARRIED

Cr East left the meeting at 2.08pm during questions of clarification on agenda item 8.4.

Cr Sunckell joined the meeting in person at 2.09pm during questions of clarification on agenda item 8.4.

8.4 Quarterly Performance Report (July – September 2023)

Refer to pages 51 to 93 of the agenda.

Staff provided an update on Environment Canterbury's non-financial (Levels of Service and Key Initiatives) and financial performance and results for Quarter One 2023/24 (period ending 30 September 2023).

Resolved AFRC/2023/98

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. Receives the Organisational Performance Report for Quarter One 2023/24.
2. Notes the status of the non-financial (Levels of Service and Key Initiatives) and financial performance and results for Quarter One 2023/24 (period ending 30 September 2023).
3. Notes the key issues identified in the Report impacting the non-financial and financial performance for Quarter One and the actions being implemented to address these issues.

Cr Robinson/Chair Scott
CARRIED

Cr East returned to the meeting at 2.16pm during questions of clarification on agenda item 8.5.

Cr Davies left the meeting at 2.16pm during questions of clarification on agenda item 8.5.

8.5 Insurance Renewal

Refer to pages 94 to 167 of the agenda.

Staff provided the Committee with information regarding the insurance policies that Environment Canterbury has renewed, commencing 1 November 2023, and the steps taken to review those policies to facilitate this.

Secretarial note: It was requested that brokers/underwriters are invited to a future meeting to provide an update on external factors in insurance markets that have an impact on our insurance holdings.

Secretarial note: It was subsequently declared that Chair Peter Scott held a conflict of interest in relation to this item.

Resolved AFRC/2023/99

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. Notes that Council insurance policies for Material Damage, Business Interruption, Motor Vehicle, Public Liability Response & Technical Support, Statutory Liability, Employers Liability, Crime/Fidelity, Travel and Marine Hull have been renewed, commencing 1 November 2023.
2. Receives the Insurance Renewal Report prepared by Council's insurance broker; Gallagher (formerly Crombie Lockwood) (Attachment 8.5.1).

Cr Sunckell/Graeme McGlinn
CARRIED

8.6 Sensitive Expenditure Report - September 2023

Refer to pages 168 to 171 of the agenda.

Staff provided the Committee with oversight of sensitive expenditure to 30 September 2023.

Resolved AFRC/2023/100

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. Receives the Corporate Sensitive Expenditure report to 30 September 2023.
2. Receives the People and Capability Finance report to 30 September 2023.
3. Notes that there are minor redactions in Attachment 8.6.2 in accordance with section 7(2)(a) of the Local Government Official Information and Meetings Act 1987 to protect the privacy of natural persons.

Chair Scott/Cr Southworth
CARRIED

8.7 Annual Register Oversight - Fraud Register | Gift & Hospitality Register

Refer to pages 172 to 177 of the agenda.

Staff provided the Committee with copies of the Fraud Register and the Gifts and Hospitality Register.

Resolved AFRC/2023/101

Staff recommendations adopted without change.

That the Audit, Finance and Risk Committee:

1. Receives the Fraud Register and notes the additional entry related to the 2022/23 financial year.
2. Notes that a lessons learned report will be presented to the Committee in early 2024.
3. Receives the Gifts and Hospitality Register.
4. Notes that both the Fraud Register and the Gifts and Hospitality Register will be reported to the Committee on an annual basis.

Cr Sunckell/Cr Southworth
CARRIED

9. Resolution to go into Public Excluded

Resolved AFRC/2023/102

That Iain Campion, Chief Technology Officer, remains after the public have been excluded for item 9.2.5 of the public excluded agenda and Juanita Victor, Audit Partner, PriceWaterhouseCoopers, remains after the public have been excluded for item 9.2.2 of the public excluded agenda and that Stefan Theron, Senior Advisor – Audit Assurance, Tanja Smets, Manager Risk, Assurance & Security and Robyn Fitchett, General Counsel remain after the public have been excluded for the entire public excluded session as they have knowledge that is relevant to the matters under consideration.

AND

That at 2.36pm the resolution to exclude the public set out on pages 178 to 180 of the agenda be adopted.

Cr Robinson/Cr Korako
CARRIED

Graeme McGlinn left the meeting at 2.36pm.

The public were re-admitted to the meeting at 4.23pm.

10. Next Meeting

The next meeting will be held on 21 February 2024.

11. Karakia Whakamutunga - Closing

Cr Korako closed the meeting with a karakia.

The meeting concluded at 4.31pm.

CONFIRMED 21 FEBRUARY 2024

Chair Grant Edge
Councillor, Environment Canterbury