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Author	Dave Humm, General Manager, Corporate Services/Chief Financial Officer Leigh-Anne Buxton, General Manager, People and Capability Luke Troy, General Manager, Strategy Wayne Hastie, General Manager, Public Transport

Report on the Finance, Risk and Assurance Committee meeting, 10 March 2016

1. Purpose

To inform the Council of the Finance, Risk and Assurance Committee (the Committee) meeting of 10 March 2016.

2. Reports

2.1 Legal and Procurement Update

The Committee received a report on the establishment of the Legal and Procurement Department.

The role of the Department is to provide support and advice to the business and operations of GWRC.

The Department will contribute to the Council's management of risk by:

- setting and implementing the procurement framework for GWRC, and providing support for other departments' procurement
- providing legal advice on commercial and contractual matters
- having oversight of external legal advice
- setting and implementing the asset management framework for GWRC, and providing support to other departments' asset management and asset management planning and reporting.

2.2 NZ Transport Agency Investment Audit Report

The Committee was presented with the NZ Transport Agency Investment Audit Report on its investment in GWRC's land transport programme covering the three financial years ending June 2014.

The Committee noted that there were no outstanding issues arising from the previous audit in May 2012. With regard to the recent audit the Committee was advised that officers are addressing the recommendations arising from two of the seven audit questions; the Committee acknowledged the overall positive findings of the audit.

2.3 Summary of Financial Statements for the seven months ended 31 January 2016

The Committee received the summary of financial performance report for the seven months ended 31 January 2016, and thanked officers for the new format for presenting key financial information.

The Committee noted that overall the Council is in favourable financial position against budget for both year to date and full year forecast.

Officers advised the Committee that they are focused on improving the quality of forecasting and on identifying reasons for variances.

With regard to recent decreases in interest rates the Committee was advised that all debt is borrowed at floating interest rates, with swaps then applied to convert floating debt to fixed rates. The Council has a conservative view on swaps, which provide it with certainty in its debt expenditure.

2.4 Health and Safety Update

The Committee received a report on the health and safety performance of the organisation. The committee thanked officers for the quality of information provided to it on health and safety matters in GWRC, and on the new legislative framework.

The Committee noted that GWRC has retained ACC tertiary accreditation as a result of the recent ACC audit, and that officers are undertaking a rolling programme of work focused on areas of critical risk.

2.5 Regional Economic Update

The Committee received a report setting out information on the regional economic environment. The report outlined 2015 growth patterns and longer-term trends.

Some high level analysis of ratepayers' ability to sustain rates increases (affordability) was also provided.

The Committee asked officers to report back to it with a proposal to help frame discussions on regional economic development.

2.6 Summary Risk Report

The Committee received a report on the Public Transport Group's risk management and changes to the Council risk register. This is part of normal quarterly reporting.

The current work underway to progress the implementation of the PTOM rail contract was discussed.

2.7 General Managers' Report to the Finance, Risk and Assurance Committee 10 March 2016

The Committee received a report from the general managers of People and Customer and Corporate Services on activities relating to the Committee's areas of responsibility. These activities included finance, ICT, treasury, legal and procurement, programme management office, health and safety, customer contact, communications and marketing, and human resources.

3. The decision-making process and significance

No decision is being sought in this report.

3.1 Engagement

Engagement on this matter is unnecessary.

4. Recommendations

That the Council:

- 1. Receives the report.*
- 2. Notes the content of the report.*

Report prepared by:

Dave Humm
General Manager, Corporate
Services/Chief Financial
Officer

Report prepared by:

Leigh-Anne Buxton
General Manager, People and
Customer

Report prepared by:

Luke Troy
General Manager, Strategy

Report prepared by:

Wayne Hastie,
General Manager, Public
Transport

Report approved by:

Councillor Judith Aitken
Finance, Risk and Assurance
Committee Chair