
Activities Performance Audit Committee

OPEN MINUTES

Minutes of a meeting of Activities Performance Audit Committee held in the Council Chambers, 15 Forth Street, Invercargill on Wednesday, 24 June 2015 at 10.39am.

PRESENT

Chairperson	Lyall Bailey Mayor Gary Tong
Councillors	Stuart Baird Brian Dillon John Douglas Paul Duffy Bruce Ford George Harpur Julie Keast Ebel Kremer Gavin Macpherson Neil Paterson

IN ATTENDANCE

Chief Executive Steve Ruru, Group Manager Environment and Community Bruce Halligan, Group Manager Services and Assets Ian Marshall, Group Manager Policy and Community Rex Capil, Chief Information Officer Damon Campbell, Chief Financial Officer Anne Robson, Communications and Governance Manager Louise Pagan and Committee Advisor Fiona Dunlop.

1 Apologies

Apologies for absence were received from Cr Dobson.

Resolution

Moved Cr Dillon, seconded Cr Kremer and **resolved:**

That the Activities Performance Audit Committee accept the apology.

2 Leave of absence

There were no requests for leave of absence.

3 Conflict of Interest

There were no conflicts of interest declared.

4 Public Forum

There was no public forum.

5 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

6 Confirmation of Minutes

Resolution

Moved Cr Macpherson, seconded Cr Dillon and **resolved:**

That the Meeting minutes of Activities Performance Audit Committee, 3 June 2015 be confirmed.

(Cr Duffy joined the meeting at 10.41am.)

Reports for Resolution

7.1 Southern Rural Fire Authority - Draft Statement of Intent 2015-2018

Record No: R/15/5/7953

Group Manager Bruce Halligan was in attendance for this item. He advised that the Southern Rural Fire Authority had provided its draft Statement of Intent 2015-2018 to Southland District Council for consideration and feedback.

The draft Statement of Intent was approved for circulation by the Southern Rural Fire Authority Board (SRFA) at its meeting on 10 April 2015. It outlines key SRFA objectives, key performance areas and goals and future funding expectations from participant stakeholders/members.

Resolution

Moved Cr Kremer, seconded Cr Dillon and **resolved recommendation a:**

That the Activities Performance Audit Committee:

- a) **Receives the report titled “Southern Rural Fire Authority - Draft Statement of Intent 2015-2018” dated 6 May 2015.**

Resolution

Moved Cr Baird, seconded Cr Duffy **and resolved recommendations b – d:**

That the Activities Performance Audit Committee:

- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Provides any feedback it may have to the Southern Rural Fire Authority Chief Executive.**

7.2 Finance Report to 30 April 2015

Record No: R/15/6/9839

Management Accountant Susan McNamara was in attendance for this item. She advised that the report outlines the financial results to 30 April 2015 with 83% of the financial year gone. There were no significant issues contained in the report identified that raised any concerns for Council relating to the end of year financial position. Overall for the year to date, income is \$272,000 under budget.

As in prior years, all budget managers have been instructed to have a strong focus on their budget and expenditure items that they can control in the current economic climate.

The financial commentary centres on the summary sheet which draws the totals from each of the key sections together. Although you are able to obtain more detailed key variance explanations from senior managers in these sections, these will be summarised below, concentrating on the YTD results.

Resolution

Moved Cr Macpherson, seconded Cr Douglas **and resolved:**

That the Activities Performance Audit Committee:

- a) **Receives the report titled “Finance Report to 30 April 2015” dated 9 June 2015.**

7.3 Audit Arrangements Letter for the Year Ended 30 June 2015

Record No: R/15/5/8609

Finance Manager Sheree Marrah was in attendance for this item. She advised that the report was to provide an overall summary of the audit arrangements letter for the

annual report for the year ended 30 June 2015 recently received from Audit New Zealand and seek approval for the Mayor to sign this letter on Council's behalf.

Audit New Zealand requires Council to confirm the arrangements it makes for the audit of the 2014/2015 annual report of Council. As part of this confirmation, Audit New Zealand has provided Council with an audit arrangements letter for the year ended 30 June 2015.

The letter is required to be signed by the Mayor and returned to Audit New Zealand to confirm Council's acceptance of the proposed arrangements. The report provides a summary of the letter for the Committee's information. A copy of this letter is attached to the officers report.

Resolution

Moved Cr Harpur, seconded Cr Keast **and resolved:**

That the Activities Performance Audit Committee:

- a) **Receives the report titled "Audit Arrangements Letter for the Year Ended 30 June 2015" dated 24 June 2015.**

Resolution

Moved Cr Ford, seconded Cr Dillon

That the Activities Performance Audit Committee:

- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Authorises the Mayor to sign the audit arrangements letter for the year ended 30 June 2015 on Council's behalf.**

7.4 Changes to the Accounting Standards for Public Benefit Entities

Record No: R/15/6/9638

Finance Manager Sheree Marrah was in attendance for this item. She advised that the report was to update Council on the changes to the accounting standards that form the basis of the financial statements included in the annual report for the year ended 30 June 2015. In the 2015 financial year Council transitioned from using standards that are used by all reporting entities to those that are specifically designed for Public Benefit Entities.

The report also outlined the process Audit New Zealand has identified that will enable a smooth transition between the standards and the areas of the standards Council staff have identified as impacting on our financial statements.

Resolution

Moved Cr Macpherson, seconded Cr Keast **and resolved:**

That the Activities Performance Audit Committee:

- a) **Receives the report titled “Changes to the Accounting Standards for Public Benefit Entities” dated 11 June 2015.**

Public Excluded

Exclusion of the Public: Local Government Official Information and Meetings Act 1987

Resolution

Moved Cr Douglas, seconded Cr Baird **and resolved**

That the Activities Performance Audit Committee exclude the public from the following part(s) of the proceedings of this meeting.

C8.1 Public Excluded Minutes of the Activities Performance Audit Committee Meeting dated 3 June 2015

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, 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
Public Excluded Minutes of the Activities Performance Audit Committee Meeting dated 3 June 2015	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>s7(2)(f)(ii) - The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees and persons from improper pressure or harassment.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable</p>	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

	<p>the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p> <p>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.</p>	
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Permit the Chief Executive, Group Manager Environment and Community, Group Manager Services and Assets, Group Manager, Policy and Community, Chief Information Officer, Chief Financial Officer, Communications & Governance Manager and Committee Advisor to remain at this meeting, after the public has been excluded, because of their knowledge of *C8.1 Public Excluded Minutes of the Activities Performance Audit Committee Meeting dated 3 June 2015*. This knowledge, which will be of assistance in relation to the matters to be discussed, is relevant to that matter because of their specialist knowledge.

The meeting went into public excluded at 11.36am and returned to open session at 11.37am.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available unless released here.

The meeting concluded at 11.37am.

CONFIRMED AS A TRUE AND CORRECT RECORD AT A MEETING OF THE ACTIVITIES PERFORMANCE AUDIT COMMITTEE HELD ON 24 JUNE 2015.

DATE:.....

CHAIRPERSON:.....