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# Activities Performance Audit Committee

## OPEN MINUTES

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Minutes of a meeting of Activities Performance Audit Committee held in the Council Chambers, 15 Forth Street, Invercargill on Wednesday, 26 August 2015 at 1pm.

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### PRESENT

**Chairperson** Lyall Bailey  
Mayor Gary Tong

**Councillors** Stuart Baird  
Brian Dillon  
Rodney Dobson  
John Douglas  
Paul Duffy  
Bruce Ford  
Julie Keast  
Ebel Kremer

### IN ATTENDANCE

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

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## ADJOURNMENT OF MEETING

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

**That the Activities Performance Audit Committee adjourn until the conclusion of the Council meeting.**

The meeting adjourned at 1.01pm.

The meeting reconvened at 1.34pm.

(Mayor Tong, Councillors Bailey, Baird, Dillon, Dobson, Douglas, Duffy, Ford, Keast and Kramer were present when the meeting reconvened.)

### 1 Apologies

Apologies were received from Councillors Harpur, Macpherson and Paterson.

#### Resolution

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

**That the Activities Performance Audit Committee accept the apologies.**

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

**That the Activities Performance Audit Committee confirms the minutes of the meeting held on 5 August 2015.**

## Reports

### 7.1 Management Report from Audit New Zealand for the Long Term Plan 1 July 2015 to 30 June 2025

**Record No: R/15/6/11244**

Finance Manager Sheree Marrah was in attendance for this item.

She advised that as part of the audit process, Audit New Zealand provides Council with a report at the end of its audit outlining the work that was performed and any recommended areas for improvement.

Audit New Zealand has provided a management report in relation to the audit of the 2015-25 Long Term Plan (LTP)

The Management Report from Audit New Zealand noted that Council has 9 groups of activities and it reports its performance against 111 performance measures. Audit New Zealand believes there is scope to rationalise the number of measures to better reflect the Council's key priorities to the communities. For example, Council includes 25 measures for community services compared to 6 measures assessing the performance of its roading activities. Officers responded to Audit New Zealand advising that it is Council's intention to review its performance framework prior to the 2018 – 2028 LTP.

Following the advice from officers, Audit New Zealand issued an unmodified opinion on Council's 2015 -2025 Long Term Plan document on 24 June 2015. This means that Council's LTP "met its statutory purpose and provided an effective basis for public participation in Council's decisions about the proposed content of the 2015 – 2025 LTP". In issuing the unmodified opinion, Audit NZ found the LTP had no "material" misstatements.

#### Resolution

Moved Cr Dobson, seconded Cr Baird **and resolved:**

**That the Activities Performance Audit Committee:**

- a) **Receives the report titled "Management Report from Audit New Zealand for the Long Term Plan 1 July 2015 to 30 June 2025" dated 13 August 2015.**

### 7.2 Financial Report to 30 June 2015

**Record No: R/15/6/9979**

Management Accountant Susan McNamara was in attendance for this item.

She advised that the report outlined the interim financial results to 30 June 2015 and that this report is based on the financial information as at 10 July 2015. This was before year end processing was undertaken. The year-end processing primarily involves balancing up business units using either loans or appropriate reserves, calculating interest on internal reserves and loans along with a final depreciation calculation. The process also brings in accruals for employee benefits and ACC and revaluations relating to infrastructure and forestry for the year.

She also advised that this report covers Council's financial performance for district wide activities only. Those activities reported to Community Boards, Community Development Areas, Rural Water Supplies are not included. This is consistent with reporting throughout the financial year. As part of the year end process staff have also identified a number of projects that are either in progress or not started that still need to occur. These projects have been identified and included in a separate report to Council titled 'Projects from 2014/2015 to be carried forward into 2015/2016 Financial Year'. This report was also at a Council meeting on 26 August 2015.

The Committee was advised that the balance sheet is at 30 June 2015 and represents the audited balance sheet of activities for the Council. It excludes SIESA and Venture Southland. External borrowings have still not been required by Council with internal funds being used to meet any obligations for year-to-date.

**Resolution**

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

**That the Activities Performance Audit Committee:**

- a) **Receives the report titled "Financial Report to 30 June 2015" dated 19 August 2015.**

The meeting concluded at 1.56pm

CONFIRMED AS A TRUE AND CORRECT  
RECORD AT A MEETING OF THE ACTIVITIES  
PERFORMANCE AUDIT COMMITTEE HELD  
ON WEDNESDAY 26 AUGUST 2015.

**DATE:**.....

**CHAIRPERSON:**.....