

Audit and Risk Subcommittee
MINUTES

Minutes of an ordinary meeting of the Audit and Risk Subcommittee held in the Council Chamber, Level 2 Philip Laing House, 144 Rattray Street, Dunedin on Thursday 26 September 2024, commencing at 1:00 PM.

PRESENT

Cr Tim Mepham *(Chairperson)*
Mr Andrew Douglas
Cr Alexa Forbes
Cr Gary Kelliher
Cr Kevin Malcolm
Cr Gretchen Robertson *(Ex officio member)*
Cr Kate Wilson

1. WELCOME

Chair Mephram welcomed Councillors, members of the public and staff to the meeting at 1 pm. Councillors in attendance were Cr Andrew Noone, Cr Elliot Weir, Cr Alan Somerville, and Cr Lloyd McCall. Staff present included Richard Saunders (Chief Executive), Nick Donnelly (GM Finance), Tom Dyer (GM Manager Science and Resilience) online, Joanna Gilroy (GM Environmental Delivery), Amanda Vercoe (GM Strategy and Customer, Deputy CE), Mark Olsen (Manager People and Safety) Gina Watts (Team Leader, Health Safety and Wellbeing) Andrea Howard (Manager Executive Advice) Kylie Darragh (Governance Support).

2. APOLOGIES

There were no apologies for this meeting.

3. PUBLIC FORUM

No requests to address the Committee under Public Forum were received.

4. CONFIRMATION OF AGENDA

Resolution: Cr Wilson Moved, Andrew Douglas Seconded

That item 9.4 GOV2428 Asset Management Internal Audit Update be heard at the start of the meeting due to time scheduling for staff.

MOTION CARRIED

5. DECLARATIONS OF INTERESTS

Councillors were reminded of the need to stand aside if a conflict of interest arises. No changes to Councillor Declarations of Interests were noted.

6. PRESENTATIONS

No presentations were held.

1:07 pm Cr Gary Kelliher joined the meeting (online).

1:08 pm Cr Gretchen Robertson joined the meeting.

7. CONFIRMATION OF MINUTES

Resolution: Andrew Douglas Moved, Cr Forbes Seconded

That the minutes of the Audit & Risk Subcommittee meeting held on 25 June 2024 be confirmed as a true and accurate record.

MOTION CARRIED

8. ACTIONS (STATUS OF SUBCOMMITTEE RESOLUTIONS)

Status report on the resolutions of the Audit and Risk Subcommittee. Richard Saunders, Chief Executive, gave an update on the internal audit on asset management which is in progress.

9. MATTERS FOR CONSIDERATION

9.1. CS2430 Safety and Wellbeing

[Youtube 19:30] This report summarised activities and information on health, safety and wellbeing, and people and culture at Otago Regional Council for the 2024/25 year to date. Mark Olsen, Manager People and Safety, Gina Watts, Team Leader Health Safety and Wellbeing, and Kelly Stuart, Team Leader People Services, were present to respond to questions on the report.

Resolution AR24-123: Cr Malcolm Moved, Andrew Douglas Seconded

That the Audit and Risk Subcommittee:

1. *Notes this report.*

MOTION CARRIED

9.2. CS2431 Treasury Report

[Youtube 37:20] The report presented the quarterly Treasury Reporting Dashboard from Council's Investment Advisor, Bancorp, at 30 June 2024. Nick Donnelly, GM Finance, was present to respond to questions on the report.

Resolution AR24-124: Cr Wilson Moved, Cr Forbes Seconded

That the Audit and Risk Subcommittee:

1. *Notes this report and the attached Bancorp Treasury Reporting Dashboard – 30 June 2024.*

MOTION CARRIED

9.3. CS2435 Managed Fund Portfolio Performance Update

[Youtube 44:15] This report presented the Q2 2024 Portfolio Performance Report from Council's Investment Manager, JB Were (JBW), for the period ended 30 June 2024. Nick Donnelly, GM Finance, was present to respond to questions on the report.

Resolution AR24-125: Andrew Douglas Moved, Cr Wilson Seconded

That the Audit and Risk Subcommittee:

1. *Notes this report and the attached Q2 2024 Portfolio Performance Report.*

MOTION CARRIED

9.4. GOV2428 Asset Management Internal Audit Update

[Youtube 9:50] This matter was heard first, before matter 9.1. This report provided an update to the Audit and Risk Subcommittee on progress on an Internal Audit of Asset Management Practice at Otago Regional Council. Tom Dyer, GM Science and Resilience, was present online to respond to questions on the report.

Resolution AR24-126: Cr Wilson Moved, Cr Malcolm Seconded

That the Audit and Risk Subcommittee:

1. *Notes this report.*

MOTION CARRIED

Cr Forbes left the meeting at 1:59 pm.

9.5. CS2426 Deep Dive - Statutory Compliance

[Youtube 47:27] This report facilitated a discussion, or 'deep dive', into Council's management of the strategic risks arising from Statutory Compliance. Janet Ashcroft, Legal Counsel, and Mark Olsen, Manager People and Safety, were present to respond to questions on the report.

Resolution AR24-127: Cr Malcolm Moved, Andrew Douglas Seconded

That the Audit and Risk Subcommittee:

- 1) **Notes** the attached deep dive on Council's Strategic Risk – Statutory Compliance.

MOTION CARRIED

Cr Malcolm left the meeting at 2:03 pm.

11. RESOLUTION TO EXCLUDE THE PUBLIC

Resolution: Cr Wilson Moved, Andrew Douglas Seconded:

That the public be excluded from the following parts of the proceedings of this meeting, namely:

- PE Minutes of the Audit & Risk Subcommittee meeting of 25 June 2024
- 3.1 Annual Report 2023-2024 Audit Report
- 3.2 LTP 2024-2034 Audit Report
- 3.3 Strategic Risk Register
- 3.4 Managed Fund Report
- 3.5 Insurance Renewals Update
- 3.6 Review of ORC's Document Management System Privacy and Security Controls

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
<i>PE Minutes of the Audit & Risk Subcommittee meeting of 25 June 2024</i>	To avoid prejudice to measures that prevent or mitigate material loss to members of the public - 7(2)(e) To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h) To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) – Section 7(2)(i) To protect information where the making available of the information— would be likely unreasonably to	Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a) 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 would exist.

	<p>prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii)</p> <p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied – Section 7(2)(c)(i)</p> <p>To prevent the disclosure or use of official information for improper gain or improper advantage - 7(2)(j)</p> <p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— would be likely otherwise to damage the public interest – Section 7(2)(c)(ii)</p>	
<p><i>3.1 Annual Report 2023-2024 Audit Report</i></p>	<p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied – Section 7(2)(c)(i)</p> <p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— would be likely otherwise to damage the public interest – Section 7(2)(c)(ii)</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) 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 would exist.</p>
<p><i>3.2 LTP 2024-2034 Audit Report</i></p>	<p>To protect information which is subject to an obligation of confidence or which any person has been or could be</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution</p>

	<p>compelled to provide under the authority of any enactment, where the making available of the information— would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied – Section 7(2)(c)(i)</p> <p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— would be likely otherwise to damage the public interest – Section 7(2)(c)(ii)</p>	<p>exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) 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 would exist.</p>
<i>3.3 Strategic Risk Register</i>	<p>To avoid prejudice to measures that prevent or mitigate material loss to members of the public - 7(2)(e)</p> <p>To prevent the disclosure or use of official information for improper gain or improper advantage - 7(2)(j)</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) 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 would exist.</p>
<i>3.4 Managed Fund Report</i>	<p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied – Section 7(2)(c)(i)</p> <p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) 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 would exist.</p>

	making available of the information— would be likely otherwise to damage the public interest – Section 7(2)(c)(ii)	
<i>3.5 Insurance Renewals Update</i>	To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h) To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) – Section 7(2)(i)	Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a) 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 would exist.
<i>3.6 Review of ORC's Document Management System Privacy and Security Controls</i>	To protect the privacy of natural persons, including that of deceased natural persons – Section 7(2)(a) To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied – Section 7(2)(c)(i)	Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a) 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 would exist.

This resolution is made in reliance on [section 48\(1\)\(a\)](#) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by [section 6](#) or [section 7](#) of that Act or [section 6](#) or [section 7](#) or [section 9](#) of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.

MOTION CARRIED

Resolution: Cr Wilson Moved, Cr Noone Seconded:

That Heidi Rautjoki and Scott Hawkins of Deloitte be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of the Managed Fund Portfolio Performance. This knowledge, which will be of assistance in relation to the matter to be discussed, and relevant to that matter because of their consultation to ORC of the matter.

MOTION CARRIED

12. CLOSURE

There was no further business and Chair Mephram declared the meeting closed at 2:04 pm.



_____ 5/12/2024 _____
Chairperson Date