



Otago
Regional
Council

**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 6 March 2025, commencing at 1:00 PM.**

PRESENT

Cr Tim Mephram	<i>(Chair)</i>
Mr Andrew Douglas	
Cr Alexa Forbes	
Cr Gary Kelliher	
Cr Kevin Malcolm	
Cr Elliot Weir	
Cr Kate Wilson	<i>(Online)</i>

1. WELCOME

Chair Mephram welcomed Councillors, members of the public and staff to the meeting at 1pm with a karakia. Staff present included Richard Saunders (Chief Executive), Anita Dawe (GM Regional Planning and Transport), Nick Donnelly (GM Finance), Tom Dyer (GM Manager Science and Resilience), Tami Sargeant (GM People and Corporate), Amanda Vercoe (GM Strategy and Customer, Deputy CE), Mark Olsen (Manager People and Safety), Kelly Stuart (Team Leader People Services) and Kylie Darragh (Governance Support).

2. APOLOGIES

Apologies for Cr Robertson, Cr Wilson (lateness due to technical difficulties) and Cr Somerville were noted.

3. PUBLIC FORUM

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

4. CONFIRMATION OF AGENDA

A correction was made to the numbering of recommendations in matter 9.4. The agenda was then confirmed as published.

5. DECLARATIONS OF INTERESTS

No changes to Councillor Declarations of Interests were noted.

6. CONFIRMATION OF MINUTES

Resolution: Cr Mephram Moved, Andrew Douglas Seconded

That the minutes of the public portion of the meeting held on 5 December 2024 be confirmed as a true and accurate record.

7. ACTIONS (STATUS OF SUBCOMMITTEE RESOLUTIONS)

Open actions from resolutions of the Subcommittee were reviewed. An update was provided on the internal audit programme.

8. PRESENTATIONS

There were no presentations for the Subcommittee.

9. MATTERS FOR CONSIDERATION

9.1. CS2502 Audit and Risk Work Programme 2025

[YouTube 7.10] The report outlined the proposed work programme to be covered at Audit and Risk Subcommittee meetings in the 2025 calendar year to ensure the responsibilities outlined in the Subcommittee's Terms of Reference are fulfilled. Nick Donnelly, GM Finance, was available to answer questions.

Resolution AR25-101: Cr Forbes Moved, Cr Kelliher Seconded

That the Audit and Risk Subcommittee:

1) Notes this report.

2) Endorses the proposed work programme for the 2025 calendar year.

MOTION CARRIED

9.2. CS2503 Treasury Report

[YouTube 10.13] The report presented the quarterly Treasury Reporting Dashboard from Council's Investment Advisor, Bancorp, as at the 31 December 2024. Nick Donnelly, GM Finance, was present to respond to questions on the report.

Resolution AR25-102: Andrew Douglas Moved, Cr Malcolm Seconded

That the Audit and Risk Subcommittee:

1. **Notes** this report and the attached Bancorp Treasury Reporting Dashboard – 31 December 2024.

MOTION CARRIED

9.3. CS2504 Managed Fund Portfolio Performance Update

[YouTube 15.19] This paper presented the Q4 2024 Portfolio Performance Report from Council's Investment Manager, JBWere, for the period ended 31 December 2024. Nick Donnelly, GM Finance, was present to respond to the report and offered to go back to JBWere if any questions were raised for them.

Resolution AR25-103: Cr Kelliher Moved, Cr Malcolm Seconded

That the Audit and Risk Subcommittee:

1. **Notes** this report and the attached Q4 2024 Portfolio Performance Report.

MOTION CARRIED

9.4. CS2505 Managed Fund and SIPO Review

[YouTube 26:30] The report considered the recommendations and next steps from the Investment Performance Review presented to the 5 December 2024 Audit and Risk Subcommittee meeting. Nick Donnelly, GM Finance, was available to respond to questions and the correctly numbered recommendations were shared on the chamber screens for the Subcommittee to review. A workshop with JBWere was discussed for further information on the SIPO report.

Resolution AR25-104: Cr Malcolm Moved, Cr Forbes Seconded

That the Audit and Risk Subcommittee:

- 1) **Notes** this report.
- 2) **Endorses** the following actions:
 - a. Retain a 50:50 split between growth and defensive asset classes.
 - b. Allocate fixed interest on a 50:50 split between NZ and global fixed interest (22.5% to each asset class).
 - c. Do not allocate a specific target to emerging markets.
 - d. The Audit and Risk Subcommittee considers introducing a private equity allocation and request JBWere conduct a workshop to provide further detail on this asset class.
 - e. JBWere to add CPI +3% as a benchmark to future Quarterly Portfolio Performance reports.
 - f. SIPO reviews to remain three yearly.
 - g. No other changes to reporting are required noting JBWere already provides a Quarterly Portfolio Performance Report.
 - h. Retain the existing ESG controversies "red flag" exclusion.

MOTION CARRIED

Resolution AR25-105: Cr Malcolm Moved, Andrew Douglas Seconded

That the Audit and Risk Subcommittee:

3. Notes that based on Audit and Risk Subcommittee direction a revised SIPO will be presented to the June Audit and Risk Subcommittee meeting for approval and recommendation to Council.

MOTION CARRIED

9.5. CS2507 Safety and Wellbeing

[YouTube 58.30] The 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. Tami Sargeant, GM People and Corporate, Mark Olsen, Manager People and Safety and Kelly Stuart, Team Leader People Services were available to respond to questions.

Resolution AR25-106: Cr Malcolm Moved, Cr Forbes Seconded

That the Audit and Risk Subcommittee:

a) Notes this report.

MOTION CARRIED

10. RESOLUTION TO EXCLUDE THE PUBLIC

Resolution: Andrew Douglas Moved, Cr Forbes Seconded

That the public be excluded from the following items under LGOIMA 48(1)(a), namely:

- Confirmation of the Minutes of the Confidential Audit and Risk Subcommittee Meeting of 5 December 2024
- 3.1 Managed Fund Report
- 3.2 Insurance Updates

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 5 December 2024</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 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 – Section 7(2)(b)(ii)</p> <p>To avoid prejudice to measures that prevent or mitigate material loss to members of the public - 7(2)(e)</p> <p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p> <p>To prevent the disclosure or use of official information for improper gain or improper advantage - 7(2)(j)</p> <p>To protect the privacy of natural persons, including that of deceased natural persons – Section 7(2)(a)</p> <p>To maintain legal professional privilege – Section 7(2)(g)</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>3.1 Managed Fund Report</i></p>	<p>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 – 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 enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</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 Insurance Updates</i></p>	<p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p> <p>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 – Section 7(2)(b)(ii)</p> <p>To avoid prejudice to measures that prevent or mitigate material loss to members of the public - 7(2)(e)</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>

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 are as follows:

11. CLOSURE

There was no further business and Chair Mephram declared the meeting closed at 2:14 pm.



Chair

Date

4 June 2025