

**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 5 December 2024, commencing at 1:00 PM.

PRESENT

Cr Tim Mepham	<i>(Co-Chairperson)</i>
Mr Andrew Douglas	<i>(Co-Chairperson)</i>
Cr Alexa Forbes	
Cr Kevin Malcolm	
Cr Gretchen Robertson	<i>(Ex officio member)</i>
Cr Kate Wilson	

1. WELCOME

Chair Douglas welcomed Councillors, members of the public and staff to the meeting at 1:00 pm with a karakia. Cr Lloyd McCall was in attendance. Staff present included Richard Saunders (Chief Executive), Nick Donnelly (GM Finance), Anita Dawe (GM Regional Planning and Transport), Tom Dyer (GM Manager Science and Resilience) Joanna Gilroy (GM Environmental Delivery), Tami Sargeant (GM People and Corporate) Amanda Vercoe (GM Strategy and Customer, Deputy CE), Kylie Darragh (Governance Support Officer).

2. APOLOGIES

Resolution: Cr Wilson Moved, Cr Malcolm Seconded:

That the apologies for Cr Gary Kelliher be accepted.

MOTION CARRIED

3. PUBLIC FORUM

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

4. CONFIRMATION OF AGENDA

The agenda was confirmed as published.

5. DECLARATIONS OF INTERESTS

Councillors were reminded to step aside if any conflict of interest arose.

6. CONFIRMATION OF MINUTES

Resolution: Cr Malcolm Moved, Cr Wilson Seconded

That the minutes of the (public portion of the) meeting held on 26 September 2024 be received and confirmed as a true and accurate record.

MOTION CARRIED

7. ACTIONS (STATUS OF SUBCOMMITTEE RESOLUTIONS)

Status report on the resolutions of the Audit and Risk Subcommittee

8. PRESENTATIONS

Phil Borkin Senior Strategist of JBWere, gave a presentation to the subcommittee on Managed Fund. The portfolio performance was reviewed. Ethical investment screening has been performed. Opportunities for questions from the subcommittee was provided during the presentation. Chair Douglas thanked Phil for attending.

9. MATTERS FOR CONSIDERATION

9.1. CS2443 Managed Fund Portfolio Performance Update

[YouTube 6:10] This report presented the Q3 2024 Portfolio Performance Report from Council's Investment Manager, JB Were (JBW), for the period ended 30 September 2024. Phil Borkin, Senior Strategist of JBWere, was present for questions on the report.

Resolution AR24-134: Cr Mepham Moved, Cr Forbes Seconded

That the Audit and Risk Subcommittee:

- 1. Notes this report and the attached Q3 2024 Portfolio Performance Report.*

MOTION CARRIED

9.2. GOV2477 Asset Management Internal Audit Update

[YouTube 33:45] This paper reported back to the Audit and Risk Subcommittee on the findings of an Internal Audit of Asset Management Practice at Otago Regional Council. Online, Chris Bowie and Edward Guy, consultants from Rationale, reviewed their findings on the Internal Audit with a short presentation. Tom Dyer, General Manager Science and Resilience was present to respond to questions.

Resolution AR24-135: Cr Malcolm Moved, Cr Wilson Seconded

That the Audit and Risk Subcommittee:

- 1. Notes** this report.
- 2. Requests** that staff consider the recommendations of the report as part of the overall business improvement programme for ORC.
- 3. Notes** that a report on establishing an enduring internal audit programme will be reported to the Subcommittee in the new year following the completion of a recruitment process.

MOTION CARRIED

9.3. CS2447 Deep Dive - Natural Hazards

This report sought to facilitate a discussion, or 'deep dive', into Council's management of the *Natural Hazards* strategic risk. Tim van Woerden, Senior Natural Hazards Analyst, Jean-Luc Payan, Manager Natural Hazards, Tom Dyer, General Manager Safety and Resilience were present for questions on the report.

Resolution AR24-136: Cr Malcolm Moved, Cr Wilson Seconded

That the Audit and Risk Subcommittee:

- 1. Notes** the attached deep dive on Council's 'Natural Hazards' strategic risk.

MOTION CARRIED

9.4. CS2453 Rates Strike Corrections 2024/25

[YouTube 1:27:25] The purpose of this paper was to outline the cause of two errors in the rates strike for the 2024-25 rating period. This item included the addendum from Richard Saunders, Chief Executive. Sarah Munro, Manager Finance Reporting and Nick Donnelly, General Manager Finance were available to respond to questions on the report.

Resolution AR24-137: Cr Forbes Moved, Cr Mepham Seconded

That the Audit and Risk Subcommittee:

- 1. Notes** this report.

MOTION CARRIED

9.5. CS2452 Safety and Wellbeing

[YouTube 1:39:45] This report summarised activities and information on health, safety and wellbeing (HSW), and people and culture (HR) at ORC (Otago Regional Council) for the 2024/25 year to date. Mark Olsen, Manager People and Safety, Hannah Port, Team Leader Fleet and Facilities, and Tami Sargeant General Manager People and Corporate were available to respond to questions on the report.

Resolution AR24-138: Cr Wilson Moved, Cr Forbes Seconded

That the Audit and Risk Subcommittee:

- 1. Notes** this report.

MOTION CARRIED

9.6. CS2448 Legislative Compliance

[YouTube 2:01:30] To receive Council's six-monthly legislative compliance report; being the ComplyWith survey results which measure Council's compliance with legislative requirements. Janet Ashcroft, Legal Counsel, was available to respond to questions on the report. There was an amendment to the recommendation to recommend to council as per delegations of the subcommittee.

Resolution AR24-139: Cr Wilson Moved, Cr Forbes Seconded

That the Audit and Risk Subcommittee:

- 1. Notes this report.*
- 2. Recommends to Council that staff are requested to change from six monthly ComplyWith surveys to surveying legislative compliance once a year (in October/November), and in between annual surveys complete a legislative compliance audit of two directorates (in April/May) until all five directorates have been audited, with a review of survey frequency to follow; in mid-2027.*

MOTION CARRIED

9.7. CS2442 Treasury Report

[YouTube 2:13:30] To present the quarterly Treasury Reporting Dashboard from Council's Investment Advisor, Bancorp, as at 30 September 2024. Nick Donnelly, General Manager Finance, was available to respond to question on the report.

Resolution AR24-140: Cr Mephram Moved, Cr Wilson Seconded

That the Audit and Risk Subcommittee:

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

MOTION CARRIED

9.8. GOV2459 Te Tiriti o Waitangi Audit

[YouTube 2:13:00] This report provided Audit and Risk with the outcome of the Te Tiriti o Waitangi Audit (the Audit) undertaken by Te Kura Taka Pini Limited² (TKTP) in 2023/2024, along with a deep dive analysis of our strategic risk, Partnership effectiveness. Sarah Martin, Senior Advisor Iwi Partnerships and Engagement and Andrea Howard, Manager Executive Advice, were present to respond to questions.

Resolution AR24-141: Cr Forbes Moved, Cr Mephram Seconded

That the Audit and Risk Subcommittee:

- 1. Notes the outcome of the partnership audit undertaken Te Kura Taka Pini Limited.*
- 2. Notes the deep dive of the Partnership Effectiveness strategic risk.*

MOTION CARRIED

10. NOTICES OF MOTION

Nil.

11. RESOLUTION TO EXCLUDE THE PUBLIC

Recommendation: Cr Forbes Moved, Cr Wilson Seconded

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

- *Confirmation of the Minutes of the Confidential Audit and Risk Subcommittee Meeting of 26 September 2024*
- *CS2444 Audit Management Letter and Initial Response*
- *CS2449 Insurance Disclosure*
- *CS2445 Managed Fund Report*
- *CS2446 Managed Fund Performance Review*
- *CS2450 Strategic Risk Register*
- *A&R2406 ORC Response Plan to Document Management System Privacy and Security Controls Review.*

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
<p><i>PE Minutes of the Audit & Risk Subcommittee meeting of 26 September 2024</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>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>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p> <p>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)</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);</p> <p>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 Audit Management Letter – Initial Response</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>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>
<p><i>3.2 Insurance Disclosures</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) 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)</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: (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>3.3 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) 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) 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: (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 Performance Review</i>	<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>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>(b) 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>3.5 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>(c) 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>3.6 ORC Response Plan to Document Management System Privacy and Security Controls Review</i>	<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>(d) 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.

12. CLOSURE

There was no further business and Chair Douglas declared the meeting closed at 3:26 pm.

	06-03-2025
Chair	Date