

# Audit & Risk Subcommittee Agenda

## 11 November 2021



Meeting is held in the Council Chamber, Level 2, Philip Laing House  
 144 Rattray Street, Dunedin - Councillors  
 ORC YouTube Livestream - Members of the Public

### Members:

Cr Hilary Calvert, Chair  
 Mr Andrew Douglas (Independent Member)  
 Cr Kevin Malcolm  
 Cr Andrew Noone  
 Cr Kate Wilson

Senior Officer: Sarah Gardner, Chief Executive

Meeting Support: Dianne Railton, Governance Support

11 November 2021 02:00 PM

<b>Agenda Topic</b>	<b>Page</b>
1. APOLOGIES No apologies were received prior to publication of the agenda.	
2. PUBLIC FORUM No requests from members of the public to address the Audit and Risk Subcommittee were received prior to publication of the agenda.	
3. CONFIRMATION OF AGENDA Note: Any additions must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.	
4. CONFLICT OF INTEREST Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.	
5. CONFIRMATION OF MINUTES The Subcommittee will consider minutes of the previous meeting as a true and accurate record, with or without changes.	3
5.1 <a href="#">Minutes of the 14 October 2021 Audit and Risk Subcommittee Meeting</a>	3
6. ACTIONS (Status of Subcommittee Resolutions) The Subcommittee will review outstanding actions for resolutions of the A&R Subcommittee	10
6.1 <a href="#">Action Register at 11 November 2021</a>	10
7. MATTERS FOR CONSIDERATION	11

7.1 **VEHICLE MONITORING AND TRACKING** 11

The report provides a summary of the investigation of how other entities monitor personal vehicle usage and reports back on best practice.

8. **RESOLUTION TO EXCLUDE THE PUBLIC** 14

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

- Minutes of the 14 October 2021 public excluded Audit and Risk Subcommittee Meeting
- 3.1 Managed Fund - September 2021 Report - 7(2)(b)(ii); 7(2)(c)(i); 7(2)(h)
- 3.2 Audit Management Letter - Initial Response - 7(2)(c)(i)

8.1 **Public Excluded Reason and Grounds** 14

9. **CLOSURE**



Minutes of a meeting of the Audit and  
Risk Subcommittee held in the Council  
Chamber on Thursday 14 October  
2021, at 1:00 PM

**Membership**

Cr Hilary Calvert *(Chairperson)*  
Mr Andrew Douglas *(Independent Member)*  
Cr Kevin Malcolm  
Cr Andrew Noone  
Cr Kate Wilson

**Welcome**

Chairperson Calvert welcomed Councillors, members of the public and staff to the meeting at 1:00 pm. Staff present included Sarah Gardner (Chief Executive), Nick Donnelly (GM Corporate Services), Gavin Palmer (GM Operations), Amanda Vercoe (GM Governance, Culture and Customer), Dianne Railton (Governance Support), Rebecca Webster (Safety and Wellbeing Partner) and Nicole Ross (Manager People and Safety). Also present were Deloitte Auditors, Heide Rautjoki and Aveshin Govender.

## 1. APOLOGIES

No apologies were received.

## 2. PUBLIC FORUM

No public forum was held.

## 3. CONFIRMATION OF AGENDA

### **Resolution: Cr Wilson Moved, Cr Malcolm Seconded**

*Cr Calvert requested that the meeting would move into public excluded following 6. Actions, to accommodate the external auditors who were present and that all public excluded reports would be considered prior to moving back into public session for consideration of the remainder of the agenda.*

**MOTION CARRIED**

## 4. CONFLICT OF INTEREST

No conflicts of interest were advised.

## 5. CONFIRMATION OF MINUTES

### **Resolution: Cr Malcolm Moved, Andrew Douglas Seconded**

*That the minutes of the (public portion of the) meeting held on 13 May 2021 be received and confirmed as a true and accurate record.*

**MOTION CARRIED**

## 6. ACTIONS (STATUS OF COMMITTEE RESOLUTIONS)

Status report on the resolutions of the Audit and Risk Subcommittee was reviewed.

## 8. RESOLUTION TO EXCLUDE THE PUBLIC

### **Resolution: Cr Calvert Moved, Cr Noone Seconded:**

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

- 3.1 Annual Report for the year ended 30 June 2021 and Audit Management Letter - 7(2)(c)(i)
- 3.2 Long-Term Plan 2021-31 Audit Management Letter - 7(2)(c)(i)
- 3.3 Managed Fund Report – June 2021 - 7(2)(b)(ii); 7(2)(c)(i); 7(2)(h)
- 3.4 Risk Report - 7(2)(e); 7(2)(j)
- 3.5 Fraud Risk - Assessment and Actions - 7(2)(e); 7(2)(j)
- 3.6 Insurance Disclosure Update - 7(2)(b)(ii); 7(2)(e); 7(2)(h)
- 3.7 Wilding Conifer Contract Management - 7(2)(g); 7(2)(e); 7(2)(h)

Cr Calvert also moved that Heidi Rautjoki and Aveshin Govender be permitted to remain at the meeting, after the public has been excluded, because of their knowledge of the Deloitte Annual Report Audit Management Letter and the Long-Term Plan Audit Management Letter. This knowledge would be of assistance in relation to the matter to be discussed and is relevant to that matter because they represent Deloitte.

**MOTION CARRIED**

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>Minutes of the 13 May 2021 Audit &amp; Risk Subcommittee Public Excluded</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 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 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 – Section 7(2)(e);</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><i>3.1 Annual Report for the year ended 30 June 2021 and Audit Management Letter</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 Long-Term Plan 2021-31 Audit Management Letter</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>3.3 Managed Fund – June 2021 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</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>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><i>3.4 Risk Report</i></p>	<p>To avoid prejudice to measures that prevent or mitigate material loss to members of the public – Section 7(2)(e);</p> <p>To prevent the disclosure or use of official information for improper gain or improper advantage – Section 7(2)(j)</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>3.5 Fraud Risk – Assessment and Actions</i></p>	<p>To avoid prejudice to measures that prevent or mitigate material loss to members of the public – Section 7(2)(e);</p> <p>To prevent the disclosure or use of official information for improper gain or improper advantage – Section 7(2)(j)</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>Insurance Disclosure - Update</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 –</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</p>

	Section 7(2)(e); To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)	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>Wilding Conifer Contract Management</i>	To maintain legal professional privilege – Section 7(2)(g); To avoid prejudice to measures that prevent or mitigate material loss to members of the public – Section 7(2)(e); To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)	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.

*The Audit and Risk Subcommittee reconvened at 4:00pm.*

**7. MATTERS FOR CONSIDERATION**

**7.1. Safety and Wellbeing Report**

The report summarised progress towards the Safety and Wellbeing Team’s key strategic priorities and safety performance indicators for the period April 2021 – June 2021 (Quarter 4, FY 20/21), and key areas of focus for the Safety and Wellbeing team for the 2020/21 financial year and beyond. Rebecca Webster (Safety and Wellbeing Partner) and Nicole Ross (Manager People and Safety) were present to speak to the report and respond to questions.

Sarah Gardner highlighted the increasing concern about abuse to staff and that it is something the Subcommittee needs to be aware of. She advised there were eight reported incidents in the last quarter and police had to be involved for two of them. Cr Calvert asked if the report includes bullying, and Mrs Gardner replied that incidents of bullying would be managed through the HR Team and management, and therefore is not reported in the Safety and Wellbeing Report. Mrs Gardner said that she has zero tolerance of bullying. Rebecca Webster provided an update on Duress & Emergency Response training and Self-Safe Duress training that is available for staff, as well as other improvements that have been implemented. She advised that the Safety and Wellbeing Team are also looking at improved technology for workers in the field.



**Resolution AR21-125: Cr Malcolm Moved, Cr Noone Seconded**

*That the Subcommittee:*

- 1) **Receives** this report.

**MOTION CARRIED**

**7.2. CS2137 Corporate Policy Overview**

The report provided an overview of Council's organisational policies to the Audit and Risk Subcommittee. Nick Donnelly (GM Corporate Services) was present to speak to the report and respond to questions.

**Resolution AR21-126: Cr Wilson Moved, Cr Noone Seconded**

*That the Audit and Risk Subcommittee:*

- 1) **Receives** this report, noting that the legislative and risk considerations are inherent in the report.
- 2) **Requests** the Corporate Policy Overview Report be brought back to A&R Subcommittee quarterly.
- 3) **Requests** staff to develop a policy on contract management and bring back progress towards this to Audit and Risk Subcommittee early 2022.

**MOTION CARRIED**

**7.3. GOV2130 External Review Actions Update**

The report provided an update of the two significant external reviews that have been undertaken being the Section 24A RMA Investigation (the Skelton Review) and Consents Review and detailed any actions taken that address recommendations of the external reviews. Nick Donnelly (GM Corporate Services) was present to speak to the report and respond to questions.

**Resolution AR21-127: Cr Wilson Moved, Cr Malcolm Seconded**

*That the Audit and Risk Subcommittee:*

- 1) **Receives** this report.

**MOTION CARRIED**

**9. CLOSURE**

There was no further business and Chairperson Calvert declared the meeting closed at 5:07pm.

---

Chairperson

---

Date

**ACTION REGISTER – OUTSTANDING RESOLUTIONS OF THE AUDIT & RISK SUBCOMMITTEE MEETINGS AT 11 NOVEMBER 2021**

Meeting Date	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
13/05/2021	Risk Review Update	In Progress	Track documents/items marked as non-compliant as identified in the Warrant of Fitness and/or Mandatory Documents Register by adding an additional column in the register. <b>RES AR21-104</b>	General Manager Corporate Services and CFO, Legal Counsel	<b>28/07/2021 Legal Counsel</b>  An additional column to track non-compliant documents/items will be added to the Annual Legislative Warrant of Fitness and Mandatory Documents Register which will be presented to the Audit & Risk Sub-Committee early 2022.	28/02/2022
14/10/2021	CS2137 Corporate Policy Overview	Assigned	Staff to develop a policy on contract management and bring back progress towards this to Audit and Risk Subcommittee early 2022. <b>RES AR21-126</b>	General Manager Corporate Services and CFO, Manager Finance - Reporting	<b>2/11/2021 General Manager Corporate Services and CFO</b>  This will be added to the agenda for the Policy Review Group to consider and progress will be reported back to A&R via the Policy updates from that group.	31/03/2022

### 7.1. GOV2132 Vehicle Monitoring and Tracking

**Prepared for:** Audit and Risk Subcommittee  
**Report No.** GOV2132  
**Activity:** Governance Report  
**Author:** Sarah Munro, Finance Manager- Reporting  
**Endorsed by:** Nick Donnelly, General Manager Corporate Services  
**Date:** 11 November 2021

---

#### PURPOSE

- [1] The purpose of this paper is to provide the Audit and Risk Subcommittee with a summary of how other entities monitor personal vehicle usage and report back on best practice.

#### EXECUTIVE SUMMARY

- [2] At the 13 May 2021 Audit and Risk Subcommittee meeting it was resolved to: "Request the Chief Executive to investigate how other entities monitor personal vehicle usage and what are best practices." AR21-101
- [3] A survey request was made to all Local Authorities, however only 6 Councils responded (4 were from the Southland/Otago region).
- [4] The response from the survey did not identify a common best practice however the survey responses showed that the majority of local authorities that did respond did not GPS track private use vehicles.

#### RECOMMENDATION

*That the Audit and Risk Subcommittee:*

- 1) **Receives** this report.

#### BACKGROUND

- [5] Council vehicles (except for private use vehicles) are required to be GPS tracked. Council uses the Smartrak system to provide GPS tracking, reporting and vehicle management. Smartrak is an All of Government provider.
- [6] Smartrak is not able to restrict data that is obtained from GPS. If a vehicle is GPS tracked all data including the following can be viewed:
- Locations the vehicle has travelled and stopped
  - The number of trips and time spent at each location
  - Speed travelled
  - The live exact location of the vehicle at any time
- [7] Private use vehicles are provided to the Chairperson, Chief Executive and General Managers for a salary sacrifice equal to the value of the full personal use of the vehicle. The personal use of the vehicle is not restricted and is 24/7 private use. Private use vehicles are not branded to identify them as Council vehicles to the public.
-

- [8] Council uses the Smartrak primarily for Health and Safety purposes, for allocation of vehicle costs and for completing fringe benefit tax returns. Private use vehicles may be fitted with Smartrak if the user of that vehicle wishes it to be.
- [9] A recent clarification under the Local Government Official Information and Meetings Act 1987 determined that Council vehicles' GPS data (including private use vehicles if they are GPS tracked) is required to be supplied under an Official Information Act request. Previously due to the private nature of private use vehicles it was interpreted that private use vehicles would be excluded.

## **DISCUSSION**

- [10] A survey request was made to all Finance Managers at local authorities in New Zealand on the GPS status of private use vehicles. Only 6 Councils responded to the request for information (4 of these were from the Southland/Otago region).
- [11] Four of the Councils did not track the GPS location of executive vehicles. The Councils explanation for not GPS tracking the vehicles was that there was a salary sacrifice for the value of the vehicle and full private use was allowed. The Council's believed that if the vehicle was tracked, it restricted an individual's private use as the vehicle use and location was known at all times.
- [12] Two of the Councils did GPS track private use vehicles. Those Councils explanation for GPS tracking the vehicles related to health and safety.
- [13] Another consideration of a Council that GPS tracked the private use vehicles, was the need to record mileage.

## **CONSIDERATIONS**

### **Strategic Framework and Policy Considerations**

- [14] There are no strategic framework and policy considerations.

### **Financial Considerations**

- [15] Private use vehicles are eligible for the Fringe Benefit Tax business use exception when the person allocated the vehicle travels on a business purpose, does not use the vehicle (and the vehicle is not available) for personal use. This can only be claimed (resulting in FBT for the business purpose use day not being due) if the vehicle is tracked by a GPS system to verify that the vehicle was used for a business purpose and was not available for personal use.

### **Significance and Engagement Considerations**

- [16] There are no significant and engagement considerations.

### **Legislative and Risk Considerations**

- [17] There are no legislative and risk considerations.

### **Climate Change Considerations**

- [18] These are no climate change considerations.

**Communications Considerations**

[19] There are no communication considerations.

**ATTACHMENTS**

Nil

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>Minutes of the 14 October 2021</i>	<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 avoid prejudice to measures that prevent or mitigate material loss to members of the public – Section 7(2)(e);</p> <p>To maintain legal professional privilege – Section 7(2)(g);</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 – Section 7(2)(j)</p>	
<i>3.1 Managed Fund – September 2021 Report</i>	<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</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</p>

	<p>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 maintain legal professional privilege – Section 7(2)(g);                  To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p>	<p>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 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>

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.