



Minutes of a meeting of the Audit and Risk Subcommittee
held in the Council Chamber on Thursday 12 May 2022,
commencing at 1:00 PM

Membership

Cr Hilary Calvert
Mr Andrew Douglas
Cr Kevin Malcolm
Cr Andrew Noone
Cr Kate Wilson

(Chairperson)
(Independent Member)

Welcome

Subcommittee Chairperson Hilary Calvert welcomed Councillors, members of the public and staff to the meeting at 1:07 pm. Staff present included Amanda Vercoe (GM Governance, Culture and Customer), Gavin Palmer (GM Operations), Richard Saunders (GM Regulatory and Comms), Liz Spector (GSO) and Rebecca Webster (Acting Manager People and Safety). Present electronically included Sarah Gardner (Chief Executive), Anita Dawe (Acting GM Policy and Science), Sarah Munro (Manager Finance - Reporting), Mike Roesler (Manager Corporate Planning), and Jasmin Lamorie (Corporate Planning and Business Partner).

1. APOLOGIES

Resolution: Cr Wilson Moved, Cr Malcolm Seconded:

That the apologies for Cr Noone be accepted.

MOTION CARRIED

Subcommittee member Andrew Douglas was present electronically.

Cr Alexa Forbes was present as a non-member.

2. PUBLIC FORUM

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

3. CONFIRMATION OF AGENDA

Chairperson Calvert said to accommodate the representatives of the external auditor who were attending the meeting to speak to the first public-excluded report and to accommodate staff attending for the second public-excluded report, she would move to go into public excluded following *Item 6 Actions* of the public agenda. Following consideration of those two public-excluded items, she said she would adjourn the public-excluded meeting and reconvene the public meeting, following the published order.

4. CONFLICT OF INTEREST

No conflicts of interest were advised.

5. CONFIRMATION OF MINUTES

Resolution: Cr Malcolm Moved, Cr Wilson Seconded

That the minutes of the (public portion of the) meeting held on 24 February 2022 be received and confirmed as a true and accurate record.

MOTION CARRIED

6. ACTIONS

Open actions from resolutions of the subcommittee were reviewed.

Following consideration of open actions, Cr Calvert moved:

Resolution: Cr Calvert Moved, Cr Wilson Seconded.

- 1) *That the meeting moves into public-excluded to consider items of 3.1 and 3.2 of that agenda per the order paper immediately following **Item 6 Actions** on the public agenda to facilitate attendance by the auditors and staff. Following consideration of those two public-excluded reports, the public meeting will reconvene and follow the published order.*
- 2) *Further, Heidi Rautjoki and Aveshin Govender of Deloitte Limited shall be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of the draft Audit Planning Report. This knowledge will be of assistance in relation to the matter to be discussed.*

MOTION CARRIED

Chairperson Calvert reconvened the public meeting at 2:11 p.m. following consideration of the first two items on the public-excluded agenda.

7. MATTERS FOR CONSIDERATION

7.1. CS2220 Annual Report Timetable and Matters Under Consideration

This report was provided to outline the adoption timetable and changes in the accounting standards for the Annual Report and Financial Statements for the year ending 30 June 2022. Sarah Munro (Manager Finance - Reporting) and Nick Donnelly (GM Corporate Services) were present electronically to respond to questions about the report.

A discussion was held about the challenges presented in translating the information into something more easily interpreted by the community. Mr Donnelly said he will take the comments on board and look at ways to incorporate graphs and other tools into the reports.

Following further discussion, Cr Malcolm moved the staff recommendation.

Resolution AR22-113: Cr Malcolm Moved, Cr Calvert Seconded

That the Audit and Risk Subcommittee:

- 1) *Notes this report.*

MOTION CARRIED

7.2. CS2222 Procurement and Contract Management

The Procurement and Contract Management Policy was updated to reflect changes that were released by the Ministry of Business, Innovation and Employment (MBIE) and to amend the policy to include ongoing contract management in accordance with a resolution of the 24 February 2022 Audit and Risk Subcommittee meeting. This report provided the revised draft policy for consideration. Nick Donnelly (GM Corporate Services) was present electronically to respond to questions about the report and draft policy.

Mr Andrew Douglas asked about an inconsistency he noticed between the draft policy presented to the subcommittee on 24 February 2022 and the draft policy included with the current agenda. He said the 24 February draft had a bullet point identifying obtaining three written quotes for items between \$25k and \$100k on page 3 of the draft policy that was not in the updated policy. Mr Donnelly noted Mr Douglas' question and said the procurement plan for purchases within those prices could require quotes, but per the policy, don't necessarily require three written quotes. He said he could modify the language in this section to make the intent clearer.

Mr Douglas asked how approved policies are circulated to relevant staff. Mr Donnelly said all internal policies are posted to the ORC intranet allowing all-staff access. He also noted in the case of this specific policy, Ms Munro and her team work with all staff involved with procurement, providing training and updates. Ms Munro also noted new staff are trained on the procurement policy prior to being granted approval to purchase anything.

A discussion was then held about who holds ultimate responsibility for management of specific contracts, with Mr Douglas noting General Managers would have oversight of contracts for their departments. It was noted to add mention that every contract must include the name of a person responsible and add to the second bullet point. Mr Douglas asked if further enhancement could be made to the policy to incorporate risk. Mr Donnelly said he had considered that and noted it was included in some bullet points in the procurement section of the document. He said he would incorporate something similar into the contract management section. Mr Donnelly further said he would develop guidelines in parallel with the policy as part of contract documentation for staff which would discuss development of a risk analysis as part of procurement planning documentation. Chairperson Calvert asked that a sentence be included that read "and in accordance with any guidelines and templates that from time to time may change." Mr Donnelly agreed.

There was no further discussion and Cr Malcolm moved to note the paper and draft policy.

Resolution AR22-114: Cr Malcolm Moved, Andrew Douglas Seconded

That the Audit and Risk Subcommittee:

- 1) **Notes this report and the draft Procurement and Contract Management Policy.**

MOTION CARRIED

7.3. CS2236 Corporate Policy Overview Report

This report was provided to update the subcommittee on the ORC's organisational policies per a resolution made at the 14 October 2021 meeting. Nick Donnelly (GM Corporate Services) was present electronically to respond to questions about the report.

Cr Malcolm asked if Mr Donnelly had any concerns related to the status of any of the organisational policies. Mr Donnelly said many of the policies are new or have been recently amended and he was comfortable with where the ORC was in relation to its internal policies. Mrs Sarah Gardner (Chief Executive Officer) said a vast amount of work had gone into updating and circulating the policies. She noted much staff engagement had occurred with the policies, noting this had helped find any gaps. Mrs Gardner said it was important to have a drug and alcohol policy, and expert help on crafting this policy had been requested as it was complicated. She also said much work had gone into the recently completed Wellbeing Policy.

There were no further questions and Cr Calvert moved to note the report.

Resolution AR22-115: Cr Calvert Moved, Cr Wilson Seconded

That the Audit and Risk Subcommittee:

- 1) **Notes this report.**

MOTION CARRIED

7.4. GOV2223 Safety and Wellbeing Report

This report summarised progress towards the Safety and Wellbeing Team's key strategic priorities and safety performance indicators for the period January 2022 – March 2022 (Quarter 3 FY 21/22). The report also summarised key areas of focus for the Safety and Wellbeing team for the 2021/22 financial year and beyond. Rebecca Webster (Team Leader Safety and Wellbeing) and Amanda Vercoe (GM Governance, Culture and Customer) were present to respond to questions about the report.

A general discussion of the report was held, including questions about the ORC’s COVID-19 response and related staffing concerns. Mrs Gardner (CE) noted the ORC had been proactive in its management of COVID-19, with its Continuity Management Team up and running since the initial lockdown in 2020. She noted ORC had enacted a mandatory vaccination policy which had now been revised per government guidelines. She said no job losses had occurred due to the policy, not had the ORC had any significant business interruptions.

Chairperson Calvert noted a risk generally pending for local governments related to staffing difficulties. Mrs Gardner said recruitment, retention and resilience were real challenges and a point of difference for the ORC had been its flexible work policy and wellbeing arrangements. She said it was important to note these packages and that empathy for staff means they choose to work for the ORC over other organisations. She asked that Council manage this risk over the next few months to ensure the ORC continues to retain and attract talented staff.

Following further discussion, Cr Wilson moved the staff recommendation.

Resolution AR22-116: Cr Wilson Moved, Cr Malcolm Seconded

That the Subcommittee:

- 1) **Notes this report.**

MOTION CARRIED

8. RESOLUTION TO EXCLUDE THE PUBLIC

Resolution: Cr Wilson Moved, Cr Malcolm Seconded:

That the meeting move into public excluded to consider the remaining items, 3.3 through 3.7 of the public-excluded agenda per the order paper.

MOTION CARRIED

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 24 Feb 2022 public-excluded meeting</i>	<p>Section 7(2)(b)(ii) 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.</p> <p>Section 7(2)(c)(i) 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</p>	

	<p>supplied.</p> <p>Section 7(2)(e) To avoid prejudice to measures that prevent or mitigate material loss to members of the public.</p> <p>Section 7(2)(g) To maintain legal professional privilege.</p> <p>Section 7(2)(h) To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.</p> <p>Section 7(2)(j) To prevent the disclosure or use of official information for improper gain or improper advantage.</p>	
<i>Deloitte ORC Audit Plan</i>	<p>Section 7(2)(c)(i) 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.</p> <p>Section 7(2)(c)(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 otherwise to damage the public interest.</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>Wilding Conifer Contract Management Update</i>	<p>Section 7(2)(e) To avoid prejudice to measures that prevent or mitigate material loss to members of the public.</p> <p>Section 7(2)(g) To maintain legal professional privilege.</p> <p>Section 7(2)(h) To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.</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>Managed Fund – March 2022</i>	<p>Section 7(2)(b)(ii) To protect information where the making available of the information—would be likely unreasonably to</p>	<p>Section 48(1)(a): Subject to subsection (3), a local authority may by resolution exclude the</p>

	<p>prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>Section 7(2)(c)(i) 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.</p> <p>Section 7(2)(h) To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.</p>	<p>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>Insurance Renewal</i>	<p>Section 7(2)(h) To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.</p> <p>Section 7(2)(i) To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</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>Insurance Disclosures</i>	<p>Section 7(2)(e) To avoid prejudice to measures that prevent or mitigate material loss to members of the public.</p> <p>Section 7(2)(h) To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.</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>Vehicle Monitoring and</i>	<p>Section 7(2)(c)(ii) To protect information which is subject to an obligation of</p>	<p>Section 48(1)(a): Subject to subsection (3), a local authority</p>

<i>Tracking</i>	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.	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>Risk Report</i>	Section 7(2)(e) To avoid prejudice to measures that prevent or mitigate material loss to members of the public. Section 7(2)(i) To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	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 was 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.

9. CLOSURE

There was no further business and Chairperson Hilary Calvert declared the public meeting closed at 3:25pm.

Chairperson

Date