



Minutes of a meeting of the Audit and Risk Subcommittee
held in the Harbour Room at Otago Regional Council on
Thursday 8 March 2018, commencing at 1:00 pm

Membership

Mr David Benham	<i>(Chairperson)</i>
Cr Stephen Woodhead	<i>(ORC Chairperson)</i>
Cr Gretchen Robertson	<i>(ORC Deputy Chairperson)</i>
Cr Doug Brown	<i>(Chair Finance and Corporate Committee)</i>
Cr Trevor Kempton	
Cr Michael Laws	

Welcome

Mr Benham welcomed Councillors, members of the staff to the meeting.

1. APOLOGIES

No apologies were advised.

2. LEAVE OF ABSENCE

No Leave of Absence were advised.

3. ATTENDANCE

Cr Bryan Scott	<i>(Councillor)</i>
Cr Ella Lawton	<i>(Councillor)</i>
Sarah Gardner	<i>(Chief Executive Officer)</i>
Nick Donnelly	<i>(Director Corporate Services)</i>
Stuart Lanham	<i>(Finance Manager)</i>
Petra Hunting	<i>(Minute taker)</i>

4. CONFIRMATION OF AGENDA

Public Excluded section - Late Item:
Leith Flood Protection Scheme (contract update).

The urgency of the matter due to recent receipt of report information which could not be delayed until the next scheduled Audit & Risk Subcommittee meeting in June 2018.

Resolution

To add to Committee Item 2.3 (Public Excluded) for the reasons for exclusion from the public are Section 6(a), Section 7(2)(a), 7(2)c(1), 7(2)(h) Commercial activities to Council.

Moved Cr Woodhead
Seconded Cr Brown
CARRIED

5. CONFLICT OF INTEREST

No conflicts of interest were advised.

6. PUBLIC FORUM

No public forum was held.

7. PRESENTATIONS

No presentations were held.

8. CONFIRMATION OF MINUTES

Resolution

That the minutes of the (public portion of the) meeting held on 21 September 2017 be received and confirmed as a true and accurate record.

Moved: Cr Woodhead
 Seconded: Cr Brown
 CARRIED

9. ACTIONS

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

Action list – 21 September 2017

Item	Meeting	Action	Status
Health & Safety Report	21/9/17	Co-ordinate annual field observations with respect to Health and Safety by the A&R subcommittee. (CEO - Mr Bodeker)	TO BE COMPLETED
Investment Report to 30 June 2017	21/9/17	The Investment Report to 30 June 2017 is provided to the 27 September Council meeting. Future public investment reports are provided six monthly. (Mr Donnelly/Mr Lanham)	CLOSED Report provided to 27 September 2017 Council meeting COMPLETED Will be provided through to the Finance & Corporate Committee meeting – 21 March 2018.

10. MATTERS FOR COUNCIL DECISION

10.1. Health & Safety Report

The report summarised health and safety activities and incident statistics for the period since the September 2017 report.

A question was raised on the completion of SOPs for all work activities and the emphasis placed on assessment of the risk based tasks prior to completion.

Director People & Safety be asked to update A&R Subcommittee on whether high-risk tasks are evaluated separately to ascertain the specific risks or if SOPs are followed.

Discussion held on ORC H&S requirements, current culture of H&S in the organisation and the independent audit of our H&S practices.

Cr Woodhead noted a whole of organisation H&S report was undertaken two years ago. Mr Donnelly noted safety of all our flow sites has been reviewed and we have

safety related recommendations from that review to implement. Cr Scott requested regular independent audit of our organisation.

A schedule of planned audits was requested.

Discussion was held on the impact and monitoring of stress for staff and access to support services. Mrs Gardner advised confidential access to EAP is available to staff when required.

Discussion held on councillor access to remote access facilities. It was decided Councillors would be expected to attend Council and Committee meetings in person to ensure a quorum, but that workshop attendance via videoconferencing or audioconferencing is supported.

Cr Kempton queried what legislative constraints that will create and suggested new program called Nintex used for internal observations.

Resolution

That the Chief Executive be tasked with bringing a paper to next Finance & Corporate committee round on the employment of distance technology for governance attendance at ORC meetings.

Moved: Cr Laws
Seconded: Cr Woodhead
CARRIED

Resolution

That the report be noted.

Moved: Cr Woodhead
Seconded: Cr Brown
CARRIED

10.2. Audit Management Letter - Staff Response

The report provided an update on action taken in respect of the auditor's recommendations from the audit management letter (following the 2016/17 audit).

Mr Lanham spoke to the report and confirmed system accessed had been removed. He advised the number of staff with leave in excess of 150 hours was previously 46, now noted as 41.

Resolution

That the report be received.

Moved: David Benham
Seconded: Cr Kempton
CARRIED

10.3. Long Term Plan (LTP) Update

The paper outlined the Audit and Risk Subcommittee of the process that has been undertaken to date, and tasks yet to be completed for the development of the 2018-28 Long Term Plan (LTP). A revised timeline for sign off the Consultation Document (CD) was proposed for approval.

Mr Donnelly noted the document will go for AOG hot review next week, the final document will go to Council on 11 April and consultation will close on 11 May 2018.

Discussion held on general rate funded versus targeted rates and the impact of these.
Resolution

That this report is received, the LTP process and status is noted, and the revised timeline for the sign off and adoption of the Consultation Document is endorsed.

Moved:

Seconded: Cr Robertson
CARRIED David Benham

11. MATTERS FOR NOTING

11.1. Legislative Compliance

The report provided a review of Council's performance to ensure ongoing compliance of its functions, duties and responsibilities against a range of Acts, Regulations, Bylaws and other Government directives.

Cr Woodhead noted a comprehensive report had been provided. Mr Donnelly acknowledged Mr Kelliher for his work on this report.

It was noted the attached register of key legislation is a work in progress. Next stage is to formulate process for legislative sign-off from various people legislation is assigned to.

Discussion held on current ORC bullying and harassment policy and the future implementation of a respectful workplace policy to cover both bullying and respectful conduct. It was agreed updates on personal grievances will be reported to Councillors during the Chief Executive and Council only sessions, to ensure privacy laws are adhered to.

Resolution

That this report be noted.

Moved: David Benham
Seconded: Cr Brown
CARRIED

11.2. Risk Report - October 2017

A Risk Management Strategy was adopted by the Audit and Risk Subcommittee in September 2016. Based on that, a risk report has been developed and is required to

be updated on a 4-monthly basis. The latest Risk Report, being the update as at October 2017, is attached to this report for consideration by the Audit and Risk Subcommittee.

Discussion held on the changes made to risks mainly due to the change of government. It was noted the next update will be as at February.

Cr Kempton left the meeting at 02:28 pm.

Resolution

That this report and the attached Risk Report – October 2017 be received.

Moved: Cr Woodhead

Seconded: Cr Brown

CARRIED

11.3. Audit and Risk Work Programme

The paper summarised the work programme to be covered at each meeting to ensure the responsibilities outlined in the Terms of Reference are fulfilled. The Audit and Risk Subcommittee is governed by its Terms of Reference which outlines the purpose and responsibilities of the Subcommittee. The Subcommittee holds meetings three times per year in September, March, and June.

Cr Robertson noted it is an excellent and clear report.

Cr Kempton returned to the meeting 2.32 pm

Discussion held on the current system used and working towards the integration of all of our internal audit function into this system.

It was agreed that we need an overarching internal audit to be able to see gaps in our current system. Mr Donnelly to investigate and report back.

Cr Scott left the meeting at 2:39 pm.

Resolution

That this report is received, and the work programme for the Audit and Risk Subcommittee is endorsed.

Moved: David Benham

Seconded: Cr Woodhead

CARRIED

11.4. Treasury Report

The report provided information on the management and performance of the Council's short term deposits and the managed fund, for the six months ended 31 December 2017.

Cr Laws left the meeting at 02:40 pm.

Cr Scott returned to the meeting at 2.41pm

Cr Lawton returned to the meeting at 02:41 pm.

Cr Laws returned to the meeting at 02:42 pm.

It was confirmed this is a public report and issued six monthly.

Resolution

That the report be received.

Moved: David Benham
Seconded: Cr Brown
CARRIED

12. NOTICES OF MOTION

No Notices of Motion were advised.

13. RESOLUTION TO EXCLUDE THE PUBLIC

Resolution

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

Item 13.1 – Managed Fund Report (December 2017)

Item 13.2 - Bancorp Managed Fund Performance 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
<i>13.1 Managed Fund Report (December 2017)</i>	Section 7 (2) (h) Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities;	Section 48(1)(a); Section 7 (2) (h) Section 48(1)(a); Section 7 (2) (c) (ii); Section 7 (2) (h)
<i>13.2 Bancorp Managed Fund Performance Review</i>	Section 7 (2)(c)(ii) Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide	

	<p>under the authority of any enactment, where the making available of the information - (ii) would be likely otherwise to damage the public interest.</p> <p>Section 7 (2) (h) Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities;</p>	
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Moved: David Benham

Seconded: Cr Woodhead

CARRIED

Resolution

That the meeting resume in public session at 3:31 pm.

Moved: David Benham

Seconded: Cr Woodhead

CARRIED

14. CLOSURE

The meeting was declared closed at 3:32 pm.