

Audit and Risk Subcommittee MINUTES

Minutes of an ordinary meeting of the Audit and Risk Subcommittee held in the Otaru Room, Civic Centre, The Octagon, Dunedin on Thursday 13 June 2019, commencing at 2.08 pm

PRESENT

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| Chairperson | Susie Johnstone | |
| Members | Janet Copeland Cr Mike Lord | Cr Doug Hall |

IN ATTENDANCE

Sue Bidrose (Chief Executive Officer), Dave Tombs (General Manager Finance and Commercial), Andrew Slater (Risk and Internal Audit Manager), Julian Tan (Director, Audit NZ) and Monique Kruger (Manager, Audit NZ)

Governance Support Officer Wendy Collard

1 APOLOGIES

Moved (Susie Johnstone/Cr Mike Lord):

That the Subcommittee:

Accepts the apologies from Mayor Dave Cull and Cr Chris Staynes.

Motion carried (AR/2019/023)

2 CONFIRMATION OF AGENDA

Moved (Susie Johnstone/Janet Copeland):

That the Subcommittee:

Confirms the agenda without addition or alteration

Motion carried (AR/2019/024)

3 DECLARATIONS OF INTEREST

Members were reminded of the need to stand aside from decision-making when a conflict arose between their role as an elected representative and any private or other external interest they might have.

Mrs Johnstone and Councillor Lord provided an update to their Register of Interests.

Moved (Susie Johnstone/Cr Mike Lord):

That the Subcommittee:

- a) **Amends** the Elected or Independent Members' Interest Register; and
- b) **Confirms** the proposed management plan for Elected or Independent Members' Interests.

Motion carried (AR/2019/025)

4 CONFIRMATION OF MINUTES

4.1 AUDIT AND RISK SUBCOMMITTEE MEETING - 18 APRIL 2019

Moved (Susie Johnstone/Cr Doug Hall):

That the Subcommittee:

Confirms the public part of the minutes of the Audit and Risk Subcommittee meeting held on 18 April 2019 as a correct record.

Motion carried (AR/2019/026)

PART A REPORTS

5 AUDIT AND RISK SUBCOMMITTEE WORK PLAN 2019

A report from Civic provided a copy of the updated Audit and Risk Subcommittee Work Plan 2019 and Governance and Financial Policies.

It was agreed that the three-yearly tendering for the internal audit tender would be included in the Audit and Risk Subcommittee workplan.

Moved (Chairperson Susie Johnstone/Cr Mike Lord):

That the Committee:

- a) **Confirms** that the Legal Compliance Policy would be reviewed tri-annually.

Motion carried (AR/2019/027)

Moved (Susie Johnstone/Cr Mike Lord):

That the Subcommittee:

- a) **Notes** the Audit and Risk Subcommittee Work Plan.

Motion carried (AR/2019/028)

6 ELECTRONIC COMMUNICATIONS (EMAIL QUARANTINE) POLICY

A report from Civic provided a copy of the Electronic Communications (Email Quarantine) Policy which was approved by Council at its meeting held on 28 May 2019.

The report noted that the policy was designed to protect staff and others with a DCC email address from inappropriate emails which are abusive, offensive, vulgar or intimidatory in content. The policy applied to emails received from anyone.

Under the Policy, the Chief Executive Officer will report to the Audit and Risk Subcommittee no less than quarterly on the operation of the Policy.

There was a discussion on minor amendments. The Chief Executive Officer (Sue Bidrose) spoke to the report and responded to questions.

Moved (Susie Johnstone/Cr Doug Hall):

That the Subcommittee:

- a) **Notes** the Electronic Communications (Email Quarantine) Policy.

Motion carried (AR/2019/029)

7 FINANCIAL RESULTS

A report from Civic provided copy of the Financial Results for the period ending 31 March 2019 report which was presented to the Finance and Council Controlled Organisation Committee meeting held on 21 May 2019 for the Audit and Risk Subcommittee's information.

The General Manager Finance and Commercial (Dave Tombs) spoke to the report and provided an update on the capex spending.

Moved (Cr Mike Lord/Susie Johnstone):

That the Subcommittee:

- a) **Notes** the Financial Results for the period ending 31 March 2019 report.

Motion carried (AR/2019/030)

8 ANNUAL REPORT TIMETABLE FOR YEAR ENDED 30 JUNE 2019

A report from Finance provided an update with regards the timetable related to the preparation and approval of the Dunedin City Council Annual Report for the year ended 30 June 2019.

The report also considered the new accounting standards applicable to the reporting period.

Moved (Susie Johnstone/Ms Janet Copeland):

That the Subcommittee:

- a) **Notes** the report as presented.

Motion carried (AR/2019/031)

RESOLUTION TO EXCLUDE THE PUBLIC

Moved (Susie Johnstone/Cr Mike Lord):

That the Subcommittee:

Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

| General subject of the matter to be considered | Reasons for passing this resolution in relation to each matter | Ground(s) under section 48(1) for the passing of this resolution | Reason for Confidentiality |
|--|---|---|-----------------------------------|
| C1 Audit and Risk Subcommittee meeting - 18 April 2019 - Public Excluded | <p>S7(2)(b)(ii) The withholding of the information is necessary 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>S7(2)(c)(i) The withholding of the information is necessary 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> | | |

supplied.

S7(2)(h)

The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.

S7(2)(a)

The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.

S7(2)(c)(ii)

The withholding of the information is necessary 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 damage the public interest.

S6(b)

The making available of the information would be likely to endanger the safety of a person.

S7(2)(f)(ii)

The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees and persons from improper pressure or harassment.

S6(a)

The making available of the information

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| C2 Status Report on the Audit for the year ending 30 June 2019 | <p>would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences and the right to a fair trial.</p> <p>S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> | <p>S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p> |
| C3 Audit and Risk Subcommittee Action List Report | <p>S7(2)(c)(i) The withholding of the information is necessary 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>S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p> |
| C4 Internal Audit Workplan Update - May 2019 | <p>S7(2)(b)(i) The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret.</p> <p>S7(2)(c)(i) The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which</p> | <p>S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p> |

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.

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The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.

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S7(2)(c)(i)

The withholding of the information is necessary 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

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C5 Update on the DCC Internal Audit Actions Register - June 2019

C6 Update on the DCC External Audit Actions Register - June 2019

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| | 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. | | |
| C7 Strategic Risk Register Update - June 2019 | S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. | S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7. | |
| C8 Health and Safety Monthly Report for April 2019 | S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. | S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7. | This information relates to the actions of individual staff who could be identified. This would breach their privacy and potentially prejudice any processes which may need to be managed. |
| C9 Treasury Risk Management Compliance Report | S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. | S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7. | |
| C10 Dunedin City Holdings Ltd - Update on Audit and Risk Activity | S7(2)(b)(ii) The withholding of the information is necessary 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. | S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7. | |
| C11 Protected Disclosure Register | S7(2)(a) The withholding of the information is | S48(1)(a) The public conduct of the part of the | |

C12 Investigation -
Close Out Reports

necessary to protect the privacy of natural persons, including that of a deceased person.

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The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees

meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

S48(1)(a)
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

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| C13 Investigation Register | <p>and persons from improper pressure or harassment.</p> <p>S6(b) The making available of the information would be likely to endanger the safety of a person.</p> <p>S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> | <p>S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 6 and 7.</p> | <p>The matters detailed i this report are subject to investigation and information should remain confidential so not to prejudice the investigation and any possible outcomes of the investigation.</p> |
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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 shown above after each item.

That Julian Tan (Audit New Zealand) and Monique Kruger (Audit New Zealand) be permitted to remain at the meeting, after the public has been excluded, because of their knowledge of Item C2. This knowledge, which would be of assistance in relation to the matters discussed, was relevant because they would be reporting on the item under consideration.

Motion carried (AR/2019/032)

The meeting moved into non-public at 2.38 pm and concluded at 5.12 pm.

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CHAIRPERSON