

Audit and Risk Subcommittee MINUTES

Minutes of an ordinary meeting of the Audit and Risk Subcommittee held in the Council Chamber, Dunedin Public Art Gallery, The Octagon, Dunedin on Monday 07 October 2024, commencing at 12.36 pm

PRESENT

Chairperson Warren Allen

Members Cr Christine Garey Cr Cherry Lucas
Mayor Jules Radich Cr Lee Vandervis

IN ATTENDANCE

Sandy Graham (Chief Executive Officer), Carolyn Allan (Chief Financial Officer), Robert West (General Manager Corporate Services), Hayley Knight (Assurance Manager), Rebecca Graham (Head of People and Capability), Fiona Laing (Project Advisor, People and Capability), Rudie Tomlinson (Director, Audit New Zealand) and Monique Kruger (Manager, Audit New Zealand), Cr Sophie Barker.

Governance Support Officer Lauren Riddle

1 APOLOGIES

Moved (Warren Allen/Cr Cherry Lucas):

That the Subcommittee:

Accepts the apologies from Janet Copeland (for absence) and Mayor Jules Radich (for lateness)

Motion carried

2 CONFIRMATION OF AGENDA

Warren Allen advised that Rudie Tomlinson and Monique Kruger from Audit NZ would be in attendance to provide an update on progress of the audit of the Annual Report financial statements.

The Chair also advised to accommodate staff attendance that items 5-7 would be taken in the order of item 7,5 item and item 6.

Moved (Warren Allen/Cr Cherry Lucas):

That the Subcommittee:

Confirms the agenda with the following alteration:

Item 7 – DCC Policy Update Report to be taken before Item 5 – Audit and Risk Subcommittee Workplan 2024/2025

Motion carried

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.

Moved (Warren Allen/Cr Cherry Lucas):

That the Subcommittee:

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

Motion carried

4 CONFIRMATION OF MINUTES

4.1 AUDIT AND RISK SUBCOMMITTEE MEETING - 4 JULY 2024

Moved (Warren Allen/Cr Christine Garey):

That the Subcommittee:

Confirms the public part of the minutes of the Audit and Risk Subcommittee meeting held on 04 July 2024 as a correct record.

Motion carried (AR/2024/025)

PART A REPORTS

7 DCC POLICY UPDATE REPORT

A report from provided an update on DCC policies as identified in the Audit and Risk Subcommittee (ARS) Workplan and ongoing audit and business improvement activities.

The Chief Financial Officer (Carolyn Allan) and the Assurance Manager (Hayley Knight) spoke to the report and responded to questions on the policies contained in the report.

Members provided feedback on the policy updates, including: Legislative Compliance, Internal Audit, Koha, Risk Management, Child Protection, and Treasury Risk Management.

Internal Audit

Following discussion on review periods for current contracts, the Chair (Warren Allen) requested that staff review the policy and procedures in place for the Procurement Policy and provide a list of current contracts .

Koha Policy

Approval Process for giving koha (clause 5.16) - Following discussion members agreed for clauses b, c and d to remain in the policy.

Ms Knight confirmed a copy of the Koha Policy guidelines would be circulated to elected members and be provided as an attachment to the Koha Policy.

The Subcommittee requested that the Gift and Hospitality register be presented to the Audit and Risk Subcommittee in addition to the Executive Leadership Team.

Child Protection Policy

The Project Advisor – People & Capability (Fiona Laing) and Head of People and Capability (Rebecca Graham) spoke to report and responded to questions.

Mayor Jules Radich entered the meeting at 1:36pm.

Treasury Risk Management Policy

Ms Knight spoke to Treasury Risk Management Policy and the feedback provided.

Following discussion on preferential rates to Council and interest rates for DCC Group Companies, the Chair requested an update be provided to a future meeting

Moved (Warren Allen/Cr Cherry Lucas):

That the Subcommittee:

- a) **Notes** the Policy Update Report – October 2024.
- b) **Provides feedback** on the updated Legislative Compliance Policy.
- c) **Provides feedback** on the updated Internal Audit Policy.
- d) **Provides feedback** on the updated Risk Management Policy.
- e) **Provides feedback** on the updated Koha Policy.
- f) **Provides feedback** on the updated Child Protection Policy.
- g) **Provides feedback** on the current Treasury Risk Management Policy.
- h) **Notes** the Contract Management Framework.

Motion carried (AR/2024/026)

5 AUDIT AND RISK SUBCOMMITTEE WORK PLAN 2024/2025

A report from Civic provided a copy of the Audit and Risk Subcommittee Work Plan for 2024/2025 which aligned with work programmes scheduling and decision making.

The Chief Financial Officer (Carolyn Allan) spoke to the report and responded to questions.

Moved (Warren Allen/Cr Cherry Lucas):

That the Subcommittee:

Notes the Audit and Risk Subcommittee Work Plan for 2024/2025

Motion carried (AR/2024/027)

6 AUDIT AND RISK SUBCOMMITTEE UPDATES REPORT

A report from Finance provided updates on the progress of various sundry matters that have been noted by the Subcommittee.

The Chief Financial Officer (Carolyn Allan) spoke to the report and responded to questions.

Warren Allen (Chairperson) requested that the Water Services Delivery Plan (WSDP) be provided to the subcommittee, and that the Auditor General's report on the 2023-24 year be provided to all elected members, as a useful "snapshot" of the sectors and indicates the challenges faced by all Councils.

Moved (Warren Allen/Cr Cherry Lucas):

That the Subcommittee:

Notes the Audit and Risk Subcommittee Updates Report.

Motion carried (AR/2024/028)

Audit NZ

Rudie Tomlinson and Monique Kruger(Audit NZ) joined the meeting to provide an update on the audit of the Annual Report financial statements. A review of the asset valuations provided in the Beca report of 10 October was being undertaken.

Rudie Tomlinson and Monique Kruger left the meeting at 2:17pm.

8 FINANCIAL REPORT - PERIOD ENDED 30 JUNE 2024

A report from Finance provided the provisional financial results for the period ended 30 June 2024 and the financial position as at that date which were presented to the Finance and Council Controlled Organisations Committee held on Wednesday, 7 August 2024.

The Chief Financial Officer (Carolyn Allan) spoke to the report and responded to questions.

Moved (Warren Allen/Cr Lee Vandervis):

That the Subcommittee:

- a) **Notes** the Financial Performance for the period ended 30 June 2024 and the Financial Position as at that date.
- b) **Notes** the year 30 June result is subject to final adjustments and external audit, conducted by Audit New Zealand.

Motion carried (AR/2024/029)

9 WAIPORI FUND - QUARTER ENDING 30 JUNE 2024

A report from Dunedin City Treasury Limited provided information on the results of the Waipori Fund for the quarter ended 30 June 2024 which was presented to the Finance and Council Controlled Organisation Committee meeting held on 7 August 2024.

The Chief Financial Officer (Carolyn Allan) spoke to the report and responded to questions.

Moved (Mr Warren Allen/Mayor Jules Radich):

That the Subcommittee:

Notes the report from Dunedin City Treasury Limited on the Waipori Fund for the quarter ended 30 June 2024.

Motion carried (AR/2024/030)

10 FINANCIAL REPORT - PERIOD ENDED 31 JULY 2024

A report provided the financial results for the period ended 31 July 2024 and the financial position as at that date which was presented to the Finance and Council Controlled Organisations Committee meeting held on Wednesday, 18 September 2024.

The Chief Financial Officer Carolyn Allan Spoke to the report and responded to questions.

Moved (Warren Allen/Cr Lee Vandervis):

That the Subcommittee:

Notes the Financial Performance for the period ended 31 July 2024 and the Financial Position as at that date.

Motion carried (AR/2024/031)

Moved (Warren Allen/Mayor Jules Radich):

That the Subcommittee:

Adjourn the meeting for five minutes

Motion carried

Cr Lee Vandervis left the meeting at 2:35pm.

The meeting adjourned at 2.35pm and. The meeting recommenced at 2:40pm.

11 HEALTH AND SAFETY MONTHLY REPORTING FOR AUGUST 2024

The report from Health and Safety provided the monthly Health, Safety and Wellbeing report for August 2024 for the Subcommittee information and included a copy of the health and safety structure of the Council for noting.

The Manager, Health and Safety (Jane Pearce) spoke to the report and responded to questions.

Moved (Warren Allen/Mayor Jules Radich):

That the Subcommittee:

- a) **Notes** the monthly Health, Safety and Wellbeing report for August 2024.
- b) **Notes** the health and safety structure of the organisation.

Motion carried (AR/2024/032)

RESOLUTION TO EXCLUDE THE PUBLIC

Moved (Warren Allen/Cr Christine Garey):

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 - 4 July 2024 - Public Excluded	<p>S7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</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 supplied.</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.

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)(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.

S7(2)(a)
The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.

C2 Audit and Risk Subcommittee Updates 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.

C3 Finance Assurance Report

S7(2)(h)
The withholding of the information is necessary to enable the local

S48(1)(a)
The public conduct of the part of the meeting would be

The information in this report is commercially sensitive..

	authority to carry out, without prejudice or disadvantage, commercial activities.	likely to result in the disclosure of information for which good reason for withholding exists under section 7.
C4 DCC Internal Audit Actions Update	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.	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.
C5 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.
C6 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.
C7 DCC Risk 'Deep Dive' - Fraud Risk Management	S7(2)(c)(i) The withholding of the information is necessary	S48(1)(a) The public conduct of the part of the

	<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.</p>	<p>meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>
<p>C8 Protected Disclosure Register - September 2024</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 7.</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 supplied.</p>	
<p>C9 Investigation Register - September 2024</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</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.

which good reason for withholding exists under section 7.

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.

Motion carried (AR/2024/033)

The meeting moved into non-public at 2:50 pm and concluded at 3.50 pm

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CHAIRPERSON