

**MINUTES OF CENTRAL OTAGO DISTRICT COUNCIL
AUDIT AND RISK COMMITTEE
HELD IN NGĀ HAU E WHĀ, WILLIAM FRASER BUILDING, 1 DUNORLING STREET,
ALEXANDRA
AND LIVE STREAMED VIA MICROSOFT TEAMS ON FRIDAY, 8 MARCH 2024 AT 9.30 AM**

PRESENT: Mr B Robertson (Chair), Cr T Alley, His Worship the Mayor T Cadogan,
Cr T Paterson

IN ATTENDANCE: Cr S Feinerman, P Kelly (Chief Executive Officer), S Righarts (Group Manager - Business Support), D Scoones (Group Manager - Community Experience), J Muir (Three Waters Director), P Penno (Community and Engagement Manager), N McLeod (IS Manager), H Strydom (Health, Safety and Wellbeing Advisor), D McKewen (Systems and Corporate Accountant), C Martin (Project Manager Organisational), A Lines (Risk and Procurement Advisor), S Reynolds (Governance Support Officer)

1 APOLOGIES

COMMITTEE RESOLUTION

Moved: Robertson
Seconded: Alley

That apologies from Cr N Gillespie be received and accepted.

CARRIED

2 PUBLIC FORUM

There were no speakers for Public Forum.

3 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Robertson
Seconded: Alley

That the public minutes of the Audit and Risk Committee Meeting held on 12 December 2023 be confirmed as a true and correct record.

CARRIED

4 DECLARATIONS OF INTEREST

Members were reminded of their obligations in respect of declaring any interests. Mr Robertson noted an update in his declarations that he would confirm in writing.

5 REPORTS

24.1.2 POLICY AND STRATEGY REGISTER

To consider the updated Policy and Strategy Register.

It was noted during discussion that the ordering of policy reviews should be prioritised to align with strategic direction.

COMMITTEE RESOLUTION

Moved: Cadogan

Seconded: Alley

That the report be received.

CARRIED

24.1.3 AUDIT NZ AND INTERNAL AUDIT UPDATE

To consider an update on the status of the external and internal audit programme and any outstanding actions for completed internal and external audits.

It was noted that communications with Audit NZ could be enhanced. A full management report would be circulated to the Committee. It was also noted that a closer working relationship could be formed with our assurance provider to allow a more strategic approach to the relationship.

COMMITTEE RESOLUTION

Moved: Alley

Seconded: Paterson

That the report be received.

CARRIED

Note: Miles O'Connor from Bancorp joined the meeting for Item 24.1.4

24.1.4 TREASURY REPORT

To consider the first quarterly report treasury report. This will be presented quarterly to both the Audit and Risk Committee and to Council.

A summary was provided on the current economic landscape, explaining how increasing debt levels will impact borrowing costs and why fixed-rate borrowing would, for a short time, be in breach of our current policy.

It was also noted that for future reports the financial prudence indicators of the Local Government Funding Agency would be included as a reference.

COMMITTEE RESOLUTION

Moved: Robertson
Seconded: Paterson

- A. That the report be received.
- B. The Committee notes the breach in interest rates cover in the Year 2 – 4 Bands and that Management in conjunction with its Advisor will rectify this position.

CARRIED

Note: The meeting was adjourned at 10.48 am and resumed at 10.53 am

24.1.5 FRAUD, BRIBERY AND CORRUPTION POLICY

To consider an update to the Fraud, Bribery and Corruption Policy.

After discussion it was agreed to accept the proposed changes and to include the following:

- On page 52 of the agenda, wording would be amended to state 'The Independent Chair of the Audit and Risk Committee will receive *immediate* notification of any reports of suspected or actual fraud, or corruption relating to the Chief Executive Officer'
- On page 52, of the agenda, under 'Roles and Responsibilities' wording would be amended to include elected members
- On page 54 of the agenda, it was suggested to add the option of an external investigator rather than the investigator be an internal staff member

It was suggested that further training for Business Support and People and Culture Group Managers could be implemented.

It was noted that internal Fraud, Bribery and Corruption Process document would also be updated to reflect these changes. A flow chart would be added to the process document to show users the necessary steps to take in various scenarios.

It was also noted that future iterations of the policy and process document could include methods to help prevent fraud within the organisation.

COMMITTEE RESOLUTION

Moved: Cadogan
Seconded: Alley

That the Audit and Risk Committee

- A. Receives the report and accepts the level of significance.
- B. Recommends that Council adopts the Fraud, Bribery and Corruption Policy.

CARRIED

24.1.6 2024-34 LONG-TERM PLAN DEFERRAL

To update the Committee on decisions made by Council following the options provided by the Government on the preparation of 2024-34 Long-term Plans.

COMMITTEE RESOLUTION

Moved: Robertson
Seconded: Alley

That the Audit and Risk Committee:

- A. Receives the report and accepts the level of significance.
- B. Notes that Council have resolved to prepare an Annual Plan for the 2024/25 financial year and prepare a long-term plan next year for 2025-34.

CARRIED

24.1.7 PRIVACY POLICY REVIEW

To provide an update on the review of the Privacy Policy.

It was noted that for future policy reviews both a clean and tracked version would be provided.

After discussion it was agreed to accept the proposed changes and to include the following:

- Change the wording throughout the document to 'users' rather than employees or staff, so it is clear it refers to staff, elected members and contractors

It was noted that this policy would be signed off by the Chief Executive Officer and that it did not need to be recommended to Council.

COMMITTEE RESOLUTION

Moved: Cadogan
Seconded: Paterson

That the report be received,

CARRIED

24.1.8 LGOIMA REQUEST POLICY REVIEW

To provide an update on the review of the Local Government Official Meeting Act (LGOIMA) Request Policy.

It was noted that there was regular training around how to implement this policy and that further training would be offered for all staff given it had undergone a review.

It was noted that this policy would be signed off by the Chief Executive Officer and that it did not need to be recommended to Council.

COMMITTEE RESOLUTION

Moved: Alley
Seconded: Paterson

That the report be received.

CARRIED

24.1.9 USE OF ARTIFICIAL INTELLIGENCE POLICY

To inform the Committee about the development of the Use of Artificial Intelligence Policy.

After discussion it was agreed to accept the proposed changes and to include the following:

- On page 89 of the agenda, wording should be amended to direct employees to report to their team leader or manager, rather than directly to a legal advisor

There was a suggestion that some guidance was needed around the use of various software and what was currently accepted within the organisation.

It was noted that there should be a regular review of the use of AI presented to the Audit and Risk Committee and that there would be some training for all users to maintain data sovereignty for the organisation.

COMMITTEE RESOLUTION

Moved: Cadogan
Seconded: Alley

- A. That the report be received
- B. Recommend Council receive this information and that it is circulated to all elected members

CARRIED

24.1.10 CYBERSECURITY POLICY REVIEW

To provide an update on the review of the Cybersecurity Policy.

After discussion it was agreed to accept the proposed changes and to include the following:

- Under 'Scope' wording would be amended to include elected members and contractors as users
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COMMITTEE RESOLUTION

Moved: Alley
Seconded: Cadogan

- A. That the report be received
- B. Recommend to Council to adopt this policy and that it is circulated to all elected members.

CARRIED

24.1.11 HEALTH, SAFETY AND WELLBEING REPORT

To provide the Audit & Risk Committee with an update on the health, safety and wellbeing performance of the organisation.

New wellbeing initiatives and training for management were acknowledged as a positive move in an environment of increased workloads and notable increases in reporting of aggressive behaviour from customers.

It was once again noted that there is work being done to encourage near miss reporting and that and reporting of head injury events are reported seriously and monitored.

It was also observed that health progression monitoring could be helpful in future to access possible long-term health risks for staff.

COMMITTEE RESOLUTION

Moved: Cadogan

Seconded: Alley

That the report be received.

CARRIED

24.1.12 FINANCIAL REPORT FOR THE PERIOD ENDING 31 DECEMBER 2023

To consider the financial performance for the period ending 31 December 2023.

COMMITTEE RESOLUTION

Moved: Robertson

Seconded: Paterson

That the report be received.

CARRIED

6 CHAIR'S REPORT

24.1.13 CHAIR'S REPORT

To consider the Chair's verbal update.

The Chair had nothing to report.

COMMITTEE RESOLUTION

Moved: Robertson

Seconded: Paterson

That the report be received.

CARRIED

7 MEMBERS' REPORTS

24.1.14 MEMBERS' REPORTS

To consider the members' reports.

His Worship the Mayor made reference to a statement from a Board Chair at last weeks' Council meeting. The Chair made an accusation of bullying amongst elected members, and His Worship noted that he is taking this allegation seriously and investigating the matter further.

COMMITTEE RESOLUTION

Moved: Robertson

Seconded: Alley

That the reports be received.

CARRIED

8 STATUS REPORTS

24.1.15 MARCH 2024 GOVERNANCE REPORT

To report on items of general interest and the current status report updates.

COMMITTEE RESOLUTION

Moved: Robertson

Seconded: Cadogan

That the report be received.

CARRIED

9 DATE OF THE NEXT MEETING

The date of the next scheduled meeting is 7 June 2024.

10 RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION

Moved: Robertson

Seconded: Alley

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter 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 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 for the passing of this resolution
Confidential Minutes of Ordinary Committee Meeting	<p>s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p> <p>s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	s48(1)(a)(i) - the public conduct of 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 under section 6 or section 7
24.1.16 - Cybersecurity, Information and Records Management, and Privacy Plans for 2022-2025 Implementation Update	s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	s48(1)(a)(i) - the public conduct of 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 under section 6 or section 7
24.1.17 - Risk Management Update	s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	s48(1)(a)(i) - the public conduct of 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 under section 6 or section 7
24.1.18 - Litigation Register	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of 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 under section 6 or section 7
24.1.19 - March 2024 Confidential Governance Report	s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of 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 under section 6 or section 7

CARRIED

The public were excluded at 12.11 pm and the meeting closed at 12.58 pm

Unconfirmed