

Risk & Assurance Committee

Minutes of the meeting of Risk & Assurance Committee held in the Tyrone McElrea Room, Cross Recreation Centre, 18 Glasgow Street, Balclutha on Thursday 22 July 2021, commencing at 10.40 am.

Present Stephen Halliwell (Chairperson), His Worship the Mayor Bryan Cadogan, Councillors, Stewart Cowie, Bruce Graham, John Herbert, Alison Ludemann, Ken Payne, and Bruce Vollweiler.

In Attendance Steve Hill (Chief Executive), John Scott (Group Manger Corporate Services) Christina Johnston (Risk Management Support Officer), Councillors Wayne Felts, Lloyd McCall, Carol Sutherland, Mel Foster, Jo-Anne Thomson, Ben Trollope (MJW), and Lilly Paterson/Karen Piercy (Corporate Services Administrator).

Apologies His Worship the Mayor Bryan Cadogan and Councillor Cowie and Vollweiler (lateness).

Moved Councillors Payne/Ludemann.

"That the apologies be sustained."

DECLARATIONS OF INTEREST

There were no declarations of interest.

URGENT BUSINESS

There was no urgent business.

PUBLIC FORUM

There was no public forum.

1. CONFIRMATION OF MINUTES

The minutes of a meeting of the Risk & Assurance Committee held on 9 June 2021 were submitted for confirmation.

Moved Councillors Payne/Herbert and Resolved:

"That the Risk & Assurance Committee confirms as a true and correct record the minutes of the Risk & Assurance Committee held 9 June 2021."

2. HEALTH AND SAFETY, RISK MANAGEMENT AND MAJOR PROJECTS REPORT

The Risk Management Support Officer submitted the Health and Safety, Risk and Major Projects report.

His Worship the Mayor Bryan Cadogan and Councillor Vollweiler joined the meeting at 10.44am.

Request to have a 15 minute discussion with one risk owner of the top 10 risks at each meeting. This will lift the conversation around risk.

Councillor Cowie joined the meeting at 10.50 am.

Moved Councillors Herbert/Payne and Resolved:

"That the Risk & Assurance Committee receives the Health and Safety, Risk and Major Projects Report."

The Risk Management Support Officer left the meeting at 10.57 am.

3. TREASURY MANAGEMENT REPORT

The Group Manager Corporate Services presented the Treasury Management report. Ben Trollope (MJW) was in attendance and spoke about the managed fund and answered questions.

The following points were made:

- We are presently experiencing a strong investment market brought about by the positive perception of the speed vaccines are being supplied.
- Overseas equities have grown by 20-30% in the last 12 months but NZ equities have been impacted by supply chain weaknesses for exports. Some of the equity price growth has been caused by TINA (there is no alternative) investments as opposed to changes in earnings.
- Interest rates have started to move up as central banks stop printing money. As interest rates rise share prices should decrease.
- Inflation is increasing as excess savings are being spent and supply constraints (e.g. furniture and second-hand cars) are pushing prices up.
- The Reserve Bank could see a lift in OCR as soon as next month.
- If new strict lock downs overseas are imposed, this could affect market returns.
- Nikko is performing well, but domestic equity is in a slightly weaker spot.
- Nikko Australia is being sold to Yarra Capital Management with no indication of this affecting the NZ operation.

Councillor Foster arrived at 11.05 am.

- The Nikko Portfolio is very well balanced, and we would expect an average return of approximately 4.5% in the next 5 to 7 years.
- The budgeted return of the LTP was 3.4%.

Councillor Thomson arrived at 11.31am.

Council is fully compliant with Treasury Policy at year end per the Bancorp Report.

Moved Councillors Herbert/Graham and Resolved:

“That the Risk & Assurance Committee receives the Treasury Management Report.”

4. MANAGEMENT ACCOUNTS REPORT

The Group Manager Corporate Services presented the Management Accounts Report for the period 1 July 2020 to 31 May 2021.

The meeting was informed that some of the operation expenses to do with Three Waters will be classified as capital at year end so the overspend is not as great operationally.

Moved Councillors Cowie/Vollweiler and Resolved:

“That the Risk & Assurance Committee receives the Management Accounts report.”

5. CONFLICTS OF INTEREST REGISTER FOR ELECTED MEMBERS AND EXECUTIVE MANAGEMENT

The Group Manager Corporate Services submitted the Conflicts of Interest Register for Elected Members and Executive Management for the committee’s information.

New conflicts declarations will be circulated at the Standing Committee meetings to be held this afternoon.

It was noted that members need to complete and return the form.

Moved Councillors Herbert/Vollweiler and Resolved:

“That the Risk & Assurance Committee receives the Risk & Assurance Committee Work Programme report, noting that members will receive the Conflicts of Interest declaration form to update”

6. RISK & ASSURANCE COMMITTEE WORK PROGRAMME

The Group Manager Corporate Services submitted the Risk & Assurance Committee Work Programme.

Moved Councillors Ludemann/Payne and Resolved:

“That the Risk & Assurance Committee receives the Risk & Assurance Committee Work Programme report.”

7. REASONS TO MOVE TO PUBLIC EXCLUDED

The Corporate Services Administrator presented a report requesting that the Risk & Assurance Committee move into Public Excluded session for the following reasons:

1. Confirmation of Public Excluded Risk & Assurance Committee Minutes 9 June 2021.

Under Sections A2(b)(ii), A2(c)(i) and A2(g) contained in Appendix 1 of the Clutha District Council's Standing orders.

2. Public Excluded Council Insurance Update

Under Section A2(b)ii, & A2(h) contained in Appendix 1 of the Clutha District Council's Standing orders.

3. Public Excluded Deloitte Report to the Risk & Assurance Committee 2021-21 LTP

Under Section A2(c)(i) contained in Appendix 1 of the Clutha District Council's Standing orders.

Moved Councillor Cowie/Mayor Cadogan and resolved:

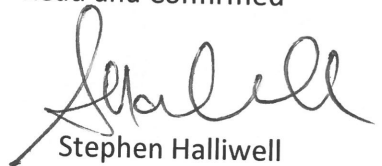
"That the Risk & Assurance Committee resolves to exclude the public on the grounds contained in Appendix 1 of the Clutha District Council's Standing Orders under Sections A2(b)(ii), A2(c)(i), A2(g) & A2h."

The meeting moved into Public Excluded session at 11.51 am.

The meeting moved back into Public session at 12.11 pm.

The meeting closed at 12.12 pm.

Read and Confirmed



Stephen Halliwell
CHAIRPERSON