



Audit, Finance & Risk Committee

2 July 2020

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Minutes of a meeting of the Audit, Finance & Risk Committee held on Thursday 2 July 2020 in Council Chambers, 10 Gorge Road, Queenstown commencing at 10.00am

Present

Councillor MacDonald (Chair), Councillor Copland, Mr Moran, Mr McLauchlan and Mr Wilson

In Attendance

Councillor Clark, Mr Mike Theelen (Chief Executive), Mr Stewart Burns (General Manager Finance, Regulatory & Legal), Mr Peter Hansby (General Manager, Property & Infrastructure), Ms Meghan Pagey (People & Capability Director), Ms Michelle Morss (Strategic & Development Manager), Mr Paddy Cribb (Financial Advisory Manager), Mr Alan Thomas (Health & Safety Manager), Mr Bill Nicoll (Organisation Improvement Manager), Katherine Durman (Climate Action Coordinator), Ms Rebecca Saunders (Wynn Williams), Mr Mike Hawken (Deloitte), Mr Anthony Smith (Deloitte), Mr Miles O'Connor (Bancorp) and Ms Stacey Harris (Governance Advisor)

Apologies

There were no apologies.

Declaration of Conflicts of Interest

No declarations of conflict were made.

Public Forum

There were no speakers in the public forum.

Matters Lying on the Table

There were no matters lying on the table.

Confirmation of Agenda

The agenda was confirmed without addition or alteration.

Confirmation of Minutes (Public)

On the motion of Mr McLauchlan and Mr Moran the Audit, Finance & Risk Committee resolved that the public

**part of the minutes of the meeting held on 5 March 2020
be confirmed as a true and correct record.**

1. 2019:20 April YTD Financial Overview

A report prepared and presented by Mr Paddy Cribb (Financial Advisory Manager) and Mr Stuart Burns (General Manager Finance, Legal & Regulatory) presented the 2019:20 April YTD Actual to Budget, 2019:20 Full Year 10+2 Re-forecast to Full Year Budget and 2019:20 April YTD Capital Expenditure financial results and to report on any significant transactions and/or variances to budget. Also presented for review was the April Statement of Financial Position and 2019:20 April Debtors analysis.

The Committee discussed the details of the report and corresponding attachments. It was clarified that the “Expenditure – Salaries & Wages Contract” variance was as a result of COVID-19.

The Committee noted that deferred projects would be reprioritised during the Long Term Plan process. It was understood that the prioritisation of projects was dependant on several factors including the Council’s borrowing capacity, matters of compliance and renewal or replacement requirements.

**On the motion of Mr McLauchlan and Mr Wilson the
Audit, Finance & Risk Committee resolved to note the
contents of the report.**

2. Sensitive Expenditure

A report prepared by Ms Emily Carter (Financial Accountant) and presented by Mr Stewart Burns (General Manager Finance, Legal & Regulatory) described the steps taken to assess sensitive expenditure against delegations and policy, and to report any anomalies, including transactions outside of delegated authority or information indicating theft, fraud or misuse of QLDC property.

Mr Burns apologised on behalf of Ms Carter who was unable to attend the meeting.

The report was taken as read.

**On the motion of Mr Wilson and Mr Moran the Audit,
Finance & Risk Committee resolved to note the contents
of the report.**

3. Risk Management Update

A report prepared and presented by Mr Bill Nicholl (Organisation Improvement Manager) and Ms Michelle Morss (Strategic & Development Manager) provided a governance update regarding the progress of the deployment of the new QLDC Risk Management Framework.

The Committee discussed the details of the report in depth with emphasis on the district welfare response. The generous efforts of the staff and volunteers supporting those adversely affected by the pandemic were acknowledged, noting that the response was ongoing and that staff involved in the response were receiving additional support and education with regard to their mental wellbeing.

It was confirmed that the Council would continue to hold the government accountable for the support being delivered within the district.

On the motion of Mr Moran and Mr McLauchlan the Audit, Finance & Risk Committee resolved to note the contents of the report.

4. QLDC Organisational Health Safety and Wellbeing Performance

A report prepared and presented by Mr Alan Thomas (Health & Safety Manager) and Ms Meghan Pagey (People & Capability Director) provided the Audit, Finance & Risk Committee with an update on the Health & Safety performance of the organisation.

The report was taken as read.

The Committee discussed the details of the report with a focus on the COVID-19 response. It was acknowledged that the organisation had seamlessly transitioned to working from home as a result of the Business Continuity Plan and the hard work of the Knowledge Management team. It was anticipated that 90% of staff would be set up with laptops by the end of 2020 to enable ongoing flexible working arrangements.

The Committee noted that no reimbursement policy would be established for staff working from home.

It was confirmed that staff were accessing all sensitive information through a secure Virtual Private Network that had been set up by the Knowledge Management team.

On the motion of Councillor Copland and Mr Moran the Audit, Finance & Risk Committee resolved to note the contents of the report.

5. Climate Action Plan

A report prepared and presented by Ms Katherine Durman (Climate Action Coordinator) and Ms Michelle Morss (Strategy & Development Manager) informed the Audit, Finance & Risk Committee on the Climate Action Plan (CAP) priorities, progress and future reporting structure.

Ms Morss introduced Ms Durman to the Committee.

The Committee discussed the details of the report, noting that it was important to establish enthusiasm throughout the district pertaining to the significance of the plan and what it aimed to achieve.

On the motion of Mr Moran and Mr Wilson the Audit, Finance & Risk Committee resolved to note the contents of the report.

6. Review of Procurement Policy & Procurement Guidelines

A report prepared by Mr Geoff Mayman (Commercial & Procurement Manager) and presented by Mr Pete Hansby (General Manager Property & Infrastructure) advised the Audit, Finance & Risk Committee that QLDC's Procurement Policy (the Policy) and Procurement Guidelines (the Guidelines) were due for review; and proposed a review pathway.

Mr Hansby apologised on behalf of Mr Mayman who was unable to attend the meeting, noting that Mr Mayman was a specialist in his field and would be central to the review process.

The Committee discussed the details of the report. It was noted that the review was being undertaken to align the existing policy and guidelines with current best practice.

The Committee emphasised the importance of remaining vigilant to fraud. It was confirmed that additional resources were being brought in from outside of the district to offset the small number of local resources competing against one another.

On the motion of Mr Moran and Councillor Copland the Audit, Finance & Risk Committee resolved to:

1. Note the contents of this report.
2. Direct Officers to review the Procurement Policy.
3. Approve the Review Pathway.
4. Approve the transfer of the Procurement Guidelines from Governance to Management accountability.

Resolution to Exclude the Public

On the motion of Councillor MacDonald and Mr Wilson the Audit, Finance & Risk Committee resolved to exclude the public from the following parts of the proceedings of the meeting:

The general subject of the matters to be discussed while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under Section 48(1)(a) of the Local Government Information and Meetings Act 1987 for the passing of this resolution is as follows:

Confirmation of Minutes:

General subject to be considered:	Reason for passing this resolution:	Grounds under Section 7:
<p>Audit, Finance & Risk Committee Minutes 5 March 2020</p>	<p><i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to:</i></p> <ul style="list-style-type: none"> • maintain legal professional privilege • enable any local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) 	<p>S 7(2)(g) S 7(2)(i)</p>

Agenda Items:

General subject to be considered:	Reason for passing this resolution:	Grounds under Section 7:
7: Legal Update	<p><i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to:</i></p> <ul style="list-style-type: none"> • maintain legal professional privilege • enable any local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) 	<p>S 7(2)(g) S 7(2)(i)</p>
8: Deloitte Planning Report for 2019/20 Audit	<p><i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to:</i></p> <ul style="list-style-type: none"> • maintain legal professional privilege • enable any local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) 	<p>S 7(2)(g) S 7(2)(i)</p>

<p>9: Treasury Update: June 2020</p>	<p><i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to:</i></p> <ul style="list-style-type: none"> • maintain legal professional privilege • enable any local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) 	<p>S 7(2)(g)</p> <p>S 7(2)(i)</p>
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This recommendation 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 with respect to each item.

The meeting moved into public excluded at 11.02am and immediately adjourned to allow the Governance Advisor to connect Ms Alice Balme (General Counsel) and Ms Rebecca Saunders (Wynn Williams) to the meeting via Zoom to present their item to the Committee.

The meeting re-adjourned at 11.07am.

The meeting moved out of public excluded and concluded at 12.11pm.

Confirmed as a True and Correct Record:

Chairperson

Date