

**Audit, Finance and Risk Committee
19 February 2019
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Minutes of a meeting of the Audit, Finance and Risk Committee held on Tuesday 19 February 2019 in Council Chambers, 10 Gorge Road, Queenstown commencing at 10.00am

Present

Councillor McRobie (Chair), Councillor Hill and Mr Wilson

In Attendance

Mr Stewart Burns (General Manager Finance, Regulatory and Legal), Mr Peter Hansby (General Manager, Property and Infrastructure), Ms Michelle Morss (Strategic and Development Manager), Ms Anita Vanstone (Performance and Risk Manager), Mr Bill Nicoll (Quality Manager), Mr Paddy Cribb (Financial Advisory Manager), Mrs Lyn Zeederberg (Financial Controller), Ms Meghan Pagey (Human Resources Manager), Mr Alan Thomas (Health, Safety and Wellbeing Manager), Mr Miles O'Connor (Bancorp), Ms Jane Robertson (Senior Governance Advisor) and 1 member of the media

Apologies

An apology was received Mr McLauchlan.

On the motion of Councillor Hill and Mr Wilson the Audit, Finance and Risk Committee resolved that the apology be accepted.

Declaration of Conflicts of Interest

No declarations of conflict were made.

Matters Lying on the Table

There were no matters on the table

Public Forum

There were no speakers in public forum.

Confirmation of Agenda

The agenda was confirmed without addition or alteration.

Confirmation of Minutes

On the motion of Mr Wilson and Councillor Hill the Audit, Finance and Risk Committee resolved that the public part of the minutes of the meeting

held on 14 December 2018 were adopted as a true and correct record.

1. 2018:19 Quarter 1 Actual to Quarter 1 Budget Financial Overview

A covering report from Paddy Cribb (Financial Advisory Manager) presented the following information for the second quarter of the 2018/19 financial year (the period ended 31 December 2018):

- a. Finance Management Report – 2018:19 Quarter 2 Actuals to Quarter 2 Budget
- b. Finance Management Report – 2018:19 Full Year Re-forecast to Full Year Budget Overview
- c. Finance Management Report – 2018:19 Quarter 2 Capital Expenditure Reporting Overview
- d. Statement of Financial Position
- e. Debtors' Analysis.

The report was presented by Mr Burns, Mr Cribb and Ms Zeederberg.

Mr Cribb commented further on the actuals vs budget report.

The Chief Executive entered the meeting at 10.04am.

It was noted that the Commonage sale would show in the next financial year.

Mr Cribb advised that Attachment C (capex report) was new and the figures in it reflected the budgetary adjustments approved by the Council in December 2018. He explained the variances and the reasons for them. The largest variance was in transport but this was partially because the Council did not control all decisions on investments because of the role of NZTA. Discussions continued on the Ballantyne Road business case.

Mrs Zeederberg advised that all the vacant staffing positions in accounts receivable had now been filled which had improved the ability to follow up on debtors. She detailed the various processes used to chase debtors and to achieve recovery of the debt, adding that some good outcomes had recently been achieved. Councillor McRobie observed that the number of debtors seemed to be growing. The Chief Executive advised that he believed debt collection levels were appropriate and the number of infringements being enforced was increasing. Mr Burns observed that overall increased activity had a cumulative effect so whilst there had been a lift in the numbers of payments made there was also an increased number of debtors not paying.

On the motion of Councillor Hill and Mr Wilson the Audit, Finance and Risk Committee resolved that the contents of the report be noted.

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2. Sensitive Expenditure

A report from Lyn Zeederberg (Financial Controller) described the steps taken to assess sensitive expenditure against delegations and policy, and highlighted any anomalies, including transactions outside of delegated authority or information indicating theft, fraud or misuse of QLDC property.

The report was presented by Ms Zeederberg.

There was further discussion about the infrastructure consultant spend. The Chief Executive advised that he wished to provide more information about engineering panels and the appointment of contractors and he had sought professional advice in this area with the intention of reporting to the committee at a future meeting.

On the motion of Councillor Hill and Mr Wilson the Audit, Finance and Risk Committee resolved that the contents of this report be noted.

3. Risk Management Update

A report from Anita Vanstone (Performance and Risk Manager) presented an update on QLDC's risk management process, ethos and on-going approach.

Ms Vanstone, Ms Morss and Mr Nicoll presented the report.

Ms Vanstone advised that the new Risk Management Policy would be presented to the 7 March Council meeting for adoption. Notwithstanding that, work was well underway with staff training in the application of the new risk policy.

On the motion of Councillor McRobie and Mr Wilson the Audit, Finance and Risk Committee resolved that the contents of this report be noted.

4. QLDC Organisational Health Safety and Wellbeing Performance

A report from Meghan Pagey (Director, People and Capability) presented a summary of the health and safety performance of the Council.

Ms Pagey presented the report. She introduced Alan Thomas who had started work at the Council on 21 January as the new Health and Safety Manager. However, this was after the reporting period of the report so she was presenting it instead.

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There was further discussion about the safety of trees, particularly in light of the high winds experienced recently and the large tree that had fallen recently during a storm in Arrowtown.

Members noted the increasing trend of departments giving themselves a 'business as usual' ('B') score in the safety self-assessment. Members expressed the view that they did not wish to see either 'B' or 'C' (needing improvement) to increase, although it was acknowledged that the threshold for what constituted an 'A' had increased.

Members observed that no records were provided for volunteers in the 'Unsafe Events Across All Groups' indicator. The Chief Executive noted that a particular focus going forward was to monitor accidents and incidents occurring with volunteer groups.

On the motion of Councillor Hill and Mr Wilson it was resolved that the Audit, Finance and Risk Committee note the contents of this report.

Resolution to Exclude the Public

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

Item 5: Treasury Update – February 2019

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(a) of the Local Government Information and Meetings Act 1987 for the passing of this resolution is as follows:

General subject to be considered	Reason for passing this resolution	Grounds under Section 7
<p>Item 5: Treasury Update – February 2019</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"> enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities. 	<p>S 7(2)(h)</p>

This resolution was made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular

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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.

It was also resolved that Miles O'Connor (Bancorp) be permitted to remain at this meeting, after the public has been excluded, because of his knowledge of *Item 5: Treasury Update February 2019*. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because Mr O'Connor represents Council's independent Treasury advisors, Bancorp.

The meeting moved into public excluded at 10.50am.

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The meeting moved out of public excluded and concluded at 11.00am.

Confirmed as a True and Correct Record:

Chairperson

Date