

Audit, Finance & Risk Committee**17 June 2021****Page 1 of 11**

Minutes of a meeting of the Audit, Finance & Risk Committee held on Thursday 17 June 2021 in the Council Chambers, 10 Gorge Road, Queenstown (and via Zoom) commencing at 10.00am

Present

Mr McLauchlan (Chair) (via Zoom), Mr Moran and Mr Wilson

In Attendance

Mr Mike Theelen (Chief Executive), Mr Stewart Burns (General Manager Finance, Regulatory & Legal), Ms Meaghan Miller (General Manager, Corporate Services), Mr Tony Avery (General Manager Planning & Development), Mr Peter Hansby (General Manager Property & Infrastructure), Ms Michelle Morss (Strategic & Development Manager), Mr Paddy Cribb (Finance Manager), Ms Emily Carter (Financial Accountant), Mr Ryan Clements (Chief Information Officer), Ms Meghan Pagey (People & Capability Director), Mr Alan Thomas (Health & Safety Manager), Mr Ulrich Glasner (Chief Engineer), Mr Chris English (Building Services Manager), Mr Bill Nicoll (Organisation Improvement Manager), Ms Katherine Durman (Climate Action Coordinator), Ms Zoe Burton (Legal Counsel), Mr Shane Campbell (Solicitor, Wynn Williams Ltd), Mr Miles O'Connor (Bancorp), Mr Mike Hawken (Deloitte), Mr Anthony Smith (Deloitte) and Ms Stacey Harris (Governance Advisor)

Apologies

Councillor Copland was on an approved leave of absence.

On the motion of Mr McLauchlan and Mr Moran the Audit, Finance & Risk Committee resolved that the apology be noted.

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

On the motion of Mr McLauchlan and Mr Moran the Audit, Finance & Risk Committee resolved that the agenda be confirmed without addition or alteration.

Confirmation of Minutes (Public)

On the motion of Mr Moran and Mr Wilson the Audit, Finance & Risk Committee resolved that the public part of the minutes of the meeting held on 11 March 2021 be confirmed as a true and correct record.

1. 2020:21 March Year to Date Financial Overview

A report from Paddy Cribb (Finance Manager) presented the 2020:21 March Year to Date (YTD) Actual to Budget financial results, Quarter 3 Re-forecast to Full Year Budget review, Capital Expenditure financial results and March 2021 Debtors Analysis and Statement of Financial Position. The report also detailed significant transactions and/or variances to budget.

Mr Cribb spoke to the reports and attachments, noting he was pleased with the financial performance considering the uncertainty and impact of Covid-19. Mr Cribb provided an overview of debt on arrears for mortgage holders, noting current arrears had been reduced since hundreds of letters had been distributed within the district.

The committee discussed infringements and the process with the Ministry of Justice, as well as the process steps with Crown structure partners in governance, project and milestone reporting. Management confirmed to the Committee members that while there is a lot going on, the team was adequately resourced.

The committee noted a key challenge was being able to negotiate land acquisition, reflecting the high-value that land had as a development commodity in the district.

On the motion of Mr McLauchlan and Mr Moran the Audit, Finance & Risk Committee resolved that the contents of the report be noted.

2. Sensitive Expenditure

A report from Emily Carter (Financial Accountant) and Paddy Cribb (Finance Manager) described the steps taken to assess sensitive expenditure against delegations and policy and reported anomalies, including transactions outside

delegated authority or information indicating theft, fraud or misuse of QLDC property.

Mr McLauchlan sought more information about the Council's travel register. The Chief Executive advised that management would continue to manage this alongside cost saving activities with a focus on staff wellbeing. He also described efforts to seek a balance between face to face and virtual meetings.

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

3. Risk Management Update

A report from Bill Nicoll (Organisation Improvement Manager), Meaghan Miller (General Manager Corporate Services), Michelle Morss (Strategy & Development Manager), Jonathan Keate and Tuzla Lathiff (both from Office of Attorney General) provided an update on progress with deploying the new QLDC Risk Management Framework.

Ms Miller and Mr Nicoll presented the report and invited Mr Ryan Clements (Chief Information Officer) to join the meeting to discuss cyber security. The Chief Executive outlined the Council's investment in systems and cyber security protection, noting the acceleration in moving systems into the cloud.

Mr Clements referenced the Waikato cyber security breach and advised that his team were blocking appropriate emails and content. He added that the last layer of protection was the human firewall and discussed the importance of actively engaging with staff to understand what phishing emails looked like.

Mr Moran commended the new summary of risks and controls but asked to see key controls for each of the risks.

Mr Keate and Ms Lathiff from the Office of the Attorney General advised of their intention to produce a risk management case study report to parliament. They provided an overview of findings and observations, noting that they would elaborate further once it had been finalised. The Chief Executive confirmed Council was happy to be a part of the case study and it was positive for the district to be participating. He was supportive of an annual session with the committee on risks.

On the motion of Mr McLauchlan and Mr Moran, the Audit, Finance & Risk Committee resolved that the contents of the report be noted.

4. QLDC Organisational Health, Safety and Wellbeing Performance

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

Mr Thomas, Ms Pagey Mr Glasner and Ms Miller presented the report which was taken as read. The committee noted improvements in contractor reporting.

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

5. Climate Action Plan Update

A report from Katherine Durman (Climate Action Coordinator) and Michelle Morss (Strategy & Development Manager) informed the Audit, Finance & Risk Committee on the Climate Action Plan (CAP) priorities and progress.

Ms Durman, Ms Morss Ms Miller and Mr Nicoll presented the report. Ms Miller highlighted that within the TYP submission process, the most interest was in the climate change space. She noted that work being done was supported by both the community and elected members and Council planned to increase investment into climate change activities and staffing capability.

Ms Durman advised that the organisational travel plan was complete and work in progress included collaboration with Otago Regional Council on regional greenhouse gas inventory. She noted that a regional strategy to be prepared would include an aviation emissions profile for the district.

The committee noted that the new Luggate Memorial Centre was the first New Zealand community facility build to passive house standards.

Ms Miller noted that an expert on the climate reference group, Esther Whitehead, had recently been elected as a Councillor in June, demonstrating more support from the community.

Mr McLauchlan encouraged officers to ramp up communications on achievements in this space.

On the motion of Mr McLauchlan and Mr Moran the Audit, Finance & Risk Committee resolved that the contents of the report be noted.

Resolution to Exclude the Public

On the motion of Mr McLauchlan 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:
Draft Audit, Finance & Risk Committee Minutes 11 March 2021	<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:

- Item 6: Legal Update
- Item 7: Deloitte Planning Report for 2020/21 Audit
- Item 8: Audit of the Long Term Plan 2021-2031
- Item 9: Treasury Update May 2021

And

That the following persons remain because of their knowledge and expertise of matters in the following agenda items:

Item 6: Mr Shane Campbell (Wynn Williams Ltd)

Item 7: Mr Mike Hawken (Deloitte), Mr Anthony Smith (Deloitte)

Item 8: Mr Mike Hawken (Deloitte), Mr Anthony Smith (Deloitte)

Item 9: Mr Miles O'Connor (Bancorp Ltd)

General subject to be considered:	Reason for passing this resolution:	Grounds under Section 7:
6. 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>
7. Deloitte Planning Report for 2020/21 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>

General subject to be considered:	Reason for passing this resolution:	Grounds under Section 7:
8. Audit of the Long Term Plan 2021-2031	<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>
9. Treasury Update: May 2021	<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>

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 10.55am.

The meeting moved out of public excluded and concluded at 11.56am.

Confirmed as a True and Correct Record:

Chairperson

Date