

Minutes of a meeting of the Audit, Finance & Risk Committee held in the Council Chambers at 10 Gorge Road, Queenstown on Thursday, 7 March 2024 commencing at 10.00am.

Present

Mr McLauchlan (Chair), Mr Copland (Deputy Chair), Mr Moran, Councillor Cocks, Councillor Gladding, Councillor Guy.

In Attendance

Mr Gareth Noble (Risk & Compliance Manager), Mr Paddy Cribb (Finance Manager), Mr Alan Thomas (Health and Safety Manager), Mr Bill Nicoll (Resilience & Climate Action Manager), Mr Paul Speedy (Manager Strategic Projects), Mr Stewart Burns (General Manager Assurance, Finance & Risk), Mr Brendan Peet (Legal Counsel), Mr Miles O'Conner (Bancorp Treasury Manager), Ms Alice Milne (Senior Legal Counsel), Ms Tilly McCool (Resilience and Climate Action Advisor), Mr Mike Theelen (Chief Executive), Mr Jon Winterbottom (Governance Team Leader), Miss Sarah Bradey (Governance Advisor), no members of the public and no media.

Apologies

There were no apologies.

Declarations of Conflicts of Interest

There were no declarations of conflicts of interest.

Public Forum

There were no public forum presentations

Matters Lying on the Table

There were no matters lying on the table.

Confirmation of Agenda

On the motion of Chair McLauchlan and Councillor Gladding it was agreed that the agenda be confirmed without alteration.

Motion carried unanimously.

Confirmation of Public Minutes

The following amendments were made:

- Amend circumstances of “Councillor Copland” to “Mr Copland”
- Amend circumstances of “Chair Gladding” to “Councillor Gladding”

On the motion of Chair McLauchlan and Councillor Guy it was agreed that the public minutes of the meeting on 12 December 2023 as amended be confirmed.

Motion carried unanimously.

1. Risk and Compliance Update March 2024

This report provided a governance update regarding the status of the Queenstown Lakes District Council (QLDC) Risk and Compliance context, an update on the development of QLDC’s insurance strategy, and an update on the overall programme of works being undertaken within the Risk and Compliance Organisational Unit.

Mr Noble presented the report. Mr Noble commented that there are 369 Tier Two Risks, that following the workshop duplicate risks have been removed, and that new risks have been identified and questions responded to.

Mr Noble responded to questions on the relationship between the activities of the internal audit and the external auditor, whether it is appropriate for the Audit, Finance & Risk Committee (the Committee) to see the job description of the Procurement Manager role, whether staff are aware of the distinction between granting and contracting, whether the insurance strategy and policy renewal timeframes will be brought to the Councillor’s attention, how risk appetite affects insurance policy development, how much QLDC pays annually in insurance premiums, whether the Committee can see information on how decisions around risk are made, whether the Insurance Strategy will include a policy around organisational compliance, and whether information released to the media could count as fraud under the Fraud Policy.

There was further discussion around how boards deal with risk appetite and the development of the insurance policy. There was also extensive discussion over the definition of fraud and whether it would cover Councillor disclosure of privileged information to the media.

On the motion of Councillor Cocks and Seconded by Councillor Guy it was resolved that the Audit, Finance & Risk Committee:

- 1. Note the contents of this report and;**
- 2. Recommend to Council that it adopts the proposed Fraud Policy.**

Motion carried. Councillor Gladding voted against the motion.

2. December 2023 year-to-date Financial Overview

Mr Paddy Cribb (Finance Manager) presented a report on the Year-to-date Financial Overview. The purpose of this report was to present the 2023/2024 December Year to Date (YTD) Actual to Budget financial results, Capital Expenditure financial results, December 2023 Debtors Analysis and Statement of Financial Position and to report on any significant transactions and/or variances to budget to the Committee Members.

Mr Cribb highlighted key positions including the \$1.6 million cost from the September weather event and indicated that finance is working through this issue and will have an update at the next meeting.

Mr Cribb responded to questions on whether anything in QLDC budgets was in doubt given the policies of the new government, rates, and recovering costs from the weather event.

There was also discussion around capital expenditure reporting, the visitor levy, and current issues at the Shotover water treatment plant.

On the motion of Chair McLauchlan and Seconded by Mr Copland it was resolved that the Audit, Finance & Risk Committee:

1. Note the contents of this report

Motion carried unanimously.

3. December 2023 Year-to-date Sensitive Expenditure

Mr Paddy Cribb (Finance Manager) presented a report on the Year-to-date Sensitive Expenditure. The purpose of this report was to describe 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 to the Committee.

Mr Cribb highlighted that finance has completed a review of Purchase Orders under \$10k and that no systemic non-compliance with the requirements of the Procurement Policy was identified.

Mr Cribb responded to questions on whether QLDC has a reporting program in place to capture instances where multiple projects under \$10k together total more than \$10k, and why there is no process in place for Councillors to go directly to managers.

On the motion of Councillor Gladding and Seconded by Mr Moran it was resolved that the Audit, Finance & Risk Committee:

1. Note the contents of this report

Motion carried unanimously.

4. QLDC Organisational Health, Safety and Wellbeing Performance

Mr Alan Thomas (Health and Safety Manager) presented a report that provided the Committee with a regular update on the Health & Safety performance of the organisation.

Mr Thomas responded to questions on the fire risk of vapes, whether Council has training for contractors to pick up rubbish, vapes and lithium batteries that constitute fire risks, and how ammunition was discovered at the skip.

On the motion of Mr Copland and Seconded by Councillor Gladding it was resolved that the Audit, Finance & Risk Committee:

1. Note the contents of this report.

Motion carried unanimously.

5. Climate and Biodiversity Plan Update

Mr Bill Nicoll (Resilience & Climate Action Manager) and Ms Tilly McCool (Resilience and Climate Action Advisor) presented a report on the Climate and Biodiversity Plan Update. The purpose of this report was to provide a summary of priorities and progress of the Climate and Biodiversity Plan 2022-2025 (CBP).

Mr Nicol flagged a mistake with the weblink to the CBP. Officers responded to questions on the best way for staff to report what aspects of the CBP are at risk, whether Elected Members can be made aware of any issues in the lead up to the Long Term Plan, and whether the indicator/traffic light framework is fit for purpose.,

There was also discussion of the Super Home Design Guide and pressures associated with limited resources.

On the motion of Chair McLauchlan and Seconded by Councillor Gladding it was resolved that the Audit, Finance & Risk Committee:

1. Note the contents of this report.

Motion carried unanimously.

6. Lakeview Update

Mr Paul Speedy (Manager, Strategic Projects) presented a report providing an update to the Committee on the Lakeview development progress and key milestones.

Mr Speedy responded to questions on the implications of revenue not coming this financial year, whether QLDC is tracking ongoing costs associated with running the partnerships, lawyers and assessing valuations, and whether actuals could be reported to the Committee.

On the motion of Chair McLauchlan and Seconded by Mr Copland it was resolved that the Audit, Finance & Risk Committee:

That the Audit, Finance & Risk Committee:

1. Note the contents of this report.

Motion carried unanimously.

Resolution to Exclude the Public

On the motion of Chair McLauchlan and Mr Copland the Audit, Finance & Risk Committee resolved that the public be excluded from the following parts of the proceedings of the meeting:

The general subject of each matter to be considered whilst the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) 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:
Draft Audit, Finance & Risk Committee minutes 12 December 2023	<p>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:</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>Section 7(2)(g) Section 7(2)(i)</p>

Public Excluded Agenda Items:

Item 8: Legal Update

Item 7: Treasury Update

General subject to be considered:	Reason for passing this resolution:	Grounds under Section 7:
Item 7: Legal Update	<p>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:</p> <ul style="list-style-type: none"> maintain legal professional privilege <p><i>Reason for this recommendation:</i> Legal privilege protects communications between a lawyer and a client which have been made for the purposes of giving and receiving legal advice. The contents of this report are covered by legal privilege as the items in this report are matters that Council is seeking legal advice on that relate to legal proceedings (or threatened legal proceedings).</p> <p>Withholding the contents of this report from the public enables Council to obtain confidential legal advice about its position on legal issues without the risk of that advice being disclosed to another party (including the claimant) and disadvantaging its position.</p>	Section 7(2)(g),
Item 8: Treasury Update	<p>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:</p> <ul style="list-style-type: none"> enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities <p><i>Reason for this recommendation:</i> The report includes commercially sensitive financial information such as interest rates & SWAP rates which are subject to competitive bids. It could unreasonably prejudice Council's ability to compete in financial markets if such information were made public.</p>	Section 7(2)(h)

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 went into public excluded at 11:55am

Confirmed as a true and correct record:

Chair

Date