

**Minutes of a meeting of the Audit, Finance & Risk Committee held in the Council Chambers at 10 Gorge Road, Queenstown on Thursday, 6 July 2023 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), Ms Kirsty Pope (Climate Action Project Coordinator), Mr Paul Speedy (Manager Strategic Projects), Ms Katie Church (Director of People & Capability), Mr Stewart Burns (General Manager Assurance, Finance & Risk), Mr Naell Crosby-Roe (Governance & Stakeholder Services Manager), Mr Brendan Peet (Legal Counsel), Mr Ryan Clements (Chief information Officer), Mr Mike Theelen (Chief Executive Officer), Mr Mike Hawkin (Audit Director Deloitte), Mr Miles O'Conner (Bancorp Treasury Manager), Mr Jon Winterbottom (Governance Team Leader), Miss Sarah Bradey (Governance Advisor).

**Apologies**

There were no apologies.

**Declarations of Conflicts of Interest**

No declarations of conflicts of interest.

**Public Forum**

1. Mr Peter Newport (Crux Publishing Ltd)

Mr Newport introduced Crux and presented a hardcopy and email version of questions as well as a survey to members to canvas views on the Lakeview project.

**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.**

## Confirmation of Public Minutes

Mr Heath Copland and Mr Bill Moran were apologies for the previous meeting and therefore were excluded from moving/seconding or voting.

**On the motion of Councillor Gladding and Councillor Guy it was agreed that the public minutes of the meeting on 14 March 2023 be confirmed without alteration.**

**Motion carried.**

### **1. Risk and Compliance Update July 2023**

Mr Gareth Noble (Risk & Compliance Manager) presented the Risk and Compliance Update July 2023 which provided a governance update regarding the status of the Queenstown Lakes District Council (QLDC) risk context, and an update on key organisational risks. The report also provided an update on the programme of works for the Risk and Compliance Organisation Unit.

Mr Noble spoke to the report and responded to questions regarding the potential risk of being too risk adverse, interconnectivity, and looking at the broad picture on risk. Mr Theelen responded to a question about emergency management. There was further discussion on Technology One and the new Risk Register, reputation risk and the Wānaka petition, provision for Planning & Development, risks associated with the interaction of projects, climate risk and the risk of ineffective governance.

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

- 1. Note the contents of this report and;**
- 2. Endorse the proposed Tier 1 risks**

**Motion carried.**

### **2. Year-to-date Financial Overview, Debtors' Analysis and Statement of Financial Position Overview**

Mr Paddy Cribb (Finance Manager) presented the Year-to-date Financial Overview. The purpose of this report was to present the 2022/23 April Year to Date (YTD) Actual to Budget financial results, Capital Expenditure financial results and April 2023 Debtors Analysis and Statement of Financial Position and to report on any significant transactions and/or variances to budget.

Mr Cribb and Mr Burns responded to questions regarding the Council's current debt setting, why actuals are less than had been budgeted this late in the financial year, and how the budget is carried over from the previous financial year to the next. Mr Avery responded to a question about potential increase in construction-related costs.

There was discussion around governance risk and the sharing of financial information with non-member councillors. There was further discussion about financial year budgeting given that projects often depend on availability of resources, the impacts of Cyclone Gabrielle recovery on resources, and impacts of the cost-of-living crisis.

**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**

**3. Sensitive Expenditure**

Mr Paddy Cribb (Finance Manager) presented the Sensitive Expenditure report. 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 Queenstown Lakes District Council property.

Mr Cribb spoke to the report and responded to questions regarding existing software, Capital Improvement Projects (CIP) Funding missing due to delays, the price of country dwelling rates in comparison to other rates. It was noted that Wyn Williams was missing from the graph in the agenda.

There was further discussion on Kingston Three Waters, the risk picture, the development agreement, and request for workshop materials to be circulated to the non-elected Audit Finance and Risk Committee Members.

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

**1. Note the contents of this report**

**Motion carried**

#### **4. QLDC Organisational Health, Safety and Wellbeing Performance**

Mr Alan Thomas (Health and Safety Manager), Ms Nichola McKernan (Health and Safety Chair) and Ms Katie Church (People & Capability Director) presented a report on Queenstown Lakes District Council's Health, Safety and Wellbeing Performance. The purpose of this report was to provide the Audit, Finance & Risk Committee with a regular update on the Health & Safety performance of the organisation.

Ms Church introduced staff at the table, took the report as read and responded to questions regarding reporting, proactiveness on gathering reporting, the distribution of defibrillator maps, and the recent significant helicopter and paragliding incident.

Staff were then thanked for their work on the Organisational Health, Safety and Wellbeing Performance.

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

**1. Note the contents of this report.**

**Motion carried.**

#### **5. Climate & Biodiversity Plan Update**

Mr Bill Nicoll (Resilience & Climate Action Manager) and Kirsty Pope (Resilience & Climate Action Advisor) presented a report on the Climate 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 Nicoll and Ms Pope spoke to the report and responded to questions regarding the possibility of reporting to Councillors via the OneDrive shared folder (so councillors can stay on top of what is going on), how the recommendations of assessments (qualitative and quantitative assessments of emissions and biodiversity assessments) will integrate with existing systems (such as TechnologyOne), and implications for properties in the natural hazard areas of Glenorchy and Gorge Road following the government's decision to buy out properties after Cyclone Gabrielle. There was further discussion on the need to make provisions for buy outs if that is the direction the government takes.

There were further questions and discussion regarding managed retreat, monthly assessment of emissions and the emissions reduction plan, the district's food system and resilience plan and collaboration with WAO and Otago Regional Council in the development of food maps, reduction of electricity and renewable energy solutions, the relationship between QLDC and Otago Regional Council, potential student internship opportunities, the new climate and biodiversity website, and e-scooter reporting being shared publicly.

Staff were thanked for their work on the Climate Biodiversity Plan Update, current projection of the plan, and progress.

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

**1. Note the contents of this report.**

**Motion carried.**

## **6. Lakeview Update**

Mr Paul Speedy (Manager, Strategic Projects) presented a report on Lakeview update. The purpose of this report was to report on the Lakeview development key milestones and consider matters raised in notices of motion submitted by Councillor Gladding in relation to the Lakeview development agreement delegation to the Chief Executive.

Mr Speedy spoke to the report and responded to questions. Mr Speedy clarified that in addition the normal update the report addressed issues raised by Councillor Gladding's Notice of Motion.

Councillor Gladding presented and spoke to her Notice of Motion. Mr Theelen reminded the Committee that the Notice of Motion was not being debated today, and that it had been rejected. He also explained a second Notice of Motion had led to the scheduling of a workshop on 19 July 2023. Mr Theelen noted that Council could request at that workshop that a paper be written for a future Council meeting. Mr Theelen suggested that the focus of the report was on matters raised by the Notice of Motion and not on the Notice of Motion Standing Order itself. Councillor Cocks indicated that he was comfortable with how the delegation had been handled, although he suggested that it would be important for councillors to be kept up to date of any significant changes that occur with the developer.

In response to a question from Councillor Gladding, Chair McLauchlan indicated that the Committee's goal was to ensure that the process was being followed properly. Chair McLauchlan added that he had no reason for thinking that the process was not working properly and in accordance with recommendations from RB Robinson (the legal firm). Mr Moran indicated that the issue would have to be managed by a change in delegations' policy rather than a change in respect to a specific issue. Mr Theelen responded to questions for clarification from Mr Copland.

Councillor Gladding then moved the following amended motion:

**That the Audit, Finance & Risk Committee:**

1. Note the contents of this report;
2. Agree that council staff should work with Councillor Gladding to address the concerns raised by the Mayor in relation to the 21 June 2023 Notice of Motion;
3. Agree that the Notice of Motion should be placed on the agenda for the 10 August 2023 Council Meeting.

The motion failed to win a seconder and so lapsed to the original motion.

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

1. Note the contents of this report;
2. Note (and consider) the matters raised in a notice of motion by Councillor Gladding in relation to the Lakeview development agreement delegation to the Chief Executive and the professional advice received in relation to the matters;
3. Agree that, while the matter of the Lakeview development agreement delegation remains the prerogative of the Council, the Audit, Finance and Risk Committee is satisfied that the delegation to the Chief Executive is appropriate;
4. Note that following a further notice of motion submitted by Councillor Gladding, Elected Members intend to hold a workshop on the Lakeview development agreement delegation to the Chief Executive.

Motion carried. Councillor Gladding voted against the above resolution.

## 7. Privacy Update

Ms Katie Church (Director of People & Capability) and Mr Naell Crosby-Roe (Governance & Stakeholder Services Manager) presented a report on the Privacy Update. The purpose of this report was to provide the committee with an end of year update, on matters relating to the Privacy Act 2020 and Council's Privacy Policy and practice.

Ms Church spoke to the report and responded to questions regarding the need for QLDC to provide contact details, consultation with the privacy commissioner, as well as facial recognition, CCTV and training on technology.

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.

Motion carried.

#### Resolution to Exclude the Public

On the motion of Chair McLauchlan and Councillor Gladding the Planning & Strategy Committee resolved that the public be excluded from the following parts of the proceedings of the meeting:

It is recommended that the public be excluded from the following parts 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 14 March 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"> <li>• maintain legal professional privilege</li> </ul> <p>enable any local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Section 7(2)(g)</p> <p>Section 7(2)(i)</p>

#### Public Excluded Agenda Items:

- Item 8: Internal Audit Report July 2023
- Item 9: Deloitte Audit Plan 2023

Item 10: Legal Update  
 Item 11: Treasury Report

General subject to be considered:	Reason for passing this resolution:	Grounds under Section 7:
Item 8: Internal Audit Report July 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> <p>c)(i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; or</p>	Section 7(2)(c)(i)
Item 9: Deloitte Audit Plan 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> <p>h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities; or</p>	Section 7(2)(h)



<p>Item 10: Legal Update</p>	<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> <p>g) maintain legal professional privilege; or              f)(i) the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom <a href="#">section 2(5)</a> applies, in the course of their duty; or              i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or              b)(i) would disclose a trade secret; or</p>	<p>Section 7(2)(g),              Section 7(2)(f)(i),              Section 7(2)(i),              Section 7(2)(b)(ii)</p>
<p>Item 11: Treasury Update</p>	<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> <p>h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities; or</p>	<p>Section 7(2)(h)</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 went into public excluded at 11:43am*

**Confirmed as a true and correct record:**

---

**Chair**

---

**Date**