

**Audit, Finance & Risk Committee
13 June 2018**

Minutes of a meeting of the Audit, Finance & Risk Committee held on Wednesday 13 June 2018 in Council Chambers, 10 Gorge Road, Queenstown commencing at 12.00pm.

Present

Councillor McRobie (Chair), Councillor Hill and Mr McLauchlan.

In Attendance

Mr Mike Theelen (Chief Executive), Mr Stewart Burns (General Manager Finance & Regulatory), Ms Meaghan Miller (General Manager Corporate Services), Mr Paddy Cribb (Financial Advisory Manager), Ms Lyn Zeederberg (Financial Controller), Ms Meghan Pagey (Human Resources Manager), Mr Glyn Roberts (Health & Safety Officer), Mr Brett Tomkins and Mr Anthony Smith (Deloitte), Mr Miles O'Connor (Bancorp) and Ms Shelley Dawson (Senior Governance Advisor).

Apologies

There was an apology from Mr Roger Wilson

On the motion of Mr McLauchlan and Councillor Hill it was resolved that the Audit, Finance & Risk Committee accept the apology

Declaration of Conflicts of Interest

Mr McLauchlan commented that he had previously noted his involvement in Ngai Tahu Tourism

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 Councillor Hill and Mr McLauchlan it was resolved that the minutes of

the Audit, Finance & Risk Committee held on 22 February 2018 be accepted.

1. Full Year Re-forecast and Quarterly Financial Overview – March 2018

Consideration was given to a report that presented the Quarter 3 Full Year financial re-forecast and March Quarterly financial results. It also reported on any significant transactions and/or variances to budget. Mr Cribb joined the table to speak to this item.

Mr Cribb gave an overview of the Quarter 3 Full Year Re-forecast to Budget noting there was additional revenue as well as additional costs. Mr Burns noted that Council had submitted three HIF proposals to government that required detailed business cases which had not been budgeted for. He noted that an announcement on two of these was expected on 1 July 2018.

There was a question on the number of vacancies being carried forward and Ms Pagey noted she did not have the number to hand but could distribute it to the Committee at a later date. Mr Cribb talked to the Quarter 3 Financial Report noting the increase in revenue some of which was attributed to the Queenstown Airport dividend. Ms Pagey came to the table and advised that to the end of March the organisation was carrying approximately 25 vacancies with an additional 45 proposed once the Ten Year Plan was adopted. She noted that they expected the rate of vacancies would be similar to last year.

Mr Burns commented that at the last meeting he had commented on the need to focus on rates receivable. The Finance team had committed to work in that space and there was an improvement this quarter with a drop of approximately \$250,000 from the December quarter. Mr Burns explained that they had contacted everyone who was in arrears and there had been a strong response with repayments.

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

2. Sensitive Expenditure

Consideration was given to a report that 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. Ms Zeederberg joined the table to speak to this item.

The Committee noted that it was a well written report. Ms Zeederberg commented that she had not encountered any issues during her internal audits. She noted that there were currently more p-card holders than previously but she

was comfortable with the staff holding them and added that they had all received one-on-one training on p-card use.

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

3. Risk Management Update

Consideration was given to a report that provided the Committee with an update in relation to QLDC's risk management process, ethos and on-going approach. Ms Meaghan spoke to this report on behalf of Ms Morss.

Ms Miller advised the Committee that the person in the role driving this work was no longer with the organisation and that they had pushed the roll out of the risk module to September 2018. She added that the Risk Management Working Group and Planning, Performance and Risk team were continuing to progress through the programme of work. Ms Miller noted that the new approach would enable risk to be more ingrained in Council business going forward. She gave an overview of some of the risk management module's capacity and outputs.

Ms Miller commented that Ms Morss had led a review of the risk register and this would come to the next Committee meeting. There was discussion on the high number of vacancies that led to increased workload and stress on existing staff. The Committee noted that staff wellbeing could be considered a risk especially given the ambitious work programme through the proposed Ten Year Plan. Ms Pagey advised that staff well-being was a focus of the Health and Safety Committee as well as the Risk Management Working Group.

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

4. QLDC Organisational Health Safety and Wellbeing Performance

Consideration was given to a report that provided the Audit, Finance & Risk Committee with an update on the Health & Safety performance of the organisation. Ms Pagey and Mr Roberts joined the table to speak to this item.

Ms Pagey commented that since writing the report the revised Workplace Health and Safety Management System document had been finalised and made available. She also commented that there had been a fatality at the Frankton golf course in February. Ms Pagey advised that WorkSafe had been notified and Council's internal investigation was nearly complete.

After a question on the April spike for 'Public' on the graph on page 42, Mr Roberts commented that there were always spikes in accidents and events

when the holiday programmes were running due to the high volumes of children in activities. The Committee and Ms Pagey agreed that the increase in “near miss” reporting was a positive step and it meant that potential issues could be investigated and addressed.

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

Resolution to Exclude the Public

On the motion of Councillors McRobie and Hill the Audit, Finance & Risk Committee resolved to exclude the public from the following parts of the proceedings of the meeting:

- Item 5: Treasury Update: May 2018
- Item 6: Deloitte Planning Report for 2017/18 Audit
- Item 7: 2018-28 Long Term Plan verbal update

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: May 2018</p> <p>Item 6: Deloitte Planning Report for 2017/18 Audit</p> <p>Item 7: 2018-28 Long Term Plan verbal 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.</p> <p>(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.</p> <p>(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.</p>	<p>Section 7(2)(h)</p> <p>Section 7(2)(h)</p> <p>Section 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 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 May 2018*. 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.

It was also resolved that Brett Tomkins and Anthony Smith (Deloitte) be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of *Item 6: Deloitte Planning Report for 2017/18 Audit and Item 7: 2018-28 Long Term Plan verbal update*. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because Mr Tomkins and Mr Smith represent Council's auditors, Deloitte.

The meeting moved into public excluded at 12.31pm

The meeting moved out of public excluded and concluded at 1.14pm.

Confirmed as a True and Correct Record:

Chairperson

Date
