

Minutes of a meeting of the Audit, Finance & Risk Committee held in the Council Chambers at 10 Gorge Road, Queenstown on Thursday, 12 September 2024 commencing at 10.00am.

Present

Mr Stuart McLauchlan (Chair), Mr Heath Copland (Deputy Chair), Mr Bill Moran, Councillor Lyal Cocks, Councillor Niki Gladding, Councillor Lisa Guy

In Attendance

Ms Katherine Harbrow (Assurance, Finance and Risk General Manager), Mr Gareth Noble (Risk and Compliance Manager), Ms Kirsty Pope (Resilience and Climate Action Advisor), Mr Tony Avery (General Manager, Property & Infrastructure), Mr Stewart Burns (General Manager, Assurance Finance & Risk), Mr Paul Speedy (Manager Strategic Projects), Mr Grant Duthie (Senior Financial Accountant), Ms Katie Church (People & Capability Director), Mr Alan Thomas (Health and Safety Manager), Mr Mariano Niveiro (Internal Assurance Lead), Mr Brendan Peet (Legal Counsel), Mr Miles O’Conner (Bancorp Treasury Manager), Mr Mike Theelen (Chief Executive), Mr Mike Hawken (Partner – Assurance and Advisory, Deloitte), Mr Jon Winterbottom (Democracy Services Team Leader and Health & Safety Chair), Miss Sarah Bradey (Democracy Services Advisor), no members of the public and 1 member of the media

Apologies

Apologies were received from Mr Bill Moran.

On the motion of Chair McLauchlan and Mr Copland the Planning & Strategy Committee resolved that the apologies be accepted.

Motion carried unanimously.

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 Cocks it was agreed that the agenda be confirmed without alteration.

Confirmation of Public Minutes

On the motion of Councillor Gladding and Councillor Guy it was agreed that the public minutes of the meeting on 11 June 2024 be confirmed.

Motion carried unanimously.

1. Risk and Compliance Update

The purpose of this report was to provide 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 the overall programme of works being undertaken within the Risk & Compliance Team. The report's author, Mr Gareth Noble (Risk and Compliance Manager), presented the report.

Mr Noble responded to questions on whether the Senior Insurance Advisor is a new position, how officers work with the Risk Register, the risk culture of the organisation, how the Compliance and Obligations Register tasks get prioritised, whether risks around non-compliance can be presented to Councillors, why Risk 10017 (Ineffective Council response to, or recovery from a civil defence emergency event) is in the "Unlikely" category, how Elected Members can eliminate and/or avoid role-based risk, Council's appetite for risk, and whether clarity could be provided on how the risk strategy links to the organisation's risk appetite.

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

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

Motion carried unanimously.

2. 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 (QLDC) property. The report's author, Mr Grant Duthie (Senior Financial Accountant), presented the report and took it as read.

Mr Duthie responded to questions on how often debtors analysis comes to the Audit, Finance & Risk Committee, whether purchase orders under ten thousand but that do not add up to one hundred thousand get reviewed, and whether there are more purchase orders at ten thousand dollars under the one hundred thousand threshold.

Staff clarified that the debtors analysis would come to the December 2024 Audit, Finance & Risk Committee Meeting. There was discussion on whether there is a need to have different thresholds in which purchase orders under ten thousand dollars are recorded in ten thousand dollar bands. It was indicated that a table would be updated and provided to councillors.

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.

3. Organisational Health, Safety and Wellbeing Report

Mr Alan Thomas (Health and Safety Manager), Mr Jon Winterbottom (Health and Safety Chair), Ms Katie Church (People & Capability Director) presented the report. Ms Church highlighted there has been great involvement in health and safety by contractors and that the Contract Management System is progressing well.

Mr Thomas, Mr Winterbottom and Ms Church responded to questions on whether some internal health, safety and wellbeing resources could be outsourced to community associations, whether dialogue could be initiated on the wider footprint of wellbeing, and on people potentially feeling unsafe to cooperate with Council.

Officers announced Queenstown Lakes District Council's new Diversity, Equity and Inclusion Policy.

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

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

Motion carried unanimously.

4. Climate & Biodiversity Plan Update

The purpose of this report was to provide a summary of priorities and progress of the Queenstown Lakes Climate and Biodiversity Plan 2022-2025 (CBP) for the period up to August 2024. The report's authors, Mr Bill Nicoll (Resilience & Climate Action Manger) and Ms Kirsty

Pope (Resilience and Climate Action Advisor), presented the report and took it as read. Officers highlighted that they are working closely with the Climate and Biodiversity workgroup to develop the next Climate & Biodiversity Plan.

Ms Pope and Mr Nicoll responded to questions how Electric Vehicle charges could benefit the local economy, whether Council could get economic returns from Electric Vehicle charges, whether Council is relying more heavily on carbon assessments, how much of the Climate and Biodiversity fund went toward developing the Climate and Biodiversity Plan, and whether Council had reached out to Gisborne Council on emergency management.

Mr Tony Avery commented that Council had been approached by a number of Electric Vehicle charging companies and indicated that officers are developing a strategic approach on how to deal with these companies.

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

1. Note the contents of this report.

Motion carried unanimously.

5. Lakeview Update

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

Mr Speedy responded to questions on whether officers can provide an update on infrastructure and stormwater protection for the site, who is responsible for stormwater, and whether there would be seven super lots.

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

That the Audit, Finance & Risk Committee:

1. Note the contents of this report.

Motion carried. Councillor Gladding voted against the motion.

6. Annual Planning Report

Mr Stewart Burns (General Manager Assurance, Finance & Risk) presented the report authored by Ms Charlotte Wallis (Business Planning Project Manager). Mr Burns outlined that

the Annual Planning Report has an extended timeframe, and final adoption will be in December. Mr Mike Hawken (Partner – Assurance and Advisory, Deloitte) presented the Audit Report attachment.

Mr Hawken outlined that Deloitte completed the Annual Report, which is consistent with what has been presented previously.

Mr Burns, Ms Harbrow and Mr Hawken responded to questions on how Deloitte examine operating expenditure, and whether the policy has been benchmarked.

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

It was 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 11 June 2024	<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)</p> <p>Section 7(2)(i)</p>

Public Excluded Agenda Items:

- Item 7: Audit of the Long Term Plan 2024-2034
- Item 8: Legal Update
- Item: 9: Treasury Report
- Item: 10: Internal Audit Report September

General subject to be considered:	Reason for passing this resolution:	Grounds under Section 7:
<p>Item 7: Audit of the Long Term Plan 2024-2034</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> <ul style="list-style-type: none"> to protect information where making it available 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 <p><i>Reason for recommendation</i></p> <p>Discussion around this item is solely for the awareness of the Committee and it would be inappropriate for this report to be made available to third parties and would likely prejudice the supply of similar information. As Deloitte’s audit report may evolve between now and when the final LTP is adopted by Council, it is Deloitte’s request that the current version should not be released publicly.</p>	<p>7(2)(c)(i)</p>

<p>Item 8: 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> <ul style="list-style-type: none"> • maintain legal professional privilege. <p><i>Reason for recommendation</i></p> <p>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>	<p>Section 7(2)(g)</p>
<p>Item 9: 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:</p> <ul style="list-style-type: none"> • to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities. <p><i>Reason for recommendation</i></p> <p>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>	<p>Section 7(2)(h)</p>

<p>Item 10: Internal Audit Report September 2024</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> <ul style="list-style-type: none"> to protect information where making it available 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 <p><i>Reason for recommendation</i> The internal audit report provides assurance regarding procurement practices and relies on information relating to procurement systems and processes. If findings were to be made public, this would likely impact upon the provision of information and the openness of those subject to an audit, as well as those responsible for relevant systems and associated controls, thereby limiting the effectiveness of findings and associated recommendations.</p>	<p>Section 7(2)(c)</p>
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This recommendation 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.

The meeting went into public excluded at 11.38am

Confirmed as a true and correct record:

Chair

Date