

Minutes of a meeting of the Audit, Finance & Risk Committee held on Thursday 5 March 2020 in Council Chambers, 10 Gorge Road, Queenstown commencing at 10.00am

Present

Councillor MacDonald (Chair), Councillor Copland, Mr Moran, Mr McLauchlan and Mr Wilson

In Attendance

Mr Mike Theelen (Chief Executive), Mr Stewart Burns (General Manager Finance, Regulatory & Legal), Mr Peter Hansby (General Manager, Property & Infrastructure), Ms Meaghan Miller (General Manager, Corporate Services), Ms Meghan Pagey (People & Capability Director), Ms Michelle Morss (Strategic & Development Manager), Mr Paddy Cribb (Financial Advisory Manager), Mr Alan Thomas (Health & Safety Manager), Mr Bill Nichol (Organisation Improvement Manager), Mr Gareth Noble (Programme Director), Mr Thush Wisumperuma (Ernst & Young), Mr Mike Hawken (Deloitte), Mr Miles O'Connor (Bancorp) and Ms Stacey Harris (Governance Advisor)

Apologies

There were no apologies.

Declaration of Conflicts of Interest

Mr McLauchlan noted that he was no longer a Director at Ngai Tahu Tourism.

Public Forum

There were no speakers in the public forum.

Confirmation of Agenda

The agenda was confirmed without addition or alteration.

- 1. 2019:20 Quarter 2 Actual to Quarter 2 Budget Financial Overview;**
2019:20 Quarter 2 Full Year Re-forecast to Full Year Budget Overview;
2019:20 Quarter 2 Capital Expenditure Reporting Overview;
2019:20 Quarter 2 Statement of Financial Position;
2019:20 Quarter 2 Debtors Analysis.

A report prepared and presented by Mr Paddy Cribb (Financial Advisory Manager) presented the 2019:20 Quarter 2 Actual to Budget, 2019:20 Full Year Quarter 2 Re-forecast to Full Year Actuals and 2019:20 Quarter

2 Capital Expenditure financial results and reported on any significant transactions and/or variances to budget. Also presented for review was the Quarter 2 statement of Financial Position and Quarter 2 Debtors analysis.

The report was taken as read.

The Committee discussed the details of the report and corresponding attachments. The variation in the Salaries & Wages Contract expenditure was queried by the Committee and it was clarified that due to ongoing nation-wide shortages in building control, consents, project management and engineering, the Planning and Development team in particular continued to be reliant on the use of contractors.

It was noted that details on the recovery from the December 2019 floods would be presented to the Committee at the July meeting.

On the motion of Mr McLauchlan and Mr Moran the Audit, Finance & Risk Committee resolved to note the contents of the report.

2. Sensitive Expenditure

A report prepared by Ms Kathy Voss (Financial Controller) and presented by Mr Stewart Burns (General Manager, Finance, Legal & Regulatory) 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.

The report was taken as read.

Mr Burns noted that Ms Voss no longer worked at the Council.

The Committee briefly discussed details of the report, noting that the Planning and Development Professional Services Panel selection process was still underway.

On the motion of Councillor MacDonald and Mr Moran the Audit, Finance & Risk Committee resolved to note the contents of the report.

3. Risk Management Update

A report prepared and presented by Mr Bill Nicholl (Organisation Improvement Manager), Ms Michelle Morss (Strategy & Development Manager) and Ms Meaghan Miller (General Manager, Corporate Services) provided a governance update regarding the progress of the

work programme and change management plan to support the deployment of the new Queenstown Lakes District Council Risk Management Framework.

Ms Morss introduced herself to the Committee and provided some context to the risk management work that had been undertaken during the previous two years.

The Committee discussed the details of the report, noting the ongoing challenges involved with establishing a robust risk management culture amongst Council contractors compared to permanent Council staff.

There was extensive discussion around the preparation that Council was undertaking in response to the recent Coronavirus outbreak. In the event that the virus be declared an epidemic, the Council would need to have the resources to support public information management, welfare and logistics. Communications had been established between the Council and the Southern District Health Board and would be ongoing. The Queenstown Airport Corporation had started testing various incoming flights, and had plans in place for isolation if required.

Concerns were expressed over the possible impact that the Coronavirus would have on tourism throughout the district. The Council were concerned about the possible long lasting effects and associated financial risks that may be experienced as a result, and as such would be keeping a close eye on the impacts of a possible drop in tourism.

On the motion of Mr Moran and Mr McLauchlan the Audit, Finance & Risk Committee resolved to note the contents of the report.

4. QLDC Organisational Health Safety and Wellbeing Performance

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

The report was taken as read.

The Committee discussed the details of the report. It was confirmed that the majority of contractor incidents reported were relating to first aid, or near misses. The reporting requirements for volunteers within the district were clarified, with the Committee noting that unless Council had involvement in an event, or Council property was damaged, then a volunteer group was not required to report back to Council.

On the motion of Councillor MacDonald and Mr Moran the Audit, Finance & Risk Committee resolved to note the contents of the report.

Resolution to Exclude the Public

On the motion of Councillor MacDonald and Mr Moran 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:

Agenda Items:

General subject to be considered:	Reason for passing this resolution:	Grounds under Section 7:
5: EY Draft Report: Independent Programme Advisory for QLDC Three Waters Programme	<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)</p> <p>S 7(2)(i)</p>

<p>6: Treasury Update: February 2020</p>	<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)</p> <p>S 7(2)(i)</p>
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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 11.06am

The meeting moved out of public excluded and concluded at 11.44am.

Confirmed as a True and Correct Record:

Chairperson

Date