

**Minutes of a meeting of the Audit, Finance & Risk Committee held in the Council Chambers at 10 Gorge Road, Queenstown on Thursday, 5 October 2023 commencing at 1.00pm.**

### **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 Theelan (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**

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 McLachlan and Mr Moran it was agreed that the agenda be confirmed without alteration.**

**Motion carried.**

## **Confirmation of Public Minutes**

**On the motion of Chair McLauchlan and Mr Moran it was agreed that the public minutes of the meeting on 6 July 2023 be confirmed without alteration.**

**Motion carried in a 5-1 vote (Councillor Gladding voted against).**

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

Mr Gareth Noble (Risk & Compliance Manager) presented the report, which 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 spoke to the report and responded to questions. Questions were asked about the asset register and risks associated with ineffective business processes.

Councillor Gladding requested clarification regarding how the Risk and Compliance frameworks and policies would deliver, and what differences councillors could expect in reports, given the Council's current understanding of complex risk. Councillor Gladding suggested that the Committee add a clause to the motion in the report recommending a workshop on how these frameworks and policies, as well as the Three Lines of Defence model, would work from a governance perspective. The Chair supported this idea.

Mr Noble introduced Deanna MacDonald (National Client Relationship Manager) and Matthew Wilson (National Manager, Local Government Risk Practice) from Aon, QLDC's insurance broker. Ms MacDonald and Mr Wilson had provided commentary (as part of the report) on current conditions in the insurance market. Ms MacDonald and Mr Wilson spoke to this section of the report and responded to questions.

Councillor Gladding proposed language for a second clause to the recommended motion in the report. Committee members agreed to incorporate this language into the motion.

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

- 1. Note the contents of this report;**
- 2. Recommend that officers hold a workshop covering the Compliance Framework and Policy, the Risk Framework**

and Policy and the Three Lines of Defence Model, and recommend that councillors and members of the Audit, Finance & Risk Committee are invited to that workshop.

**Motion carried.**

## **2. Sensitive Expenditure**

Mr Paddy Cribb (Finance Manager) presented the Year-to-date Financial Overview. The purpose of this report is 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.

Mr Paddy Cribb took the report as read and responded to a question related to gifts.

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

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

**Motion carried.**

## **3. 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 took the report as read. Staff responded to questions on staff leave related to Covid, staff wellbeing and training related to difficult interactions with the public, and whether contractor incidents are increasing.

The Chair thanked staff for the work.

**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.**

**Motion carried.**

**4. Climate & Biodiversity Plan Update**

Mr Bill Nicoll (Resilience & Climate Action Manager) and Kirsty Pope (Climate Action Project Coordinator) 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 Nicoll and Ms Pope responded to questions on emissions reductions, reporting of the carbon impacts of projects in the Annual Report, the Queenstown Lakes Food Network, funding for projects associated with the Economic Diversification Plan, and risks associated with not achieving the goals set out in the CBP.

**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.**

**5. Lakeview Update**

Mr Paul Speedy (Manager, Strategic Projects) presented a report on Lakeview update. The purpose of this report was to update the Committee on the Lakeview development progress and key milestones.

Mr Speedy spoke to the report and responded to questions on the sunset deadline for the project, the water system on the site, and material changes to the plans in June 2023. There was also discussion of financial projections related to the project.

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

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

**Motion carried.**

**Resolution to Exclude the Public**

**On the motion of Mr Copland and Councillor Guy the Audit, Finance & Risk 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 5 October 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> <li>• enable any local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</li> </ul>	<p>Section 7(2)(g)</p> <p>Section 7(2)(i)</p>

**Public Excluded Agenda Items:**

- Item 6: Legal Update
- Item 7: Treasury Update
- Item 8: Deloitte 2022/2023 Annual Report Update

General subject to be considered:	Reason for passing this resolution:	Grounds under Section 7:
Item 6: 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"> <li>• maintain legal professional privilege; or</li> <li>• enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or</li> <li>• protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</li> </ul>	Section 7(2)(g), Section 7(2)(i), Section 7(2)(b)(ii)
Item 7: 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"> <li>• enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</li> </ul>	Section 7(2)(h)

Item 8: Audit of 2022-2023 Annual Report	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: <ul style="list-style-type: none"> <li>• enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</li> </ul>	Section 7(2)(h)
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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 went into public excluded at 2:12pm*

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

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**Chair**

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**Date**