

Minutes of a meeting of the QLDC Risk & Assurance Committee held in the Council Chambers, 10 Gorge Road, Queenstown on Thursday, 9 April 2026 commencing at 10.00am

Present

Councillor Niki Gladding (Chair), Councillor Samuel 'Q' Belk, Councillor Stephen Brent, Mr Matt Mouat, Mr Alastair Hercus (online) and Ms Juliet Tainui-Hernandez

In Attendance

Mayor John Glover, Councillor Jon Mitchell; Michelle Morss (Interim Chief Executive), Katherine Harbrow (General Manager, Assurance, Finance & Risk), Tony Avery (General Manager, Property & Infrastructure), Meaghan Miller (General Manager, Corporate Services), Gareth Noble (Assurance & Risk Manager), Paul Speedy (Strategic Project Manager), Ian Dunbar (Organisation Performance Manager), Caleb Dawson-Swale (Business Planning Manager), Mariano Niviero (Internal Audit Manager), Ryan Clements (Chief Information Officer), Brendan Peet (General Counsel), Hannah Kennedy (Auditor, Deloitte), Heidi Rautjoki (Auditor, Deloitte), Jon Winterbottom (Democracy Services Manager), Jane Robertson (Senior Democracy Services Advisor); no members of the public and no members of the media

Whakatau and Karakia

Arne Burgess presented a Whakatau and karakia to start the meeting.

Mayor John Glover welcomed the members to this first meeting of the Risk & Assurance Committee and this was echoed by Councillor Gladding, who also acknowledged the service of previous members of the Audit, Finance & Risk Committee: Stuart McLauchlan, Bill Moran and Heath Copland.

Apologies

There were no apologies.

Declarations of Conflicts of Interest

Councillor Brent declared a conflict of interest in respect of item 9 ('Legal Update') and undertook to leave the meeting room for this item.

Public Forum

There were no public forum speakers.

Matters Lying on the Table

There were no matters lying on the table.

Confirmation of Agenda

It was moved (Councillor Gladding, Councillor Brent):

That the Risk & Assurance Committee resolve that the agenda be confirmed without addition or alteration.

Motion carried unanimously.

1. **Risk Management Update, April 2026**

A report from Gareth Noble (Assurance & Risk Manager) provided an update on the status of the Queenstown Lakes District Council's (QLDC) risk context and the overall programme of works being undertaken within the Assurance and Risk Team. The report also presented three different versions of the Risk Management Policy: option 1 being the status quo; option 2 proposing that the Risk & Assurance Committee approve the internal audit programme; and option 3 proposing that the full Council approve the internal audit programme. The report recommended that the Committee recommend to Council that it adopt version 3.

Gareth Noble and Ian Dunbar presented the item.

Mr Noble provided an introduction to his role within the Council and spoke briefly about current internal and external risks, not all of which were under the Council's direct control. He noted that Mr Dunbar had been invited to speak about the business continuity planning work his team had been undertaking in response to worldwide fuel cost increases.

Mr Dunbar provided a verbal report, describing the different strands of the work to understand which parts of the Council's operation had a fuel dependency and to what extent reduced access to fuel might impact service levels.

It was noted that this detail had not been included in the officer report because reports were submitted three weeks in advance of a meeting. Members suggested that scenario plans would be helpful.

Katherine Harbrow advised that the Council would next review its risk appetite when preparing the Long Term Plan 2027-2037 (LTP) and that a workshop for the Committee and Council to discuss the Risk Management Policy was scheduled for 2 June 2026.

It was moved (Councillor Gladding, Councillor Belk):

That the Risk & Assurance Committee resolve to:

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

2. **Recommend to Council** that it adopts the changes in version 3 of the proposed Risk Management Policy.

Motion carried unanimously.

2. **Compliance Update, April 2026**

A report from Gareth Noble (Assurance & Risk Manager) provided a governance update regarding the status of the QLDC's compliance programme and its compliance with legislation and consents.

Gareth Noble presented this report and the report following. He noted that both the Compliance Management Policy and Risk Management Policy were very new to the Council and represented a significant step forward for the organisation. The date of the meeting meant that it was too soon to present the report from the January to March 2026 quarter and he acknowledged that the December 2025 quarter had finished some time ago. It was hoped that future meetings would coincide better with reporting timeframes.

Discussion turned to the Shotover Wastewater Treatment Plant and the failure of the disposal field in early 2025, which had resulted in the Otago Regional Council taking enforcement action and the QLDC carrying out emergency work under the Resource Management Act 1991 to divert treated wastewater into the Shotover River. Members asked whether a post-incident review had been conducted, as it was best practice to do so after significant events in order to learn from what had occurred and was something that should be part of an effective Risk Management Policy.

Tony Avery joined the table and provided more comment. He noted that the decision-making processes behind the need to carry out emergency work had been discussed with elected members in workshops. Ms Harbrow suggested that the earlier workshop material be shared with all members of the Committee via OneDrive. It was also noted that this was another topic that could be included as a workshop item.

It was moved (Councillor Gladding, Councillor Brent):

That the Risk & Assurance Committee resolve to:

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

Motion carried unanimously.

3. **Insurance Update, April 2026**

A report from Gareth Noble (Assurance & Risk Manager) provided an update on the QLDC's insurance programme and associated insurance claims.

In an update to the written report, it was noted that the report on the fire at the Frankton Golf Centre had been received and officers were working through it in terms of health and safety.

It was moved (Councillor Gladding, Councillor Belk):

That the Risk & Assurance Committee resolve to:

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

Motion carried unanimously.

4. Lakeview Development Programme — Background Summary and Current Status

A report from Paul Speedy (Strategic Project Manager) provided an update on the Lakeview Development Programme, consolidating background information for new members of the Risk & Assurance Committee and recording material progress since the last report to the former Audit, Finance & Risk Committee in October 2025. The report advised that settlement of Lakeview Lot 8 had been completed and stage 1 development commenced, and the report also described the outcomes of the Developer's update provided at a Council workshop held in March 2026.

Paul Speedy and Meaghan Miller presented the report.

There was further discussion about members' understanding of the project, especially because it had begun in 2017 and there had been several variations over this time, resulting in the original project objectives becoming less clear. Members also observed that the report presented no financial information about the project.

Ms Miller noted that various background documents had been made available to the Committee to address members' understanding of the Lakeview project and she particularly encouraged them to read the review of governance structures and processes completed in June 2022 by R.B. Robertson.

Mr Speedy described the recent works completed onsite, noting that the development was on track to meet the stage 1 completion date but Council approval would have to be sought for work that needed to be undertaken on adjacent reserve land.

Members asked how risk was applied to the Lakeview project. The Chair suggested that the ongoing project management risk of Lakeview needed to be the subject of a Committee workshop. It would involve discussion about the Development Agreement and therefore may need to be a public excluded workshop.

It was moved (Councillor Gladding, Ms Tainui-Hernandez):

That the Risk & Assurance Committee resolve to:

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

Motion carried unanimously.

5. **2024/25 Annual Report Management Letter**

A report from Mariano Niveiro (Internal Audit Manager) provided the Risk & Assurance Committee with a summary of observations made by Deloitte in the 2024/25 Annual Report Management Letter for the year ended 30 June 2025.

Mariano Niveiro presented the item and he was joined by representatives from Deloitte at the table, Hannah Kennedy and Heidi Rautjoki, who also participated in the following item.

Ms Rautjoki advised that the letter related to last year's audit and anything critical would have already been reported to the (former) Audit, Finance & Risk Committee.

Mr Mouat asked how the Committee could ensure that the improvement points were acted upon. He suggested that future reports include clear updates and start and finish dates. Ms Rautjoki noted that the 2025/26 audit would report against these projects and the Committee would therefore receive a feedback loop that way.

It was moved (Ms Tainui-Hernandez, Councillor Brent):

That the Risk & Assurance Committee resolved to:

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

Motion carried unanimously.

6. **Deloitte Planning Report for the 2025/2026 Audit**

A report from Caleb Dawson-Swale (Business Planning Manager) presented the planning matters arising from the audit of the financial statements of Queenstown Lakes District Council and its controlled entities for the year ending 30 June 2026.

Caleb Dawson-Swale (Business Planning Manager) and the Deloitte representatives presented the report.

Ms Rautjoki noted that the audit fee was proposed for two years but it was difficult to assess the cost of what additional work would be needed to review the Water Services Council Controlled Organisation and to work through the implications of rates capping.

Mr Hercus asked about the Council's climate change performance measures. The Interim Chief Executive advised that the Council used to have these, but QLDC had moved to external accreditation to assess its climate change actions.

It was moved (Councillor Belk, Ms Tainui-Hernandez):

That the Risk & Assurance Committee resolve to:

1. **Note** the contents of this report; and
2. **Recommend** to Council that signatories sign the Engagement Letter and Audit Proposal Letter on behalf of Council.

Motion carried unanimously.

Resolution to Exclude the Public

It was moved (Councillor Gladding, Councillor Brent):

That the Risk & Assurance Committee resolve that the public be excluded from the following parts of the meeting.

Motion carried unanimously.

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 Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Agenda items

- Item 7: Internal Assurance Report, April 2026
- Item 8: Cybersecurity Update
- Item 9: Legal Update
- Item 10: Meeting with Internal and External Auditors

| General subject to be considered. | Reason for passing this resolution. | Grounds under Section 7 for the passing of this resolution. |
|---|---|---|
| Item 7: Internal Assurance Report, April 2026 | 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: <i>Section and Grounds</i> | Section 7(2)(c)(i) |

| General subject to be considered. | Reason for passing this resolution. | Grounds under Section 7 for the passing of this resolution. |
|-------------------------------------|--|---|
| | <p>7(2)(c)(i) 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> <p><i>Public Interest Consideration</i> While there is public interest in internal assurance activities at QLDC, this interest is outweighed by the interest in ensuring the ongoing availability of information from sources so as to maintain the integrity of fraud prevention and detection activities.</p> | |
| <p>Item 8: Cybersecurity 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> <p><i>Section and Grounds</i> 7(2)(j) to prevent the disclosure or use of official information for improper gain or improper advantage.</p> <p><i>Public Interest Consideration</i> The information contained in this report describes the Council's cybersecurity systems and could be used to inform a cyber-attack on the Council.</p> <p>Whilst it is acknowledged that there may be public interest in QLDC's cybersecurity arrangements, the heightened risk of cyber-attack if such information is disclosed</p> | <p>Section 7(2)(j)</p> |

| General subject to be considered. | Reason for passing this resolution. | Grounds under Section 7 for the passing of this resolution. |
|--|---|---|
| | outweighs the public release of such information. | |
| Item 9: 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:</p> <p><i>Section and Grounds</i> 7(2)(g) to maintain legal professional privilege</p> <p><i>Public Interest Consideration</i> 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 the Council's position.</p> | Section 7(2)(g) |
| Item 10: Meeting with Internal and External Auditors | 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: | |

| General subject to be considered. | Reason for passing this resolution. | Grounds under Section 7 for the passing of this resolution. |
|-----------------------------------|---|---|
| | <p><i>Section and Grounds</i> 7(2)(c)(i) 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> <p><i>Public Interest Consideration</i> If this discussion were to take place with members of the public present, then those who provide information to the auditors when they conduct audits, including internal auditors, other staff and contractors may be less likely to provide fully candid responses.</p> | Section 7(2)(c)(i) |

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 11.17am.

Councillor Brent left the meeting at this point.

The meeting came out of public excluded and concluded at 12.44pm.

CHAIR

DATE