

Minutes of a meeting of the Audit, Finance & Risk Committee held on Thursday 6 June 2019 in Council Chambers, 10 Gorge Road, Queenstown commencing at 10.01am

Present

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

In Attendance

Mr Mike Theelen (Chief Executive), Mr Stewart Burns (General Manager Finance, Regulatory & Legal), Mr Pete Hansby (General Manager, Property & Infrastructure), Mr Tony Avery (General Manager, Planning & Development), Ms Meaghan Miller (General Manager, Corporate Services), Ms Michelle Morss (Strategy & Development Manager), Mr Bill Nicoll (Organisation Improvement Manager), Mr Paddy Cribb (Financial Advisory Manager), Ms Lyn Zeederberg (Financial Controller), Ms Kathy Voss (Financial Controller), Ms Meghan Pagey (Director, People & Capability), Mr Alan Thomas (Health & Safety Manager), Ms Alice Balme (Legal Manager), Mr Chris English (Building Services Manager), Mr Gareth Noble (Programme Director), Ms Belinda Evert (Programme Manager), Mr Daniel Cruickshank (APL Property Advisor), Mr Brett Tomkins (Deloitte), Mr Anthony Smith (Deloitte), Mr Miles O'Connor (Bancorp), Ms Stacey Harris (Governance Advisor); and 1 member of the media

Apologies

No apologies were received.

Declaration of Conflicts of Interest

No declarations of conflict were made.

Public Forum

There were no speakers in the public forum.

Confirmation of Agenda

The agenda was confirmed without addition or alteration.

Confirmation of Minutes

On the motion of Mr Wilson and Councillor Hill the Audit, Finance & Risk Committee resolved that the public part of the minutes of the meeting held on 19 February 2019 be confirmed as a true and correct record.

The Chair noted the use of Te Reo Māori in the new Council Report Template. He stated that Committee members may benefit from receiving guidance on the correct pronunciation of Te Reo for future meetings.

1. 2018:19 Quarter 1 Actual to Quarter 1 Budget Financial Overview

A report presented by Mr Stewart Burns (General Manager, Finance, Regulatory & Legal) and Mr Paddy Cribb (Financial Advisory Manager) presented the 2018:19 Quarter 3 Actual to Budget, 2018:19 Full Year Quarter 3 Re-forecast to Full Year Actuals and 2018:19 Quarter 3 Capital Expenditure financial results and to report on any significant transactions and/or variances to budget.

The report was taken as read.

The Committee discussed the information presented in the attachments of the report noting that budgets were expected to come under pressure in 2019/20. It was confirmed that a contingency for the budget adjustments made during the re-forecast was in the 20% being carried forward to the next financial year. It was noted that the June re-forecast was underway which would most likely result in further budget being carried over to 2019/20.

On the motion of Councillor Hill and Mr McLauchlan the Audit, Finance & Risk Committee resolved that the contents of the report be noted.

2. Sensitive Expenditure

A report presented by Ms Lyn Zeederberg (Financial Controller) 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.

The Committee noted that the procedure for registering gifts and hospitality had been updated, allowing for more control over the approval process and accuracy of information received.

On the motion of Mr Wilson and Councillor Hill the Audit, Finance & Risk Committee resolved that the contents of the report be noted.

3. Risk Management Update

A report presented by Ms Meaghan Miller (General Manager, Corporate Services), Michelle Morss (Strategy & Development Manager) and Mr Bill



Nicholl (Organisation Improvement Manager) 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.

The report was taken as read.

The Committee noted the use of the new council report template for the meeting agenda which included the updated risk register. They commended the hard work undertaken in producing the new template.

On the motion of Mr McLauchlan and Councillor Hill the Audit, Finance & Risk Committee resolved that the contents of the report be noted.

4. QLDC Organisational Health Safety and Wellbeing Performance

A report presented by Ms Meghan Pagey (Director, People & Capability) and Mr Alan Thomas (Health & Safety Manager) 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 stated the importance of including internal and external incidents in the Council's reporting structure. It was noted that Mr Quinn McIntyre had left the Council and Mr Ulrich Glasner had been appointed as the new Chair of the Council Health & Safety Board.

On the motion of Mr Wilson and Mr McLauchlan the Audit, Finance & Risk Committee resolved that the contents of the report be noted.

Ms Pagey thanked Mr Thomas for the hard work involved in the updating of Council Health & Safety Procedures and noted the value he had added to the organisation since commencing six months prior.

5. Civic Building Diesel Leak – Gorge Road Queenstown

A report presented by Mr Pete Hansby (General Manager, Property & Infrastructure), Ms Meaghan Miller (General Manager, Corporate Services) and Mr Daniel Cruickshank (APL Property Advisor) considered the Civic Building office heating system leak and subsequent office closure.

The report was taken as read with no further discussion.



On the motion of Councillor Hill and Mr Wilson the Audit, Finance & Risk Committee resolved that the contents of the report be noted.

6. Review of the Ministry of Building Innovation and Employment (MBIE) Report into the Tauranga District Council's Building Consent Authorities Failures which contributed to the Bella Vista Development Failure

A report presented by Mr Tony Avery (General Manager, Planning & Development) and Mr Chris English (Building Services Manager) provided the Audit, Finance & Risk Committee with an assessment of the risk to Queenstown Lakes District Council (QLDC) of the causative factors resulting in the Bella Vista development being present within the QLDC's Building Consent.

The report was taken as read.

The details of the report were discussed. It was noted that the building team had taken on a large number of internal staff that were undergoing necessary training. In the interim more external contractors had been on boarded to help relieve the pressure from the new starters in order to develop in their own time, with the intention being to eventually reduce the number of external contractors once staff had the appropriate experience. This approach was believed to be contributing to the overall improved risk assessment within the building team.

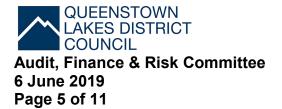
The Committee noted that the IANZ Audit, which occurred once every two years was scheduled to take place on 15 October 2019.

On the motion of Mr McLauchlan and Mr Wilson the Audit, Finance & Risk Committee resolved to:

1. Note the contents of this report in conjunction with the Ministry of Building Innovation and Employment report, Appendix A.

Resolution to Exclude the Public

On the motion of Councillor McRobie and Councillor Hill 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:

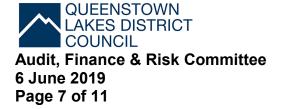
Confirmation of Minutes:

General subject to be considered:	Reason for passing this resolution:	Grounds under Section 7:
1: Draft Audit, Finance & Risk Committee Minutes 19 February 2019	 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: maintain legal professional privilege enable any local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) 	S 7(2)(g) S 7(2)(i)



Agenda Items:

General subject to be considered:	Reason for passing this resolution:	Grounds under Section 7:
7: Deloitte Planning Report for 2018/19 Audit	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:	0.7(0)(_)
	 maintain legal professional privilege 	S 7(2)(g)
	 enable any local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) 	S 7(2)(i)
8: Update and Programme Performance, by EY, of the readiness of the Three Waters Programme to deliver the 10-year plan	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:	
	 maintain legal professional privilege 	S 7(2)(g)
	 enable any local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) 	S 7(2)(i)



9: Legal Update	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:	
	 maintain legal professional privilege 	S 7(2)(g)
	 enable any local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) 	S 7(2)(i)
10: Treasury 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:	
	 maintain legal professional privilege 	S 7(2)(g)
	 enable any local authority holding the information to carry out, without prejudice or 	S 7(2)(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 moved into public excluded at 10.50am.

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