

Minutes of a meeting of the Audit, Finance & Risk Committee held in the Council Chambers, 10 Gorge Road, Queenstown on Thursday, 2 October 2025 commencing at 10.00am

Present

Mr Stuart McLauchlan (Chair), Mr Heath Copland (Deputy Chair), Councillor Gavin Bartlett and Mr Bill Moran

In Attendance

Mike Theelen (Chief Executive), Katherine Harbrow (General Manager, Assurance, Finance & Risk), Michelle Morss (General Manager, Strategy & Policy), Tony Avery (General Manager, Property & Infrastructure), Katie Church (People & Capability Director), Gareth Noble (Risk & Compliance Manager), Brendan Peet (General Counsel), Alice Milne (Senior Legal Counsel), Alan Thomas (Health & Safety Manager), Bill Nicoll (Resilience & Climate Action Manager), Paul Speedy (Manager, Strategic Projects), Paddy Cribb (Finance Director), Ryan Clements (Chief Information Officer), Jeremy Payze (Senior Finance Business Partner), Susan Finlay (Financial Controller), Mariano Niveiro (Internal Assurance Lead), Alison Kelly (Finance Business Partner Manager), Caleb Dawson-Swale (Business Planning Manager), Kirsty Pope and Tilly McCool (Resilience & Climate Action Advisors), Heidi Rautjoki (Auditor, Deloitte Ltd), Mike Hawken (Auditor, Deloitte Ltd), Miles O'Connor (Treasury Manager, Bancorp Treasury Services Ltd), Jon Winterbottom (Democracy Services Manager/Health & Safety Committee Chair), Jane Robertson (Senior Democracy Services Advisor); no members of the public and one member of the media.

Apologies

Apologies were received from Councillor Lyal Cocks (on approved leave of absence so no resolution is needed) and Councillor Lisa Guy.

It was moved (Mr McLauchlan, Mr Moran):

That the Audit, Finance & Risk Committee resolve that the apology be accepted.

Motion carried unanimously.

Declarations of Conflicts of Interest

Councillor Bartlett declared a conflict of interest regarding Item 8 on the agenda – Sale of Councillor iPads.

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 (Mr McLauchlan, Councillor Bartlett):

That the Audit, Finance & Risk Committee resolve that the agenda be confirmed without addition or alteration.

Motion carried unanimously.

Confirmation of Public Minutes

It was moved (Mr Copland, Mr Moran):

That the Audit, Finance & Risk Committee resolve that the public part of the minutes of the Audit, Finance & Risk Committee meeting held on 8 July 2025 be confirmed as a true and correct record.

Motion carried unanimously.

1. Risk and Compliance Update

A report from Gareth Noble (Risk and Compliance Manager) presented an update on the Queenstown Lakes District Council (QLDC) risk and compliance context and the overall programme of works being undertaken within the Risk & Compliance Team.

Mr Noble spoke to the key updates in the report, highlighting two Tier 1 risk changes: Risk10013 'Unexpected Change in Cost or Funding' reduced from 'very high' to 'high' due to implementation of treatment plans; and Risk10015 'Ineffective Governance' reduced from 'high' to 'moderate' due to improved governance induction plans. Members queried the confidence for reducing Risk10015. Mr Noble advised that the number and quality of treatment plans supported the revised rating, although further work was planned to address any concerns from the incoming council.

Mr Noble advised of an upcoming functionality change to the risk register whereby all staff would be able to propose changes, subject to approval by the Risk & Compliance Team. This sought to foster a stronger culture of risk ownership across the organisation. There were controls in place for staff proposing changes, with Mr Noble explaining that by using a TechOne workflow system all changes proposed by staff were submitted for review by the Risk & Compliance Team.



Mr Noble also spoke to the proposed Compliance Management Policy. He summarised the three areas of compliance in the policy: external mandatory obligations; voluntary external obligations; and internal mandatory obligations.

Members asked whether managers had Key Performance Indicators (KPIs) around risk and assurance. Mr Noble explained that there were optional KPIs related to risk, although the team might seek to make them mandatory in future.

It was moved (Mr Moran, Mr Copland):

That the Audit, Finance & Risk Committee resolve to:

1. **Note** the contents of this report;
2. **Recommend** that Officers incorporate any feedback of the Audit, Finance & Risk Committee into the Second Line Assurance Map template; and
3. **Recommend** to Council that it adopts the proposed Compliance Management Policy.

Motion carried unanimously.

2. Insurance Update

A report from Bridget Allen (Senior Insurance Advisor) advised of the current status of the insurance market and provided updates on the Queenstown Lake District Council's insurance policies and strategies in preparation for insurance renewals coming up in November 2025.

Mr Noble (Risk and Compliance Manager) presented the item

Mr Noble commented further on paragraph 9 of the report, noting that the team intended to seek feedback from the market regarding pricing with sub limits and pricing without sub limits to check the different costs of premiums.

Mr Noble answered questions about the duration of the South Island Council Collective (SICC), whether there was a consideration of different risks and hazards between the districts, what levels of cooperation there were around managing infrastructure and risks across the SICC councils, and what was the Earthquake's Commission's current role regarding insurance against earthquake risks.

It was moved (Mr McLauchlan, Mr Moran)

That the Audit, Finance & Risk Committee:

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



2. **Note** that the Chief Executive will use his delegation to negotiate the November 2025 insurance renewal within the 2025/26 insurance budget; and
3. **Note** that Queenstown Lakes District Council's Audit, Finance & Risk Committee gave authority to the Chief Executive at its 27 June 2024 meeting to enter a contract for insurance brokerage services, with the projected insurance cost over the 3+1+1-year term expected to exceed \$12 million.

Motion carried unanimously.

3. Treasury Update

A report from Paddy Cribb (Finance Director) introduced the Audit, Finance & Risk Committee with an update on various treasury related issues.

Mr Miles O'Connor (Bancorp Treasury Services Ltd) spoke to the report and the attachment entitled 'Treasury Reporting Dashboard as at 16 September 2025.'

Mr O'Connor acknowledged that the report had been written in mid-September and financial markets had already moved. He explained recent updates regarding United States (US) and New Zealand (NZ) Government Bond yields, NZ's GDP quarterly changes (noting a significant fall in the last quarter), household disposable income compared to consumption and saving and projections from the financial market and banking sector.

Mr O'Connor also spoke about QLDC's proposed future debt cover and interest rates.

It was moved (Mr McLauchlan, Mr Moran):

That the Audit, Finance & Risk Committee resolve to:

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

Motion carried unanimously.

4. Queenstown Lakes District Council Annual Report 2024-25

A report from Paddy Cribb (Finance Director) introduced the QLDC's Annual Report 2024-2025.

Paddy Cribb, Caleb Dawson-Swale (Business Planning Manager) and Heidi Rautjoki (Auditor, Deloitte Ltd) spoke to the report.



Ms Rautjoki presented key findings from Deloitte's audit report, outlining several matters of interest including a vested asset restatement, the Shotover wastewater asset assessment, property classification issues, and provisions related to leaky homes. She also summarised findings from other areas of focus for the audit, including property, plant, and equipment valuations, the statement of service performance, rates, QAC statements with potential implications pending a Land Tribunal decision, elected member expenditure sample data, the status of the water delivery plan and a summary of omitted disclosures.

Members thanked officers for the report's comprehensive nature.

It was moved (Mr Moran, Councillor Bartlett):

That the Audit, Finance & Risk Committee resolve to:

1. **Note** the contents of this report;
2. **Note** that Deloitte will be presenting its Audit Report at this meeting; and
3. **Recommend** to Council that the 2024-25 Annual Report be adopted.

Motion carried unanimously.

5. Organisational Health, Safety and Wellbeing Report

A report from Alan Thomas (Health & Safety Manager) presented health, safety and wellbeing information and statistics for the Council over the period 1 February 2025 – 31 May 2025 for noting.

Ms Church, Mr Thomas and Mr Winterbottom presented the report.

Mr Winterbottom presented key highlights from the report, noting strong attendance at financial wellbeing workshops and the successful release of the wellbeing calendar. There were two lost time injuries during the reporting period, however, the lost time frequency rate had decreased to 6.6, below the KPI target of 9. All 13 KPIs had been achieved.

Committee members asked about potential changes to KPIs and focus areas for 2025/26. Mr Thomas responded that existing KPIs were sufficiently challenging and may be retained for continuity. He also emphasised efforts to embed regular office inspections into business-as-usual practices and continuing to improve the wellbeing calendar.

The committee congratulated the team on achieving all KPIs in 2024/25.



It was moved (Mr McLauchlan, Mr Moran):

That the Audit, Finance & Risk Committee resolved to:

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

Motion carried unanimously.

6. Climate & Biodiversity Plan Update

A covering report from Bill Nicoll (Resilience & Climate Action Manager) provided an update on actions within the Queenstown Lakes Climate and Biodiversity Plan (CBP) 2025-28, which had been adopted by Council on 31 July 2025.

Mr Nicoll, Ms Pope and Ms McCool presented the report.

Mr Nicol noted that Council had resolved that updates on the CBP be provided to full Council every six months. Accordingly, officers recommended that the updates to Audit, Finance & Risk Committee in the next triennium be more on climate governance and climate risk disclosure principles, which would provide oversight of climate-related risks and opportunities, scenario analysis, emissions performance and the treatment of identified climate risks.

Members observed that QLDC was a leader in this area and the work being undertaken by the team was equal to the private sector.

It was moved (Mr Moran, Councillor Bartlett):

That the Audit, Finance & Risk Committee resolve to:

1. **Note** the contents of this report and
2. **Note** that in the new triennium, there will be a recommendation to change reporting to a six-monthly climate governance reporting framework, with programme updates to be provided to Full Council on a parallel six-monthly cycle.

Motion carried unanimously.

7. Lakeview Development Programme

A report from Paul Speedy (Manager, Strategic Projects) presented an update to 30 June 2025 on achievement of the key milestones with the Lakeview development.



Mr Speedy presented the report. He noted that a public Council workshop had been held with the developer on 19 August 2025. The developer was looking to start work before the end of the calendar. Members sought clarification of what 'starting work' meant. Mr Speedy noted that this included the documentation necessary for settlement of stage 1 and the resource consent management plans required for the first building consents.

Members advised that it would be very positive to be able to observe actual work occurring on the site before the end of the calendar year.

It was moved (Mr Copland, Mr Moran):

That the Audit, Finance & Risk Committee resolve to:

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

Motion carried unanimously.

Councillor Bartlett withdrew from the table.

8. Sale of iPads

A report from Naell Crosby-Roe (Director, Democracy Services) proposed the sale of the used iPads currently allocated to elected members to them at the end of the 2022-2025 Council triennium. The report recommended that the sale be approved at a price no less than market value, as required by the Sensitive Expenditure Policy.

It was moved (Mr McLauchlan, Mr Copland):

That Audit, Finance & Risk Committee:

1. **Note** the contents of this report; and
2. **Approve** the sale of surplus elected member iPad tablet devices to elected members at the end of the 2022-2025 triennium at no less than market value as required in the Sensitive Expenditure Policy | He Kaupapa Here Whakapauka Utu Muna.

Motion carried unanimously.

Councillor Bartlett returned to the table.



Resolution to Exclude the Public

It was moved (Mr McLauchlan, Mr Moran):

That the Audit, Finance & Risk Committee:

Resolve to exclude the public from the following parts of the proceedings 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 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: |
|--|--|--|
| Draft Audit, Finance & Risk Committee minutes 8 July 2025 | 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: g) maintain legal professional privilege i) enable any local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) | Section 7(2)(g) Section 7(2)(i) |

Public Excluded Agenda Items:

Item 12: Internal Audit Report

Item 13: Legal Update

| General subject to be considered: | Reason for passing this resolution: | Grounds under Section 7: |
|-------------------------------------|--|--------------------------|
| Item 12: Internal Audit Report 2024 | 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 | |



| General subject to be considered: | Reason for passing this resolution: | Grounds under Section 7: |
|--|---|--------------------------|
| | <p>information where the withholding of information is necessary to:</p> <p>(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>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> | 7(2)(c)(i) |
| <p>Item 13: Legal Update Queenstown stormwater issues and Watertightness Claims against QLDC</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> <p>(g) maintain legal professional privilege.</p> <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</p> | Section 7(2)(g) |



| General subject to be considered: | Reason for passing this resolution: | Grounds under Section 7: |
|-----------------------------------|---|--------------------------|
| | <p>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> | |

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 11.38am.



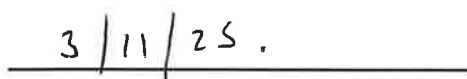
The meeting came out of public excluded and concluded at 12.04pm.



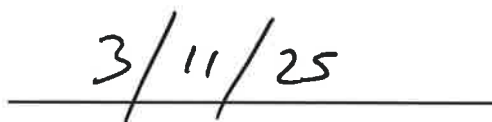
CHAIR



CHIEF EXECUTIVE



DATE



DATE