

Audit, Finance & Risk Committee**14 October 2021****Page 1 of 9**

Minutes of a meeting of the Audit, Finance & Risk Committee held on Thursday 14 October 2021 in the Council Chambers, 10 Gorge Road, Queenstown (and via Zoom) commencing at 10.00am

Present

Mr Stuart McLauchlan (Chair), Councillor Heath Copland, Councillor Glyn Lewers and Mr Roger Wilson (all via Zoom)

In Attendance

Mr Mike Theelen (Chief Executive), Mr Stewart Burns (General Manager Finance, Regulatory & Legal), Ms Meaghan Miller (General Manager, Corporate Services), Mr Tony Avery (General Manager Planning & Development), Mr Peter Hansby (General Manager Property & Infrastructure), Ms Michelle Morss (Strategic & Development Manager), Mr Paddy Cribb (Finance Manager), Ms Emily Carter (Financial Accountant), Ms Meghan Pagey (People & Capability Director), Mr Alan Thomas (Health & Safety Manager), Ms Nichola McKernan (Chair, QLDC Health and Safety Committee) Ms Katherine Durman (Climate Action Coordinator), Mr Gareth Noble (Programme Director), Mr Geoff Mayman (Procurement Manager), Mr Mike Hawken (Deloitte), Ms Kasia Bryla (Deloitte), Mr Miles O'Connor (Bancorp) and Ms Jess Garrett (Upper Clutha Liaison Manager)

Apologies

An apology was received from Mr Moran.

It was noted that Councillor Shaw was on approved leave of absence.

On the motion of Councillor Copland and Mr McLauchlan the Audit, Finance & Risk Committee resolved that the apology be accepted.

Declaration of Conflicts of Interest

No declarations of conflict were made.

Public Forum

There were no speakers in the public forum.

Matters Lying on the Table

There were no matters lying on the table.

Confirmation of Agenda

On the motion of Mr McLauchlan and Mr Wilson the Audit, Finance & Risk Committee resolved that the agenda be confirmed without addition or alteration.

Confirmation of Minutes (Public)

On the motion of Mr Wilson and Mr McLauchlan the Audit, Finance & Risk Committee resolved that the public part of the minutes of the meeting held on 17 June 2021 be confirmed as a true and correct record.

1. August 2021 Year-to-date Financial Update and June 2021 Debtors' Analysis and Statement of Financial Position Overview

A report by Mr Paddy Cribb (Finance Manager) and Emily Carter (Financial Accountant) presented the 2020:21 August Year to Date (YTD) Actual to Budget financial results, August 2021 Debtors Analysis and Statement of Financial Position.

Mr Cribb spoke to the reports and attachments detailing significant transactions and variances to budget and noting a loss in revenue due to the impacts of COVID-19.

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

2. Sensitive Expenditure

Mr Cribb, presented the report and noted there were no major discrepancies to report. Professional services spend are now featured within the report (as attachments).

It was noted that Officers were working with various departments internally to improve reporting capabilities, which could be very manual and time consuming. This would be discussed with Council at its next workshop (scheduled for the following week).

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

3. Risk Management Update

A report from Mr Bill Nicoll (Organisation Improvement Manager), Ms Meaghan Miller (General Manager Corporate Services), and Ms Michelle Morss (Strategy & Development Manager), provided an update on progress with deploying the new QLDC Risk Management Framework.

Ms Morss presented the report which focused on reforms, cyber security and the organisation's response to the most recent COVID 19 lockdowns. Since drafting the report the draft interim report from 'Future for Local Government Review' has been received and is being reviewed by officers.

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

4. QLDC Organisational Health, Safety and Wellbeing Performance

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

The Committee welcomed Ms Nichola McKernan as the new Health & Safety Committee Chair.

Ms Pagey delivered the report, noting:

- QLDC was continuing to manage pandemic restrictions. Overall, it was felt QLDC had responded well and would continue to respond quickly again when levels changed.
- The Health and Safety Committee's KPIs for the 2021:2022 financial year had been approved by the Executive Leadership Team (ELT) and included in the report;
- ELT had identified underground services strike as a trend and requested investigation into potential mitigations.

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

5. Climate Action Plan Update

A report from Ms Katherine Durman (Climate Action Coordinator), Michelle Morss and Meaghan Miller informed the Committee on the Climate Action Plan (CAP) priorities and progress.

Ms Durman highlighted:

- QLDC had received positive feedback from Office of Auditor General with regards to its approach to integrating Climate Change into its Risk Management practices.
- The Mt Iron Wildfire project had been nominated for a regional FENZ award and was the subject of a case study and national conference presentation at the upcoming National Rural Fire Research conference run by SCION.
- Queenstown Airport Corporation (QAC) had hired a new Sustainability Manager who would be advancing the QAC Sustainability Strategy and emissions reduction initiatives. QAC was keen to work closely with QLDC and the Climate Reference Group to develop and progress this work programme.

Councillor Lewers requested an update on the vacant Wakatipu Community Leader position. Ms Durman commented that a shortlist has been compiled and recommendations were currently being made to the Chief Executive and Mayor, with a report expected to go to the November 2021 Council meeting for approval.

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

6. PMO (Project Management Office) Assurance Report – Financial Year 2020-21 Quarter 4

A report from Gareth Noble (Programme Director) and Mr Peter Hansby (General Manager – Property & Infrastructure) provided the Committee with an update on the findings of the PMO Assurance activity during Financial Year 2021/22 Quarter 4 (FY 21/22 Q4).

There were a number of findings from the audits. These predominantly related to:

- Document control and evidencing mandatory gateway requirements
- Some Program Control Group sign off documentation for projects. However the audit found that project schedules were being regularly updated, milestones tracked and associated risks recorded in risk registers.

It was noted that in the last 6 months, 280 site audits have been completed. The Committee noted that they would like to attend a site audit in the near future.

On the motion of Councillor Lewers & Councillor Copland it was resolved that the Audit, Finance & Risk Committee:

- 1. Note the contents of the report**
- 2. Confirm support for the PMO Assurance Management Framework.**

7. Review of Procurement Policy

A report from Geoff Mayman (Procurement Manager) and Mr Hansby provided the Committee with an update on the review of the Procurement Policy ('the draft policy'). They presented the latest draft of the policy and the next steps to achieve policy adoption by Council.

It was noted that both the Audit Finance & Risk Committee and the full Council had workshopped the draft policy on various occasions in recent months. The draft policy was presented as Attachment B.

On the motion of Mr McLauchlan and Councillor Lewers the Audit, Finance & Risk Committee:

- 1. Note the contents of the report; and**
- 2. Agree in principle, subject to further work, that the financial thresholds within the Procurement Guidelines are:**
 - a. Updated to consider procurement planning, as well as procurement methods;**
 - b. Simplified so that all procurement methods are available up to \$100,000, with open tender mandated above \$100,001;**
 - c. Amended so that operationally, procurement activity is governed by the Delegations Register; and**
- 3. Recommend to Council that the draft policy is fit for purpose.**

Resolution to Exclude the Public

On the motion of Mr McLauchlan and Mr Wilson 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:
Draft Audit, Finance & Risk Committee Minutes 11 March 2021	<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) S 7(2)(i)</p>

Agenda Items:

Item 8: Audit of Annual Report for 2021/21

Item 9: Treasury Update September 2021

And

That the following persons remain because of their knowledge and expertise of matters in the following agenda items:

Item 8: Mr Mike Hawken (Deloitte) and Ms Kasia Bryla (Deloitte)

Item 9: Mr Miles O'Connor (Bancorp)

General subject to be considered:	Reason for passing this resolution:	Grounds under Section 7:
Item 8: Audit of Annual Report for 2021/21	<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) S 7(2)(i)</p>
Item 9: Treasury Update September 2021	<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) S 7(2)(i)</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 moved into public excluded at 10.46am.