

Minutes of a meeting of the Audit, Finance & Risk Committee held in the Council Chambers at 10 Gorge Road, Queenstown on Tuesday, 12 December 2023 commencing at 1.00pm

Present

Mr McLauchlan (Chair), Mr Copland (Deputy Chair), Councillor Gladding, Councillor Guy and Mr Moran

In Attendance

Mr Mike Theelen (Chief Executive), 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 Nichola McKernan (Health and Safety Chair), 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 Miles O'Connor (Bancorp Treasury Manager), Ms Michelle Morss (General Manager Strategy & Policy), Ms Meaghan Miller (General Manager Corporate Services Chief Financial Officer), Mr Andrew Williamson (Queenstown Airport Corporation), Mr Jeremy Payze (Senior Management Accountant) and Miss Sarah Bradey (Governance Advisor). One member of the public and no members of the media

Apologies

Apologies were received from Councillor Cocks.

On the motion of Chair McLauchlan and Councillor Gladding the Community & Services Committee resolved that the apologies be accepted.

Motion carried.

Declarations of Conflicts of Interest

No declarations of conflicts of interest.

Matters Lying on the Table

There were no matters lying on the table.

Public Forum

1. Cath Gilmore from We Love Wakatipu spoke in public forum on the Financial Risks of the Queenstown Airport Corporation Master Plan.

Confirmation of Agenda

On the motion of Chair McLauchlan and Councillor Gladding it was agreed that the agenda be confirmed without alteration.

Motion carried unanimously.

Confirmation of Public Minutes

On the motion of Councillor Gladding and Mr Moran it was agreed that the public minutes of the meeting on 5 October 2023 be confirmed without alteration.

Motion carried unanimously.

1. Risk and Compliance Update October 2023

Mr Gareth Noble (Risk & Compliance Manager) presented the Risk and Compliance Update July 2023. The purposes of the report was to provide 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 and Mr Theelen spoke to the report and responded to questions.

Questions were asked about the asset register, whether AON (QLDC's insurance broker) had plans to visit more sites (than the six already visited), the meaning of "situational obligation" under the Compliance Obligation Register, how officials create and manage an obligation hierarchy, offshore providers of insurance, and risks associated with the QAC Masterplan.

A question was asked on whether staff could provide an update on the Insurance Strategy as a renewal is due in April. Officials answered that they are working with AON Insurance and that they plan to put something to the GM Stewart Burns in March/April that would allow a renewal process to proceed in April 2024.

Further questions were asked about whether – given how many policies and frameworks there are –there is a risk of putting too much time into the frameworks/plans and being unable to deliver assessments adequately, and about timing around updates to various risk and compliance policies. In response to a request for a timeframe for completion of all these projects, officials indicated that the information was in the report but that this would be summarised more clearly in future reports.

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

1. Note the contents of this report.

Motion carried unanimously.

2. Sensitive Expenditure

Mr Paddy Cribb (Finance Manager) presented the Sensitive Expenditure Report. The purpose of this report was 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 presented the report. Mr Cribb and Mr Theelen responded to questions.

Questions were asked about what the next quarterly report will look like in relation to reprioritisation, reporting on funding associated with the Alliance, reporting on purchase orders under \$10,000, and how Council assesses the risks associated with deferrals.

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 unanimously.

3. September 2023 Year-to-date Financial Overview

Mr Cribb presented the Year-to-date Financial Overview. The purpose of this report was to present the 2023/24 September Year to Date (YTD) Actual to Budget financial results, Capital Expenditure financial results and September 2023 Debtors Analysis and Statement of Financial Position and to report on any significant transactions and/or variances to budget.

Mr Cribb and Mr Jeremy Payze presented the report. Mr Cribb, Mr Payze, Mr Burns and Mr Theelen responded to questions.

Questions were asked about costs associated with clean-up from the 2023 weather event, how Council reprioritises projects and assesses risk when managing deferrals, and about what items fall under the Opex category of "other expenditure."

Council Gladding indicated concern that councillors may not be receiving adequate information around risks and risk assessments to make appropriate decisions around deferrals and reprioritisation.

On the motion of Chair Gladding and Seconded by Mr Moran it was resolved that the Audit, Finance & Risk Committee:

1. Note the contents of this report.

Motion carried unanimously.

4. 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 McKernan took the report as read. Ms Church and Mr Theelen responded to questions.

Questions were asked about pressures related to recruitment, the impact of the new government's approach to water reform, staff response to training around incident de-escalation and staff safety, whether local government would have to follow central government in trimming its workforce, and processes for ensuring contractor safety.

There was further discussion related of an increase in trespass notices and incidents with the public, as well as the increased number of contractor incidents being reported.

On the motion of Chair McLauchlan and Seconded by Councillor Guy it was resolved that the Audit, Finance & Risk Committee:

1. Note the contents of this report.

Motion carried unanimously.

5. Climate & Biodiversity Plan Update

Mr Bill Nicoll (Resilience and Climate Action Manager) and Kirsty Pope (Resilience and Climate Action Advisor) 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 presented the report. Mr Nicoll, Mr Theelen and Ms Morss responded to questions.

Clarification was sought regarding what actions have been taken with respect to the third completed action, i.e. 1.10 Embed climate mitigation and adaptation, waste minimisation and indigenous biodiversity protection into the Planning and Development Policy Work Programme.

Further questions were asked about climate risks, the interface of the Climate Reference Group with Council, risks around achieving Council's target of a 44% reduction in emissions by 2030, budgeting relating to embodied carbon, and plans to build on the success of the Community Shuttle Trial.

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

1. Note the contents of this report.

Motion carried unanimously.

6. Lakeview Development Program

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

Mr Speedy provided an update on the project and responded to questions.

Questions were asked whether QLDC would complete infrastructure and site preparation works required to get title by the New Year, and whether there were any major concerns about finances or potential delays.

There was further discussion about the reporting of and underlying assumptions involved in the reporting of future projected expenses and income associated with the project.

On the motion of Chair McLauchlan and Seconded by Mr Copland it was resolved that the Audit, Finance & Risk Committee:

That the Audit, Finance & Risk Committee:

1. Note the contents of this report.

Motion carried unanimously.

Resolution to Exclude the Public

On the motion of Chair McLauchlan and Mr Moran the Planning & Strategy 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 5 October 2023 | 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"> • maintain legal professional privilege • 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 7: Legal Update

Item 8: Treasury Update

Item 9: Queenstown Airport Corporation Draft Master Plan 2023 Risk Review

| General subject to be considered: | Reason for passing this resolution: | Grounds under Section 7: |
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| <p>Item 7: Legal 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 to:</p> <ul style="list-style-type: none"> • maintain legal professional privilege; or • enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or • 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 | <p>Section 7(2)(g), Section 7(2)(i), Section 7(2)(b)(ii)</p> |
| <p>Item 8: Treasury 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 to:</p> <ul style="list-style-type: none"> • enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities | <p>Section 7(2)(h)</p> |

The meeting went out of public excluded and concluded at 3:00pm

Confirmed as a true and correct record:

Chair

Date