

**Audit, Finance & Risk Committee  
8 June 2017**

Minutes of a meeting of the Audit, Finance & Committee held on Thursday 8 June 2017 in Council Chambers, 10 Gorge Road, Queenstown commencing at 1.30pm.

**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), Ms Meghan Pagey (Human Resources Manager), Mr Glyn Roberts (Health & Safety Officer), Ms Michelle Morss (Corporate Manager), Mr Myles Lind (Manager Asset Planning), Ms Lyn Zeederberg (Financial Controller), Ms Gaynor Webb (Financial Advisory Manager), Mr Brett Tomkins and Mr Anthony Smith (Deloitte), Mr Miles O'Connor (Bancorp), Ms Alice Balme (Legal Manager), Ms Shelley Dawson (Senior Governance Advisor) and 1 member of the media.

**Apologies**

There were no apologies.

**Declaration of Conflicts of Interest**

There were no conflicts noted.

**Matters Lying on the Table**

There were no matters on the table

**Public Forum**

There were no speakers in public forum.

**Confirmation of Agenda**

The agenda was confirmed without addition or alteration.

**Confirmation of Minutes**

**On the motion of Mr McLauchlan and Mr Wilson it was resolved that the minutes of the Audit, Finance & Risk Committee held on 10 March 2017 be accepted.**

## **1. QLDC Organisational Health Safety and Wellbeing Performance**

Consideration was given to a report that provided the Audit, Finance & Risk Committee with an update on the Health & Safety performance of the organisation. Ms Pagey and Mr Roberts joined the table for this item.

There was discussion around benchmarking and working with other Councils. It was explained that contractors had good awareness around reporting requirements and the change in trend was likely attributed to seasonal variations. It was explained that the lead indicator numbers covered the period from February through to April 2017.

**On the motion of Mr Wilson and Councillor Hill it was resolved that the Audit, Finance & Risk Committee note the contents of this report.**

## **2. Risk Management Update**

Consideration was given to a report that provided the Committee with an update in relation to QLDC's risk management process, ethos and on-going approach. Ms Morss and Mr Lind joined the table to speak to this and the next item.

There was discussion on the work being done with the Risk Management Working Group and the Executive Leadership Team as listed on page 25 of the agenda. It was suggested that once this core body of work had been done that staff could brief the Audit, Finance & Risk Committee before the next Committee meeting.

**On the motion of Councillor Hill and Mr McLauchlan it was resolved that the Audit, Finance & Risk Committee note the contents of this report.**

## **3. Ten Year Plan (Long Term Plan) Project Update**

Consideration was given to a report that provided the Committee with an update in relation to QLDC's Ten Year Plan (Long Term Plan) project. Ms Morss explained that the report sought to give the Committee oversight of the project management of the process.

**On the motion of Mr Wilson and Councillor Hill it was resolved that the Audit, Finance & Risk Committee note the contents of this report.**

#### **4. Sensitive Expenditure**

Consideration was given to a report that 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. Ms Zeederberg joined the table to speak to this item.

There was discussion around Infrastructure consultants, non-panel consultants (as discussed in paragraph 15 page 36) and the tender process. Ms Zeederberg was thanked for the work she was doing to monitor and report on sensitive expenditure.

**On the motion of Councillor Hill and Mr McLauchlan it was resolved that the Audit, Finance & Risk Committee note the contents of this report.**

#### **5. Quarterly Financial Overview – March 2017**

Consideration was given to a report that presented the quarterly results and reported on any significant transactions and/or variances to budget. The approach taken was one of management by exception, whereby officials were required to provide explanations when actual expenditure or revenue did not match the budget. Ms Zeederberg and Mr Burns spoke to this report.

Mr Burns explained that the operating revenue was strong for the year to date driven by increased volumes in activities. He added that the other side to the increase was the cost of processing the additional volumes noting that the organisation was under stress in some areas. Mr Burns commented that it had been signalled in the Annual Plan that the organisation needed to invest in more resources.

There was discussion on carbon credits and Mr Burns explained that as volumes going to landfill increased, Council had to offset that with the purchase of carbon credits. Mr Burns noted that debt collection was still strong and noted that infringements were a cause for concern as Council had no power to force rental car companies to charge infringements to international renters. Mr Theelen noted that Council had recently written to central government to ask they work on the regulation of this.

**On the motion of Councillor Hill and Mr McLauchlan it was resolved that the Audit, Finance & Risk Committee note the contents of this report.**

## Resolution to Exclude the Public

**On the motion of Councillor McRobie and Mr Wilson the Audit, Finance & Risk Committee resolved to exclude the public from the following parts of the proceedings of the meeting:**

*Item 6: Treasury Update: May 2017*

*Item 7: Deloitte Planning Report for 2016/17 Audit*

*Item 8: Legal Update*

*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(a) of the Local Government Information and Meetings Act 1987 for the passing of this resolution is as follows:*

<b>General subject to be considered.</b>	<b>Reason for passing this resolution.</b>	<b>Grounds under Section 7 for the passing of this resolution.</b>
<i>Item 6: Treasury Update: May 2017</i>	<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>  <i>(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.</i>	<i>Section 7(2)(h)</i>
<i>Item 7: Deloitte Planning Report for 2016/17 Audit</i>	<i>(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.</i>	<i>Section 7(2)(h)</i>
<i>Item 8: Legal Update</i>	<i>(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</i>	<i>Section 7(2)(i)</i>

*This resolution was 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.*

*It was also resolved that Mr Miles O'Connor (Bancorp) be permitted to remain at this meeting, after the public has been excluded, because of his knowledge of Item 6: Treasury Update May 2017. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because Mr O'Connor represents Council's independent Treasury advisors, Bancorp.*

*It was also resolved that Mr Brett Tomkins and Mr Anthony Smith (Deloitte) be permitted to remain at this meeting, after the public has been excluded, because of his knowledge of Item 7: Deloitte Planning Report for 2016/17 Audit. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because Mr Tomkins and Mr Smith represent Council's auditors, Deloitte.*

*The meeting moved into public excluded at 2.05pm*

*The meeting moved out of public excluded and concluded at 3.10pm.*

**Confirmed as a True and Correct Record:**

**Chairperson**

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**Date**

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