

Audit, Finance & Risk Committee 10 March 2017

Minutes of a meeting of the Audit, Finance & Committee held on Friday 10 March 2017 in Council Chambers, 10 Gorge Road, Queenstown commencing at 10.00am.

Present

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

In Attendance

Mr Stewart Burns (General Manager Finance & Regulatory), Ms Meghan Pagey (Human Resources Manager), Ms Michelle Morss (Corporate Manager), Ms Lyn Zeederberg (Financial Controller), Ms Gaynor Webb (Financial Advisory Manager), Mr John Gilks and Ms Kathryn McBride (Queenstown Airport Corporation), Mr Miles O'Connor (Bancorp) and Ms Shelley Dawson (Senior Governance Advisor).

The Chair welcomed everyone to the first meeting of the Committee.

Apologies

There were no apologies.

Declaration of Conflicts of Interest

Mr McLauchlan noted that in regards to *Item 1 Queenstown Airport Corporation: Six Month Report* that he was the Chair of the board for Dunedin Airport. He also noted that he was deputy Chair for Ngai Tahu Tourism who leased space at the Queenstown airport.

Mr Wilson noted that in regards to *Item 1 Queenstown Airport Corporation: Six Month Report* that he acted as advisor and accountant for Heliworks a company which leased a hangar at the Queenstown Airport.

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.

The Chair welcomed Mr Gilks and Ms McBride from QAC, QLDC staff in attendance and introduced the new members of the Committee.

1. Queenstown Airport Corporation: Six Month Report

Consideration was given to a report that presented the financial and management report for Queenstown Airport Corporation (QAC) for the half year to 31 December 2016. Mr Burns introduced the report and Mr Gilks and Ms McBride from QAC joined the table.

Mr Gilks gave a presentation on the interim report. He noted that there had been a strong financial performance and that revenue and passenger numbers had increased. Mr Gilks commented that QAC had strong processes around safety and risk. He discussed the improvements and additions they had made to resolve parking issues at the airport and its surrounds. There was discussion around the land acquisition of Lot 6 and the court processes underway.

The Chair congratulated QAC on its good safety record.

On the motion of Councillor Hill and Mr McLauchlan it was resolved that the Audit, Finance & Risk Committee note the contents of this report and receive the half yearly report of the Queenstown Airport Corporation.

2. 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 joined the table for this item.

Ms Pagey introduced herself to the new members of the Committee and she noted that the figures in the report related to the time period from 1 August 2016 to 31 January 2017. The monitoring of contractors was questioned and Ms Pagey noted that the figures also included near miss events. She added there had been a relatively low number of accidents and incidents in the period. Mr Burns noted that the increasing trend of reporting was a positive change in regards to Health and Safety culture.

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

3. 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 joined the table to speak to this item and introduced herself to the Committee.

Ms Morss explained that the agenda report reflected a proposed model of reporting risk management to the Committee and sought feedback on her approach. Mr McLauchlan questioned how disaster planning fitted into the risks and Ms Morss commented that once the strategic risks had been reviewed they could include it more detail.

There were questions on leaky homes and Councils insurance cover. Mr Burns explained that it was a financial and operational risk but not a strategic risk. He added that Council had adequate insurance for the risks that it could insure itself against.

On the motion of Councillor Hill and Mr Wilson 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 and introduced herself to the Committee.

Ms Zeederberg noted that on page 61 paragraph 15 the words “attachment G” should be deleted. She explained that there were several policies that underpinned the sensitive expenditure reporting noting that the Gift and Hospitality policy and the Sensitive Expenditure Policy were being reviewed or were due for review. Ms Zeederberg commented that the policies would go to the leadership team and would then be brought to the Audit, Finance & Risk Committee.

Ms Zeederberg commented that Council was engaging Deloitte to undertake data analytics. They would be looking at all transactions from 1 January 2015 to 31 December 2016, assessing any fraud risk and reporting back to the Audit, Finance & Risk Committee. Mr Burns explained that this was timely as Council was using a new financial system since the last analytics were undertaken.

Mr Burns explained that Ms Zeederberg routinely checked the sensitive expenditure items for compliance noting that they would report exceptions and follow up on non-compliance.

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

5. Quarterly Financial Overview – December 2016

Consideration was given to a report that presented the quarterly results and to report 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 Webb joined Ms Zeederberg at the table to speak to this report. Ms Webb introduced herself to the Committee.

Mr Burns explained that this was a new report giving an overview of how Council was performing from a financial perspective. He noted that they would report on an exception basis. The Chair complimented Ms Webb on the notes and commentary and noted that it was a very easy to understand report.

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

Resolution to Exclude the Public

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

Item 6: Treasury Update: February 2017

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:

<i>General subject to be considered.</i>	<i>Reason for passing this resolution.</i>	<i>Grounds under Section 7 for the passing of this resolution.</i>

<p><i>Item 6: Treasury Update: February 2017</i></p>	<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> <p><i>(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.</i></p>	<p><i>Section 7(2)(h)</i></p>
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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 had been excluded, because of his knowledge of Item 6: Treasury Update February 2017. This knowledge, which was of assistance in relation to the matter to be discussed, was relevant to that matter because Mr O'Connor represents Council's independent Treasury advisors, Bancorp.

The meeting moved into public excluded at 10.58am

The meeting moved out of public excluded and concluded at 11.28am.

Confirmed as a True and Correct Record:

Chairperson

Date
