

**MINUTES OF WESTERN BAY OF PLENTY DISTRICT COUNCIL
AUDIT, RISK AND FINANCE COMMITTEE MEETING NO. ARF25-1
HELD IN THE COUNCIL CHAMBERS, 1484 CAMERON ROAD, TAURANGA
ON THURSDAY, 13 MARCH 2025 AT 9.30AM**

1 KARAKIA

Whakatau mai te wairua	Settle the spirit
Whakawātea mai te hinengaro	Clear the mind
Whakarite mai te tinana	Prepare the body
Kia ea ai ngā mahi	To achieve what needs to be achieved.
Āe	Yes

2 PRESENT

Cr M Grainger, Cr T Coxhead, Cr G Dally, Mayor J Denyer, Cr R Joyce, Cr M Murray-Benge, Cr L Rae, Deputy Mayor J Scrimgeour, Cr A Sole, Cr D Thwaites, Cr A Wichers and Independent Member S Henderson.

VIA ZOOM

Cr A Henry

3 IN ATTENDANCE

A Henderson (General Manager Corporate Services), A Curtis (General Manager Regulatory Services), R Davies (Deputy CEO/General Manager Strategy and Community), C Crow (General Manager Infrastructure Group), J Fearn (Chief Financial Officer), D Crowe (People and Capability Manager), R Garrett (Governance Manager), H Wi Repa (Governance Systems Advisor) and E Logan (Governance Advisor).

4 APOLOGIES

Nil

5 CONSIDERATION OF LATE ITEMS

Nil

6 DECLARATIONS OF INTEREST

Nil

7 PUBLIC EXCLUDED ITEMS

Nil

8 PUBLIC FORUM

Nil

9 PRESENTATIONS

Nil

10 REPORTS

10.1 PEOPLE AND WELLBEING REPORT

- The Committee considered a report from the People and Capability Manager, who provided a brief overview of the report.
 - Staff responded to pātai as below:
 - Council's Executive Leadership Team (ELT) reviewed internal vacancies weekly, with the organisation looking at ways to optimise internal vacancies. As a result, Council was making some good savings.
 - ELT was consistently looking at the organisation from a savings lens; looking at what projects or operations Council could halt or delay by 6-12 months, while still with a focus on key deliverables and priorities, in order to make savings.
 - The increase in the number of Councils employees was due to thirteen additional fix-term roles that we in place over the summer. Majority of these fix-term positions had concluded.
 - Council's People Leaders played a key role in ensuring that the activities that staff were focused on were the ones that were contributing the most to the organisation and were aligned with delivering Councils strategic priorities.
 - Staff were having to adapt, reprioritise and shift resources to respond to the level of reform that was coming down the pipeline.
 - In relation to the gender pay gap, it was noted that Council had a large number of community facing services that had front facing customer roles. These roles often sat within the lower pay band and there was a tendency for these roles to be filled by women. It was noted that this could be one of the elements that contributed to the gender pay gap. Staff were in the process of investigating this further.
 - Staff were trying to move into a more proactive space in regard to Health and Safety systems and frameworks.
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- Staff were wanting to drive the Maturity Scale within the organisation higher.
 - Council reported on ethnicities as a way to understand its workforce and the diversity that was at play.
 - Staff had identified the top critical risks; aggressive interaction being one of them. The majority of incidents were being reported against these critical risks. This was a space that staff monitored and reviewed extremely closely.
 - Councils fleet was GPS tracked which meant, by default, the vehicles speed could be monitored. Through monitoring information and communication to staff, there had been a positive change in driver behaviour.
 - At the end of 2024 Councils Roding Engineers had spoken with staff regarding the consequence of speed, which had also led to an improvement in driver behaviour within the organisation.
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RESOLUTION ARF25-1.1

Moved: Cr A Sole

Seconded: Cr T Coxhead

That the People and Capability Manager's report dated 13 March 2025 titled 'People and Wellbeing Report' be received.

CARRIED

10.2 FINANCIAL PERFORMANCE UPDATE QUARTERLY REPORT – 31 DECEMBER 2024

The Committee considered a report from the Chief Financial Officer. A brief overview of the report was provided, noting that column two of the '2023/24 Rates Funded Deficit – Solutions Tracking' table (Attachment 2) read 1.1, the correct number was 1.1 All other numbers in the table were correct.

Staff responded to pātai as below:

- The plan for the entire Capital Programme was targeting 107% for the end of the 2024/25 financial year.
 - The ultimate inhouse transport saving that had been identified was a result of the work that WestLink was doing for Council being brought inhouse.
 - The bad debt write off was \$700,00 lower than what was budgeted for the full financial year and it was expected that there would be more still to come.
 - Council had a dedicated resource in the bad debt space that was able to follow up with overdue debts on a quicker basis.
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- Rates was the larger area of overdue debts, however, this was present across the board.
- Council offered a 3% discount for the early payments of rates, there was a budget of \$400,000 for this. There had been a higher uptake of individuals paying their rates early which had led to the budget being unfavourable as this was not allowed for.
- The Capital Project and the Income both net off, which meant that there had not been a budget provision. However, the income would ultimately cover the costs of the Capital Project.
- Staff were working through closely to monitor each activity and cost centre to ensure there was no rates funded/other impacts.
- Staff would split out the actual borrowings to the interest rates swaps in the 'counter party limits' table of the report, and noted when the numbers were debit oppose to credit.
- Further gains in the interest rate space were expected, however, it was anticipated that these would not be as high as what had been achieved so far.
- In regard to volumetric water, during the review process, staff had looked at the dollars rather than total volumetric. When staff had referred back to the volumetric in the Annual Plan, they had found that volumetric had been behind.
- There was a complicated factor in 2024 where the per cubic metre rate had changed which meant there was a GST issue. The rate was a \$1.24 versus \$1.42 which had muddied the water.

RESOLUTION ARF25-1.2

Moved: Cr R Joyce

Seconded: Cr T Coxhead

That the Chief Financial Officer's report dated 13 March 2025 titled 'Financial Performance Update Quarterly Report – 31 December 2024' be received

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10.3 AUDIT OF WESTERN BAY OF PLENTY DISTRICT COUNCIL'S LONG TERM PLAN 2024-34

The Committee considered a report from the Risk and Assurance Manager. The report was taken as read.

RESOLUTION ARF25-1.3

Moved: Cr R Joyce

Seconded: Cr A Sole

That the Risk and Assurance Manager's report dated 13 March 2025 titled 'Audit of Western Bay of Plenty District Council's Long Term Plan 2024-34' be received.

CARRIED

10.26am The hui adjourned.

10.38am The hui reconvened.

10.4 RISK AND ASSURANCE REPORT - MARCH 2025

The Committee considered a report from the Risk and Assurance Manager. The report was taken as read.

Staff responded to pātai as below:

- Feedback received through the Audit New Zealand Report to Management on the Annual Plan and Long-Term Plan (LTP) was taken on board. A review of the Internal Audit Deep Dive work programme was carried out annually as things changed and feedback was received, despite it being a three year cycle.
 - Staff had received the letter from Audit New Zealand on the Annual Report 2023/24 and were in the process of responding. This would be brought to the next Committee meeting in June 2025, along with any changes that needed to be made to the Audit work programme to reflect feedback received.
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RESOLUTION ARF25-1.4

Moved: Cr L Rae

Seconded: Cr A Sole

That the Risk and Assurance Manager's report dated 13 March 2025 titled 'Risk and Assurance Report - March 2025' be received, including the Strategic Risk Register and the Internal Audit Work Plan.

CARRIED

10.5 AUDIT, RISK AND FINANCE COMMITTEE WORK PROGRAMME

The Committee considered a report from the Risk and Assurance Manager. The report was taken as read.

10.45am Cr Henry entered the hui via zoom.

RESOLUTION ARF25-1.5

Moved: Mayor J Denyer

Seconded: Deputy Mayor J Scrimgeour

That the Risk and Assurance Manager's report dated 13 March 2025 titled 'Audit, Risk and Finance Committee Work Programme' be received.

CARRIED

10.6 MONITORING INVESTMENT AUDIT REPORT - MARCH 2025

The Committee considered a report from the Risk and Assurance Manager. The report was taken as read.

Staff responded to pātai as below:

- Council had a dedicated Road Safety Engineer which gave staff total ownership in this space.
- The Audit was conducted by staff and New Zealand Transport Association Waka Kotahi (NZTA).
- Stormwater drainage was always an issue. One of its challenges was that it was a low value activity, which often caused contractors to be less inclined to this work because they often wanted to focus on their key KPIs parameters.
- It was important to keep drains as clean as possible because stormwater underpinned the integrity of pavements. Staff had inspected all culverts across the district and had created a robust programme that was being worked through.
- The geometrics of a road determined the roads speed limit. As part of the new inhouse roading structure, Council had three network inspectors inhouse which meant that staff were able to control the maintenance programme and constantly look at areas that had high accident rates.
- Staff had a positive relationship with NZTA, especially the maintenance and operations team, and often met with both them and Tauranga City Council (TCC). However, Council had no input into the work that was led by NZTA.
- Council had a list, prioritisation and budget within the LTP that staff would continue to deliver until a different direction from Elected Members was received.
- The utility Code of Practice was effectively like for like. Generally, best practice when doing rehabilitations, or new pavements, was to seal back to the boundary.

- Staff carried out high speed data annually. However, due to the change over from the WestLink contract, staff had not carried out this testing within the previous twelve months.
 - Staff notified NZTA when repairs on the State Highways needed to be undertaken. However, this was an on-going challenge.
 - The costs to bring older roads up to the new standards would not attract subsidy, therefore, this would be a significant cost to put into the LTP.
 - Road markings were dependant on the volume of traffic and determined by the Traffic Control Devices (TCD) Manual to create consistency across the country.
 - It was noted that if Council decided to stop its Sealing Programme, it could not charge that rate and use the budget elsewhere without undergoing a process to approve that.
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RESOLUTION ARF25-1.6

Moved: Cr A Sole

Seconded: Cr M Murray-Benge

That the Risk and Assurance Manager's report dated 13 March 2025 titled 'Monitoring Investment Audit Report - March 2025' be received.

CARRIED

10.7 OUTSTANDING RECOMMENDATIONS REGISTER – FEBRUARY 2025

The Committee considered a report from the Risk and Assurance Manager. A brief overview of the report was provided by the People and Capability Manager.

The following tākupu were made by Committee Members:

- Concern was raised regarding the content of the report and whether it met the requirement to be within the confidential agenda. It was noted that the removal of cash handling was a public interest, therefore, it was important for it to be within the public agenda.
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RESOLUTION ARF25-1.7

Moved: Cr M Murray-Benge

Seconded: Cr L Rae

1. That the Risk and Assurance Manager's report dated 13 March 2025 titled 'Outstanding Recommendations Register - February 2025' be received.

CARRIED

RESOLUTION ARF25-1.8

Moved: Cr R Joyce

Seconded: Cr A Sole

2. That the Audit, Risk and Finance Committee approve that the 'Outstanding Recommendations Register – February 2025' report be included in the minutes of the public agenda

CARRIED

11 INFORMATION FOR RECEIPT

Nil

12 RESOLUTION TO EXCLUDE THE PUBLIC

RESOLUTION TO EXCLUDE THE PUBLIC

RESOLUTION ARF25-1.9

Moved: Cr A Sole

Seconded: Cr L Rae

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
12.1 - Litigation Register Update - February 2025	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
12.2 - Outstanding Recommendations Register - February 2025	s7(2)(f)(ii) - the withholding of the information is necessary to maintain the effective conduct of public	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to

	<p>affairs through the protection of Council members, officers, employees, and persons from improper pressure or harassment</p> <p>s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	<p>result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
CARRIED		

The Meeting closed at 11.40am.

Confirmed as a true and correct record by Council on 27 May 2025.