

**MINUTES OF WESTERN BAY OF PLENTY DISTRICT COUNCIL  
AUDIT, RISK AND FINANCE COMMITTEE MEETING NO. ARF24-4  
HELD IN THE COUNCIL CHAMBERS, 1484 CAMERON ROAD, TAURANGA  
ON TUESDAY, 3 DECEMBER 2024 AT 1.30PM**

## 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 A Henry, 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.

## 3 IN ATTENDANCE

J Holyoake (Chief Executive Officer), A Henderson (General Manager Corporate Services), A Curtis (General Manager Regulatory Services), C Crow (General Manager Infrastructure Group), J Fearn (Chief Financial Officer), N Ryburn (Environmental Consents Manager), D Crowe (People and Capability Manager), H Wi Repa (Governance Systems Advisor), E Logan (Governance Advisor) and R Garrett (Governance Manager).

## ZOOM

A Carrey (Financial Partner Lead), P Labuschagne (Risk and Assurance Manager), L Marshall (Commercial and Finance Support Officer), and L Jackett (Contracts and Procurement Manager).

## EXTERNAL

M Wilson (AON Insurance) L Pieterse (Audit New Zealand), and A Labuschagne (Audit New Zealand)

## 4 APOLOGIES

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## 4.1 APOLOGIES

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### RESOLUTION ARF24-4.1

Moved: Cr D Thwaites

Seconded: Cr A Sole

That the apology for lateness from Cr A Wichers be accepted.

**.CARRIED**

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## 5 CONSIDERATION OF LATE ITEMS

Nil

## 6 DECLARATIONS OF INTEREST

Nil

## 7 PUBLIC EXCLUDED ITEMS

Nil

## 8 PUBLIC FORUM

Nil

## 9 PRESENTATIONS

### 9.1 AON INSURANCE RENEWAL UPDATE

The Chief Financial Officer introduced the report. The report was taken as read, with further discussion as noted below:

An AON Representative was present to speak to the PowerPoint Presentation.

1.44pm Cr A Wichers arrived.

1.44pm Cr A Henry left the hui.

1.49pm Cr A Henry returned to the hui.

- The General Manager Corporate Services provided further information in regard to the declared value decreases and explained that staff had undertaken a deep dive into Council's infrastructure assets to understand the replacement values.

In response to questions, the following matters were noted:

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- No changes had been made to the exclusions and, excess, nor any significant changes to the terms and conditions. The reduction in premium was a result of the prudent work that had been done on Council's infrastructure assets, as well as the underlying rating reduction that had taken place within the market.
- The largest single claim was roughly \$13 million. The issues within the building space had historically come from either large commercial properties, or multi-unit flats. It was uncommon for provincial councils to be consenting on multi-million dollar properties. The common trend was that provincial councils consented on a large number of small properties.
- Systemic type issues that impacted multiple Councils could trigger top up cover.
- Council had its own policy for an amount of \$15 million of public liability and an amount of \$15 million for professional indemnity. This was rated on Councils claims history, experience and performance, and a premium was calculated specifically for Council.
- The aggregate cap that related to building act claims was spread across the 37 Councils within the group. Often these claims were for values less than \$1 million.
- Staff were monitoring the changes in the building consents area within Council.

2.18pm Cr T Coxhead left hui.

2.21pm Cr T Coxhead returned to hui.

- It was a three month process to go through Councils premiums with the global insurers, which meant these were effective from 1 November. Council would look at what it wanted to do differently in the early stages of 2025 before it went to market.
- The forecasted premiums within the Long-Term Plan (LTP) had been identified by staff as an area of potential savings.

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## RESOLUTION ARF24-4.2

Moved: Cr R Joyce

Seconded: Cr A Sole

That the presentation provided by AON Insurance on 3 December 2024, be received.

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CARRIED

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## 10 REPORTS

### 10.1 DRAFT ANNUAL REPORT 2023/24

The General Manager Corporate Services introduced the report, provided a brief overview and spoke to the key financial highlights. Further discussion took place on the below:

External representatives from Audit New Zealand were present to discuss the report.

- It was raised by Committee members that the report needed to be edited to contain plain English and further transparency.

In response to questions, the following matters were noted:

- In regard to the water meter revenue, there was an accrual that was taken into the prior year, which meant the last year was overstated and the current year was understated, but rates revenue across the two years was correct to fund the activity.
- The difference in surplus year on year was not a determination of Council's financial performance. There had been challenges within the economic environment as a result of inflation and decline in building activity. However, the aim of a Council was to have a balanced budget, not to make a surplus. Items such as revaluation undertaken every three years impacted the bottom line performance annually.

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### RESOLUTION ARF24-4.3

Moved: Cr G Dally  
Seconded: Cr M Murray-Benge

1. That the Chief Financial Officer's report dated 3 December 2024 titled 'Draft Annual Report 2023/24' be received.
2. That the Audit, Risk and Finance Committee recommends that Council adopt the 'Annual Report 2023/24' (**Tabled Item 1**), subject to any further and final audit changes.

AND

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That the Audit, Risk and Finance Committee notes that the verbal audit clearance from Audit NZ is expected to be provided at the Council meeting scheduled 12 December 2024.

3. That the Audit Risk and Finance Committee delegates to the Chief Executive Officer any minor editorial changes.

**CARRIED**

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## 10.2 PEOPLE AND WELLBEING REPORT

The People and Capability Manager introduced the report. The report was taken as read, with further discussion on the below:

- It was raised that there was benefit in providing Elected Members with specific training in regard to managing confronting situations, considering they were also on the front line.

In response to questions, the following matters were noted:

- The primary driver around staff exercising their due diligence was to go onsite and ensure that the agreed upon safety standards were being met by Councils contracting partners.
  - Staff were looking to increase the number of proactive engagements in regard to not only safety checks with contractors, but everything that Council did.
  - In regard to staff turn over, there were no specific hot spots within the organisation. There were areas of the business that were expected to have a slightly more regular turn over of staff due to the nature of those roles. These areas were often customer facing roles, which was not uncommon.
  - Conversations around health and safety began during the procurement stage to ensure that Council staff and community members were kept safe.
  - Performance management was the responsibility of all staff, but first and foremost it was within the relationship of People Leaders and their staff.
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### RESOLUTION ARF24-4.4

Moved: Deputy Mayor J Scrimgeour

Seconded: Cr A Sole

1. That the People and Capability Manager's report dated 3 December 2024 titled 'People and Wellbeing Report' be received.
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**CARRIED**

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### **10.3 RISK AND ASSURANCE REPORT OCTOBER 2024**

The Chief Financial Officer introduced the report. The report was taken as read.

In response to questions, the following matters were noted:

- Council had a contract with Water Care, however, Water Care was no longer supporting Council systems. Staff had been looking for an alternative asset management system and GIS system, which had been a joint contract with Tauranga City Council. There had been confirmation that Council could continue with the existing product for a further two years, however, the risk with continuing with this was that moving forward, the product might no longer be supported due to potential changes within that space.
- Council had not outsourced anything to Water Care, rather it had borrowed and paid to rent part of its system. Water Care had stated that it was no longer going to rent part of its system to other Councils, which meant that Council needed to find a replacement system.

3.22pm Cr L Rae left hui.

3.25pm Cr L Rae returned to hui.

- There were a limited number of Local Government IT systems that were available in the waters space.

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### **RESOLUTION ARF24-4.5**

Moved: Cr M Murray-Benge

Seconded: Cr A Sole

1. That the Risk and Assurance Manager's report titled 'Risk and Assurance Report October 2024' be received.

**CARRIED**

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### **10.4 FINANCIAL PERFORMANCE UPDATE QUARTERLY REPORT 30 SEPTEMBER 2024**

The Chief Financial Officer introduced the report. The report was taken as read.

In response to questions, the following matters were noted:

- There were milestones placed through the Transport Subsidy and staff expected that there would be a large claim in February or March 2025. The
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application for funding needed to be done well in advance of the procurement and the development of the programme.

- To ensure savings could be made, staff had reclassified \$2 million of the personnel budget for the year. The Executive Leadership Team would decide whether to reuse the money or not. A rating deficit from 2023/24 was being monitored and tracked through the quarterly report.
- Staff were doing work in preparation for future conversations about the Annual Plan with Elected Members including in relation to the regulatory function, its income, and what was happening nationally and what that meant locally.
- Staff were looking into slowing down the turnover of the vehicle fleet as one of the potential operational savings.

3.45pm Cr T Coxhead left hui.

- The discussions that staff had had with Bancorp New Zealand were around what the debt picture would look like moving forward. A significant amount of the debt belonged within the water services space.
- Over the three months, Council had picked up \$45 million of extra cover as the rates had come down.

3.51pm Cr T Coxhead returned to hui.

### RESOLUTION ARF24-4.6

Moved: Cr M Grainger

Seconded: Cr T Coxhead

1. That the Finance Manager's report dated 3 December 2024 titled 'Financial Performance Update Quarterly Report 30 September 2024' be received.

**CARRIED**

### 11 INFORMATION FOR RECEIPT

Nil

### 12 RESOLUTION TO EXCLUDE THE PUBLIC

#### RESOLUTION TO EXCLUDE THE PUBLIC

#### RESOLUTION ARF24-4.7

Moved: Cr T Coxhead

Seconded: Cr M Murray-Benge

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:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48 for the passing of this resolution</b>
<b>12.1 - Litigation Register Update November 2024</b>	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
<b>12.2 - Confidential Risk and Assurance Report December 2024</b>	s7(2)(f)(ii) - the withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of Council members, officers, employees, and persons from improper pressure or harassment  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	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
<b>12.3 - Outstanding Recommendations Register November 2024</b>	s7(2)(f)(ii) - the withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of Council members, officers, employees, and persons from improper pressure or harassment  s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or	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



	use of official information for improper gain or improper advantage	
<b>CARRIED</b>		

3.55pm Cr A Henry and Cr R Joyce left hui.

**The Meeting closed at 4.06pm.**

**Confirmed as a true and correct record by Council on 18 February 2025.**

UNCONFIRMED