

**MINUTES OF WESTERN BAY OF PLENTY DISTRICT COUNCIL  
AUDIT, RISK AND FINANCE COMMITTEE MEETING NO. ARF25-2  
HELD IN THE COUNCIL CHAMBERS, 1484 CAMERON ROAD, TAURANGA  
ON WEDNESDAY, 4 JUNE 2025 AT 9.30AM**

## 1 KARAKIA

Whakatau mai te wairua  
Whakawātea mai te hinengaro  
Whakarite mai te tinana  
Kia ea ai ngā mahi  
  
Āe

Settle the spirit  
Clear the mind  
Prepare the body  
To achieve what needs to be  
achieved.  
  
Yes

## 2 PRESENT

Cr M Grainger, 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, Independent Member S Henderson.

## 3 IN ATTENDANCE

M Taris (Interim Chief Executive Officer), R Davie (Deputy CEO/General Manager Strategy and Community), A Henderson (General Manager Corporate Services), A Curtis (General Manager Regulatory Services), P Watson (Acting General Manager Infrastructure Services), J Fearn (Chief Financial Officer), D Crowe (Head of People Experience), C Boyle (Health, Safety and Wellbeing Lead), R Garrett (Governance Manager), H Wi Repa (Governance Systems Advisor), and E Logan (Governance Advisor)

## EXTERNAL

A Labuschagne (Audit New Zealand)

## 4 APOLOGIES

### 4.1 APOLOGIES

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#### RESOLUTION ARF25-2.1

Moved: Cr L Rae  
Seconded: Cr A Henry

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That the apology for lateness from Deputy Mayor Scrimgeour be accepted.

**CARRIED**

## **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**

### **10.0 CHANGE ORDER OF BUSINESS**

#### **RESOLUTION ARF25-2.2**

Moved: Cr M Murray-Benge

Seconded: Cr A Sole

That in accordance with Standing Order 9.4 the order of business be changed and that item 10.2 in the agenda be dealt with as the next item of business.

**CARRIED**

### **10.1 AUDIT MANAGEMENT REPORT 2023/24**

The Committee considered a report dated 4 June 2025 from the Chief Financial Officer, supported by an Audit New Zealand representative, who provided an overview of the report.

Tabled Item 1 – Audit New Zealand – Audit Plan Year End June 2025 was provided as a supplementary agenda item prior to the meeting.

Staff responded to pātai as below:

- The audit experienced complications due to prior period adjustments involving the Local Government Funding Agency. These required rework of the Annual Report timeframe and were exacerbated by delays resulting from the late adoption of the Long-Term Plan, which postponed work by both Council and Audit New Zealand (Audit NZ).
- Audit NZ awaited cost approval for additional audit work from the Office of the Auditor-General. Once approved, negotiations with Council management were to begin.
- Council staff and Audit NZ had developed a forward plan to improve future audit processes.
- Council transitioned to the 'Value Financials' system, which required staff to re-map financial data. The system integrated with Council's general ledger to classify reporting information. A smoother process was anticipated for the new financial year with the system now fully operational.
- The 2025 Annual Report process had commenced, supported by a detailed plan. Staff worked to align internal deadlines with Audit NZ's scheduling.
- It was not anticipated that the Annual Report would be signed off before the triennial election in October. However, the aim was to complete as much audit work as possible to prepare draft accounts for the current Council, likely to be presented to Elected Members in September 2025. Final sign-off was not expected at that stage, as Audit NZ would not have completed its audit.
- The Pre-Election Report provided a three-year historical overview alongside forward looking forecasts. It offered a broader perspective on Council operations, highlighting information relevant to individuals considering standing for Council in the election.
- Although Council did not expect to meet the statutory deadline for the 2025 Annual Report, staff planned to closely manage the 2026 Annual Plan and Annual Report to ensure compliance with 2026 deadlines.

A motion regarding communication with the Department of Internal Affairs around adoption of the Annual Report was moved and seconded during discussion of the report. To enable appropriate wording to be finalised, the Committee resolved to let the motion lie on the table at this time.

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#### ITEM TO LIE ON THE TABLE

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#### RESOLUTION ARF25-2.3

Moved: Deputy Mayor J Scrimgeour  
Seconded: Cr A Sole

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That the motion currently under discussion lie on the table, to be reconsidered later in the meeting when appropriate wording has been finalised.

**CARRIED**

- Tabled Item 1 outlined Audit NZ's next steps for the 2025 Annual Report and identified key dates in the process.
- Audit NZ reviewed recommendations that arose from Waka Kotahi New Zealand Transport Agency's (NZTA) audit. For 2025, NZTA had co-opted a representative to carry out an audit on Smooth Travel Exposure across all councils, and Audit NZ would examine the process to ensure there was alignment with NZTA findings.
- For work-in-progress projects, Council utilised a resource to assess each project, confirm proper treatment, and determine whether assets should be written off or if capital expenditure recorded as operational cost needed reallocation.
- Council's Riskpool shares totalled \$18,000 for the 2024/25 Financial Year and were paid during that period. Future funding requirements remained uncertain pending further notice, although Council had received a preliminary letter from Riskpool.
- Audit NZ did not perform regulatory functions, but instead evaluated whether decisions by Council or other regulators impacted Annual Report disclosures.
- Audit NZ was also required to assess non-financial reporting as indicated in Council's Long-Term Plan.

## **RESOLUTION ARF25-2.4**

Moved: Cr R Joyce

Seconded: Deputy Mayor J Scrimgeour

That the Chief Financial Officer's report dated 4 June 2025 titled 'Audit Management Report 2023/24' be received.

**CARRIED**

## **10.2 PEOPLE AND WELLBEING REPORT**

The Committee considered a report dated 4 June 2025 from the People and Capability Manager, supported by the Health, Safety and Wellbeing Lead, who spoke to key areas of the report.

Staff responded to pātai as below:

- Council had reduced and disestablished several roles, with all vacancies reviewed by the Executive Leadership Team (ELT).

- No formal diversity policies were in place during recruitment. Council collected employee ethnicity data post-recruitment to understand organisational demographics. Onboarding included demographic questions, though completion was optional.
- Staff proactively maintained organisation knowledge, including renewed focus on Nintex Process Manager to document key processes. Multiple strategies practiced by Council supported knowledge retention.
- A major recruitment effort followed the internalisation of the transport team. Most roles were filled, with remaining vacancies being intentionally considered.
- Customer services roles typically attracted more female workers and offered lower pay, contributing more significantly to the gender pay gap than infrastructure roles. Overall, Council maintained a roughly 50/50 gender balance across its workforce.
- Salaries were based on the employee's skills, experience and attributes. Council welcomed less experienced candidates to develop internally, while also recruiting experienced individuals at competitive market rates when needed.
- Council had a mature organisational structure with many strategic contributors who actively collaborated and shared expertise to build internal capability.
- Staff managed outstanding leave balances proactively, including 12-month leave plans for those with high accruals. Some senior staff felt unable to take leave, reinforcing the need for everyone to prioritise time off for mental wellbeing.
- A few incidents of staff being in unsafe situations occurred at the AA service area within Te Puke Library, typically due to misunderstandings about Council's obligations under AA requirements.
- Council's response to dog complaints varied by service request type, time of report, and officer availability. Highest priority was given to reducing harm to people, animals, and property, with urgent cases addressed same day.

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## RESOLUTION ARF25-2.5

Moved: Cr A Sole

Seconded: Cr M Murray-Benge

That the People and Capability Manager's report dated 4 June 2025 titled 'People and Wellbeing Report' be received.

**CARRIED**

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11.19am     hui adjourned

11.43am hui reconvened

### 10.3 ITEM LEFT TO LIE ON THE TABLE

Following adjournment, the Committee resumed consideration of the motion that was left to lie on the table. The wording was finalised and the motion was put to a vote.

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#### RESOLUTION ARF25-2.6

Moved: Independent Member S Henderson

Seconded: Cr M Murray-Benge

That the Chair of the Audit, Risk and Finance Committee writes to the Department of Internal Affairs advising that the statutory deadline of 31 October 2025 for the adoption of the 2024-25 Annual Report is unlikely to be met because, although the Annual Report is estimated to be ready for deadline, Audit New Zealand and management advise that the final Audited Annual Report will not be available until after the local government elections, so will be unable to be formally adopted by the current Council.

**CARRIED**

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### 10.4 OUTSTANDING RECOMMENDATIONS REGISTER – MAY 2025

The Committee considered a report dated 4 June 2025 from the People and Capability Manager, supported by the Chief Financial Officer, who spoke to key areas of the report.

Staff responded to pātai as below:

- The recommendation for one-up approval of all sensitive expenditure was implemented internally but remained pending in the report, awaiting sign-off from Audit NZ.
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#### RESOLUTION ARF25-2.7

Moved: Cr D Thwaites

Seconded: Cr M Murray-Benge

That the People and Capability Manager's report dated 4 June 2025 titled 'Outstanding Recommendations Register – May 2025' be received.

**CARRIED**

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## 10.5 FINANCIAL PERFORMANCE UPDATE – 30 APRIL 2025

The Committee considered a report dated 4 June 2025 from the Finance Manager. The Chief Financial Officer provided an overview of the report.

Staff responded to pātai as below:

- Staff reviewed May spending, with the Infrastructure team forecasting \$19 million in actual spend for May and \$24 million for June. At the time of the meeting, total spend was projected to reach \$138 million against the \$168 million budget.
- By 1 July 2025, 11 positions were to be disestablished. Although still reported as active FTEs, they would be removed from reporting in the new financial year, which had an approved FTE count of 331.7.
- Council held vacancies where appropriate and actively considered their future, with all decisions made weekly by the ELT.
- Council anticipated a small surplus for the 2024/25 Financial Year and did not expect a deficit.
- Staff met with Bancorp monthly to review transactions and ensure Council remained compliant with short-term policy minimums. Discussions with Elected Members focused on deferring long-term financial planning until there was greater clarity around future water-related developments, given most of Council's debt stemmed from that area.
- Infrastructure loans were matched individually to constructed assets, with targeted rate and FINCO calculations based on loan terms—typically 25 to 30 years for substantial internal debt.
- External debt was managed globally through Bancorp, as outlined in Tabled Item 2. This approach leveraged favourable funding and capital costs to reduce interest rates, which were then applied to internal loans and recalculated annually for intergenerational equity.
- Staff planned to work with Bancorp to develop a formal strategy aligning loan book timelines with interest rate risk management.
- Council adhered to its treasury policy, with Bancorp providing oversight to ensure compliance. Staff committed to sharing Council's Long-Term Plan Financial Strategy with members.

Tabled Item 2 – Long-Term Plan Comparative Summary was provided by the Independent Member S Henderson as a supplementary agenda item during the discussion.

## RESOLUTION ARF25-2.8

Moved: Cr D Thwaites  
Seconded: Deputy Mayor J Scrimgeour

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That the Finance Manager's report dated 4 June 2025 titled 'Financial Performance Update – 30 April 2025' be received.

**CARRIED**

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### **RESOLUTION ARF25-2.9**

Moved: Cr A Wichers

Seconded: Cr M Murray-Benge

The Audit Risk and Finance Committee requests that a report be brought to Council on 26 June 2025, clearly demonstrating how the \$14 million deficit was calculated, the factors contributing to the deficit, and the actions being taken to remedy it.

**CARRIED**

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### **RESOLUTION ARF25-2.10**

Moved: Independent Member S Henderson

Seconded: Cr R Joyce

That Tabled Item 2: Long-Term Plan comparative summary be included in the financial performance update reports for future Audit, Risk and Finance Committee meetings.

**CARRIED**

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## **10.6 REVIEW OF ACCOUNTING POLICIES AND KEY ACCOUNTING JUDGEMENTS - ANNUAL REPORT 2024/25**

The Committee considered a report dated 4 June 2025 from the Finance Manager. The Chief Financial Officer provided an overview of the report.

Staff responded to pātai as below:

- The changes made were primarily technical, involving wording adjustments. Further amendments were anticipated following the Audit NZ review. However, no changes to accounting assumptions were expected to alter the underlying figures in the report.
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### **RESOLUTION ARF25-2.11**

Moved: Mayor J Denyer

Seconded: Cr M Murray-Benge

1. That the Finance Manager's report dated 4 June 2025 titled 'Review of Accounting Policies and Key Accounting Judgements – Annual Report 2024/25' be received.
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**CARRIED**

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## **10.7 PROPOSED SALE OF ZESPRI AND SEEKA SHARES**

The Committee considered a report dated 4 June 2025 from the Financial Analyst. The Chief Financial Officer provided an overview of the report and the recommendations therein.

Staff responded to pātai as below:

- Council was no longer entitled to dividends from its Seeka shares but remained eligible for dividends from its Zespri shares. As the owner of the land producing Zespri kiwifruit, Council retained full dividend rights; however, selling the land would reclassify its shares to Class B, ending its dividend entitlement.
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### **RESOLUTION ARF25-2.12**

Moved: Cr M Grainger

Seconded: Cr D Thwaites

1. That the Financial Analyst's report dated 4 June 2025 titled 'Proposed Sale of Zespri and Seeka Shares' be received.
  2. That the report relates to an issue that is considered to be of **low** significance in terms of Council's Significance and Engagement Policy.
  3. That Council approves the sale of all of the Zespri and Seeka shares.
  4. That the proceeds from the sale of the shares be put to the General Rates Reserve (if approved)
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**CARRIED**

## **11 INFORMATION FOR RECEIPT**

### **11.1 LOCAL GOVERNMENT OFFICIAL INFORMATION REQUEST - QUARTER 4 REPORT (2024/25)**

The Committee considered a report dated 4 June 2025 from the Privacy and Official Information Advisor. The Deputy CEO/General Manager Strategy and Community provided an overview of the report.

Staff responded to pātai as below:

- Council had long held the statutory authority to charge for Local Government Official Information Act (LGOIMA) requests, though it typically charged for only one request per year. Staff would provide further information on this in the reports going forward.
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- Given the volume of outgoing communications, occasional misdirected emails or mail occurred. These were classified as minor by the Privacy Commissioner and did not warrant investigation.
- The grounds for withholding or partially withholding information were governed by the Local Government Official Information and Meetings Act 1987.
- Frequently requested information or topics of wide public interest could be published on Council's website at Council's discretion.

## 12 RESOLUTION TO EXCLUDE THE PUBLIC

### RESOLUTION TO EXCLUDE THE PUBLIC

#### RESOLUTION ARF25-2.13

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 – May 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

**CARRIED**

**The Meeting closed at 1.10pm.**

**Confirmed as a true and correct record by Council on 24 July 2025.**

UNCONFIRMED