

**MINUTES OF WESTERN BAY OF PLENTY DISTRICT COUNCIL
AUDIT, RISK AND FINANCE COMMITTEE MEETING NO. ARFC26-1
HELD IN THE COUNCIL CHAMBERS, 1484 CAMERON ROAD, TAURANGA
ON TUESDAY, 17 MARCH 2026 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 – NGĀ MEMA KEI KONEI

Cr T Coxhead, Cr S Beech, Cr G Dally, Mayor J Denyer, Cr D Dinsdale, Cr G Elvin, Cr R Joyce, Deputy Mayor M Murray-Benge, Cr L Rae and Cr A Sole.

3 IN ATTENDANCE – I TAE AKE

M Potton (Acting General Manager Corporate Services), E Watton (Acting General Manager Strategy and Community), B Singh (General Manager Infrastructure), A Curtis (General Manager Regulatory Services), A Henderson (Programme Director – Water Services), J Fearn (Chief Financial Officer), S Riley (Risk and Assurance Manager), D Crowe (Head of People Experience), L McEwan (Executive Assistant and Privacy and Official Information Advisor), C Boyle (Health, Safety and Wellbeing Lead) R Garrett (Governance Manager), E Logan (Governance Advisor) and H Wi Repa (Governance Systems Advisor).

4 APOLOGIES – NGĀ WHAKAPAHĀ

4.1 APOLOGIES

RESOLUTION ARFC26-1.1

Moved: Mayor J Denyer

Seconded: Cr L Rae

That the apology for lateness from Cr Elvin and Cr Joyce be accepted.

CARRIED

5 CONSIDERATION OF LATE ITEMS – NGĀ TAKE TŌMURI

Nil

6 DECLARATIONS OF INTEREST – NGĀ TUKITUKINGA

Nil

7 TRANSFER OF PUBLIC EXCLUDED ITEM – TE WHITINGA O TE AO MĀRAMA KI NGĀ TAKE MUNA

Nil

8 PUBLIC FORUM – WĀHANGA TŪMATANUI

Nil

CHANGE ORDER OF BUSINESS

The Chairperson requested that the next item of business be 10.1 People and Wellbeing Report, in order to provide additional time for external presenters to arrive.

RESOLUTION ARFC26-1.2

Moved: Cr A Sole

Seconded: Cr D Dinsdale

That in accordance with standing orders 9.4 the order of business be changed and that item 10.1 be dealt with as the next item of business.

CARRIED

9 REPORTS – NGĀ PŪRONGO

9.1 PEOPLE AND WELLBEING REPORT

The Committee considered a report dated 17 March 2026 from the People and Capability Manager, supported by the Health, Safety and Wellbeing Lead, who spoke to key areas of the report.

9.33am Cr Joyce entered hui.

9.35am Cr Elvin entered hui.

Staff responded to pātai as below:

- Council had a flexible working policy in place and did not monitor the exact number of employees working from home on each day of the week.
 - The approved Full Time Equivalent (FTE) level included temporary roles but did not include contingent contractors.
 - Staff had taken steps towards more accurate reporting on contingent workers, specifically those working internally in roles that could otherwise be filled by permanent employees. This information was to be provided at the next meeting.
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- Council had previously offered cadetship-type roles; however, due to increasing costs and headcount pressures within the organisation, these programmes had often been discontinued.
 - Council had supported employees in continuing their professional education and building their qualifications. An internal programme for further learning had been in place and was considered on a case-by-case basis. Where staff sought professional qualifications that benefitted both the individual and the organisation, Council had provided support, including financial assistance and time off work where required.
 - Council had a robust bullying and harassment policy in place, which clearly outlined how it would respond to any allegations of bullying.
 - There had been approximately 13 to 14 different ethnicities represented within Council.
 - Council had, at times, brought in cadets to support their development and create pathways into the organisation. However, this had often been contingent on an FTE or permanent position becoming vacant before a new role could be offered. Council's demographic profile, which skewed towards an older workforce, indicated relatively low staff turnover.
 - It had been common for employees to begin in more junior roles and progress within the organisation, with resources in place to support their development.
 - The overall design and approach for Te Arawai had been underpinned by leadership mindsets aligned with behaviours that supported a positive workplace culture and employee development. It had been informed by responses to questions such as "what makes a great day at work" and "what does great leadership look like." Te Arawai had begun to be rolled out to staff, with employees participating in core workshops that provided foundational learning, as well as targeted workshops for people leaders that equipped them with tools to create conditions for staff to thrive.
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RESOLUTION ARFC26-1.3

Moved: Deputy Mayor M Murray-Benge

Seconded: Cr D Dinsdale

That the People and Capability Manager's report dated 25 February 2026 titled 'People and Wellbeing Report' be received

.CARRIED

10 PRESENTATIONS – NGĀ WHAKATAIRANGA

10.1 LOCAL GOVERNMENT FUNDING AGENCY PRESENTATION

Mr Michl was in attendance on behalf of the Local Government Funding Agency (LGFA) to provide an overview of the organisation and its role in support of Local Government borrowing in New Zealand.

The presenter responded to pātai as follows:

- It was noted that reporting could often come down to definitions. The Local Government Funding Agency (LGFA) had used definitions from Department of Internal Affairs (DIA), which had provided a sound starting point.
- LGFA's approach had been to review each Council's financial strategy and identify areas of concern. Where issues were identified, LGFA had engaged in discussions with the relevant Council, initially allowing the Council the opportunity to address those concerns. However, it was noted that rates capping had the potential to reduce flexibility that had previously existed.
- All Councils had been able to borrow from any source; however, many had chosen to borrow from LGFA due to lower costs and access to longer-term financing compared to banks. LGFA had been required to act prudently in its lending, and there could be circumstances where additional conditions were applied to Council borrowing. High-growth councils, such as Tauranga City Council and Waipā District Council, had been required to forecast a balanced budget or surplus, as LGFA had not supported lending for operating expenditure to ensure fairness across all Council guarantors.
- Where LGFA had concerns regarding a Council, it had worked alongside DIA to support improvements. LGFA had also retained the ability to decline lending to Councils that did not meet its requirements.
- It was noted that, going forward, LGFA would have needed to manage lending more tightly than in the past, particularly due to reduced flexibility arising from rates capping.
- In relation to credit ratings, LGFA had held an external credit rating of AA- from Standard & Poor's, which had been comparable to the strongest banks in New Zealand and highly regarded internationally. In addition, LGFA had undertaken internal credit assessments of each Council to better understand risk. Where concerns had arisen regarding a Council's financial strategy, LGFA had engaged directly with that Council. Under its framework, councils with an external credit rating had been able to borrow up to 280%.
- LGFA had generally relied on Local Government New Zealand and Taituarā to undertake formal advocacy, with LGFA typically working behind the scenes rather than in public forums. However, LGFA had also met with Ministers to communicate its views.

CHANGE ORDER OF BUSINESS

The Chairperson requested that the next item of business be 10.6 Local Government Funding Agency Draft Statement of Intent 2026-2029 and Half Year Report as at 31 December 2025, in order to release external presenters from the meeting.

RESOLUTION ARFC26-1.4

Moved: Cr R Joyce

Seconded: Deputy Mayor M Murray-Benge

That in accordance with standing orders 9.4 the order of business be changed and that item 10.6 be dealt with as the next item of business.

CARRIED

10 REPORTS CONTINUED - NGĀ PŪRONGO**11.1 LOCAL GOVERNMENT FUNDING AGENCY DRAFT STATEMENT OF INTENT 2026 - 2029 AND HALF YEAR REPORT AS AT 31 DECEMBER 2025**

The Committee considered a report dated 17 March 2026 from the Financial Analyst. The Chief Financial Officer introduced the report.

Staff responded to pātai as follows:

- Council's Financial Analyst - Treasury had supported the review of the relevant documents and had been comfortable with Council's current approach to Local Government Funding Agency (LGFA). It was noted that, as Council moved towards water reform, staff would have different discussions regarding how water assets and services would be incorporated into LGFA debt arrangements. At the time of reporting, staff had remained comfortable with the existing approach.

RESOLUTION ARFC26-1.5

Moved: Cr R Joyce

Seconded: Cr G Elvin

1. That the Financial Analyst's report dated 17 March 2026 titled 'Local Government Funding Agency Draft Statement of Intent 2026 - 2029 and Half Year Report as at 31 December 2025' 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 the Local Government Funding Agency's (LGFA) Half Year Report as at 31 December 2025 (**Attachment 1**) and accompanying cover letter (**Attachment 2**) be received.
4. That the Local Government Funding Agency's (LGFA) Draft Statement of Intent 2026-2029 (**Attachment 3**) and accompanying cover letter (**Attachment 4**) be

received, noting that feedback, comments and recommended changes are to be provided to LGFA no later than 1 May 2026, so that this can be considered for inclusion in their final Statement of Intent due to Council by 30 June 2026.

CARRIED

11.2 AUDIT, RISK AND FINANCE COMMITTEE WORK PROGRAMME

The Committee considered a report dated 17 March 2026 from the Risk and Assurance Manager, who provided a overview of the report.

Staff responded to pātai as follows:

- It was noted that the new risk management software and framework would be fully operational by 1 July 2026.
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RESOLUTION ARFC26-1.6

Moved: Cr A Sole

Seconded: Deputy Mayor M Murray-Benge

That the Risk and Assurance Manager's report dated 17 March 2026 titled 'Audit, Risk and Finance Committee Work Programme' be received.

CARRIED

11.3 INTERNAL AUDIT & OUTSTANDING RECOMMENDATIONS REGISTER (ORR)

The Committee considered a report dated 17 March 2026 from the Risk and Assurance Manager, who provided a overview of the report.

RESOLUTION ARFC26-1.7

Moved: Cr R Joyce

Seconded: Deputy Mayor M Murray-Benge

That the Risk and Assurance Manager's report dated 17 March 2026 titled 'Internal Audit & Outstanding Recommendations Register (ORR)' be received.

CARRIED

11.4 RISK MANAGEMENT FRAMEWORK (RMF)

The Committee considered a report dated 17 March 2026 from the Risk and Assurance Manager, who provided an overview of the report.

- It was noted that initial risk ratings had been established for all identified risks. Risks categorised as severe or extreme had been those brought to Council. The assessment had been based on the likelihood and pervasiveness of each risk in relation to Council performing its functions, as well as the potential impact should the risk eventuate. The framework had been intended to provide elected members with the information and tools required to assess these factors.
 - It had been planned to invite feedback on the risk register on an ongoing basis. Under the new risk management framework, a process had been established to enable two-way feedback to be incorporated into the risk register.
 - The risk register had been more than a tool for identifying risks; it had also outlined how risks were actively managed, with the aim of reducing residual risk to a tolerable level.
 - It was noted that further discussions would be required to ensure the risk register was fit for purpose, with the intention of making it easily accessible to elected members.
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RESOLUTION ARFC26-1.8

Moved: Cr R Joyce

Seconded: Cr A Sole

That the Risk and Assurance Manager's report dated 17 March 2026 titled 'Risk Management Framework (RMF)' be received.

CARRIED

11.5 BUSINESS CONTINUITY MANAGEMENT SYSTEM (BCMS)

The Committee considered a report dated 17 March 2026 from the Risk and Assurance Manager, who provided an overview of the report.

- There had been a number of false starts in establishing a Business Continuity Management System (BCMS), with several root causes identified. These included a lack of continuity in the Risk and Assurance Manager role, which had disrupted progress made to date.
 - A proposal had been put forward to implement an electronic toolkit that would provide continuity for Council and support succession planning. This would enable future Risk and Assurance Managers to quickly understand the BCMS and the processes surrounding it.
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- The most significant risk facing Council in relation to the current oil and petrol situation had been rising cost implications. Staff had undertaken a review of all contracts to understand Council's escalation and variation clauses, especially within existing roading contracts. Typically, Council managed these risks within its contracts to protect its position and provide a buffer.

RESOLUTION ARFC26-1.9

Moved: Cr A Sole

Seconded: Cr D Dinsdale

That the Risk and Assurance Manager's report dated 17 March 2026 titled 'Business Continuity Management System (BCMS)' be received.

CARRIED

11.6 MONTHLY FINANCIAL REPORT - 31 JANUARY 2026

The Committee considered a report dated 17 March 2026 from the Chief Financial Officer, who provided an overview of the key points within the report.

- Each year Council undertook rates write-offs. A significant portion related to rates that could not be practically recovered, with penalties forming a large component. It was noted that, in reality, this revenue was likely to be written off after approximately six years, as Council had no ability to remove the rateable status.
 - Council offered rates payment plans, generally not for recidivist non-payers or habitual late payers, but for those with genuine need. Staff applied a compassionate approach while remaining mindful that any allowance represented a cost to all ratepayers. Efforts were typically made to establish payment plans in advance of penalties being applied.
 - There had been limited inclusion from the weather event reflected in this report due to timing of the event and the report. Staff noted that a fuller forecast would be provided at the end of March within the normal forecasting cycle.
 - An allocation in forecasts of \$5 million within the transportation activity had been made to address slip clearance and interim works arising from the weather event.
 - Payments for the Boucher Avenue Transportation Project would not be reflected in the 2025/26 financial year and would instead be deferred to the 2026/27 financial year.
 - In relation to the Boucher Avenue Transportation Project, Council had decided not to impose penalties on the contractor at this stage for slow delivery or performance issues. Discussions had been held regarding performance expectations, and Council would consider penalties if performance did not improve.
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- The Boucher Avenue Upgrade, upon completion, was expected to be approximately one year behind schedule.
- Staff were comfortable with the rates and income forecast, while noting risks associated with potential flood events and the ongoing oil/fuel situation, which could impact contracts. The March forecast was expected to provide a clearer indication of the end-of-year position.
- Staff had continued to closely monitor interest rates. Council maintained a strong treasury policy, although it was noted that one hedging bucket sat slightly outside policy parameters for the 2030–2032 period. Despite market fluctuations, Council had placed orders with banks aiming to secure rates below 4%, with guidance provided by Bancorp.
- Staff would report to the Projects and Monitoring Committee on the close-out of completed projects, including comparisons against original budgets.
- Work was underway to ensure alignment between reporting levels, avoiding overlap with Projects and Monitoring Committee delegations, while ensuring consistency between financial reporting to the Audit, Risk and Finance Committee and Council.
- It was noted that Council was \$2.8 million under budget in financial contributions. If the trend continued, this shortfall could reach between \$5.5 million and \$6 million. This represented a real cash impact and would have downstream effects on interest costs, debt levels, and future financial contributions. While Council had no control over the timing of this revenue, the risk was being actively monitored.
- Consent holders generally had two years to give effect to their consent before triggering a transition to a new financial contributions level.
- Lawn mowing costs were not included within personnel costs. Personnel cost savings reflected organisational efforts to manage full-time equivalent (FTE) levels and expenditure, in line with Council's direction to identify operational savings.
- Larger capital projects were typically funded through loans or reserves. Where underspend occurred, borrowing requirements were reduced, providing future rate benefits. For smaller, rate-funded operational projects delivered under budget, any surplus was either reallocated, depending on the funding sources, to projects exceeding budget or returned to general rates surplus.
- A number of developers were seeking variations to their resource consents to enable staged development. This approach allowed partial release of properties to the market, supporting both market supply management and developer cash flow.
- The construction market had not experienced a significant reduction in pricing; however, there had been reduced volatility. It was noted that market engagement did not necessarily result in lower costs, despite more stable pricing conditions.

RESOLUTION ARFC26-1.10

Moved: Cr R Joyce

Seconded: Cr S Beech

That the Chief Financial Officer's report dated 17 March 2026 titled 'Monthly Financial Report – 31 January 2026' be received.

CARRIED

11.7 MONTHLY TREASURY REPORT – 28 FEBRUARY 2026

The Committee considered a report dated 17 March 2026 from the Financial Analyst. The Chief Financial Officer provided an overview of the key points within the report.

Staff responded to pātai as follows:

- As at the end of February, Council's average weighted cost of funds was 3.99%.
 - In relation to opportunities to secure lower interest rates, staff had worked closely with Bancorp to set target thresholds and engage with banks. Watch orders had been established to notify Council when interest rates fell below 4.00%, enabling consideration of locking in forward-start rates for the 2030–2034 period. This approach was intended to bring Council back within policy parameters over time, with staff seeking to implement hedging below 4.00% to cover the identified gap.
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RESOLUTION ARFC26-1.11

Moved: Cr R Joyce

Seconded: Deputy Mayor M Murray-Benge

That the Financial Analyst's report dated 17 March 2026, titled 'Monthly Treasury Report – 28 February 2026', be received.

CARRIED

12 INFORMATION FOR RECEIPT – KŌRERO TE WHIWHIA

12.1 LOCAL GOVERNMENT OFFICIAL INFORMATION REQUEST (LGOIMA) AND PRIVACY REPORT

The Committee considered a report dated 17 March 2026 from the Executive Assistant and Privacy and Official Information Advisor. The report was taken as read.

Staff responded to pātai as below:

- It was noted that where multiple requests were received from the same individuals or groups seeking the same information, Council had the ability under section 17 of the Local Government Official Information and Meetings Act 1987 (LGOIMA) to refuse such requests.
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- All LGOIMA requests had been reviewed by at least two General Managers to ensure appropriate oversight at the Executive Leadership level regarding the nature and subject matter of requests received. Any concerns identified through this process were escalated accordingly.
- Managing CCTV footage requests through the LGOIMA process had provided greater transparency regarding the nature and intent of requests. It was noted that many such requests related to individual or private disputes, and the footage was often unable to be released due to privacy considerations.
- Council had legislative responsibilities in relation to privacy and was bound by the Privacy Act 2020 when managing CCTV footage. Information could be released where it was required for Police investigations, with Police also bound by the same legislation in how they managed and held that information. Staff were not aware of any instance where a request from Police had been declined.
- The management of CCTV footage requests through Council’s LGOIMA process ensured that risks and liabilities were appropriately managed, and that information collected was used only for the purposes for which it had been obtained.
- Council had a proactive release policy, which enabled the publication of LGOIMA responses on its website where there was significant public interest.

11 RESOLUTION TO EXCLUDE THE PUBLIC - WHAKATAU KI TE PORO I TE MAREA

RESOLUTION TO EXCLUDE THE PUBLIC

RESOLUTION ARFC26-1.12

Moved: Cr L Rae
 Seconded: Deputy Mayor 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:

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
13.1 - Insurance & Litigation Report	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 12.16pm.

Confirmed as a true and correct record by the Audit, Risk and Finance Committee on 26 May 2026.

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Cr T Coxhead
CHAIRPERSON

Unconfirmed