RISK AND ASSURANCE COMMITTEE MEETING MINUTES

MINUTES OF THE RISK AND ASSURANCE COMMITTEE MEETING OF WESTLAND DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM ON THURSDAY, 7 MAY 2026 COMMENCING AT 9:30am

The Committee Meeting was live streamed to the Westland District Council YouTube Channel and presentations are made available on the council website.

1. MEMBERS AND APOLOGIES

Chairperson:	David Ward
Members:	Her Worship the Mayor Councillor Martin Councillor Mackenzie Kaiwhakahaere Tumahai

NGĀ WHAKAPAAHA
APOLOGIES

Apologies received from Kaiwhakahaere Tumahai who is unable to attend and Her Worship the Mayor who will be late.
Her Worship the Mayor joined the meeting at 9:38am.

Moved Cr Martin, seconded Chair Ward and **Resolved** that the apologies from Kaiwhakahaere Tumahai and Her Worship the Mayor be received and accepted.

STAFF PRESENT
B. Phillips, Chief Executive; D. Maitland, Quality Assurance Manager; S. Lewis, Chief Financial Officer; S. Hewett, Governance Administrator.

2. WHAKAPUAKITANGA WHAIPĀNGA
DECLARATIONS OF INTEREST

The updated Interest Register had been circulated. There were no changes made to the Interest Register.

3. NGĀ MENETI O TE HUI KAUNIHERA
MINUTES OF MEETINGS

Inaugural Risk and Assurance Committee Meeting Minutes – 27 March 2026

Moved Her Worship the Mayor, seconded Councillor Martin and **Resolved** that the Minutes of the Inaugural Risk and Assurance Committee Meeting held on **27 March 2026** be confirmed as a true and correct record of the meeting.

4. ACTION LIST
Independent Chair David Ward provided the following updates to the Action List:

- Item 1: will be discussed later in today's meeting.

- Item 2: The committee is satisfied that this work has been completed.
- Item 3: an update will come back to committee in August.

5. CHAIR'S REPORT

The Independent Chair spoke to the report, updating the committee on the meeting held with the council's external auditors where discussions covered what the focus areas are for this year, non-financial reporting, the timing of reports, and frequency of staff meetings - recommending that staff and auditors should be meeting twice a week.
The Chair also mentioned the ongoing conflict in the Middle East and the effects it is having on global oil prices and inflation, highlighting that this will need to be accounted for in the annual plan.

Moved Chair Ward, seconded Councillor Martin and **Resolved** that the Chair's Report be received.

6. PŪRONGO KAIMAHI
STAFF REPORTS

Quarterly Financial Report

The Chief Financial Officer (CFO) spoke to the report, going through page by page with the committee. The following items were discussed in the report:

Annual Plan and Long-Term Plan (LTP)

- The Annual Plan is currently under consultation, with 14 submissions received and two requests to speak at hearings.
- Inflation was set at 2.6% at draft stage and is now estimated at 3.2%. This will continue to be monitored and updated prior to adoption.
- Preparatory work for the LTP has commenced, with internal meetings underway. A report will be presented to Council in due course.
- The proposed establishment date of the Water Council Controlled Organisation (CCO) may have implications for planning assumptions.

Financial Position and Performance

- A draft balance sheet has been prepared reflecting anticipated asset position post-July 2027, with further work ongoing to ensure accuracy.
- An error in depreciation calculations during budget preparation has been identified and is being corrected. While processes were followed, one incorrect figure affected outcomes and has had flow-on impacts.
- Performance against budget at Quarter Three is tracking positively.
- Cashflow is tracking in line with forecasts.
- In response to rising fuel costs, some road maintenance work may be delayed where possible. Any significant cost increases requiring additional funding will be reported to Council for approval.

Audit and Compliance

- The audit management letter was signed and returned by the mayor in late March.
- The primary audit concern relates to NZTA claims, which is being addressed through strengthened internal processes.
- Most audit items are complete (green), with remaining items expected to be completed by year-end (yellow). These are not considered areas of concern but relate to process review and documentation improvements.
- A water-related item will be completed but falls outside the current financial year due to timing.

Capital and Borrowing

- Capital project reporting was noted as a snapshot overview.
- Borrowing enables intergenerational equity by spreading costs of long-term assets.
- Criteria are in place to determine when borrowing is appropriate versus funding through rates.
- Some loans matured in April and have been rolled over in accordance with the LTP.
- Council remains slightly outside compliance limits due to loan structuring and the transitional nature of Three Waters; this is considered acceptable by LGFA.
- Loans are currently generating interest income.

Reserves and Insurance

- Council maintains ring-fenced reserves for specific purposes.
- Insurance provided to Destination Westland Ltd is fully recovered.
- Council participates in a collective insurance scheme for water assets with other South Island councils to achieve better rates.
- Insurance brokers provide regular updates on market conditions.

Performance Measures

- New LTP performance measures are being considered, including statutory and locally determined measures.
- The Committee reviewed measures in detail and discussed their relevance and usefulness.
- There is a need to ensure measures reflect meaningful performance outcomes and are not unnecessarily burdensome.
- Despite the future transfer of water services to a CCO, Council will continue to set and monitor reporting requirements. It was requested by the committee that the CFO prepare a draft balance sheet on for the August committee meeting that shows the difference between now and 1 July 2027 when 3 Waters is moved to the CCO.
- Consideration was given to whether strong performance may influence insurance premiums.

Disclosure Statement and Benchmarks

- The Disclosure Statement is current to the end of April.
- The CFO is proposing simplification of financial benchmarks.
- Affordability benchmarks were not met in the previous year as anticipated but are expected to improve.

Treasury and Debt Management

- Monthly meetings are held with Treasury advisors.
- Some loans are moving into the three-year term bracket, contributing to minor non-compliance.
- Interest exposure is split across variable and fixed rates.
- LGFA has indicated flexibility regarding compliance due to Three Waters reforms.

Rates and Debtors

- Reported write-offs primarily relate to rate rebates rather than unrecoverable debt.
- ‘Notice to fix’ debts can be difficult to recover; Council engages debt collection services where necessary, with costs passed on to the debtor.

The committee thanked the Chief Financial Officer and noted the quality and detail within the report. It was suggested that given the level of detail and amount of work involved in putting together this report that parts of it are only reported on annually rather than quarterly, for example only reporting on performance measures in Q3 and Q4.

Moved Her Worship the Mayor, seconded Councillor Martin and **Resolved** that the report be received.

The Chief Executive left the meeting at 10:14am and did not return.

Health and Safety Report

The Health and Safety Advisor spoke to the report, advising that hazard boards had not yet been installed at the pool however regular stand up meetings are held where staff go over hazards, council will look at implementing hazard boards before the pool reopens.

The committee asked the Health and Safety Advisor whether we are responsible for health and safety at the Westland Industrial Heritage Park or if it is covered by Destination Westland Ltd and that as we provide some funding towards it we need to ensure that the responsible party is clearly defined. Staff will investigate and come back to committee with the answer at the next meeting.

Moved Councillor Mackenzie, seconded Chair Ward and **Resolved** that the report be received.

Rolling Workplan

The Quality Assurance Manager introduced the report and the committee was satisfied that it had captured everything that had been discussed to be included at the previous meeting in March.

Moved Her Worship the Mayor, seconded Councillor Mackenzie and **Resolved** that:

1. The report be received.
2. The Committee adopt the amended Rolling Workplan for the Risk and Assurance Committee for a period of 12 months, from May 2026 to May 2027.

8. KA MATATAPU TE WHAKATAUNGA I TE TŪMATANUI RESOLUTION TO GO INTO PUBLIC EXCLUDED

(to consider and adopt confidential items)

Moved Chair Ward, seconded Councillor Martin and **Resolved** that the Risk and Assurance Committee confirm that the public were excluded from the meeting in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 10.41 am.

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of the resolution are as follows:

Item No.	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
1.	Confidential Minutes – 27 March 2026	Good reason to withhold exist under Section 7	That 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 exists. Section 48(1)(a)
2.	Audit Plan	Good reason to withhold exist under Section 7	That 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 exists. Section 48(1)(a)

3.	Quarterly Report on Whistleblower Services 1 January to 31 March 2026	Good reason to withhold exist under Section 7	That 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 exists. Section 48(1)(a)
4.	Risk Report	Good reason to withhold exist under Section 7	That 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 exists. Section 48(1)(a)
5.	Capital Projects Deep Dive	Good reason to withhold exist under Section 7	That 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 exists. Section 48(1)(a)

This resolution is made in reliance on sections 48(1)(a) and (d) of the Local Government Official Information and Meetings Act 1987 and the particular interests or interests protected by section 7 of that Act, which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public are as follows:

Item No.	Interest
1, 3, 5	Protect the privacy of natural persons, including that of deceased natural persons. (S. 7(2)(a))
1, 2, 3	Avoid prejudice to measures protecting the health or safety of members of the public. (S. 7(2)(d))
1, 3	Maintain the effective conduct of public affairs through: (ii) The protection of such members, officers, employees, and persons from improper pressure of harassment. (S. 7(2)(f))
1, 3, 4	Maintain legal professional privilege. (S. 7(2)(g))
1, 2, 6	Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities. (S. 7(2)(h))

Moved Chair David Ward, seconded Her Worship the Mayor and **Resolved** that the business conducted in the 'Public Excluded Section' be confirmed and accordingly, the meeting went back to the open part of the meeting at 12.56pm

DATE OF NEXT RISK AND ASSURANCE COMMITTEE MEETING – 13 AUGUST 2026
COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM

MEETING CLOSED AT 12.56 PM

Confirmed by the Committee at their meeting on 13 August 2026.

David Ward **Date: 13 August 2026**
Chair