MINUTES OF CENTRAL HAWKE'S BAY DISTRICT COUNCIL RISK AND ASSURANCE COMMITTEE MEETING HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA ON TUESDAY, 23 SEPTEMBER 2025 AT 11.30AM

UNCONFIRMED

PRESENT: Deputy Chair Tim Aitken
Chair Andrew Gibbs *(Online)*
Mayor Alex Walker
Cr Pip Burne
Independent Member Mike Timmer

IN ATTENDANCE: Doug Tate (Chief Executive)
Nicola Bousfield (Group Manager People and Business Enablement)
Brent Chamberlain (Chief Financial Officer)
Dylan Muggeridge (Group Manager Strategic Planning & Development)
Lianne Austin (Audit Partner)
Jane Budge (Strategic Governance Manager)
Debbie Northe (Emergency Management & Risk Manager)
Annelie Roets (Governance Lead)

1 WELCOME/KARAKIA/NOTICES

The Chair, Cr Tim Aitken welcomed everyone to the meeting and Mayor Alex Walker opened with a karakia.

2 APOLOGIES

There were no apologies received. Chair Andrew Gibbs appeared online, and the Deputy Chair Tim Aitken convened the meeting.

3 DECLARATIONS OF CONFLICTS OF INTEREST Y

There were no Declarations of Conflicts of Interests declared.

4 STANDING ORDERS

COMMITTEE RESOLUTION: 25.18

Moved: Mayor Alex Walker
Seconded: Cr Pip Burne

That the following standing orders are suspended for the duration of the meeting:

- **21.2** Time limits on speakers
- **21.5** Members may speak only once
- **21.6** Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

CARRIED

5 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION: 25.19

Moved: Cr Pip Burne
Seconded: Deputy Chair Tim Aitken

That the Minutes of the Risk and Assurance Committee Meeting held on 11 June 2025 as circulated, be confirmed as true and correct.

CARRIED

6 REPORT SECTION

6.1 RESOLUTION MONITORING REPORT

PURPOSE

To present the Risk and Assurance Committee Resolution Monitoring Report. This report seeks to ensure the Committee has visibility over work that is progressing, following resolutions made by the Committee.

COMMITTEE RESOLUTION: 25.20

Moved: Cr Pip Burne
Seconded: Deputy Chair Tim Aitken

That the Risk & Assurance Committee receives the 'Resolution Monitoring Report'.

CARRIED

The report was taken as read. Discussion noted:

- Insurance Renewal Update: Loss modelling was received today and a full review will be presented at the next meeting.
- Insurance valuations clarified as replacement cost, not depreciated replacement cost; economies of scale achieved by using same valuations for multiple purposes.

6.2 DRAFT ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2025

PURPOSE

To receive the Draft Annual Report for the Year Ended 30 June 2025 for consideration and oversight.

RECOMMENDATION

That the Risk and Assurance Committee:

1. **Receives the "Draft Annual Report for the Year Ended 30 June 2025".**
2. **Upon receiving the Draft Annual Report and hearing assurances from Ernst Young, endorses the Draft Annual Report and recommends to Council for adoption once the audit is complete and final adjustments have been made.**

Brent Chamberlain presented the Draft Annual Report with discussions noting:

- Operating surplus of $18.1 million, up from previous year.

- Key influences: Cyclone Gabriel recovery (roading activity, Central Government funding), Local Water management partnerships, legislative changes affecting water/wastewater standards, economic downturn impacting building/resource consenting and landfill volumes.
- Asset revaluations: $25 million increase in water assets (GHD), $866 million increase in roading assets (Stantec).
- Roading valuation increase attributed to updated unit rates and recent construction data post-cyclone; previous valuations used desktop inflation adjustments, current uses ground-up data.
- Most increases from roading (not depreciable) are; top seal and asphalt increases align with inflation.
- Committee expressed concern about accuracy and magnitude of increase; need for robust explanation to ratepayers.
- Comparison with neighbouring councils: Rate increases similar to neighbours, but magnitude of change is largest seen; Hastings not seeing same level of increase, possibly previous valuations were low.
- Discussion on value for money from contractors; assurance sought that cost increases are justified and not profiteering. All roading reconstructions are competitively tendered; cost increases seen across all suppliers.
- Further detail to be provided for council report on valuation impact and contractor cost breakdown.
- Internal and external borrowings for water activities clarified; total liabilities include both and will transfer to new water entity.
- Committee requested expanded commentary on water activity debt visibility.
- The Committee deferred the recommendations for discussion following Public Excluded business.

8 PUBLIC EXCLUDED BUSINESS

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION: 25.21

Moved: Mayor Alex Walker
Seconded: Cr Pip Burne

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
8.1 - Ernst Young Management Report - Audit Findings	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be	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

	compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority	

CARRIED

COMMITTEE RESOLUTION: 25.22

Moved: Mayor Alex Walker
Seconded: Cr Pip Burne

That Council moves into Public Excluded Business at 12.00pm.

CARRIED

COMMITTEE RESOLUTION: 25.23

Moved: Mr Mike Timmer
Seconded: Chair Andrew Gibbs

That Council moves out of Public Excluded Business at 12.38pm.

CARRIED

The Committee resumed with Items 6.2 to Item 6.8 in open business as per below.

6.2 DRAFT ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2025

PURPOSE

To receive the Draft Annual Report for the Year Ended 30 June 2025 for consideration and oversight.

COMMITTEE RESOLUTION: 25.24

Moved: Mr Mike Timmer
Seconded: Chair Andrew Gibbs

That the Risk and Assurance Committee:

1. **Receives the "Draft Annual Report for the Year Ended 30 June 2025".**
2. **Upon receiving the Draft Annual Report and hearing assurances from Ernst Young, endorses the Draft Annual Report and recommends to Council for adoption once the audit is complete and final adjustments have been made.**

CARRIED

6.3 RISK STATUS REPORT

PURPOSE

To report on Council's risk landscape, risk management work in progress and to continue a discussion with the Risk & Assurance Committee about risk.

COMMITTEE RESOLUTION: 25.25

Moved: Cr Pip Burne
Seconded: Deputy Chair Tim Aitken

That the Risk& Assurance Committee receives the Risk Status Report.

CARRIED

Nicola Bousfield introduced Debbie Northe as the newly appointed Emergency Management and Risk Manager who will support risk management in future meetings. Discussion included:

- Risk owners have refreshed risk assessments, resulting in changes to the risk register.
- The movement of waste water risk to "Amber" status, and the impact of the revised three water programme.
- The move to "Red" for health and safety and privacy breach risks. It was clarified that these risks are not specific to the council but are significant for any organisation and remain top concerns.

6.4 HEALTH AND SAFETY REPORT: 1 MAY – 31 JULY 2025

PURPOSE

To provide the health, safety and wellbeing update on the key health and safety initiatives for the period 1 May to 31 July 2025**.**

COMMITTEE RESOLUTION: 25.26

Moved: Mayor Alex Walker
Seconded: Cr Pip Burne

That the Risk& Assurance Committee receives the 'Health & Safety' report dated 1 May – 31 July 2025.

CARRIED

The report was introduced by Nicola Bousfield and taken as read. Discussion included:

- The need for ongoing monitoring of mobile plant, machinery, and confined spaces.
- A request that the Chief Executive's health and safety activities be included in future reports for added assurance.
- Concerns were raised about the impact of reduced budgets on public health and safety, especially regarding maintenance and repairs.
- That safety will always be prioritised, and any budget shortfalls affecting safety would be escalated.
- The need for a governance assurance process to ensure responsibilities are met and risks are managed.

The Committee adjourned for lunch at 12.56pm and resumed business at 1.18pm.

6.5 ELECTED MEMBERS EXPENSES FOR 1 FEBRUARY - 30 JUNE 2025

PURPOSE

To provide an update on Elected Members' Expenses for the period from 1 February to 30 June 2025.

COMMITTEE RESOLUTION: 25.27

Moved: Cr Pip Burne
Seconded: Independent Member Mike Timmer

That the Risk & Assurance Committee receives the Elected Members Expenses for 1 February to 30 June 2025.

CARRIED

Mr. Chamberlain presented the report highlighting a total expenditure of just over $13,000 and took it as read. He clarified that some expenses were historical costs.

6.6 ENDORSEMENT OF HEALTH & SAFETY GOVERNANCE CHARTER

PURPOSE

To endorse the Health, Safety and Wellbeing Governance Charter for Council approval.

COMMITTEE RESOLUTION: 25.28

Moved: Cr Pip Burne
Seconded: Mayor Alex Walker

That the Committee endorses and recommends to Council the Health, Safety and Wellbeing Governance Charter with amendments for approval.

CARRIED

Doug Tate presented the revised charter. Discussion included:

- Emphasis on clear implementation, induction, and ongoing training for elected members regarding health and safety legal responsibilities.
- Referencing officers' responsibilities under health and safety legislation and accurately reflecting committee and council roles.
- Importance of including contractor management and third-party relationships in health and safety policy raised.

6.7 TREASURY MANAGEMENT MONITORING REPORT

PURPOSE

To provide an update on Treasury Management Policy Compliance.

COMMITTEE RESOLUTION: 25.29

Moved: Independent Member Mike Timmer
Seconded: Chair Andrew Gibbs

That the Risk and Assurance Committee receives the Treasury Management Monitoring Report.

CARRIED

Mr. Chamberlain presented the report and took it , highlighting the council's financial position, including $8.6 million in funds and $47 million in external debt. He also discussed recent interest rate swaps and the impact of market volatility on financial forecasts.

6.8 ASSURANCE MONITORING REVIEW OF SENSITIVE EXPENDITURE - GIFTS

PURPOSE

To provide an update on the Council Gift register for the year ended 30 June 2025. This register is to provide transparency of all gifts received and the disbursement of them in a transparent manner.

COMMITTEE RESOLUTION: 25.30

Moved: Independent Member Mike Timmer
Seconded: Deputy Chair Tim Aitken

That the Risk& Assurance Committee receives the Assurance Monitoring Review of Sensitive Expenditure – Gifts report.

CARRIED

The report was introduced by Brent Chamberlain and taken as read. Discussion included:

- Documenting declined gifts for transparency.

7 DATE OF NEXT MEETING

RECOMMENDATION

That the next Risk & Assurance Committee meeting be confirmed in the new Triennium.

8 PUBLIC EXCLUDED BUSINESS

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION: 25.31

Moved: Cr Pip Burne
Seconded: Deputy Chair Tim Aitken

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:

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8.2 - Principal Risks and Issues - Forum Discussion	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons 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	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

COMMITTEE RESOLUTION: 25.32

Moved: Cr Pip Burne
Seconded: Deputy Chair Tim Aitken

That Council moves into Public Excluded Business at 1.55pm.

CARRIED

COMMITTEE RESOLUTION: 25.33

Moved: Mayor Alex Walker
Seconded: Deputy Chair Tim Aitken

That Council moves out of Public Excluded Business at 2.27pm.

CARRIED

9 TIME OF CLOSURE

The meeting closed at 2.27pm.

The Minutes of this meeting will be confirmed at the next Risk and Assurance Committee Meeting to be held on 10 December 2025.

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CHAIRPERSON