

**MINUTES OF SOUTH WAIRARAPA DISTRICT COUNCIL
RISK & ASSURANCE COMMITTEE MEETING
HELD AT THE SUPPER ROOM, WAIHINGA CENTRE, TEXAS STREET, MARTINBOROUGH
ON THURSDAY, 12 MARCH 2026 AT 1:30 PM**

PRESENT: Mr Bruce Robertson (Chair), Deputy Mayor Rob Taylor (Deputy Chair), Cr Chris Archer, Cr Collier Isaacs (via MS Teams), Cr Colin Olds and Mayor Fran Wilde.

APOLOGIES: Cr Martin Bosley.

IN ATTENDANCE: Cr Rachel Clarke, Janice Smith (Chief Executive Officer), James O'Connor (Acting Group Manager, Infrastructure and Community Operations), Stefan Corbett (Group Manager, Corporate Services), Charly Clarke (Chief Financial Officer), Matt Vins (Manager, Corporate Support), Jess Hughes (Principal Advisor, Legal Executive), Sara Edney (Manager, Building Services) and Amy Andersen (Lead Advisor, Democracy and Committees).

Via MS Teams - Earl White (Bancorp); Sefton Vuli and Leticia Chettiar (Audit NZ).

PUBLIC FORUM: Nil.

CONDUCT OF BUSINESS: This meeting was held in the Supper Room, Waihinga Centre, Texas Street, Martinborough and via audio-visual conference. This meeting was live-streamed is available to view on our YouTube channel. The meeting was held in public under the above provisions from 1:30pm to 4:14pm except where expressly noted.

OPEN SECTION

1 KARAKIA TIMATANGA – OPENING

All in attendance opened the meeting.

2 APOLOGIES

2.1 APOLOGIES

COMMITTEE RESOLUTION RAC2026/01

Moved: Mr B Robertson

Seconded: Cr C Archer

The Risk and Assurance Committee resolved to accept apologies from Cr Bosley.

CARRIED

3 CONFLICTS OF INTEREST

No interests were disclosed relating to items on the agenda or interests not already recorded on a relevant register.

Mr Robertson noted an updated list of his conflicts of interest will be provided to Council as soon as possible.

4 ACKNOWLEDGEMENTS AND TRIBUTES

There were no acknowledgements and tributes.

5 PUBLIC PARTICIPATION

There was no public participation.

6 ACTIONS FROM PUBLIC PARTICIPATION

There was no public participation.

7 URGENT BUSINESS

There was no urgent business.

8 CONFIRMATION OF MINUTES

There were no minutes for confirmation.

9 MATTERS ARISING FROM PREVIOUS MEETINGS

There were no matters arising.

10 DECISION REPORTS FROM CHIEF EXECUTIVE AND STAFF**10.1 FRAUD AND CORRUPTION POLICY UPDATE**

Ms Clarke spoke to the report and responded to queries from members, highlighting the following:

- The Policy has updated in line with the Office of Auditor General guidance.
- A new organisation-wide training module on fraud/corruption is being rolled out.
- Anonymous reporting form being developed for staff and public use—ensures identity protection.
- Controls strengthened (e.g., electronic purchase orders aligned with delegations).
- Recognition that small-council environments carry unique segregation-of-duties risks.
- Managers and SLT will receive additional guidance on handling reports.
- External investigators will be used for any formal investigation.

COMMITTEE RESOLUTION RAC2026/02**Moved: Mayor F Wilde****Seconded: Cr R Taylor**

The Risk and Assurance Committee resolved to:

1. Receive the *Fraud and Corruption Policy Update* report, and
2. Recommend to Council to approve the draft *Fraud and Corruption Policy*.

[Items 1 & 2 read together]

CARRIED**11 INFORMATION REPORTS FROM CHIEF EXECUTIVE AND STAFF****11.1 FINANCE REPORT TO 31 DECEMBER 2025**

Ms Clarke spoke to the report and highlighted the following points:

- Council are currently in an operating surplus, but revenue is behind budget due to reduced development contributions, strongly influenced by wastewater delays.
- Expenditure savings partially offset revenue reductions.
- Borrowing expected to trend upward as the capital programme progresses.
- Office upgrade project delivery appears on budget; updated financials to be provided after quarter end.

The Committee signalled possible need to adjust meeting schedule to reduce lag in financial reporting. Officers will follow this up with the Finance team and the Committee Chairperson.

Key Discussion Points:

- Forecasting accuracy: December's early-stage forecasting presents uncertainties.
- Depreciation impact: rise due to asset life reassessments.
- Rating arrears remain within typical national ranges but continue trending upward.
- Direct debit uptake considered a helpful mitigator; work is underway to modernise payment flexibility.

Mr White provided a presentation for the Treasury Update. The key points included:

- Debt remains below \$30M (CEO delegation limit).
- Weighted average cost of debt: 3.11%, among the lowest 10% of councils nationally.
- Strategy: Continue focusing on short-term borrowing given favourable yield curve.

Market Context

- Global volatility driven by conflict in the Middle East → temporary oil price spikes.
- Markets may be overpricing future interest rate hikes.
- NZ economy considered fragile (low immigration, weak retail spend, flat housing market).

- Export sector is performing strongly (dairy, tourism).

This presentation can be viewed on the SWDC website: https://swdc.govt.nz/wp-content/uploads/Tabled-Item-11.1_Bancorp-Presentation-12-March-2026.pdf

Members noted the advice and endorsed the ongoing short-term borrowing strategy.

COMMITTEE RESOLUTION RAC2026/03

Moved: Cr R Taylor

Seconded: Mayor F Wilde

The Risk and Assurance Committee resolved to:

1. Receive the *Finance Report to 31 December 2025*.
2. Note that no significant tax risks or breaches of financial policies have been identified.

[Items 1 & 2 read together]

CARRIED

11.2 AUDIT PLAN FOR FINANCIAL YEAR 2025-26

Ms Clarke spoke to the report and highlighted the prior year (2024/25) findings:

- Only four recommendations—reflects strong organisational performance.
- High priority issue: inability to report one DIA roading performance measure (in remediation).
- Need for better documentation (e.g., payroll system migration testing).
- Fully depreciated assets continue to be a noted area—likely linked to “sweating assets”.

Ms Clarke noted the following for the 2025/26 Audit Plan:

- Main focus: Infrastructure asset valuation.
- Roding measure must be addressed to avoid potential qualification.
- Audit timeline has been approved; noted this is tight but officers feel confident this is achievable.

Members were also introduced to Mr Vuli and Ms Chettiar who gave a description of their Audit NZ roles, and commented on the management report, as well as plans for the year.

Items tabled in this meeting can be viewed online:

1. https://swdc.govt.nz/wp-content/uploads/Tabled-Item-11.2_2024-25-Response-to-audit-report-to-management.pdf
2. https://swdc.govt.nz/wp-content/uploads/Tabled-Item-11.2_Audit-NZ-SWDC-Report-to-Management-Final.pdf

COMMITTEE RESOLUTION RAC2026/04

Moved: Cr C Olds

Seconded: Cr C Archer

The Risk & Assurance Committee resolved to:

1. Receive the *Audit Plan for Financial Year 2025-26* Report
2. Endorse the following: *Audit Engagement Letter* and *Audit Plan* for 1 July 2025 to 30 June 2026
3. Delegate authority to The Mayor to sign the *Audit Engagement Letter* for 2025/26 on behalf of the Council.
4. Note the recommendations in the management report from Audit NZ.
5. Approve the Chairperson of the Risk and Assurance Committee and the Chief Financial Officer to sign the letter responding to the report to management for the 2024/25 audit.

[Items 1-5 read together]

CARRIED

11.3 RISK MANAGEMENT UPDATE

Mr Corbett spoke to the report and noted the risk register continues to be reviewed fortnightly by SLT and a Committee workshop has been scheduled for 23 April to align risk appetite with strategy.

Key risks discussed:

- Climate change impacts: Some mitigation initiatives stalled due to loss of regional shared services.
- Critical asset failure: Consequence of historical under-investment and affordability constraints.
- Key person dependency: Noted as a significant concern for small-council operations; mitigated through culture, retention, documentation, and succession planning.

COMMITTEE RESOLUTION RAC2026/05

Moved: Mr B Robertson

Seconded: Mayor F Wilde

The Risk & Assurance Committee resolved to:

1. Receive the Risk Management Update report.
2. Note the information included in the Risk Management Update.

[Items 1 & 2 read together]

CARRIED

The meeting was adjourned at 3:12pm.

The meeting resumed at 3:25pm.

11.4 PEOPLE REPORT

Mr Corbett spoke to the report, highlighting the following key points:

- Adjusting processes to reflect new Employment Relations Act (ERA) amendments (30-day rule removal, contractor gateway test).
- Leave liability is trending down post-Christmas.
- The successful recruitment of key technical posts.
- Staffing complement approx. 73 FTEs, including shared water transition roles.
- Long-service leave obligations are low, as few staff reach eligibility thresholds.

COMMITTEE RESOLUTION RAC2026/06**Moved: Cr C Olds****Seconded: Mr B Robertson**

The Risk & Assurance Committee resolved to:

1. Receive the People Report.
2. Note the information included in the People Report.

[Items 1 & 2 read together]

CARRIED**11.5 CAPITAL PROJECTS SUMMARY**

Mr O'Connor spoke to matters in the report, highlighting the following:

- Most projects are on track for completion by June 2026.
- Improved in-house project management is enhancing delivery.
- A paper will be forthcoming on water capital programme savings and how they might be reallocated.

Notable Projects:

- Tauwharenikau River Pipeline Renewal: progressing well despite earlier design complications.
- Greytown Greenspace project: rated red; significant issues to be addressed (scope, risks, delivery timing).
- District-wide speed review: committee requested cost breakdown; officer follow-up is required.
- Bridges: concerns raised about adequacy of budget given condition of assets.
- Farley Ave, Greytown Lineal Reserve Planting and Seating: members raised questions about developer obligations which have not completed; officer follow-up is required.

COMMITTEE RESOLUTION RAC2026/07**Moved: Cr C Archer****Seconded: Cr C Olds**

The Risk & Assurance Committee resolved to:

1. Receive the Capital Projects Summary report.
2. Note the information included in the report.

[Items 1 & 2 read together]

CARRIED

12 PUBLIC EXCLUDED BUSINESS

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION RAC2026/08

Moved: Mr B Robertson

Seconded: Cr R Taylor

The Risk & Assurance Committee resolved 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	Plain English reason for passing this resolution in relation to each matter
<p>12.1 - Legal update</p>	<p>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 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</p> <p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority</p>	<p>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</p>	<p>Allow natural discussion relating to legal risks, ensuring frank and free conversations around these issues.</p>

<p>12.2 - Cybersecurity Update</p>	<p>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</p>	<p>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</p>	<p>To protect the Council's IT security and infrastructure.</p>
			<p>CARRIED</p>

13 KARAKIA WHAKAMUTUNGA – CLOSING

All in attendance closed the meeting with a karakia.

The meeting closed at 4:14pm.

Confirmed as a true and correct record.

..... (Chair)

..... (Date)

..... (Chief Executive)

..... (Date)