MINUTES OF SOUTH WAIRARAPA DISTRICT COUNCIL RISK & ASSURANCE COMMITTEE MEETING HELD AT THE SUPPER ROOM, WAIHINGA CENTRE, TEXAS STREET, MARTINBOROUGH ON THURSDAY, 23 JULY 2026 AT 12:30 PM

PRESENT:	Mr Bruce Robertson, Deputy Mayor Rob Taylor, Cr Chris Archer and Cr Collier Isaacs (left at 1:27pm; returned at 2:33pm).
APOLOGIES:	Mayor Fran Wilde and Cr Martin Bosley.
IN ATTENDANCE:	Cr Rupert Watson and Cr Rachel Clarke (via Teams).
	Stefan Corbett (Group Manager, Corporate Services), Mai Griffiths (Principal Advisor, People and Culture), Victoria Caccioppoli (Team Lead Finance) and Amy Andersen (Lead Advisor, Democracy and Committees).
	Sefton Vuli (Audit NZ) and Earl White (Bancorp).
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 12:30pm to 2:41pm except where expressly noted.

OPEN SECTION

1 KARAKIA TIMATANGA – OPENING

All in attendance opened the meeting.

2 APOLOGIES

2.1 APOLOGIES - 23 JULY 2026

COMMITTEE RESOLUTION RAC2026/24

Moved: Mr Robertson
Seconded: Cr Taylor

The Risk and Assurance Committee resolved to accept apologies from Mayor Wilde and Cr Bosley for absence; Cr Isaacs for early departure.

CARRIED

3 CONFLICTS OF INTEREST

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

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

8.1 MINUTES OF THE RISK & ASSURANCE COMMITTEE MEETING HELD ON 13 MAY 2026

COMMITTEE RESOLUTION RAC2026/25

Moved: Mr Robertson
Seconded: Cr Taylor

The Risk and Assurance Committee resolved that the minutes of the Risk & Assurance Committee meeting held on 13 May 2026 are confirmed as a true and correct record.

CARRIED

9 MATTERS ARISING FROM PREVIOUS MEETINGS

Members noted that the Sensitive Expenditure Policy had since been updated to apply to elected members as requested at the previous meeting.

10 INFORMATION REPORTS FROM CHIEF EXECUTIVE AND STAFF

10.1 FINANCE AND AUDIT UPDATE

Ms Caccioppoli presented the Finance and Audit Update on behalf of the Finance Manager. She reported that as at 31 May 2026 the Council was recording an operating surplus, with revenue tracking slightly above budget and expenditure generally below budget across most activities. Land transport continued to experience pressure as a result of emergency works and severe weather events. Members noted the reduction in rates arrears from 4.1% to 2.2% of annual rates and acknowledged the positive interim audit outcome achieved to date.

Members discussed the financial implications of recent weather events and emergency works, including Council's share of recovery costs and the availability of NZTA subsidies. Questions were raised regarding the potential impairment of infrastructure assets damaged by severe weather and whether any adjustments may be required as part of the year-end financial statements. The Committee also discussed the treatment of restricted grant funding, including freedom camping funds, and considered trends in rates arrears and direct debit cancellations as possible indicators of increasing financial pressure within the community.

Sefton Vuli, Audit New Zealand, provided an update on the interim audit. He advised that planning and interim audit work had been completed through to 31 March 2026 and that no significant issues had been identified. Areas remaining under audit focus include infrastructure valuations, land and building valuations, management override controls and the accounting treatment and disclosure of the transition to the new water services entity. Members were advised that the final audit would commence in September 2026.

The Committee requested a future update clarifying the relationship between Council's asset management planning, asset registers and infrastructure valuation processes.

Mr White presented the Treasury Management Update and provided an overview of Council's debt position and current market conditions. Please click on the link to see the PowerPoint Presentation Members noted that Council's debt at 30 June 2026 was approximately $34.5 million, with an average cost of funds of approximately 2.86 percent. Mr White advised that a significant proportion of Council's debt related to water infrastructure and was expected to transfer to the new water services entity within approximately twelve months.

The Committee received an update on economic conditions, including inflation trends, interest rate forecasts and the impact of international events on financial markets. Mr White noted that current long-term borrowing costs remained elevated relative to short-term borrowing and advised that maintaining the current debt management approach continued to represent the most cost-effective strategy for Council. Members discussed future infrastructure borrowing requirements, the transition to the new water entity and the implications of remaining outside the Treasury Policy's normal hedging limits.

The Committee accepted the treasury advice that the current debt management and hedging approach remained appropriate, recognising both the expected debt transfer associated with water services reform and the significant cost differential between short and long-term borrowing.

COMMITTEE RESOLUTION RAC2026/26

Moved: Mr Robertson
Seconded: Cr Archer

The Risk and Assurance Committee resolved to:

1. Receive the *Finance and Audit Update report.*

2. Note that no significant tax risks or breaches of financial policies have been identified

3. Note the debt position is above the $30 mil and that the majority of that debt still relates to water that will transfer in 12 months to the new entity.

4. Notes treasury advice that continuation of the current debt management and hedging approach remains appropriate in the circumstances.

CARRIED

Cr Isaacs left at 1:27pm.

10.2 RISK MANAGEMENT UPDATE

Mr Corbett presented the Risk Management Report and advised that the most significant change since the previous meeting related to emergency management risk. Repeated severe weather events had increased both operational and financial pressures on the organisation and placed considerable demands on staff resources. Members noted that emergency response activity continued to interrupt business-as-usual operations and create challenges for a small organisation with limited capacity.

Mr Corbett advised that the risk rating relating to critical asset failure had improved following the decision to bring water capital delivery functions in-house, creating greater transparency, predictability and operational efficiency. The report had also been updated to better reflect risks associated with ongoing government reform programmes.

The Committee discussed the organisation's overall risk profile, including legal compliance, cyber security, emergency management capability and organisational resilience. Members acknowledged that many of the highest-ranked risks reflected broader sector-wide pressures and that there were limited opportunities for immediate mitigation. Discussion also covered avian influenza preparedness, emergency management training, controller capability and the increasing demands placed upon council staff by successive emergency events.

COMMITTEE RESOLUTION RAC2026/27

Moved: Cr Taylor
Seconded: Cr Archer

The Risk and Assurance Committee resolved to:

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

CARRIED

10.3 PEOPLE AND HEALTH & SAFETY REPORT

Ms Griffiths presented the combined People and Health & Safety Report and explained that responsibility for health and safety now sat within the People and Capability function. As a result, reporting had been streamlined into a single report, with future operational risk reporting intended to be incorporated into Council's broader organisational risk framework.

Members reviewed workforce trends, health and safety performance and contractor management arrangements. Discussion focused on workforce capability, staff retention, wellbeing, employment risks and the Council's obligations under health and safety legislation. Members sought assurance that any significant employment, wellbeing or contractor-related incidents would be escalated to the Committee where appropriate.

The Committee also discussed residual risk ratings within the report and the extent to which moderate risk ratings reflected Council's health and safety obligations. Officers advised that workforce and safety risks are regularly reviewed by the Senior Leadership Team, with controls and mitigation measures adjusted as required.

COMMITTEE RESOLUTION RAC2026/28

Moved: Mr Robertson
Seconded: Cr Taylor

The Risk and Assurance Committee resolved to receive the People and Health & Safety Report.

CARRIED

10.4 EMERGENCY MANAGEMENT UPDATE

Mr Corbett presented the Emergency Management Update. Members were advised that the Wairarapa Emergency Management Strategy had now been formally adopted by all three councils, enabling implementation work to proceed.

The Committee noted that fuel disruption continued to be monitored and remained at a low-level status. Considerable effort had been invested in capturing lessons learned from recent weather events and increasing organisational capability through staff training and succession planning. Mr Corbett acknowledged that the departure of Council's previous controller had created a capability gap; however, efforts were underway to recruit or train suitable replacements.

Members discussed Emergency Operations Centre activation criteria, community communications during emergencies and the growing role of community boards in supporting local resilience initiatives. The Committee noted that staff had undertaken significant additional hours responding to recent events and that fatigue and resource pressures continued to present ongoing organisational risks.

COMMITTEE RESOLUTION RAC2026/29

Moved: Cr Archer
Seconded: Mr Robertson

The Risk and Assurance Committee resolved to receive the Emergency Management Update.

CARRIED

10.5 CAPITAL PROJECTS SUMMARY

Stefan Corbett presented the Capital Projects Summary on behalf of the Infrastructure Group. Members were advised that capital programme delivery remained broadly on track and was expected to finish close to budget despite the disruption caused by multiple weather events.

Discussion focused on the ongoing pressure being placed on staff resources as emergency response activities continued to divert attention from planned work programmes. Members acknowledged that recent weather events were likely to affect project delivery timeframes and priorities across several infrastructure programmes.

The Committee reviewed risks associated with key projects, including transport and wastewater initiatives. Officers advised that some project risk commentary within the report no longer reflected the current position and would require updating as projects progressed and priorities were reassessed following emergency events. While some delays and resource constraints remained evident, officers advised that several projects were progressing more positively than suggested by the report narrative.

COMMITTEE RESOLUTION RAC2026/30

Moved: Cr R Taylor
Seconded: Cr C Archer

The Risk and Assurance Committee resolved to:

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

CARRIED

11 PUBLIC EXCLUDED BUSINESS

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION RAC2026/31

Moved: Cr Taylor
Seconded: Mr Robertson

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
11.1 - Public Excluded Minutes of the Risk & Assurance Committee Meeting held on 13 May 2026	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 compelled to provide	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	Relates to the Legal Update and Capital Projects Summary (Greytown greenspace)

	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 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		
11.2 - Legal Update	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)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority	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	Ability to speak freely about legal matters facing Council.

CARRIED

12 KARAKIA WHAKAMUTUNGA – CLOSING

All in attendance closed the meeting with a karakia.

The meeting closed at 2:41pm.

Confirmed as a true and correct record.

……………………………………….. (Chair)

……………………………………….. (Date)

……………………………………….. (Chief Executive)

……………………………………….. (Date)