

A Meeting of the Risk and Assurance Sub-Committee Meeting will be held as follows:

Date: Friday 23 October 2026
Time: 1:30pm
Venue: Council Chambers, 105 Tainui Street, Greymouth

Joanne Soderlund
Chief Executive

AGENDA

Members:

Chair: Anton Becker
Deputy Chair: Mayor Tania Gibson
Members: Councillor Robert Mallinson
Councillor Rex MacDonald
Councillor Jack O'Connor

(Quorum 3 members)

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The information in this document is provided to facilitate good competent decisions by Council and does in no way reflect the views of Council. Reports and recommendations contained in this agenda are not to be considered as Council policy until adopted.

TERMS OF REFERENCE

Type of Committee	Council Subcommittee
Subordinate to:	Council
Subordinate Committee	None
Legislative Basis	Subcommittee reconstituted by Council as per Schedule 7, Section 30 (1) (A) Local Government Act 2002. Subcommittee delegated by powers by the Council as per Schedule 7 (Section 32) of the Local Government Act)
Membership	Independent Chair: Mr Anton Becker Deputy Chair: Mayor Gibson Member: Cr Robert Mallinson Member: Cr Rex MacDonald Member: Cr Jack O'Connor
Quorum	Three members
Meeting frequency	February, April, June, August and October.
Terms of Reference	The purpose of the Risk and Assurance Committee is to assist the Council in discharging its responsibilities in relation to: • The robustness of the internal control framework and financial management practices. • The integrity and appropriateness of external reporting and accountability arrangements. • The robustness of risk management system, processes, and practices. • Compliance with applicable laws and regulations. • Standards and best practice guidelines, and • The establishment and maintenance of controls to safeguard the Council's financial and non-financial assets. Areas that broadly fall under the umbrella of this committee are: • Risk management framework • Financial risk management • Health and safety risk management • Compliance with legislation

	• External audit or review of any Council activities, including but not limited to NZTA, Building Controls, Audits.
Power to Act Assurance	For Council's Annual Report, Consultation Document and Long Term Plan Audits, The Risk and Assurance Committee will: • Approve the annual external audit proposal for the Annual Report and the audit of the Long Term Plan. • Agree the appropriateness of the Council's existing accounting policies and principles and any proposed changes. • Enquire of external auditors for any information that affects the quality and clarity of the Council's financial statements of service performance, and assess whether appropriate action has been taken by management in response to the above. • Satisfy itself that the financial statements of service and performance are supported by appropriate management signoff on the statements and on the adequacy of the systems of internal control (i.e. letters of representation) and recommend to Council the signing of the financial statements by the Chief Executive / Mayor and adoption of the Annual Report. • Identify and recommend to the Council the external auditor's remuneration and the terms of their engagement. • Confirm consulting services and related fees provided by the external auditors. • Consider and review any serious difficulties or disputes which management encountered during the audit. • Consider and review any other matters related to the conduct of the audit. • Consider and review any significant findings during the audit process and managements responses.

Risk	• Consider and review any matters considered appropriate, without the Chief Executive or other Council staff present in the meeting. • Consider and review any difficulties encountered during the audit including any restrictions on the scope of work. • Consider and review any changes required in the planned scope of the audit plan. • Consider and review the audit management letter prior to presentation to the Council. • Meet with the external Auditors at any time with or without management present as deemed appropriate by the Chairman of the committee. Council is responsible for setting the tolerance to risk and risk culture at the Grey District Council. The Chief Executive is charged with implementing appropriate risk management systems within Grey District Council. While the responsibility for risk lies with Council, oversight of the processes to manage risk within GDC is delegated to the Risk and Assurance Committee. The Council will receive periodic reporting on those areas of risk identified by the Committee. The Risk and Assurance Committee will: • Review and approve Council's risk management framework. • Review corporate risk assessment and internal work management practices. • Receive and review Health and Safety reports. • Oversight of the processes used to manage project risks. • Review insurance arrangement annually. • Overseeing Council's systems, processes, and practices for risk management: a) Ensure that management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of the Council's
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Assurance – other	significant risks (including financial and non-financial risks). b) Consider whether appropriate action is being taken by management in its treatment of risk to either accept or mitigate Council’s significant risks. • Monitoring insurance claims. It is anticipated that the Council will from time to time be required by third parties to undertake an audit process. They may include by not be limited to Waka Kotahi, Building Control, MBIE. The Risk and Assurance Committee will: • Approve (if required) any other external audit proposal. • Liaising with the relevant external auditor: a) At the start of each audit, confirm the terms of engagement with the external auditor including the nature and scope of the audit, timetable and fees. b) Approve the external audit engagement letter and letter of undertaking and any additional services to be provided by the external auditor. c) Receive the external audit report (s) and review action to be taken by management on significant issues and audit recommendations raised within. d) Conduct a member only session (i.e. without any management present) with external audit to discuss any matters that the auditors wish to bring to the committee’s attention and / or any issues of independence.
Conflicts of Interest	Once per year, Committee members will provide written declarations to the Mayor, stating they do not have any conflicts of interest that would preclude them from being members of the Committee.

Delegations	The Committee will in general make recommendations to Council on certain matters. Where the Committee is delegated to approve a matter this is considered a decision by the Committee.
Limits to Delegations	Matters that cannot be delegated by the Council include: • The power to make a rate. • The power to make a bylaw. • The power to borrow money, or purchase or dispose of assets, other than in accordance with the long term plan. • The power to adopt a long term plan, annual plan, annual report or strategic plan. • The power to appoint a Chief Executive. • The power to adopt policies required to be adopted and consulted on under this Act in association with the long term plan or developed for the purpose of the local governance statement. • The power to adopt a remuneration and employment policy.
Reporting Procedures	• After each meeting the Chair will report the committee's recommendations and findings to the Council. • The minutes of all meetings of the Committee will be presented to Council and to such other persons as the Council directs. • The Chair will present an annual report to the Council summarising the Committees activities during the year and any significant results and findings.
Power to Act.	Generally recommending powers only, but certain decisions can be taken by the committee.
Referral to Council	The minutes of the subcommittee serve before Council as a recommendation.
Management responsibility	Chief Executive

SUB-COMMITTEE IN OPEN MEETING

GENERAL BUSINESS AND TABLED ITEMS

Items not on the agenda for the meeting require a resolution under section 46A of the Local Government Official Information and Meetings Act 1987 stating the reasons why the item was not on the agenda and why it cannot be dealt with at a subsequent meeting on the basis of a full agenda item. It is important to note that late items can only be dealt with when special circumstances exist and not as a means of avoiding or frustrating the requirements in the Act relating to notice, agendas, agenda format and content.

LOCAL AUTHORITIES (MEMBERS' INTERESTS) ACT 1968

Sub-Committee members are reminded that if he/she has a direct or indirect interest in any item on the agenda be it pecuniary or on grounds of bias and predetermination, then he/she must declare this interest and refrain from discussing or voting on this item.

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1 APOLOGIES AND DECLARATIONS OF INTEREST

1.1 APOLOGIES

Nil

1.2 UPDATES TO THE INTERESTS REGISTER

Sub-Committee members to please advise if there are any changes to be made to the current Interests Register.

1.3 IDENTIFY ANY CONFLICTS OF INTERESTS IN THE AGENDA

Notification from committee members of:

- 1.3.1 Any interests that may create a conflict with their role as a committee member relating to the items of business for this meeting (prior to taking part in the deliberation of a particular item); and
- 1.3.2 Any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 1968.

1.4 NOTIFICATION OF LATE ITEMS

Where an item is not on the agenda for a meeting, that item may be dealt with at that meeting if:

- 1.4.1 The Committee by resolution so decides; and
- 1.4.2 The Chairperson explains at the meeting at a time when it is open to the public the reason why the item is not on the agenda, and the reason why the discussion of the item cannot be delayed until a subsequent meeting.

2 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

2.1 CONFIRMATION OF THE RISK AND ASSURANCE SUB-COMMITTEE MEETING HELD ON 17 AUGUST 2026

SUGGESTED RECOMMENDATION

That the minutes of the Risk and Assurance Sub-Committee Meeting held on 17 August 2026 be confirmed as true and correct.

MINUTES OF THE RISK AND ASSURANCE SUB-COMMITTEE MEETING OF THE GREY DISTRICT COUNCIL**Held in Council Chambers, 105 Tainui Street, Greymouth****on Monday 17 August 2026 commencing at 3.30pm**

PRESENT: Mr Anton Becker (Chair)
Mayor Tania Gibson (Deputy Chair), Councillor Robert Mallinson, Councillor Rex MacDonald, Councillor Jack O'Connor

IN ATTENDANCE: Joanne Soderlund (Chief Executive), Kathryn Ruddie (Group Manager Corporate Services), Kurtis Perrin-Smith (Group Manager Operations), Cath Wilson (Health & Safety Manager) via Zoom, Peter O'Sullivan (Group Manager Economic Development & Regulatory Services), Trish Jellyman (Democracy Advisor), Laura Mills (Communication and Engagement Manager), Megan Bourke (Communications Officer)

1 APOLOGIES AND DECLARATIONS OF INTEREST**1.1 APOLOGIES**

There were no apologies.

1.2 UPDATES TO THE INTERESTS REGISTER

There were no updates to the Interest Register.

1.3 IDENTIFY ANY CONFLICTS OF INTERESTS IN THE AGENDA

There were no declarations of interest.

1.4 NOTIFICATION OF LATE ITEMS

There were no late items.

2 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**2.1 CONFIRMATION OF THE RISK AND ASSURANCE SUB-COMMITTEE MEETING HELD ON 15 JUNE 2026**

COMMITTEE RESOLUTION RA 26/08/024

Moved: Mayor Tania Gibson

Seconded: Cr Rex MacDonald

That the minutes of the Risk and Assurance Sub-Committee Meeting held on 15 June 2026 be confirmed as true and correct.

Carried Unanimously

3 AGENDA ITEMS

3.1 HEALTH & SAFETY UPDATE

Refer page 15 of the agenda.

Cr O'Connor stated that 53% improvement in the current competence rating is still low, but good headway is now being made and he hopes to see continued improvement in this area.

The HSM stated 53% is a 10% increase on the original 43% of the competence rating and over the 12 month period. She advised that the maturity itself is showing that Council is on a rapid growth phase and Council is organised and prepared to investigate anything that comes Council's way and to mitigate as is practicable. She stated this is a good result.

COMMITTEE RESOLUTION RA 26/08/025

Moved: Mayor Tania Gibson

Seconded: Cr Jack O'Connor

That the Risk and Assurance Sub-Committee Meeting:

1. Receives this report and notes the content herein.

Carried Unanimously

4 IN COMMITTEE ITEMS

That the public is excluded from this part of the meeting in relation to:

Agenda items 4.1 – 4.4

The general subject 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(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

COMMITTEE RESOLUTION RA 26/08/026

Moved: Mr Anton Becker

Seconded: Mayor Tania Gibson

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
4.1 - CONFIRMATION OF IN COMMITTEE MINUTES OF RISK AND ASSURANCE SUB-COMMITTEE MEETING HELD ON 15 JUNE 2026	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	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

	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	
4.2 - CORPORATE SERVICES REPORT	s7(2)(b)(i) - the withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	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
4.3 - ICT UPDATE	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information 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
4.4 - HEALTH AND SAFETY REPORT	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	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

	otherwise to damage the public interest	
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Carried Unanimously

5 SUB-COMMITTEE RESUMES IN OPEN MEETING

CLOSURE OR RATIFICATION OF DECISIONS IN OPEN MEETING.

The meeting concluded at 4:00pm .

Confirmed

A Becker

Chairperson

____/____/____
Date

3 AGENDA ITEMS

3.1 2026 ANNUAL REPORT AUDIT CLOSE OUT REPORT AND DRAFT 2026 ANNUAL REPORT

File Number:

Report Author: GM Corporate Services

Report Authoriser: Group Manager Operations

Appendices:

1. Draft 2026 Annual Report Close Out Report
2. Draft 2026 Annual Report (under separate cover)

1. REPORT PURPOSE

- 1.1. For the Sub-committee to receive the 2026 Annual Report Close out report from EY Council's appointed auditor
- 1.2. For the sub-committee to consider the draft 2026 Annual Report (still subject to the final audit and any changes resulting from it).

2. OFFICER RECOMMENDATION

That the Risk and Assurance Sub-committee:

1. Receives both the 2026 Annual Report Close out report and draft 2026 Annual report.

3. BACKGROUND

- 3.1. The Council is required to adopt an audited annual report annually.
- 3.2. The Auditor General, responsible for auditing the Annual Report, has appointed EY as auditor of the 2026 Annual Report.
- 3.3. The Risk and Assurance Sub Committee have the delegation to receive and review the 2026 Annual Report Audit Close out report on behalf of Council.
- 3.4. The Close Out Report attached as Appendix 1 is draft. A final version will be provided for the sub- committee to consider at the meeting.
- 3.5. A copy of the Draft 2026 Annual Report will be provided for the sub-committee under separate cover.

4. CONSIDERATIONS

- 4.1. Legal and Legislative Implications
 - 4.1.1. Local Government Act 2022
- 4.2. Financial
 - 4.2.1. There are no financial implications in receiving and reviewing the 2026 Annual Report Annual Close out report or receiving a draft copy of the Annual report which is still subject to any changes from final audit recommendations.

4.3. Significance and Engagement

4.3.1. The assessment of significance is low.

5. NEXT STEPS

- 5.1. Once the Auditor issues the Final Audit Opinion Council will receive and adopt the Opinion with the 2026 Annual Report.

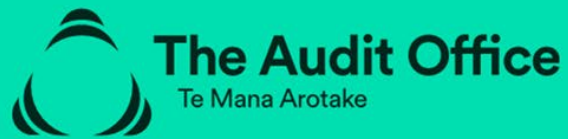
Confirmation of Statutory Compliance

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.



Report to the Risk and Assurance Committee

on the audit of
Grey District Council

For the year ended 30 June 2026

2025/26

Introduction

We are pleased to present our report to the Risk and Assurance Committee (the “Committee”) for the audit of Grey District Council (the “Council”) for the year ended 30 June 2026.

Our role as your auditor is to give an independent opinion on your financial statements and service performance information.

The purpose of this report is to communicate significant matters arising from the audit and to assist the Committee in its oversight of Council’s financial reporting and service performance reporting processes.

This report also sets out all matters that we consider need to be considered by the Committee before recommending Council adopt the annual report planned for 29 October 2026.

Yours sincerely



Brendan Summerfield
Appointed Auditor
19 October 2026

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A Snapshot

Auditor's report

We intend to issue an unmodified opinion with two emphasis of matter paragraphs on the financial statements and performance information for the year ended 30 June 2026 subject to resolution of outstanding matters described in this report. Refer to page 10 for more information on the emphasis of matter paragraphs.

Audit focus areas

We identified

4

focus areas of most significance to the audit. Our response to these areas, as well as other matters that arose during the audit are described on pages 5 to 9.

Outstanding matters

7

outstanding matters before we can finalise and issue an unmodified opinion. These are listed on page 4.

Process recommendations raised

Management's day to day systems and processes provide Council with effective financial reporting mechanisms.

Following the completion of our audit we will provide a short Report to Management with a small number of recommendations for opportunities where the company can continue to improve matters.

Uncorrected audit misstatements in the financial statements

We have identified no uncorrected misstatements during the audit.

Materiality for the financial statements

\$1.4M

Our audit procedures have been performed using a materiality set based on 3% of actual expenditure for 2025/26.

Outstanding Matters

The following matters are outstanding at the date of this report and need to be addressed before we can issue our independent auditors' report for the year ended 30 June 2026.

Matter	Description
Infrastructure assets	Our procedures over infrastructure assets are being completed at the time of writing. We will communicate if any material issues arise in completion of these procedures.
Expense testing	We have adopted a sampling approach to expenditure testing. We are still finalising our testing procedures.
Financial statements	Review of the financial statements
Annual report	Review of the annual report
Summary annual report	Receipt and review of the summary annual report
Subsequent events review	Completion of subsequent events procedures to the date of signing the audit report
Councils representation letter	Receipt of the signed representation letter
Signed Annual report	Receipt of the signed annual report

Our audit findings

Audit focus areas and our findings

1. Infrastructure Assets: Valuation and Capital Works

Infrastructure assets represent a significant component of GDC's balance sheet with carrying values of the following amounts at 30 June 2026:

In NZ \$'millions	30 June 2026	30 June 2025
Road network	389	264
Three waters	250	215
Other infrastructure assets	7	6
Total assets	646	485

The council's policy is for valuations to be carried out on a three-yearly cycle by independent qualified valuers or completed internally (and independently peer reviewed) unless there is a significant change in carrying value, in which case they will be revalued as required.

Full revaluations of the road network and three waters assets occurred as at 30 June 2026. The road network valuation was performed by Beca and peer reviewed by WSP. The three waters assets valuation was performed internally and peer reviewed by WSP. The revaluations have resulted in a \$123m revaluation increase for road network and \$35m increase for three waters assets.



1. Valuation of property, plant and equipment (cont'd)



Risk description

- Property, plant and equipment are incorrectly valued resulting in material misstatement of asset values, depreciation, reserves and annual results.
- Additions are incorrectly valued and capitalised or do not exist.



Action taken

- Obtained and reviewed the 30 June 2026 valuation reports for roading and three waters assets.
- Assessed whether the asset information provided to the valuers was reflective of the asset data maintained in the Council's Asset Management Systems.
- Obtained the valuers reports and reliance documentation and assessed the valuers competence, capabilities and objectivity.
- Checked the mathematical accuracy of the spreadsheet utilised to derive the valuation.
- Examined whether the valuations have been appropriately recorded in the fixed asset register and general ledger.
- Assessed the extent of due diligence performed by management and whether this was adequate for the purpose of recording the revaluation in the financial statements.
- On a sample basis, inspected supporting documentation and assessed that costs capitalised met the capitalisation criteria under PBE IPSAS 17 *Property, plant and equipment*.



Our findings

- Our work to assess additions, disposals and valuation of Infrastructure assets is still in progress at the time of writing. We will communicate if any material issues arise in completion of these procedures.



2. Rates setting, invoicing and collection

Rates income levied represents Council's primary revenue source. The rates setting process is guided by specific legislation which must be adhered to for the rates to be lawful.



Risk description

- Rates revenue is unlawful, incomplete or inaccurate.



Action taken

- Reviewed the Council's procedures for ensuring the rates set are compliant with the Local Government Rating Act and tested that rates set are applied appropriately to the rating database and invoiced accordingly.
- Performing analytical procedures to determine whether rates revenue aligned with the approved rates strike and underlying QV valuation data.
- On a sample basis, testing whether rates invoicing to rate payers was accurate based off the approved rates strike and underlying QV property data.
- We performed a high-level review on ageing analysis year on year basis to determine if Council has any concerns over the collectability of outstanding rates invoices.



Our findings

Based on our procedures we are satisfied that the Rates have been recognised for financial reporting purposes appropriately and provisioning for outstanding rates debtors has been measured and recorded correctly for financial reporting purposes.



3. Non-financial performance reporting

The Council is required to report its performance against the performance measures included in its three-year plan. These measures are key to the Council providing a 'performance story' to the community. The performance framework and target service levels set as part of the three-year plan define the reporting required by Council. We have selected a number of measures across activities for detailed testing.



Risk description

- Service performance information is incomplete, inaccurate or unsupported by reliable evidence.
- Reported performance measures are not in compliance with legislative or reporting requirements.



Action taken

- Updated our understanding of key performance reporting processes and reviewed the collation methodologies applied by the Council.
- Reviewed the appropriateness of performance measures and whether the measures can, and have, been objectively reported against.
- Examined the specific definitions and mechanisms utilised to monitor service performance including assessing the underlying processes in place to capture this information in a consistent and accurate manner.
- Inspected, for a sample of measures, supporting documentation to consider the integrity of underlying data.
- Reviewed the disclosures in relation to the measures, particularly where targets have not been met.



Our findings

- There are no matters that have come to our attention regarding the non-financial performance reporting that we need to bring to the attention of the Committee.



4. Other matters



Background and risk description

Debt facilities

The key risks are:

- Borrowings are not completely or accurately recorded, classified and disclosed in the financial statements; and
- Council is not in compliance with lending covenants

Revenue from grants and subsidies

Council receives grant funding from a number of different funding providers. As at 30 June 2026, total grants and subsidies revenue is \$7.9m (2025: \$10.4m).

The key risk is that grant and subsidy revenue are recognised incorrectly or before the related funding conditions have been satisfied.



Action taken

- Updated our understanding of debt arrangements.
- Obtained LGFA confirmation of the outstanding debt position at year end.
- Considered the term and classification of debt for financial reporting purposes.
- Obtained and reviewed Council's covenant calculation.
- Reviewed the disclosures in relation to debt in the financial statements for reasonableness and consistency with accounting standards
- We have obtained and reviewed funding agreements and related correspondence between GDC and central government to confirm funding approvals.
- We tested, whether revenue was recognised in accordance with the relevant funding agreements, obligations and undertakings have been satisfied. We also confirmed that costs recovered were consistent with the terms of the funding agreements.



Our findings

- Based on the procedures performed, we have not identified any issues to report to Council.
- We are in the process of completing the procedures required of us by the debenture trust deed. Our procedures include reporting to the Trustee based on the work performed and whether anything has come to our attention that indicates the statements made in the reporting certificates issued by the Council are materially misstated. Subject to the completion of certain procedures, we expect to issue an unqualified report to the Trustee.
- We are satisfied that no matters have come to our attention in relation to the management of rates that we need to bring to the attention of the Committee.

Other findings

Matter	Description or finding
Financial statements and service performance information	We have evaluated the appropriateness of the reporting entity's accounting policies, accounting estimates and financial statement disclosures. Overall, we believe that these are appropriate.
Emphasis of Matter Paragraphs	Across local authorities, the Audit Office has confirmed that all entities are expected to have an <i>Emphasis Of Matter</i> paragraph in their Auditors report regarding the local government reform. We also consider it appropriate to include an additional emphasis of matter on local water done well due to the financial statements of the Council being fundamentally different once the transfer of assets has occurred. Below we have outlined the expected wording that will be included in our auditor's report: - Local Water Done well <i>Without qualifying our opinion, we draw attention to the disclosures on page xx which outline how the future changes in delivery of water services will affect the Council.</i> - Simplifying Local Government reform <i>The government has announced it wants to simplify local government, including reducing the number of local authorities by amalgamations within regions. As described in note xxx, the council is part of an amalgamation proposal under the Head Start pathway which may, if approved, be implemented before the 2028 local elections. The eventual outcome for the council is dependent on future cabinet decisions and enactment of enabling legislation. Because of the significant uncertainty about the outcome and timing of any future reorganisation, the financial statements have continued to be prepared on a going concern basis. Our opinion is not modified in respect of this matter.</i>



Appendices

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Appendix 1: Uncorrected Misstatements

Uncorrected financial misstatements

No uncorrected misstatements have been identified from the work performed to date.

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Appendix 2: Other communications

Our responsibilities in conducting the audit

We carried out this audit on behalf of the Controller and Auditor General. We are responsible for expressing an independent opinion on the financial statements and performance information. This responsibility arises from section 15 of the Public Audit Act 2001.

The audit of the financial statements and performance information does not relieve management or the Risk and Assurance Committee of their responsibilities. Our audit engagement letter contains a detailed explanation of the responsibilities of the auditor and the Councillors.

Auditing standards

We carry out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect every instance of misstatement, fraud, irregularity, or inefficiency that are immaterial to your financial statements and performance information. The Risk and Assurance Committee and management are responsible for

implementing and maintaining a system of internal control for detecting these matters.

Independence

We confirm that, for the audit of the Grey District Council's financial statements and performance information for the year ended 30 June 2026, we have maintained our independence in accordance with the requirements of the Auditor-General standards, which incorporate the independence requirements of the External Reporting Board.

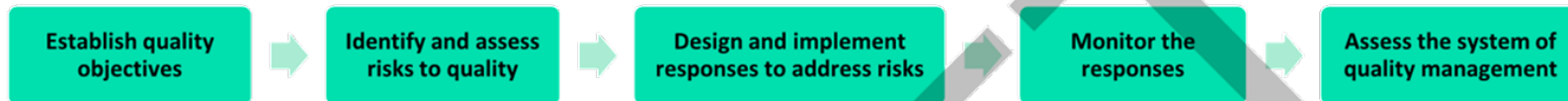
In addition to the audit, we have carried out Debenture Trust Deed reporting which is compatible with those independence requirements. Other than the audit and this engagement, we have no relationship with or interests in the Council.

Fees

The audit fee for the year is \$211,408 (GST exclusive), as detailed in our Audit Proposal Letter, which includes fees for the trustee reporting. No other fees have been charged in this period.



Appendix 3: How we manage quality



Audit quality encompasses the key elements that create an environment which maximises the likelihood that we perform quality audits on a consistent basis. Audit quality is about more than issuing the right audit opinion, it is also about how we reach that opinion. We maintain a persistent focus on audit quality and on continuing improvement to audit quality over time.

We apply a risk-based approach to designing, implementing, and operating the components of our system of quality management (SOQM) in an interconnected and coordinated manner to proactively manage the quality of our audits.

Monitoring and assessing the SOQM

Monitoring and assessment of the SOQM is ongoing. We perform regular monitoring which informs our annual assessment of whether we are achieving our quality objectives and therefore complying with professional requirements. Our most recent assessment to 30 June 2025 noted that the objectives of the System of Quality Management are being achieved and that they support the consistent performance of quality audits and related engagements.





The Audit Office
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Photo credit: © Erica Sinclair, Truестock

3.2 HEALTH & SAFETY UPDATE

File Number:**Report Author:** Health and Safety Manager**Report Authoriser:** Group Manager Community**Appendices:** Nil

1. REPORT PURPOSE

- 1.1. To update the Committee on progress across various workstreams to strengthen the Council's health and safety management system, as part of its commitment to providing a healthy and safe workplace and environment for the community.

2. EXECUTIVE SUMMARY

- 2.1. Reporting period: 01 August to 08 October 2026.
 - 2.1.1. Council's health and safety management platform, Safe365, has a maturity target rating of 88%, which is reflective of targets set by other organisations.
 - 2.1.2. The current safety maturity score has increased from 53% to 64%, as a result of targeted focus on health and safety training competencies, worker engagement, participation and representation, incident, injury and illness reporting, and contractor management.
- 2.2. A total of 43 safety reports have been recorded during this reporting period.

3. OFFICER RECOMMENDATION

That the Risk and Assurance Sub-Committee Meeting:

1. Receives this report and notes the content herein.

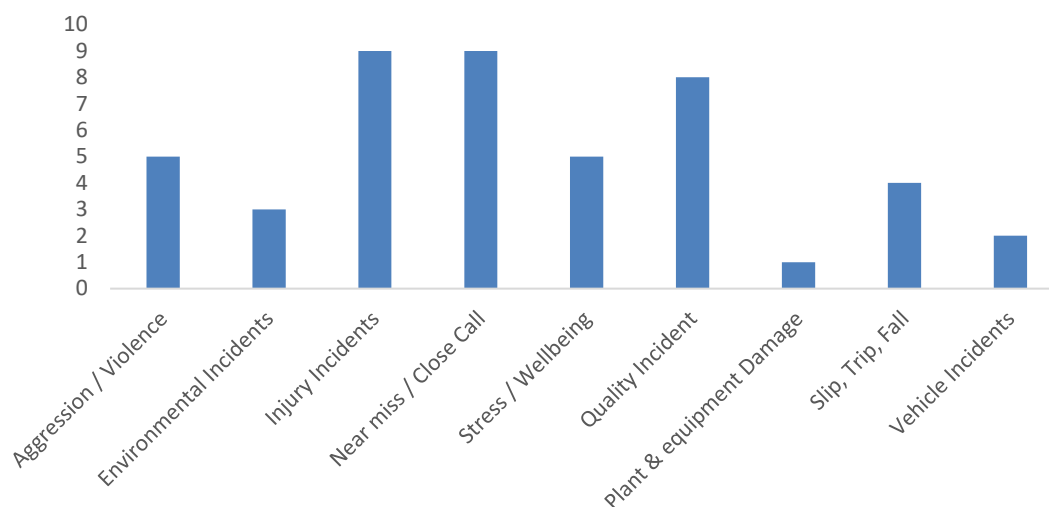
4. BACKGROUND

- 4.1. This report provides an overview of the current status of Council's occupational health, safety and wellbeing practices.
- 4.2. Under the Health and Safety at Work Act 2015, Council must exercise due diligence in relation to health and safety.

5. ANALYSIS OPTIONS

- 5.1. Council's key safety indicators include safety reports, safety observations relating to unsafe conditions, corrective actions and critical risks.
- 5.2. Safety Reporting - 43 incident reports logged in this period with nine near-miss events and 11 hazards reported. 29 of the 43 reports are closed.

5.3. Incident Types Breakdown



Incident Type	Count	Percentage
Environmental Incident	3	7%
Aggression	5	11%
Injury Incident	9	20%
Near Miss Incident / Close Call	9	20%
Stress / Wellbeing	5	11%
Quality Incident	8	17%
Plant & Equipment Damage	1	2%
Physical Violence	0	0%
Slip, Trip or Fall	4	9%
Vehicle Incident	2	4%

6.

SIGNIFICANCE AND ENGAGEMENT

- 6.1. Reporting on Council's H&S practices and workstreams is considered to be of low significance under Council's Significance and Engagement Policy, as the matter is operational in nature. There is no impact on levels of service, rates or strategic assets.
- 6.2. H&S is, however, of high importance to the organisation.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Moderate	There may be some public interest in health and safety matters; however, this report is operational in nature and is provided for oversight and assurance purposes.
Is there a significant impact arising from duration of the effects from the decision?	N/A	N/A
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	No	N/A
Does the decision create a substantial change in the level of service provided by Council?	No	N/A
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	No	N/A
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	N/A	N/A
Does the proposal or decision involve entry into a private sector partnership or contract to carry out the delivery of any Council group of activities?	N/A	N/A
Does the proposal or decision involve Council exiting from or entering into a group of activities?	N/A	N/A

7. NEXT STEP

7.1. The Sub-committee will receive an updated H&S report at its next meeting.

Confirmation of Statutory Compliance

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

- (a) This report contains:
- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
 - (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.
- (b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

3.3 TAX RISK MANAGEMENT STRATEGY AND TAX GOVERNANCE FRAMEWORK ADOPTION

File Number:**Report Author:** GM Corporate Services**Report Authoriser:** Chief Executive**Appendices:**

1. Draft Tax Risk Governance Framework
2. Draft Tax Risk Management Strategy

1. REPORT PURPOSE

- 1.1. To present the proposed Tax Risk Management Strategy and Tax Risk Governance Framework to the Risk and Assurance Sub-Committee for adoption.

2. EXECUTIVE SUMMARY

- 2.1. The Tax Risk Governance Framework outlines Council's approach to the management of tax risk.
- 2.2. The Tax Risk Management Strategy establishes responsibilities, reporting thresholds, control procedures, review cycles, and annual planning arrangements for Council's tax obligations
- 2.3. Inland Revenue is placing increasing importance on taxpayers having appropriate tax governance processes in place.
- 2.4. PWC as Council Tax Advisors have recommended that Council implement a tax governance framework.
- 2.5. Having documented tax governance framework in place demonstrates that Council has appropriate oversight of its tax obligations and has taken steps to reduce the risk of issues arising.

3. OFFICER RECOMMENDATION

That the Risk and Assurance Sub-committee:

1. Receives the report "Tax Risk Management Strategy and Tax Governance Framework".
2. Adopts the Grey District Council Tax Risk Governance Framework to take effect from 23 October 2026.
3. Adopts the Grey District Council Tax Risk Management Strategy to take effect from 23 October 2026.

4. BACKGROUND

- 4.1. The Tax Risk Governance Framework outlines Council's approach to the management of tax risk and sets expectations for governance, compliance, oversight, and reporting. It reflects Council's tax responsibilities as a significant public sector organisation.
- 4.2. The Tax Risk Management Strategy establishes the following:
 - 4.2.1. Group Manager Corporate Services as having overall responsibility for Council Tax issues as the IRD Executive Officer Holder.
 - 4.2.2. Tax Risk Reporting requirements to the Risk and Assurance Sub-Committee.
 - 4.2.3. Materiality thresholds where penalties or interest exceed \$10,000 or unexpected adjustments exceeding \$250,000 or there is risk to Council.

4.2.4. It also sets tax advice and record keeping requirements related to tax return.

- 4.3. Inland Revenue is placing increasing importance on taxpayers having appropriate tax governance processes in place. PWC as Council's Tax Advisors have recommended that Council implement a tax governance framework.
- 4.4. Having documented tax governance framework in place demonstrates that Council has appropriate oversight of its tax obligations and has taken steps to reduce the risk of similar issues arising again.

5. CONSIDERATIONS

5.1. Legal and Legislative Implications

5.1.1. Income Tax Act 2007, Goods and Services Tax Act 1985, Tax Administration Act 1994.

5.2. Financial

5.2.1. There is no financial impact of this adopting this policy.

5.3. Existing Policy and Strategy Implications

5.3.1. The adoption of this framework and Strategy does not affect any existing policies or strategies.

5.4. Fit with Purpose of Local Government Statement

5.4.1. The report's recommendations comply with the purpose of local government.

5.5. Effects on Mana whenua

5.5.1. N/A

5.6. Significance and Engagement

- 5.6.1. The decision to adopt the Tax Risk Governance Framework and Tax Management Strategy is an important one but not considered to be significant under the terms of the Council's Significance and Engagement Policy. It deals with the operation of Council business, and this is not regarded as a significant decision under the Significance and Engagement Policy.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Low	N/A
Is there a significant impact arising from duration of the effects from the decision?	No	N/A
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	No	N/A
Does the decision create a substantial change in the level of service provided by Council?	No	N/A
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	No	N/A
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	N/A
Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	No	N/A
Does the proposal or decision involve Council exiting from or entering into a group of activities?	No	N/A

6. CONCLUSIONS

- 6.1. The adoption of the Tax Risk Governance Framework and Tax Risk Management Strategy demonstrates that Council has appropriate oversight of its tax obligations and has taken steps to reduce the risk issues arising.

7. NEXT STEPS

- 7.1. If the Sub-Committee adopt the Framework and Strategy, further work will continue to be undertaken to implement them.

Confirmation of Statutory Compliance

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

- (a) This report contains:
 - (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
 - (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.
- (b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.



Grey District Council

Tax Risk Governance

Framework

First adoption by the Risk and Assurance Sub-committee
October 2026

1. Purpose

This document outlines Grey District Council's (Council) approach to the management of tax risk and constitutes the tax governance framework adopted by the Risk and Assurance Sub-committee of Council.

2. Background

Council is a large, high profile, organisation that is responsible for providing services to the New Zealand public. As such, Council must maintain exemplary governance and tax compliance standards.

3. Tax Governance Expectations

Inland Revenue has been explicit in their expectation that all large organisations have tax risk management incorporated within their governance framework. This expectation has been apparent from:

- The use by Inland Revenue of a "Tax Governance Questionnaire" to assess individual organisations approach to tax risk management, which is now also being used in Inland Revenue audits;
- Applying a different lens to the application of penalties for organisations that are found to be non-compliant and that do not have a formalised tax governance strategy and risk management plan;
- Commentary in the "Multinational Enterprise Compliance Focus 2024" document, that can be equally taken to apply to any New Zealand Significant Enterprise, which notes that:

"Not only is a robust tax governance framework fundamental to tax compliance, but MNEs today are expected to demonstrate tax responsibility as part of their broader environmental, social and governance (ESG) commitments, aligning with global trends towards sustainability and ethical business practices."

- The publication of guidance on their website¹ regarding their expectations for significant enterprises, which Council would fall within the definition of.

4. Council's Commitment

Council is committed to meeting all tax compliance obligations, and the expectations of the tax authorities in New Zealand, in any overseas jurisdiction that it has employees working from, or where there are obligations arising from transacting with overseas suppliers. This includes, but is not limited to, correctly accounting for Income Tax, Goods and Services Tax, Fringe Benefit Tax, PAYE (including KiwiSaver compliance), and a range of other withholding taxes.

The Risk and Assurance Sub-Committee has determined that:

- Council should operate applying a low tax risk approach.
- Management has delegated responsibility to devise an appropriate tax risk management plan, ratified by the Risk and Assurance Sub-Committee, to ensure that Council meets its commitment.
- Management will report and communicate on an open and transparent basis to the Risk and Assurance Sub-Committee:
 - On an annual basis with a summary of the tax compliance obligations met, risk management mitigation undertaken for the preceding year and the plan for the forthcoming year.
 - On an as required basis, in relation to, but not limited to:
 - Actual material errors in the tax positions taken
 - Notification of an Inland Revenue audit or other correspondence from tax authorities of matters of

¹ <https://www.ird.govt.nz/managing-my-tax/audits-tax-governance/tax-governance>

significance

- Significant developments in tax law or practice that could impact Council
- The tax consequences of any material transaction being contemplated by Council as part of the business case / decision paper; or any other material matter.

Tax risk governance framework - adoption

Signature:

Name:

Position:

Date:

Signature:

Name:

Position:

Date:

Next review scheduled for: (+3 years)



Grey District Council Tax Risk Management Strategy

First adoption by the Risk and Assurance Sub-committee

October 2026

1. Tax risk profile

Grey District Council (Council) recognises that it has an obligation to fulfil its tax compliance obligations in any tax jurisdictions that it undertakes transactions within. In New Zealand, the core tax legislation that Council is required to comply with is the Income Tax Act 2007, Goods and Services Tax Act 1985 and Tax Administration Act 1994.

The Risk and Assurance Sub-committee of Council has determined that a low tax risk profile is appropriate for Council. It will aim to:

- Ensure all compliance obligations are met, including filing of the various tax returns and payment of tax liabilities, on time.
- Adopt tax positions that are likely to be correct based on current law
- Adopt practices to mitigate material tax risks.
- Have an open and transparent working relationship with Inland Revenue.
- Proactively engage with Inland Revenue regarding uncertain tax positions where appropriate and make a voluntary disclosure where a material error occurs.
- Use recognised tax advisors on an as appropriate basis, to provide technical support and provide independent evaluations of compliance.
- Have regular interactions between Management and the Risk and Assurance Sub-committee regarding material tax matters in a manner that is open, transparent and timely.

The Risk and Assurance Committee has empowered Management to devise an appropriate approach to tax risk management, and this is now established below.

2. Tax risk management strategy

2.1. Responsibility for tax issues

The Group Manager Corporate Services has overall responsibility for the management of the tax issues of Council. As appropriate, the Group Manager Corporate Services may delegate responsibility for tax issues to the Finance Manager.

Inland Revenue requires a designated individual to be Executive Office Holder (EOH) who is responsible for ensuring that appropriate staff are authorised to access requisite sections with "myIR." The EOH for Council is the Group Manager Corporate Services who has overall responsibility as the myIR account owner for Council.

The Group Manager Corporate Services, as EOH for Council, is responsible for administering and maintaining staff delegations and permissions of myIR login accounts and for ensuring delegations are updated as and when staff leave the organisation.

2.2. Reporting tax risks to the Risk and Assurance Sub-committee

The Tax Governance Framework adopted by the Risk and Assurance Sub-committee requires reporting on tax matters by the Group Manager Corporate Services as follows:

- On an annual basis with a summary of:
 - Key financial information including, tax paid, any outstanding taxes due or late filing penalties, and any material interest or other penalties imposed during the year
 - Particulars of any proposed legislative tax changes which could impact Council
 - Details of any significant outstanding taxes in dispute with Inland Revenue
 - Details of significant advice sought and future matters to consider
 - A table of tax tools and services used and whether each aligns with Council's low risk tax profile i.e. Strategy vs Achievement.
- On an as required basis, in relation to, but not limited to:
 - Actual material errors in the tax positions taken
 - Notification of an Inland Revenue audit or other correspondence from tax authorities of matters of significance
 - Significant developments in tax law or practice that could impact Council

- The tax consequences of any material transaction being contemplated by Council as part of the business case / decision paper; or any other material matter.

Reference to "material" for these purposes is to be interpreted as when there may be a situation that results in:

- Penalties and interest potentially being imposed in excess of \$10,000
- An 'unexpected' tax calculation adjustment is required where the tax effect/ tax payable is in excess of \$250,000
- There is a risk of prosecution
- An accusation of tax avoidance could be levied
- There is a risk of negative publicity.

2.3. Tax awareness and training

Council will ensure that all relevant staff are provided with adequate training and resources to effectively identify and manage its tax obligations and risks. Where appropriate, this may involve sending selective staff on external courses or engaging an external speaker to conduct in-house training.

2.4. Meetings and correspondence with Inland Revenue

Council will endeavour to maintain strong working relationships with all relevant stakeholders, including but not limited to Inland Revenue, other government bodies, and related third parties. All dealings with external parties will be undertaken in a professional and timely manner.

Apart from routine PAYE, FBT and GST returns and payments, all other correspondence, meeting requests or queries from Inland Revenue must be immediately referred to the Group Manager Corporate Services. The Group Manager Corporate Services is the only person authorised to correspond or meet with Inland Revenue, to discuss tax matters of Council – although they may delegate this responsibility to others where appropriate.

2.5. Tax advice and rulings

Council will maintain detailed information and computations supporting all tax return filing positions. If there is any uncertainty in respect of a filing position where the amount of tax exceeds \$100,000, Council will consider whether written advice from external tax advisors is required.

Council will be transparent and fully disclose all relevant information when forming a tax position or seeking tax advice.

Council will endeavour to maintain strong working relationships with Inland Revenue, other government bodies, and related third parties. All dealings with external parties will be undertaken in a professional and timely manner.

Council will endeavour to ensure that the most tax efficient position is always adopted, applying tax law and Council's low risk tax approach. Advice from an external tax advisor should be obtained in relation to uncertain material tax matters before a tax position is taken, as appropriate.

In some instances, the degree of uncertainty over a particular tax issue may warrant seeking a Binding Ruling from Inland Revenue (or some other Inland Revenue agreement). No approach should be made to Inland Revenue/ for a Binding Ruling without the prior approval of the Group Manager Corporate Services.

Council will not subscribe to any tax minimisation schemes without first obtaining approval from the Risk and Assurance Sub-Committee, having been fully informed of the associated risks and overall tax effect of the arrangement.

2.6. Tax returns and payments

Council will file all returns and pay any resulting tax liability on, or before, the stipulated due dates. When preparing and filing tax returns, Council will be transparent and fully disclose all relevant information supporting a tax position in a tax return. Council will only adopt tax positions that are likely to be correct based on current law.

Any tax payments for Council in excess of \$20,000 must be authorised by the Group Manager Corporate Services, although they may delegate this in accordance with the delegated financial authority.

Tax payments must be supported by detailed tax computations and explanations which are initialled by the preparer and then countersigned by that person's superior prior to payment.

The Group Manager Corporate Services (or someone delegated by them) will review the Inland Revenue myIR accounts on a monthly basis to ensure that all returns have been assessed by Inland Revenue and payments have been allocated appropriately. Any unreconciled items will be reported to the Group Manager Corporate Services who will determine the steps required to achieve a reconciled myIR account.

2.7. Filing and record keeping

In terms of the Tax Administration Act 1994, Council is required to retain tax records for several years. To assist in archiving and the subsequent retrieval of relevant tax records, Council will separately file each tax return and supporting computation and advisory correspondence based on the year of assessment and tax type.

In addition, Council will maintain a detailed index of the relevant tax files to enable their efficient retrieval should they be requested by Inland Revenue in later years. Specifically, the index should contain details relating to the file reference, relevant tax period, tax type, subject of the document on file and location of the file, and evidence of review by the Group Manager Corporate Services. This index should be maintained irrespective of whether the information is in electronic or hard copy format.

2.8. Regular reviews

The tax risks of Council potentially increase over time through a combination of personnel and legislative changes. To ensure the tax compliance procedures of Council are kept up to date and accurate, an independent external review of GST, PAYE/Withholding Taxes and FBT should be undertaken every three years. This review will tend to be undertaken in a 'rolling' format, with a different tax type being reviewed each year.

Refer to the Appendix for a draft illustration of the 2027 Tax Risk Management Strategy. A similar plan will be prepared annually, with the content and timing of the work to be undertaken determined as part of the Annual Tax Update and after considering specific risks and issues emerging at the time.

2.9. Penalties and voluntary disclosures

Wherever possible Council should endeavour to minimise any penalties and Use Of Money Interest. Accordingly, any tax discrepancies identified should be addressed and disclosed to Inland Revenue as soon as possible. Unless the discrepancy has been identified pursuant to a (current) tax investigation, the Council (in consultation with the Risk and Assurance Sub-Committee) should always consider making a Voluntary Disclosure as a means of minimising any potential penalties.

2.10. Tax policies

To assist staff with the day-to-day tax treatment of issues specific to Council and to ensure a consistent tax treatment of items across the organisation, Council subscribes to PwC's Online Tax Policies. PwC maintains PAYE, GST, FBT, and KiwiSaver tax policies, and are regularly updated for legislative changes. These tax policies will provide an outline of common tax issues arising and how they should be treated in the various tax returns of Council.

3. Tax Risk Management Strategy - adoption

Name:	Name:
Position:	Position:
Date:	Date:

Next review scheduled for:

(+3 years)

4. Tax Risk Management Strategy - To Be Reviewed and Updated Annually

Council's tax strategy - proposed future

Financial Year to 30 June:	2027	2028	2029	2030	2031
External tax helpdesk facility					
Online tax policies & guides	✓	✓	✓	✓	✓
Independent tax evaluations:					
GST standard review	✓				✓
GST data analytics (optional add-on)				✓	
PAYE - Standard			✓		
Payroll analytics (optional add-on)			✓		
FBT		✓			
Tax Control Framework Effectiveness Assessment				✓	
Report to Risk and Assurance Sub-Committee on tax risk management	✓	✓	✓	✓	✓
External advice sought on major issues	As required	As required	As required	As required	As required
Tax training provided to staff	✓	✓	✓	✓	✓

3.4 INLAND REVENUE DEPARTMENT GST VOLUNTARY DISCLOSURE**File Number:****Report Author:** GM Corporate Services**Report Authoriser:** Chief Executive**Appendices:** Nil**1. REPORT PURPOSE**

- 1.1. To update Council on an overpayment of Goods and Services (GST) identified in a review of the GST periods 31 August 2022 to February 2026.

2. EXECUTIVE SUMMARY

- 2.1. Price Waterhouse Coopers (PWC) as Council tax advisor have on behalf of Council have made a voluntary disclosure relating to the overpayment of GST for the period 31 August 2022 to January 2024.
- 2.2. The majority of the disclosure relates to two transactions with further minor adjustments being made to returns as staff reviewed GST related transactions within the disclosure period.

3. OFFICER RECOMMENDATION

1. That the Risk and Assurance Sub-Committee Meeting note the contents of the report.

4. BACKGROUND

- 4.1. As part of our ongoing internal reconciliations of Council's Suspense accounts in February 2026 confirmed an error in Council's May 2024 GST return.
- 4.2. Accordingly, Staff began reconciling the GST returns relating to the timing of the transactions to confirm the error, after which time staff contacted PWC as our tax advisor to initiate a voluntary disclosure of the error.
- 4.3. Council Staff then reviewed all GST returns for the period 31 August 2022 to 28 February 2026.
- 4.4. Price Waterhouse Coopers (PWC) as Council tax advisor have on behalf of Council have made a voluntary disclosure relating to the overpayment of GST to the value of \$736,971.26.
- 4.5. During the affected period there were numerous changes in the finance staff involved in preparing councils GST returns.
- 4.6. The majority value of the disclosures relates to two main transactions being:
 - 4.6.1. GST on the third rates instalment for 2022 being returned twice, once in the correct period and a second time in May 2024 based on the belief that the amount remained outstanding.
 - 4.6.2. The second major transaction contributing to the overpayment was a grant payment received in April 2024. The grant has previously been invoiced and credited through a debtor account with both transactions reflected in the January 2024 GST return. The debtor subsequently paid the original invoice with the payment being incorrectly receipted to a general ledger account with GST being returned on the receipt in the

May 2024 return. Staff later identified the error and transferred the GST exclusive amount to the appropriate debtor without the GST component being reversed resulting in an overpayment.

5. CONSIDERATIONS

5.1. Legal and Legislative Implications

5.1.1. Goods and Service Tax Act 1985.

5.2. Financial

5.2.1. The voluntary disclosure requests a return of overpaid funds totalling \$736,971.26

5.3. Existing Policy and Strategy Implications

5.3.1. Nil

5.4. Fit with Purpose of Local Government Statement

5.4.1. The report fits with the purpose of Local Government.

5.5. Effects on Mana whenua

5.5.1. N/A

Confirmation of Statutory Compliance

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

4 IN COMMITTEE ITEMS

COUNCIL IN-COMMITTEE

That the public is excluded from this part of the meeting in relation to:

Agenda items 4.1 – 4.3

The general subject 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(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

OFFICER RECOMMENDATION

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
4.1 - CONFIRMATION OF IN COMMITTEE MINUTES OF RISK AND ASSURANCE SUB-COMMITTEE MEETING HELD ON 17 AUGUST 2026	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	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
4.2 - HEALTH AND SAFETY REPORT	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	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
4.3 - ICT RISK FRAMEWORK AND MEASURES	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	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

	making available of the information would be likely otherwise to damage the public interest	
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5 SUB-COMMITTEE RESUMES IN OPEN MEETING

CLOSURE OR RATIFICATION OF DECISIONS IN OPEN MEETING