Ashburton District Council

Agenda

Notice of Meeting:

An **Extraordinary Meeting of the Ashburton District Council** will be held on:

Date:	**Wednesday 19 November 2025**
Time:	**12.30pm**
Venue:	**Hine Paaka Council Chamber** **Te Whare Whakatere, 2 Baring Square East, Ashburton**

Membership

Mayor	Liz McMillan
Deputy Mayor	Richard Wilson
Members	Carolyn Cameron
	Russell Ellis
	Phill Everest
	Deb Gilkison
	Jeanette Maxwell
	Julie Moffett
	Phill Hooper
	Tony Todd

Meeting Timetable

Time	Item
12.30pm	**Extraordinary Council meeting commences**

1 **Apologies**

2 **Extraordinary Business**

3 **Declarations of Interest**

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

Reports

4. *Review of Committee Terms of Reference*
Audit, Risk & Finance Committee and Three Waters Committee

Author *Phillipa Clark, Governance Team Leader*
GM Responsible *Tania Paddock; GM Legal and Democracy*

Summary

- The purpose of this report is to seek Council's approval of the terms of reference for the Audit, Risk and Finance Committee and the Three Waters Committee.
- The Audit, Risk & Finance Committee has similar terms of reference to the previous Council's Audit & Risk Committee, but with increased governance oversight of financial matters.
- The Three Waters Committee terms of reference have been reviewed to include the responsibilities associated with the new Internal Business Unit (IBU), known as the stand-alone business unit (SABU) in the water services delivery plan.
- Adopting the terms of reference will clarify the Committees' roles, responsibilities and expectations, including making recommendations to Council when decisions are required.

Recommendation

1. **That** Council adopts the 2025 Terms of Reference for the Audit, Risk and Finance Committee and the Three Waters Committee.

Attachment

Appendix 1 Audit, Risk & Finance Committee draft terms of reference
Appendix 2 Three Waters Committee draft terms of reference

Background

1. Council has confirmed its committees for the 2025-2028 term, including establishing the Audit, Risk & Finance Committee and reinstating the Three Waters Committee.

2. The Audit, Risk & Finance Committee will retain the responsibilities held by the previous term's Audit & Risk Committee but with the additional oversight of financial management matters, including receipt of the financial variance reports. The Committee will ensure compliance with Council's financial and non-financial legal and statutory obligations.

3. The Three Waters Committee will continue to oversee the district's drinking water, wastewater and stormwater management with the additional oversight of implementing the new internal business unit in accordance with the water services delivery plan.

4. Council's Water Services Delivery Plan and internal business unit proposal, being the community's preferred position, has been accepted by the Department of Internal Affairs and will be operational by July 2027.

5. The Executive Committee met on 5 November to review the draft terms of reference for both committees. The Committee supported the revised documents presented by officers, with the following additions:

   Audit, Risk & Finance –

   - Inclusion of financial variance reports (previously reported directly to Council)
   - Letter of Expectation for Ashburton Contracting Ltd to be prepared
   - Committee's focus to include the annual report, annual plan and long term plan programme and timetable
   - Committee meetings will be held two-monthly and a review of the terms of reference will be undertaken mid-term.

   Three Waters Committee –

   - Reference to the internal business unit and water services delivery plan included.
   - A review of the terms of reference will be undertaken mid-2026.

6. Neither Committee has delegated authority to make decisions. Instead, their roles are to consider matters of strategy, policy or significance in their respective areas of Council business. Where decisions are required, the Committees will make recommendations to Council.

Options analysis

Option one – Adopt the proposed terms of reference for both the Audit, Risk & Finance and the Three Waters Committees *(Recommended)*

7. Adopting terms of reference will formalise the roles that the Committees have in monitoring strategic, financial and operational risks.

Advantages:	***Disadvantages:***
• The terms of reference identify parameters for the Committees to work within. • The Committees have no delegated authority and would not be prevented from undertaking their oversight role and making recommendations to Council.	• Without decision-making responsibility, may limit ability of the committees to respond to emerging issues or priorities • Requires commitment from members and officers to be effective
Risks: • No apparent risk.	

Option two – Further review the terms of reference for one or both of the Committees

8. Council could further review or choose to amend the terms of reference that have been proposed.

Advantages:	***Disadvantages:***
• Opportunity to have further discussion with stakeholders to ensure the ToR are aligned with Council priorities • Time to observe how the committee operates in practice before formalising its structure	• Committees' ability to meet will be stalled without clear terms of reference
Risks: • May be a perception of a lack of governance and accountability.	

Legal/policy implications

Local Government Act 2002

9. The Committees are constituted as per schedule 7, clause 30(1)(a) of the LGA 2002. Council's Governance delegations will be updated to reflect the new terms of reference for both the Audit, Risk & Finance and the Three Waters Committee.

10. Supports the Act's requirement for Council's governance structures and processes to be effective, open and transparent (s39).

Local Government (Water Services) Act 2025

11. This Act is has established a framework for local government to provide water services in a flexible, cost-effective, financially sustainable and accountable manner.

Climate change

12. Council's decision on the Committee terms of reference review is not expected to have an impact on Climate Change.

Review of legal / policy implications	
Reviewed by In-house Counsel	Tania Paddock; GM Legal & Democracy

Strategic alignment

13. Council's strategic documents contribute to community wellbeing. In respect to the Three Waters Committee, the recommendation relates to Council's community outcomes of *'A prosperous economy built on innovation, opportunity and high quality infrastructure'* and *'A balanced and sustainable environment'*.

Wellbeing		Reasons why the recommended outcome has an effect on this wellbeing
Economic	✓	Oversight of Council's financial management, strategic direction and future delivery of water services contributes to each of the well-beings.
Environmental	✓	
Cultural	✓	
Social	✓	

Financial implications

Requirement	Explanation
What is the cost?	There is no cost for this review as it has been conducted internally within existing work programmes
Is there budget available in LTP / AP?	Yes
Where is the funding coming from?	No additional funding is required
Are there any future budget implications?	No
Finance review required?	Erin Register; Finance Manager.

Significance and engagement assessment

Requirement	Explanation
Is the matter considered *significant*?	No
Level of significance	Low
Level of *engagement* selected	1. Inform – the community will be informed of the changes through this report
Rationale for selecting level of engagement	Community input is not required. Minor changes have been made to the Committees' Terms of Reference.
Reviewed by Strategy & Policy	Mark Low; Strategy and Policy Manager

Appendix 1

Audit, Risk and Finance Committee
Terms of Reference

Purpose

The purpose of the Audit, Risk & Finance Committee is to provide oversight, advice, and assurance to the Council on matters relating to financial management and reporting, risk management, internal control systems, and audit processes. The Committee supports the Council in fulfilling its governance responsibilities by ensuring transparency, accountability, and sound financial stewardship in accordance with the Local Government Act 2002 and other relevant legislation and standards.

Membership

Membership of the Committee comprises:

- Cr Carolyn Cameron (Chair)
- Cr Richard Wilson (Deputy Chair)
- Cr Russell Ellis
- Cr Jeanette Maxwell
- Cr Tony Todd
- External appointee – Murray Harrington
- Mayor, Liz McMillan (ex-officio)

The quorum is four members.

Meeting Frequency

The Audit, Risk & Finance Committee will meet on a two monthly cycle, or on an as-required basis as determined by the Chair and Group Manager Business Support.

Committee members shall be given not less than 5 working days' notice of meetings.

Delegations

The Audit, Risk & Finance Committee has no delegated authority to make decisions. Its role is to consider and review matters of strategy, policy or significance in its sphere of Council business, and (if appropriate) to make recommendations to full Council.

Sphere of business

- To receive and consider the project plan and timetable for the following projects –
  - Long Term Plan (LTP) and any amendments
  - Annual Plan & Budget
  - Annual Report and Audit
- To receive reports on all external party audits of any and all Council activities, and review significant issues and risks arising.
- To be the primary monitoring mechanism for Council's Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs) and shareholdings. Develop Council's Letter of Expectation for Ashburton Contracting Limited. Review the CCOs' draft statements of intent and advise CCOs of any comments.
- Ensure the Council adheres to all financial and non-financial legal and statutory obligations.

- Provide advice and assurance on governance, risk management, and internal control frameworks to the Council.
- Ensure the Council has a comprehensive risk management system that effectively identifies, assesses, and manages its significant risks.
- Assist the Council in defining its risk appetite and monitoring emerging risks.
- Oversee the adequacy and effectiveness of internal controls, including those safeguarding financial and non-financial assets, and ensuring privacy, cyber security, fraud detection.
- Monitor financial management, including policies on investment, treasury, debt, revenue, and expenditure within Council strategy and legislative frameworks.
- Recommend new or revised financial policies to Council to promote ethical and prudent financial practices, excluding Revenue & Financing Policy and Rates Postponement & Remission Policy.
- Recommend the appointment and engagement terms (scope, fees, timetable) of the external auditor.
- Review external audit reports, including audit opinions and management letters, and monitor the Council's responses to significant findings.
- Receive regular updates on fraud information and investigate any control weaknesses.
- Monitor and review Health & Safety related matters, including matters of organisational services in the area of Health & Safety.

This sphere of business will be reviewed mid-term.

Reporting

The Audit, Risk & Finance Committee will report to the Council.

Reviewed

5/11/25

Adopted by Council 19/11/25

Appendix 2

Three Waters Committee

Terms of Reference

Purpose

The purpose of the Three Waters Committee is to provide oversight of:

a. the district's drinking water, wastewater and stormwater infrastructure programme and services; and
b. the implementation of the internal business unit (IBU) in accordance with the water services delivery plan,

in a manner that promotes the current and future interests of the community (Local Government Act 2002 and Local Government (Water Services) Act 2025).

Membership

Membership of the Committee comprises:

- Cr Russell Ellis (Chair)
- Cr Phill Hooper (Deputy Chair)
- Cr Carolyn Cameron
- Cr Deb Gilkison
- Cr Phill Everest
- Mayor, Liz McMillan (ex-officio)

The quorum is four members.

Meeting Frequency

The Three Waters Committee will meet on a four (4) weekly cycle, or on an as-required basis as determined by the Chair and Group Manager Infrastructure. This frequency will be reviewed mid 2026. Committee members shall be given not less than 5 working days' notice of meetings.

Delegations

The Three Waters Committee has no delegated authority to make decisions. Its role is to consider and review matters of IBU implementation and Three Waters forward planning, service delivery, risk and compliance and (if appropriate) to make recommendations to full Council.

Sphere of business

- Internal Business Unit
- Drinking Water supplies
- Stormwater network
- Wastewater – reticulation and disposal (including trade waste and septage disposal)

This sphere of business will be reviewed in mid 2026.

Reporting

The Three Waters Committee will report to the Council.

Adopted by Council

Reviewed 5/11/25

Adopted 19/11/25