



RĀRANGI TAKE AGENDA

Hui Te Komiti Whakamauru Tūraru | Risk and Assurance Committee Meeting

**I hereby give notice that a Meeting of the Te Komiti Whakamauru
Tūraru | Risk and Assurance Committee will be held on:**

Te Rā | Date: Thursday, 3 August 2023

Te Wā | Time: 1.30pm

**Te Wāhi | Location: Council Chamber
Ground Floor, 175 Rimu Road
Paraparaumu**

**Ewen Church
Acting Group Manager Corporate Services**

Kāpiti Coast District Council

Notice is hereby given that a meeting of the Te Komiti Whakamauru Tūraru | Risk and Assurance Committee will be held in the Council Chamber, Ground Floor, 175 Rimu Road, Paraparaumu, on Thursday 3 August 2023, 1.30pm.

Te Komiti Whakamauru Tūraru | Risk and Assurance Committee Members

Mr David Shand	Chair
Mayor Janet Holborow	Member
Deputy Mayor Lawrence Kirby	Member
Cr Liz Koh	Member
Cr Jocelyn Prvanov	Member
Cr Glen Cooper	Member
Ms Oriwia Raureti	Member
Mr David Cochrane	Member

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1 NAU MAI | WELCOME**2 KARAKIA A TE KAUNIHERA | COUNCIL BLESSING**

“As we deliberate on the issues before us, we trust that we will reflect positively on the communities we serve. Let us all seek to be effective and just, so that with courage, vision and energy, we provide positive leadership in a spirit of harmony and compassion.”

I a mātou e whiriwhiri ana i ngā take kei mua i ō mātou aroaro, e pono ana mātou ka kaha tonu ki te whakapau mahara huapai mō ngā hapori e mahi nei mātou. Me kaha hoki mātou katoa kia whaihua, kia tōtika tā mātou mahi, ā, mā te māia, te tiro whakamua me te hihiri ka taea te arahi i roto i te kotahitanga me te aroha.

3 WHAKAPĀHA | APOLOGIES**4 TE TAUĀKĪ O TE WHAITAKE KI NGĀ MEA O TE RĀRANGI TAKE | DECLARATIONS OF INTEREST RELATING TO ITEMS ON THE AGENDA**

Notification from Elected Members of:

4.1 – any interests that may create a conflict with their role as an elected member relating to the items of business for this meeting, and

4.2 – 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

5 HE WĀ KŌRERO KI TE MAREA MŌ NGĀ MEA E HĀNGAI ANA KI TE RĀRANGI TAKE | PUBLIC SPEAKING TIME FOR ITEMS RELATING TO THE AGENDA**6 NGĀ TAKE A NGĀ MEMA | MEMBERS' BUSINESS**

(a) Public Speaking Time Responses

(b) Leave of Absence

(c) Matters of an Urgent Nature (advice to be provided to the Chair prior to the commencement of the meeting)

7 HE KŌRERO HOU | UPDATES

Nil

8 PŪRONGO | REPORTS

8.1 HEALTH AND SAFETY QUARTERLY REPORT: 1 APRIL 2023 - 30 JUNE 2023

Kaituhi | Author: **Dianne Andrew, Organisational Development Manager**

Kaiwhakamana | Authoriser: **Darren Edwards, Chief Executive**

TE PŪTAKE | PURPOSE

- 1 This Report presents the Health and Safety Quarterly Report for the period 1 April 2023 – 30 June 2023.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 The Health and Safety Quarterly Report links to the current draft Health and Safety Plan 2020-2023 which aligns to the WorkSafe NZ SafePlus model of 'what good looks like', the framework of which sets out ten performance requirements under the three themes of Leadership, Worker Engagement and Risk Management. The format of the current Plan is under review and is being updated to take on the format of a high-level work programme to enable greater transparency across the strategic areas of focus and the work program priorities and activities. The current Plan and the revised will continue to build on the three high level areas of Leadership, Health and Safety Management Systems, and Contractor Management all with an underlying focus on:
 - skills and capability of our people;
 - managing our critical risks; and
 - leadership and engagement.

TE TUKU HAEPAPA | DELEGATION

- 3 The Risk and Assurance Committee has delegated authority to consider this report under the following delegation in the Governance Structure, Section C 1:
 - *Ensuring that the Council has in place a current and comprehensive risk management framework and making recommendations to the Council on risk mitigation;*
 - *Assisting elected members in the discharge of their responsibilities by ensuring compliance procedures are in place for all statutory requirements relating to their role;*
 - *Governance role in regard to the Health and Safety Plan.*

UNAKITANGA | RECOMMENDATIONS

- A. That the Risk and Assurance Committee notes the Health and Safety Quarterly Report for the period 1 April 2023 – 30 June 2023 attached as Appendix One to this Report.

TŪĀPAPA | BACKGROUND

- 4 The quarterly Health & Safety Report is intended to provide the Council with insight into initiatives and activities and their progress, as part of our Council's commitment to providing a safe and healthy place to work. The contents and any subsequent discussions arising from this report can support Officers to meet their due diligence obligations under the Health & Safety at Work Act (HSWA) 2015.
- 5 The Health and Safety Plan period was extended from two to three years to enable Covid-19 lockdown delays and ongoing related interruptions to be considered. With the current work programme and resource challenges, a three-year period remains appropriate.
- 6 A draft Health and Safety Strategic Plan 2020-2023 was adopted by the Senior Leadership Team. Work is proceeding based on the deliverables stated in the 2020-2023 Plan however the format of this Plan is being improved to provide a more appropriate high level work program format clearly showing the linkage between strategic focus areas and the work programme priorities and activities.

- 7 In advance of the new format for the Health and Safety high level work program storyline being formally tabled at the Risk and Assurance Committee, a Discussion Forum will be scheduled to provide an opportunity for the Committee to familiarise themselves with the content and understand the context of some of the components.
- 8 The timing of the Health and Safety Quarterly Reports does not prevent an 'as and when required' verbal update from the Chief Executive to the Mayor and Council regarding serious or high profile risk events. Such events would be recorded and retrospectively included the next available Quarterly Report.

HE KŌRERORERO | DISCUSSION

- 9 Disruptions as a result of previous events beyond the Council's control (ie: Covid related absences and impact on resourcing) continue to be factored into Health and Safety work program priorities and activities and actions and deliverables are only now starting to progress again. This has been a key driver to review the Health and Safety Strategic Plan and re format to become a high-level work program.

He take | Issues

- 10 Training for key competency/qualification requirements for specific roles was significantly disrupted through Covid-19 restrictions and the overflow effect of limitations on the availability of training opportunities. However, this training has been prioritised to ensure compliance where required and where delays are out of the Council's control, specific measures are being put in place to manage this to minimise any potential for organisational risk.
- 11 Planning continues to minimise organisational risk and enable best opportunities to continue a level of service delivery to our community during any future pandemic related or emergency related disruptions. Planning for such contingency includes the health and safety and wellbeing of staff and customers, and members of the community and as such will be dependent on Council's resource availability and acknowledgement of the potential that some services may be reduced intermittently or for a period.

Ngā kōwhiringa | Options

- 12 The delivery of key competency/qualification training will continue via remote delivery where practicable. Team management will ensure staff risk management is effectively balanced with the practical need to keep staff current in their skill areas as required for their roles. Where roles do not have specific training for compliance reasons, this training will continue to be prioritised and delivered as and when appropriate given the context of any restrictions or limitations at the time.

Tangata whenua

- 13 There are no mana whenua considerations arising from this report.

Panonitanga āhuarangi | Climate change

- 14 This Report does not impact on the work programmes for climate change.

Ahumoni me ngā rawa | Financial and resourcing

- 15 Budget has been provided for implementation of the action plan initiatives as part of the 2018-38 Long-term plan.

Ture me ngā Tūraru | Legal and risk

- 16 There are no legal and risk considerations in addition to those already noted in this report.

Ngā pānga ki ngā kaupapa here | Policy impact

- 17 There are no policy considerations arising from this report.

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT

18 There are no communication and engagement considerations arising from this report.

Te mahere tūhono | Engagement planning

19 An engagement plan is not needed regarding this Report.

Whakatairanga | Publicity

20 There are no publicity considerations.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. Appendix One: Health and Safety Quarterly Report 1 April 2023 - 30 June 2023 [↓](#)

8.2 AUDIT PROPOSAL FOR THE 2023, 2024 AND 2025 FINANCIAL YEARS

Kaituhi | Author: **Jing Zhou, Chief Financial Officer**

Kaiwhakamana | Authoriser: **Mark de Haast, Group Manager Corporate Services**

TE PŪTAKE | PURPOSE

- 1 This report provides the Risk and Assurance Committee (Committee) with the following:
 - 1.1 Ernst & Young (EY) audit proposal on behalf of the Auditor-General for the 2023, 2024 and 2025 financial years; and
 - 1.2 EY Audit Engagement Letter on behalf of the Auditor-General for the years ending 30 June 2023, 2024 and 2025.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 Not required for this report.

TE TUKU HAEPAPA | DELEGATION

- 3 The Committee has the delegation to consider this matter under the section of Part C.3 of the Governance Structure and Delegations 2022-2025 Triennium which states: : *“This committee is responsible for monitoring the Council’s financial management, financial reporting mechanisms and framework, and risk and assurance function, ensuring the existence of sound internal systems.”*.
- 4 Within the purpose and delegated powers of the Committee, key responsibilities include: *“Confirming the terms of engagement for each audit with a recommendation to the Council; and receiving the external audit reports for recommendation to the Council”*

TAUNAKITANGA | RECOMMENDATIONS

- A. That the Committee receives and notes this report.
- B. That the Committee notes the EY audit fees, on behalf of the Auditor-General, for the 2023, 2024, 2025 financial years, as per attachment one to this report.
- C. That the Committee notes the EY Audit Engagement Letter, dated 27 June 2023, on behalf of the Auditor-General for the years ending 30 June 2023, 2024 and 2025, as per attachment two to this report
- D. That the Committee confirms the EY audit fees and Audit Engagement Letter, on behalf of the Auditor-General, and recommends approval to the Council at its next appropriate meeting.

TŪĀPAPA | BACKGROUND

- 5 The Auditor-General has proposed to appoint EY to carry the year-end audit of the Council for the next three years.
- 6 These audits are carried out under Section 15 of the Public Audit Act 2001 (the Act). Fees for audits of public entities are set by the Auditor-General under section 42 of the Act.
- 7 EY will audit the Council and report to Covenant Trustees, pursuant to the Debenture Trust Deed dated 19 September 2012.

HE KŌRERORERO | DISCUSSION

Audit Fees

- 8 EY budgeted to spend 928 hours on the Council's 30 June 2022 year-end audit. Actual hours spent was 1,565 at no additional cost to Council. EY estimate the 30 June 2023 year-end audit will likely take 1,080 hours to complete.
- 9 These additional hours mainly include now having to audit drinking water performance measures (Prior to November 2021, this was previously done by independent drinking water assessors), additional effort for auditing material estimates, the impact of adopting the auditing standard on risk assessment ISA (NZ) 315 (Revised) and the impact of a new accounting standard for financial instruments (PBE IPSAS 41)
- 10 The proposed audit fees for financial years 2023, 2024 and 2025 are \$243,964; \$246,810 and \$258,871 respectively, exclusive of GST.
- 11 These audit fees allow EY to carry out specific tasks identified in the Office of the Auditor General (OAG) Sector Brief, the OAG Audit Standards and Quality Support charge, and reasonable costs of estimated disbursements (namely travel where necessary).
- 12 Further details on the EY audit fees are provided in attachment one to this report.

Audit Engagement Letter

- 13 This engagement letter has been issued to the Council on behalf of the Auditor-General who is the auditor of all "public entities", including the Council, under section 14 of the Act.
- 14 The Auditor-General has appointed Sam Nicolle, using the staff and resources of Ernst & Young (EY), under section 32 and 33 of the Act to carry out the annual audits of the Council's financial statements and performance information for the years ending 30 June 2023, 2024 and 2025.
- 15 The Audit Engagement Letter outlines:
 - 15.1 The terms of the audit engagement and the nature, and limitations, of the annual audit; and
 - 15.2 The respective responsibilities of the Council and Sam Nicolle, as the appointed Auditor, for the financial statements and performance information.
- 16 The objectives of the annual audit are:
 - 16.1 To provide an independent opinion on the Council's financial statements and performance information; and
 - 16.2 To report on other matters that come to EY's attention as part of the annual audit. Typically, those matters will relate to issues of financial management and accountability.
- 17 Further details of the EY Audit Engagement Letter are provided in attachment two to this report.

He take | Issues

- 18 The delegations of the Committee include the responsibility of "*Confirming the terms of engagement for each audit with a recommendation to the Council*".
- 19 It has taken the Auditor-General longer than expected to propose the Audit fees and the Audit Engagement Letter to the Council. Fieldwork for the year-end audit to 30 June 2023 has already commenced, prior to Council Officers receiving these proposals.
- 20 To best discharge the Committee's responsibility to "*confirm the terms of engagement for each audit with a recommendation to the Council*", the Chair and Independent Member of the Committee have met with the Council's Group Manager Corporate Services and the Chief Financial Officer to review and discuss these proposals.
- 21 The rationale for the EY audit fees for 2023, 2024 and 2025 was considered fair and reasonable. A few minor clarifications were raised regarding the Audit Engagement Letter, which have been satisfactorily responded to by EY.

Ngā kōwhiringa | Options

22 There are no options arising directly from this report.

Mana whenua

23 There are no mana whenua considerations arising directly from this report.

Panonitanga Āhuarangi me te Taiao | Climate change and Environment

24 There are no climate change and environment considerations arising directly from this report.

Ahumoni me ngā rawa | Financial and resourcing

25 In the absence of receiving the proposed fees from the Auditor General on or before 30 June 2023, Officers accrued an estimated audit fee for 2022/23 of \$240,000. The additional costs of approximately \$4,000 will be absorbed within Council's overall 2023/24 Annual Plan budget.

26 Audit fees for 2024 and 2025 will be incorporated into the 2024-34 Long Term Plan.

Tūraru ā-Ture me te Whakahaere | Legal and Organisational Risk

27 There are no legal and organisational issues in addition to those already discussed in this report.

Ngā pānga ki ngā kaupapa here | Policy impact

28 There are no policy impacts arising directly from this report.

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT**Te mahere tūhono | Engagement planning**

29 An engagement plan is not required for this report.

Whakatairanga | Publicity

30 There are no publicity considerations arising from this report.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. EY Audit Proposal Letter [↓](#)
2. EY Audit Engagement Letter [↓](#)

8.3 PROGRESS UPDATE REGARDING AUDIT CONTROL FINDINGS 2021/22Kaituhi | Author: **Sharon Foss, Business Improvement Manager**Kaiwhakamana | Authoriser: **Mark de Haast, Group Manager Corporate Services****TE PŪTAKE | PURPOSE**

- 1 This report provides the Risk and Assurance Committee with a progress update on Ernst & Young's (EY) Report on Control Findings for the year ended 30 June 2022.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 There is no requirement for an Executive Summary.

TE TUKU HAEPAPA | DELEGATION

- 3 The Risk and Assurance Committee has delegated authority to consider this report under section C.3 of the Governance Structure and Delegations.
 - *Reviewing and maintaining the internal control framework.*
 - *Obtaining from external auditors any information relevant to the Council's financial statements and assessing whether appropriate action has been taken by management in response to the above.*

TAUNAKITANGA | RECOMMENDATIONS

- A. That the Risk and Assurance Committee notes:
 - A.1 the progress update regarding Ernst & Young's Report on Control Findings for the year ended 30 June 2022, including Appendix 1 to this report, and
 - A.2 that Ernst & Young will re-assess these as part of their audit for the year ended 30 June 2023.

TŪĀPAPA | BACKGROUND

- 4 In accordance with New Zealand Auditing Standards, EY performed a review of the design and operating effectiveness of the Council's significant financial reporting processes as part of their audit for the year ended 30 June 2022.
- 5 Control risk matters and/or issues are classified by EY as high, moderate, or low. Control risk definitions are as follows:


	Ernst & Young – Risk Ranking System
High	Matters and/or issues considered to be fundamental to the mitigation of material risk, maintenance of internal control or good corporate governance. Action should be taken either immediately or within three months.
Moderate	Matters and/or issues considered to be of major importance to maintenance of internal control, good corporate governance, or best practice for processes. Action should normally be taken within six months.
Low	A weakness which does not seriously detract from the internal control framework. If required, action should be taken within 6 -12 months.







HE KŌRERORERO | DISCUSSION



- 6 The following table provides an overview of the number of observations and the associated risk ratings across the last two external audits conducted by EY.

Overview of Risk Ranking System and Control Findings				
Status	Risk Ranking			Total
	High	Moderate	Low	
Open at 30 June 2021	-	1	5	6
Closed during financial year 2021/22	-	-	(2)	(2)
New points raised in financial year 2021/22	-		1	1
Total open points at 30 June 2022	-	1	4	5

- 7 EY identified five control risk issues in their Report on Control Findings for the year ended 30 June 2022 attached as Appendix 1 to this report. One of the risk control issues was ranked as moderate and four as low.
- 8 In keeping with standard practice, EY will consider whether these control findings can be closed out, as part of their audit for the financial year ended 30 June 2023.
- 9 The table below details the year-to-date progress against these control findings.

EY Risk Ranking	Control Findings year end 30 June 2022		As at 21 July 2023	Completion status
			Summary	
Moderate	2.1.1	Accuracy of response and resolution times	<p>Agreed action: Investigate why there were discrepancies between response and resolution times.</p> <p>Action update: Completed. Improved workflow process and guidance documents and assurance checks as follows:</p> <ul style="list-style-type: none"> ○ when a SR Status Report (SR report) shows a late or overdue SR then a check is made for an error in entering the time. If there is no error and the response was late then entry stays as is. ○ rerun SR report when a SR is amended; ○ check that an overdue SR was printed (forwarded) by Call Centre to Depot. ○ conduct additional training / investigate if a discrepancy is discovered. ○ run regular reports to check for discrepancies. 	 Completed (Ready for EY testing)

EY Risk Ranking	Control Findings year end 30 June 2022		As at 21 July 2023	Completion Status
Low	2.2.1	Approval of expenditure	<p>Agreed action: The Elected Members Remuneration, Expenses and Allowances Policy update.</p> <p>Action update: Completed. Updated the Elected Members Remuneration, Expenses and Allowances Policy to clarify that all claims for elected members (including the Mayor) will be approved by the Democracy Services Manager.</p>	 Completed (Ready for EY testing)
			<p>Agreed action: Chief Executive expense claims process.</p> <p>Action update: Completed CE expense claims now approved by the Mayor and co-signed by GM Corporate Services. This requirement is now captured in the updated General Expense policy. All of the current CE's expense claims are compliant to the policy.</p> <p>In Progress Capture the new approval requirement in the Financial Delegations procedures scheduled for approval by September 2023.</p>	 Completed (Ready for EY testing)  September 2023
			<p>Agreed action: Introduce a periodic monitoring process.</p> <p>Action update: Completed Established a periodic monitoring process to identify exceptions, and follow-up these up on a case-by-case basis with relevant staff and provide advice/training as appropriate.</p>	 Completed (Ready for EY testing)
	2.2.2	Purchase orders approved after receiving invoices	<p>Agreed action: General Expenses Policy update.</p> <p>Action update: Completed. Refreshed the General Expenses Policy to clarify that PO authorisation must be given before expenditure is incurred, wherever practicable.</p>	 Completed (Ready for EY testing)
			<p>Agreed action: Monitoring and review process.</p> <p>Action update: In Progress Council is currently developing a monitoring and review process to identify cases where a PO was authorised after the fact. The intent is for a review of the 2022-23 year to be completed in time for the Audit. Non-compliance will be followed up and assessed on a case-by case basis, and training offered where necessary.</p>	 September 2023

EY Risk Ranking	Control Findings year end 30 June 2022		As at 21 July 2023	Completion Status
	2.2.3	Transition to maintenance of records electronically	Agreed action: Implement a new payroll system iCHRIS21. Action update: Completed.	 Completed (Ready for EY testing)
	2.2.4	Overhead rate applied to projects	Agreed action: Develop a specific overhead allocation model. Action update: In Progress. The current model was used for developing the 2023/24 Annual Plan. However more regular reviews were added for 2022/23 and we are developing a mechanism to ensure our time and effort for projects are considered for 2023/24.	 September 2023

He take | Issues

10 There are no issues to be raised in this report.

Ngā kōwhiringa | Options

11 There are no options to be raised in this report.

Tangata whenua

12 There are no tāngata whenua considerations arising from this report.

Panonitanga āhuarangi | Climate change

13 There are no Climate Change issues arising from this report.

Ahumoni me ngā rawa | Financial and resourcing

14 Financial considerations have been covered as part of this report.

Ture me ngā Tūraru | Legal and risk

15 There are no legal considerations arising from this report.

16 This report provides a progress update in regard to appropriate action taken by management in regard to the Control Findings for the year ended 30 June 2022.

Ngā pānga ki ngā kaupapa here | Policy impact

17 There are no policy implications arising from this report.

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT

Te mahere tūhono | Engagement planning

18 This matter has a low level of significance under the Council's Significance and Engagement Policy.

Whakatairanga | Publicity

19 There are no publicity considerations.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. Appendix 1 - Ernst & Young Kapiti Coast District Council Report on Control Findings [↓](#)

8.4 QUARTERLY TREASURY COMPLIANCE

Kaituhi | Author: **Jing Zhou, Chief Financial Officer**

Kaiwhakamana | Authoriser: **Mark de Haast, Group Manager Corporate Services**

TE PŪTAKE | PURPOSE

- 1 This report provides confirmation to the Risk and Assurance Committee of the Council's compliance with its Treasury Management Policy (Policy) for the quarter ended 30 June 2023.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 This is not required for this report.

TE TUKU HAEPAPA | DELEGATION

- 3 The Risk and Assurance Committee (Committee) has the delegation to consider this matter under the section of Part C.3 of the Governance Structure and Delegations 2022-2025 Triennium which states: "*This committee is responsible for monitoring the Council's financial management, financial reporting mechanisms and framework, and risk and assurance function, ensuring the existence of sound internal systems.*"

TAUNAKITANGA | RECOMMENDATIONS

- A. That the Risk and Assurance Committee notes the Council's full compliance with its Treasury Management Policy for the three months ended 30 June 2023.

TŪĀPAPA | BACKGROUND

- 4 The Policy sets out a framework for the Council to manage its borrowing and investment activities in accordance with the Council's objectives and incorporates legislative requirements.
- 5 The Policy mandates regular treasury reporting to management, the Strategy, Operations and Finance Committee, as well as quarterly compliance reporting to the Risk and Assurance Committee.
- 6 To assess the effectiveness of the Council's treasury management activities and compliance to the Policy, certain performance measures and parameters have been prescribed. These are:
 - cash/debt position;
 - liquidity/funding control limits;
 - interest rate risk control limits;
 - counterparty credit risk;
 - specific borrowing limits; and
 - risk management performance.

HE KÖRERORERO | DISCUSSION

Cash/Debt Position

- 7 Table 1 below shows the Council's net debt position as at 30 June 2023 against the 2022/23 full year budget and the prior year closing balance.

Table 1	June YTD Actual	Full Year Budget	Prior year 2021/22
	\$000's	\$000's	\$000's
External debt	275,000	300,000	255,000
/less borrower notes	(6,110)	(6,735)	(5,250)
/less Term Deposits	(55,000)	(75,000)	(65,000)
/less cash	(14,084)	(15,596)	(15,274)
Net debt	199,806	202,669	169,476

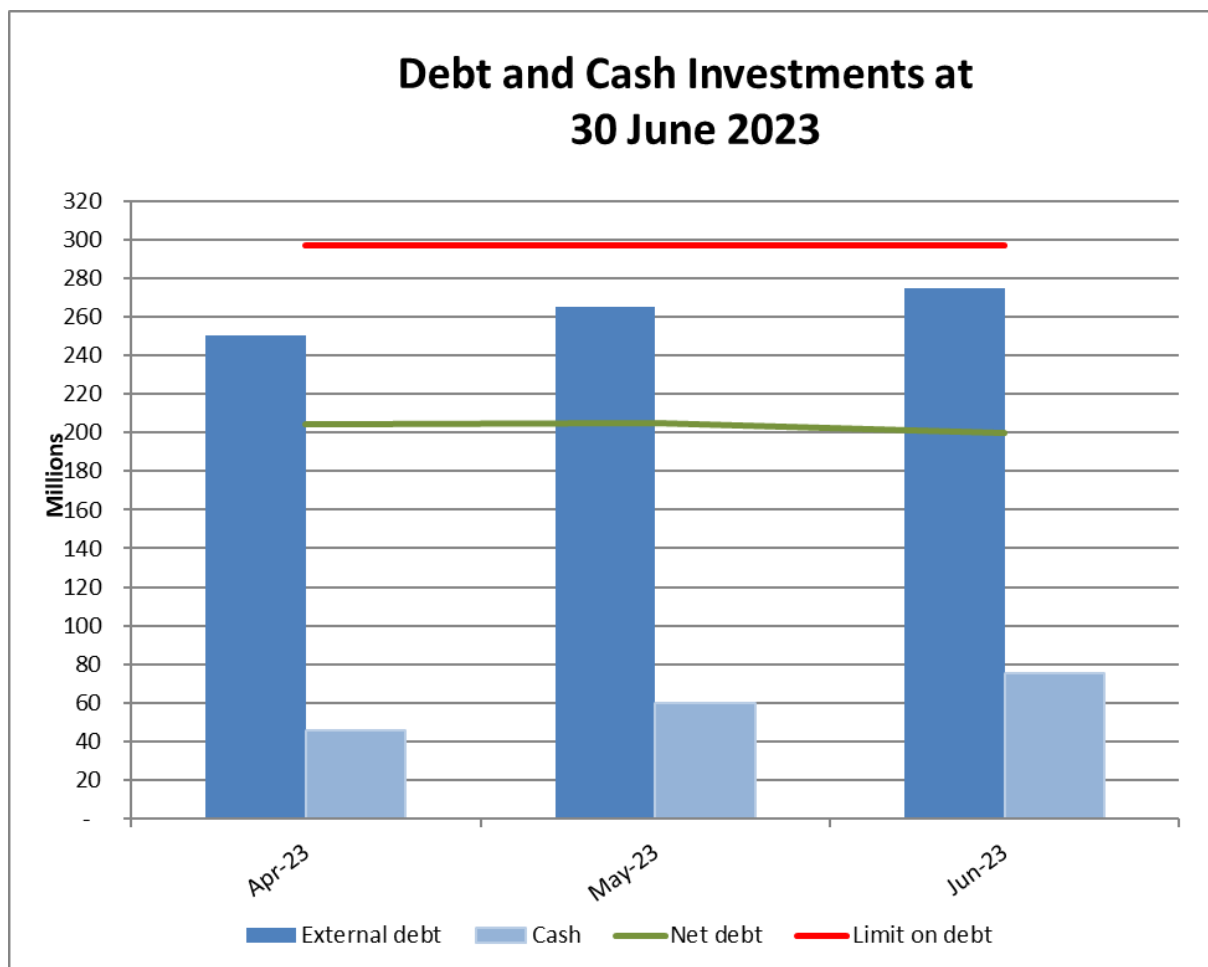
- 8 During the past three months, the Council has issued \$35million of new debt bringing the total amount of debt drawn during the past twelve months to \$65 million.
- 9 The \$35 million issued this quarter was used to pre-fund the May 2024 debt maturity (\$20million), and planned 2022/23 capex programme costs (\$15 million).
- 10 The table below shows (a) the movement in the Council's external debt balance, (b) the movement in the Council's pre-funding programme by debt maturity and (c), that part of the Council's CAPEX programme funded by new borrowings for the twelve months ended 30 June 2023.

Borrowings	Gross borrowings	Pre-funding				Total Prefunding	CAPEX Capex programme
		TD Oct 2022	TD Apr 2023	TD Oct 2023	TD May 2024		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance 1 July	255,000	20,000	25,000	20,000	-	65,000	n/a
New Long term debt issued YTD	65,000	-	-	5,000	30,000	35,000	30,000
Matured Long term debt	(45,000)	(20,000)	(25,000)	-	-	(45,000)	n/a
Total	275,000	-	-	25,000	30,000	55,000	30,000

- 11 As at 30 June 2023 the Council had \$75.2 million of cash, borrower notes and term deposits on hand. This is broken down as follows:

Term deposits, cash & borrower notes	Prefund borrowings	Borrower notes	Cash	Total
	\$000	\$000	\$000	\$000
LGFA debt maturing Oct 2023	25,000	-	-	25,000
LGFA debt maturing May 2024	30,000	-	-	30,000
Surplus cash	-	-	14,084	14,084
Borrower notes held	-	6,110	-	6,110
Total	55,000	6,110	14,084	75,194

- 12 For the three months ended 30 June 2023, the Council has not breached its net debt upper limit, as shown in the chart below:

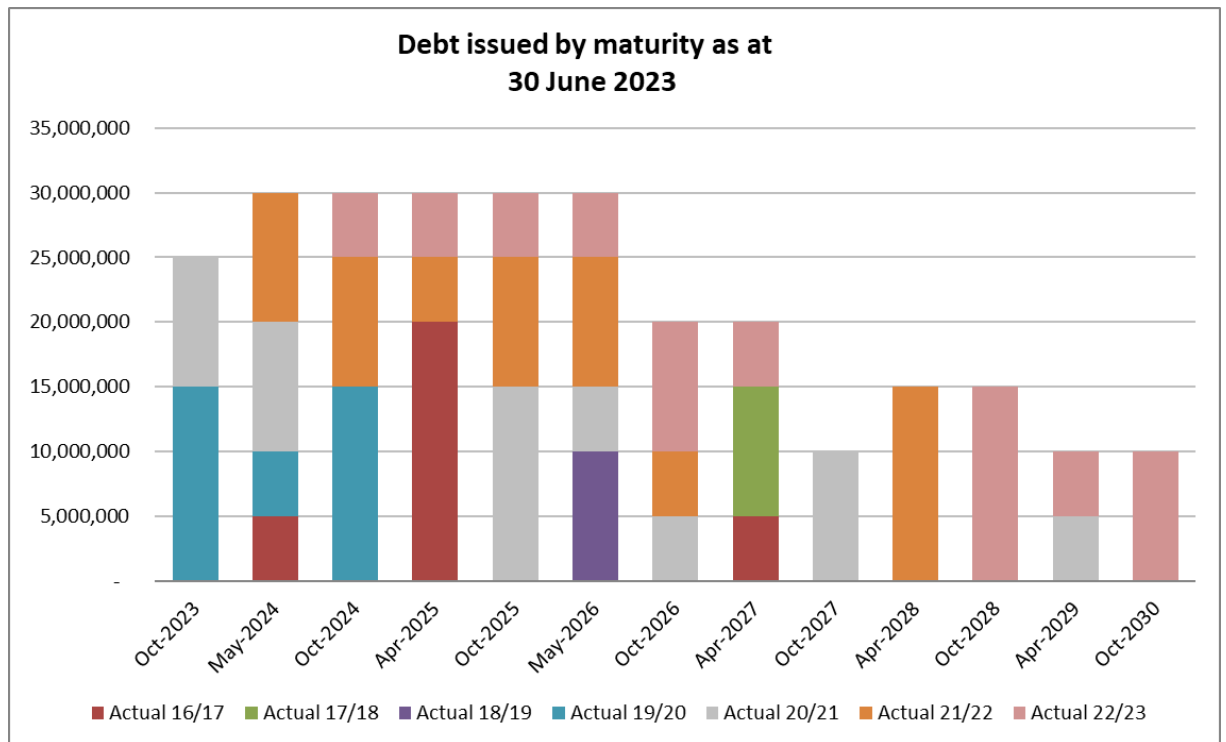


- 13 ¹ The Council targeted through its LTP 2021-41 financial strategy to keep net borrowings below 280% of total operating income with a preferred limit of 250%. As at 30 June 2023, the Council's net borrowings are 193% of total operating income.

Liquidity/Funding control limits

- 14 Liquidity and funding management focuses on reducing the concentration of risk at any point so that the overall borrowings cost is not increased unnecessarily and/or the desired maturity profile is not compromised due to market conditions. This risk is managed by spreading and smoothing debt maturities and establishing maturity compliance buckets.
- 15 Since October 2015 the Council's treasury strategy has included a debt pre-funding programme. The Policy allows pre-funding of the Council debt maturities and Capex programme up to 18 months in advance, including re-financing.

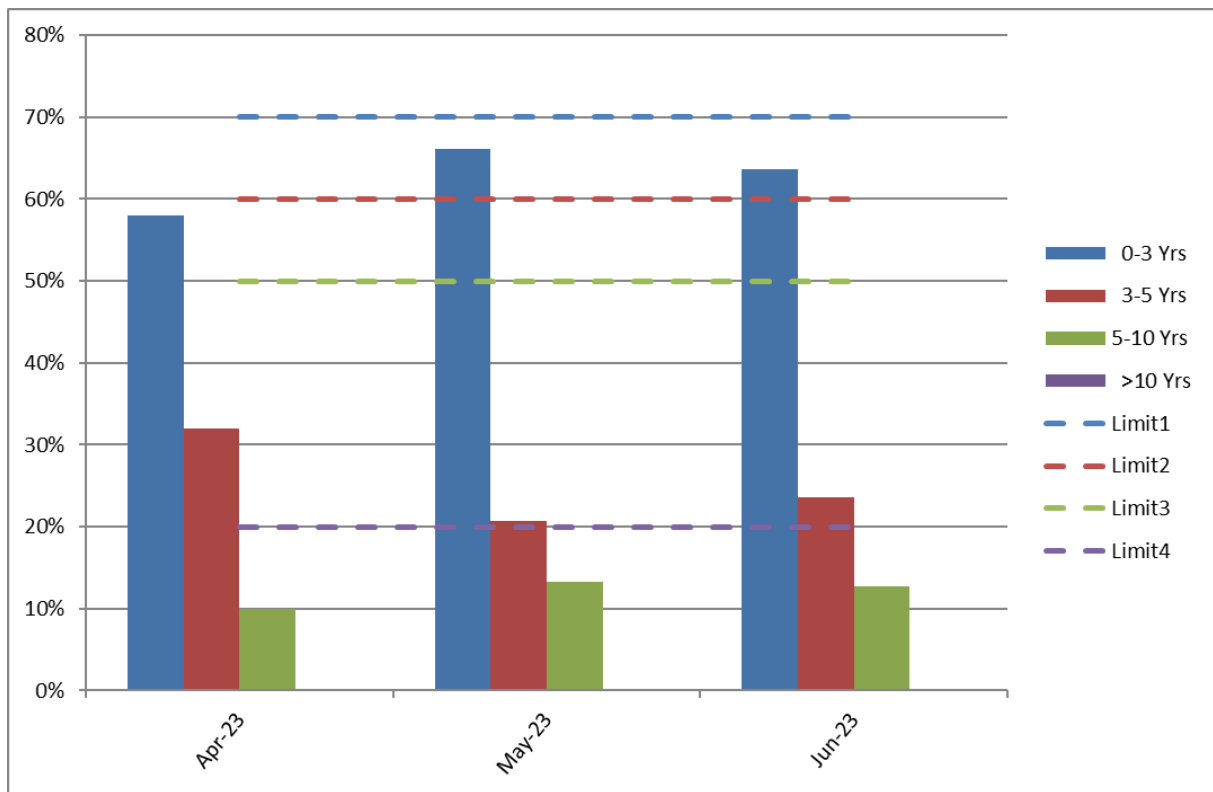
- 16 The following chart presents the Council’s debt maturity dates in relation to the financial year in which the debt was issued. This demonstrates that since 2016/17, the Council has actively reduced risk concentration by spreading debt maturity dates and debt maturity values.



- 17 ² Debt maturities must fall within maturity compliance buckets. These maturity buckets are as follows:

Maturity Period	Minimum	Maximum
0 to 3 years	10%	70%
3 to 5 years	10%	60%
5 to 10 years	10%	50%
10 years plus	0%	20%

18 For the three months ended 30 June 2023, the Council has been fully compliant with its debt maturity limits, as shown by the chart below. The upper limits, as shown by dashed lines, relate to the bars of the same colour. For example, the 0 to 3 year upper limit of 70% is in blue. Actual maturities in the 0-3-year bucket are represented by the blue bars. The Council has no long-term debt maturing in ten years' time or beyond.



Interest rate risk control limits

19 The Council seeks endorsement from Bancorp, its independent treasury advisor for all debt issuances. Typically, Council issues debt on a floating rate basis and applies its fixed interest rate swaps (hedges) to minimise its exposure at any one time to interest rate fluctuations. This ensures more certainty of interest rate costs when setting our Annual Plan and Long-Term Plan budgets.

20 Without such hedging, the Council would have difficulty absorbing adverse interest rate movements. A 1% increase in interest rates on \$275 million of external debt would equate to additional interest expense of \$2.75 million per annum. Conversely, fixing interest rates does however reduce the Council’s ability to benefit from falling and/or more favourable interest rate movements.

21 The objectives of any treasury strategy are therefore to smooth out the effects of interest rate movements, while being aware of the direction of the market, and to be able to respond accordingly.

22 The Policy sets out the following interest rate limits:

Major control limit where the total notional amount of all interest rate risk management instruments (i.e. interest rate swaps) must not exceed the Council’s total actual debt, and;

Fixed/Floating Risk Control limit, that specifies that at least 55% of the Council’s borrowings must be fixed, up to a maximum of 100%.

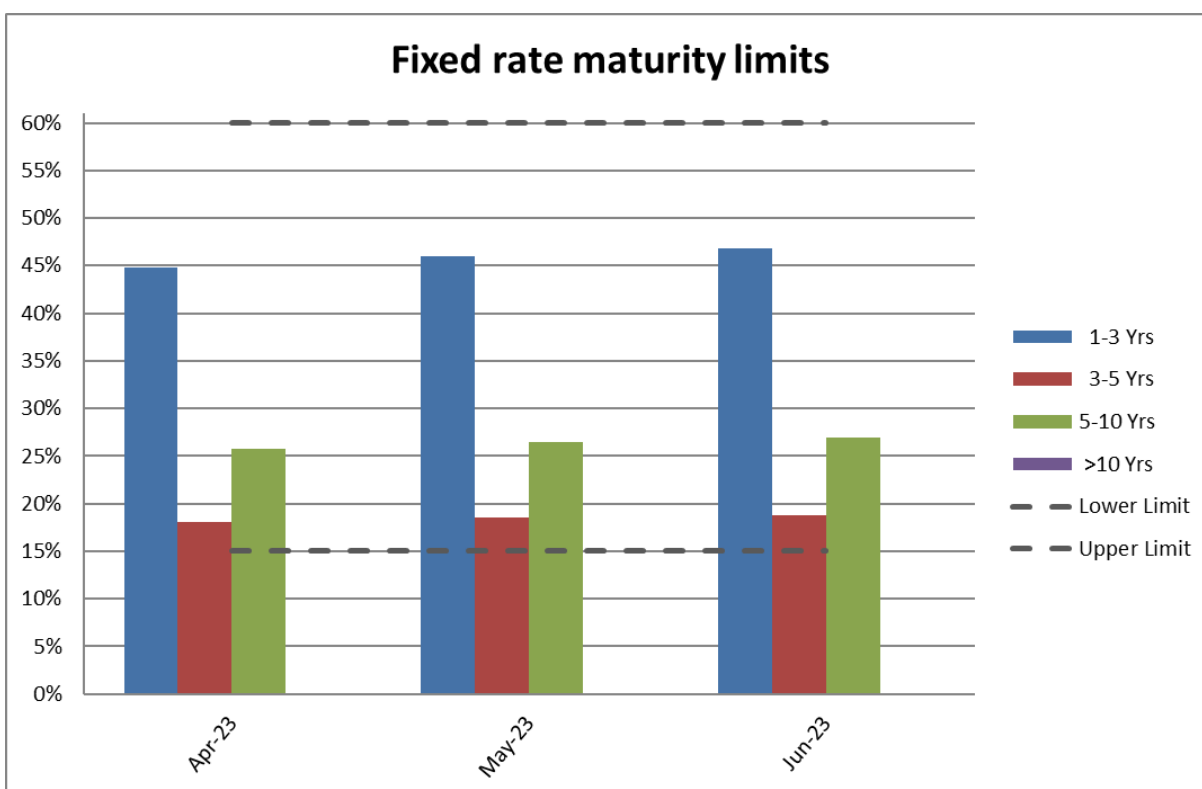
23 The Council has been fully compliant for the three months ended 30 June 2023, as shown by the table below.

\$000's	Apr-23	May-23	Jun-23
External debt (floating)	250,000	265,000	275,000
Swaps (fixed portion)	194,000	189,000	186,000
Fixed %	77.6%	71.3%	67.6%
Unfixed debt	56,000	76,000	89,000

24 Like debt maturities, hedging instrument maturities must also fall within maturity compliance buckets. These maturity compliance buckets are as follows:

Period	Minimum	Maximum
1 to 3 years	15%	60%
3 to 5 years	15%	60%
5 to 10 years	15%	60%
10 years plus	0%	20%

25 The Council has been fully compliant for the three months ended 30 June 2023, as shown by the following chart. Note that maturities falling within 1 year are not included. The Council has no hedging instrument maturities in ten years' time or beyond.



Counterparty Credit Risk

26 The policy sets maximum limits on transactions with counterparties. The purpose of this is to ensure the Council does not over-concentrate its investments or risk management instruments with a single party.

27 The policy sets the gross counterparty limits as follows:

Counterparty/Issuer	Minimum Standard and Poor's long term	Investments maximum per counterparty	Risk management instruments maximum per counterparty	Borrowing maximum per counterparty
NZ Government	N/A	Unlimited	None	Unlimited
LGFA	AA-/A-1	\$20m	None	Unlimited
NZ Registered Bank	A+/A-1	60% of total investments or \$25m; whichever is greater	50% of total instruments or \$80m; whichever is greater	\$50m

28 The Council was in full compliance with all counterparty credit limits for the three months ended 30 June 2023. The tables below show the Council's investments and risk management instruments holdings per counterparty for this period.

Term deposit & Cash investments

Counter party	Apr-2023		May-2023		Jun-2023		Comply
	\$000	%	\$000	%	\$000	%	
NZ Registerd Bank 1	20,000	49.79%	25,000	46.24%	30,000	43.43%	✓
NZ Registerd Bank 2	-	0.00%	-	0.00%	-	0.00%	✓
NZ Registerd Bank 3	19,000	47.30%	23,000	42.54%	35,000	50.66%	✓
NZ Registerd Bank 4	1,170	2.91%	6,070	11.23%	4,084	5.91%	✓
	40,170	100.00%	54,070	100.00%	69,084	100.00%	

*Policy Limit: 60% of total investments or \$25 million; whichever is greater

Interest rate swaps

Counter party	Apr-2023		May-2023		Jun-2023		Comply
	\$000	%	\$000	%	\$000	%	
NZ Registerd Bank 1	40,000	20.62%	40,000	21.16%	40,000	21.51%	✓
NZ Registerd Bank 2	93,000	47.94%	88,000	46.56%	85,000	45.70%	✓
NZ Registerd Bank 3	61,000	31.44%	61,000	32.28%	61,000	32.80%	✓
	194,000	100%	189,000	100%	186,000	100%	

*Policy Limit: 50% of total instruments or \$80 million; whichever is greater

Specific Borrowing Limits

29 In managing debt, the Council is required to adhere to the specific borrowing limits.

30 The Council fully complied with these limits for the three months ended 30 June 2023 and the results are shown below:

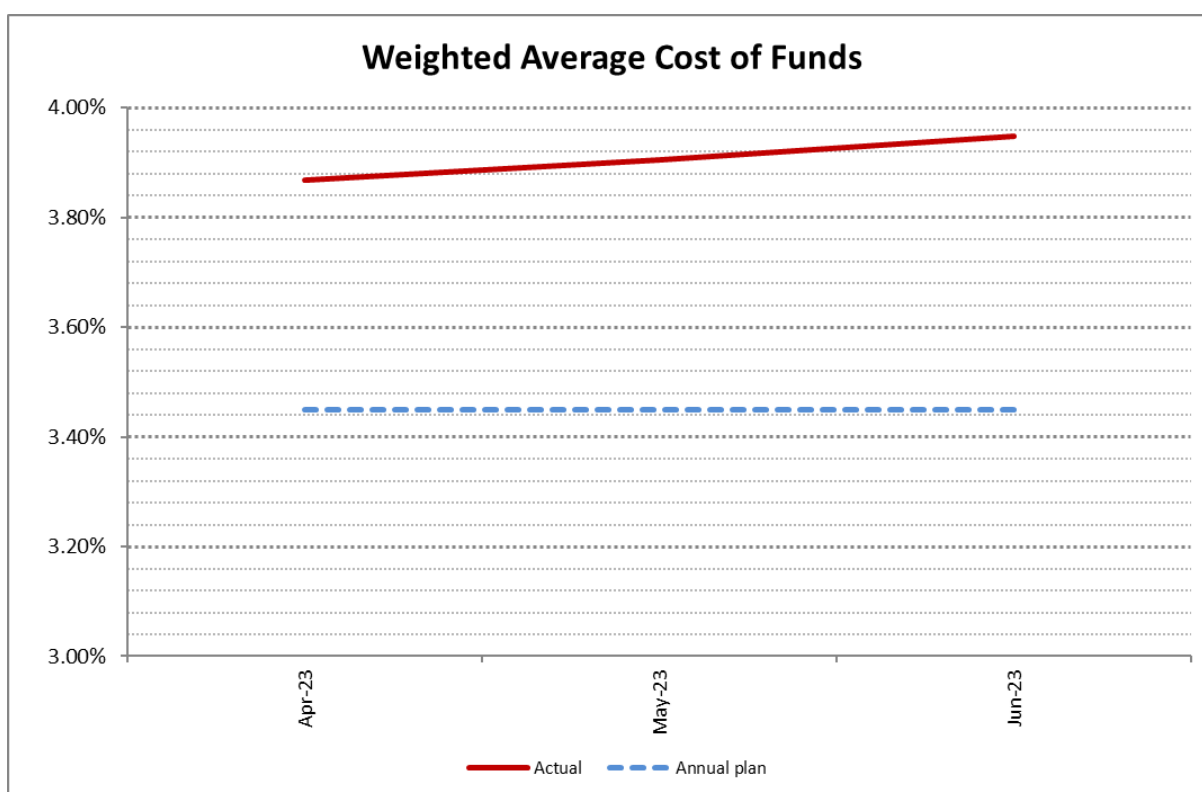
Borrowing limit	Policy limit	2022/23	Comply
Net interest expense/Total Operating Income	< 20%	7.3%	✓
Liquidity ((total debt +total committed facilities +cash on hand)/total debt))	> 110%	128.8%	✓
Net External Debt/Total Operating Income	< 280%	192.5%	✓

Risk Management Performance

- 31 The following table shows the Council's interest income and expense for the twelve months ended 30 June 2023 together with the weighted average cost of borrowing (WACB), compared to year-to-date budget and full year forecast.

	June YTD Actual \$000	YTD Budget \$000	Variance (Fav/UnFav) \$000	Full year Forecast \$000
Interest Expense	10,137	8,983	(1,154)	10,192
less: Interest Income	(2,570)	(1,500)	1,070	(2,473)
Net Interest Cost	7,567	7,483	(84)	7,719
Weighted Average Cost of Borrowings	3.95%	3.45%	-0.50%	3.95%

- 32 The following graph shows the year-to-date average cost of borrowings, for each month of the quarter.



He take | Issues

- 33 This report has a low level of significance under the Council's Significance and Engagement Policy).

Ngā kōwhiringa | Options

- 34 There are no options to be considered.

Tangata whenua

- 35 There are no tāngata whenua considerations arising directly from this report.

Panonitanga āhuarangi | Climate change

36 There are no climate change considerations within this report.

Ahumoni me ngā rawa | Financial and resourcing

37 There are no financial and resourcing considerations in addition to those already noted in this report.

Ture me ngā Tūraru | Legal and risk

38 There are no legal and risk considerations arising from this report.

Ngā pānga ki ngā kaupapa here | Policy impact

39 There are no policy considerations in addition to those already noted in this report.

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT**Te mahere tūhono | Engagement planning**

40 An engagement plan is not required for this report.

Whakatairanga | Publicity

41 There are no publicity considerations arising from this report.

NGĀ ĀPITI HANGA | ATTACHMENTS

Nil

8.5 2023 COUNCIL INSURANCE UPDATE

Kaituhi | Author: **Jing Zhou, Chief Financial Officer**

Kaiwhakamana | Authoriser: **Mark de Haast, Group Manager Corporate Services**

TE PŪTAKE | PURPOSE

- 1 This report provides the Risk and Assurance Committee (Committee) with a summary of the Council's 2023 insurance renewals as well as a progress update on alternate risk transfer options currently being investigated.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 Not required for this report.

TE TUKU HAEPAPA | DELEGATION

- 3 The Risk and Assurance Committee (Committee) has the delegation to consider this matter under the section of Part C.3 of the Governance Structure and Delegations 2022-2025 Triennium which states: "*This committee is responsible for monitoring the Council's financial management, financial reporting mechanisms and framework, and risk and assurance function, ensuring the existence of sound internal systems.*"

TAUNAKITANGA | RECOMMENDATIONS

- A. That the Risk and Assurance Committee notes the Council's 2023 insurance renewals and the progress update regarding alternative risk financing options.

TŪĀPAPA | BACKGROUND

- 4 The Council, together with Porirua City, Hutt City and Upper Hutt City councils (collectively known as the Outer Wellington Shared Services Insurance Group (OWSS) has been purchasing insurance for their respective assets on a combined basis since 2009. This syndicate was established to provide the OWSS with the scale necessary to access wider domestic and off-shore insurers. In July 2016 Greater Wellington Regional Council joined the OWSS to insure their above ground assets only. This wider collective for above ground assets is known as the Wellington Combined Insurance Group (WCIG).
- 5 Over recent years, insurance markets have continued to tighten. New Zealand, and in particular Wellington, is seen as increasingly challenging for underwriters due to the seismic and flooding risk. Through the increasing severity and frequency of global natural disasters and extreme weather events across New Zealand, insurance capital is increasingly demanding higher returns. The most simple lever insurers have to meet these costs is through increases in premium levels, which has been the recent trend.
- 6 Through Aon, the Council's property and underground infrastructure insurance, which accounts for the majority of Council's total insurance cover, renewed on 1 May 2023. Aon provides Council with independent expert insurance advisory and brokerage services.

7 Significant asset insurances, as renewed for the year commencing 1 May 2023, are summarised in the following table:

Asset	Type of insurance	Value of assets insured	Limit of cover	Deductible
Infrastructure assets	Material damage and business interruption in the event of natural catastrophe	~\$884 million	\$600 million OWSS combined material damage and business interruption limit for an event involving more than one council for any loss or series of losses arising out of any one event. Limited to a \$130 million sub-limit for the Council.	The deductible is \$1 million per event.
Property, plant and equipment	Material damage and business interruption (MDBI)	~\$275 million	\$600 million WCIG combined limit for any one loss or series of losses arising out of any one event and applying to material damage and business interruption combined.	The natural disaster deductible is 5% of sum insured, with a minimum deductible of \$100,000. For other events the deductible is \$50,000 (except for landslip or subsidence which is \$250,000).
Residential property	Included within MDBI policy above Earthquake Commission (EQC)	~\$30 million (Included in \$275 million MDBI)	EQC: First \$150,000 for each loss event per property to be recovered from the EQC. All other losses: as per MDBI policy above	The EQC deductible is 1% of sum insured with a minimum deductible of \$200, if claim is for land deductible is 10% of sum insured with minimum deductible of \$500. All other deductibles: as per the MDBI policy above

8 Current government policy allows for central government to reimburse local government up to 60% of the cost of restoring infrastructure (known as the 60:40 cost sharing arrangement). This policy has been in place for over 25 years. Insurance cover has been based on the assumption that government will provide a full contribution of up to 60%, and therefore, insurance has been placed which covers approximately 40% of loss estimates. It is our understanding that Treasury is now actively seeking to remove this provision from central government as it further develops details pertaining the Affordable Waters Reform.

RISK AND ASSURANCE COMMITTEE MEETING AGENDA

- 9 The Council's infrastructure assets has a total replacement value of \$884 million. Council's maximum insurance cover is \$130 million for natural catastrophe damage to infrastructure assets, within a combined \$600 million loss limit for OWSS. The \$130 million loss limit is based on assessed Maximum Probable Loss (MPL) event in Kapiti. Of this \$130 million limit, 40% is insured with offshore insurers with central government responsible for the remaining 60% of the costs. There is a \$1 million deductible per claim per event.
- 10 The Council has a total sum insured value of \$275 million, including residential property, for material damage and business interruption (MDBI) insurance to above ground assets, with a deductible of \$50,000 per claim per event. Losses suffered to above ground assets by natural catastrophe/s trigger a deductible of 5% of the site sum insured with a minimum \$100,000 deductible per claim per event. The total limit of cover available to the WCIG is \$600 million. The overall limit will be shared among the five councils following an event.
- 11 Residential assets have a sum insured of \$30 million and are included in the MDBI policy. EQC covers up to \$150,000 per dwelling, with the balance of any loss covered with the MDBI policy with a deductible of \$50,000 per event. Council has achieved premium savings by including residential properties within its MDBI insurance.
- 12 In addition to the above key policies, the Council also carries motor vehicle, general liability, professional indemnity, statutory and employer's liability, crime, cyber risk, personal accident and business travel insurances which renewed on 1 November 2022.

HE KÖRERORERO | DISCUSSION

PREMIUM AND BUDGET IMPACTS OF RENEWAL

- 13 Renewal premiums are summarised in the following table:

	2023 premium \$000s	2022 premium \$000s	Change \$000s	Change %
Infrastructure	895	745	150	20.1%
Material Damage	1,409	1,189	220	18.5%
FENZ (Material Damage	76	79	(3)	(3.7%)
EQC (Material Damage)	43	39	4	10.3%
Other policies	314	270	44	16.3%
Total	2,737	2,322	415	17.9%

- 14 Sum insured values are summarised in the following table:

	2023 Sum Insured Value \$000s	2022 Sum Insured Value \$000s	Change \$000s	Change %
Infrastructure	883,444	691,335	192,109	27.7
Material Damage	275,209	226,704	48,505	21.4
Total	1,158,653	918,039	240,614	26.2

- 15 As shown, the total annual cost of the November 2022 and May 2023 renewals was \$2.74 million, an increase of \$415,000 or 17.9% over the previous year's insurances. Importantly, Council's sum insured values over the last 12 months have increased by \$240.6 million or 26.2%. This is due in part, from new asset additions but mainly due to significantly higher

RISK AND ASSURANCE COMMITTEE MEETING AGENDA

replacement costs from inflation and supply and resource constraints. Against this context, Council has done very well to secure 100% of its insurance required and the premium increase is well below the increase in sum insured values.

16 The total insurance budget for 2023/24 is \$2.58 million. The budget shortfall of \$160,000 will need to be funded from existing budgets through additional operating revenues than planned (if any), and/or planned expenditure prioritisation.

17 Over the past three years, the insurance market has continued to tighten and ratepayers have endured significant premium increases year-on-year. New Zealand continues to be perceived as high risk for underwriters with some underwriters no longer providing insurance to New Zealand at all. Aon has had to seek new insurance markets to achieve successful insurance renewals for our sum insured values.

As endorsed by the former Audit and Risk subcommittee of the previous triennium, Officers are continuing to work with Aon to further explore whether there are tangible benefits to ratepayers from establishing a captive, a protected cell and/or a managed self-insurance fund of significantly larger scale. These are referred to as risk financing options.

18 A captive is an insurance company owned by a non-insurance company parent (e.g. the Council), which primarily insures the risks of its parent and/or affiliated companies. Captives are usually formed in a specialised regulatory environment - a domicile. At a very basic level a captive is a form of risk retention mechanism (like a deductible) that is used to aggregate premium and loss information for its parent. A captive can retain a portion of the risk and seek co-insurance or reinsurance cover for the full risk amount. A captive can make risk financing more cost effective and ultimately reduce the total cost of risk. A captive will control the budget that is allocated to risk management and will pay for the company's losses.

19 A Protected Cell, or Cellular Captive can provide similar risk retention capabilities, with the flexibility of faster entry and exit and reduced governance requirements. A protected cell entity is less onerous to establish and administer than a captive and is likely to be the more suitable form for our Council, should we wish to proceed in this direction.

20 Increasingly more Councils in New Zealand are exploring managed self-insurance funds, to help reduce year-on-year insurance premium increases and to help fund the costs of uninsured losses from more frequent and significantly larger loss events.

21 Council already has a small self-insurance fund mechanism in place to offset the costs of any uninsured loss events. Each year, Council rates funds \$150,000 for uninsured operating costs (repairs and maintenance) and the capital works programme includes \$250,000 per annum for uninsured losses to assets (asset replacements). Unused capex budget is carried over to subsequent years and unused opex funding accumulates in a self-insurance reserve. Typically, the reserve is depleted within one to two years due to more frequent loss events.

22 Irrespective of the risk financing option chosen, advantages of establishing any of these include:

- a) achieving a degree of formality and separation from the Council, allowing for arm's length management of insurances; and
- b) adopting a level of risk retention separate from the Council; and
- c) assuming no significant losses, the benefit of retaining some risk (and therefore some of the premium budget) will accumulate in the risk financing option, rather than being paid away to insurers; and
- d) fund capital, while being retained to meet potential future losses, could be invested and earn a return, subject to appropriate investment risk and liquidity controls; and
- e) the ability to provide insurance cover for uninsurable or hard to insure assets; and
- f) Council's attractiveness to underwriters is substantially increased as these risk financing options all provide them with a further layer of protection before they are required to pay any insurable claim(s).

RISK AND ASSURANCE COMMITTEE MEETING AGENDA

- 23 Work to date on captives and protected cells has identified tangible benefits to ratepayers however, those benefits are also derived from the costs of the Council's infrastructure insurance. The Affordable Waters Reform will involve transfer of Council's three waters infrastructure assets to Entity G and the insurance of such assets will remain with Entity G. These initial benefits need to be re-examined in this context.

Council's insurances renew on 1 November and 1 May each year. The largest insurances, MDBI and Infrastructure, renew on 1 May each year to accommodate budget planning for Council's Long-Term Plans and/or Annual Plans. Officers and Aon have recently met to discuss and agree the next steps regards presenting risk financing options to the Committee and Council for further consideration. To crystallise any benefits early, a risk financing option must ideally be in place before the 1 May 2024 renewal. The agreed work effort to February 2024 is summarised below.

- 24 Risk Modelling: Council must update its likely risk exposure. Critical to each risk financing option, is an accurate determination of the Council's current actual MPL for infrastructure assets, including post transfer of three waters infrastructure assets to Entity G by 1 July 2026, and MDBI. This includes modelling the Council's asset portfolio using the latest update to the National Seismic Hazard Model. This is particularly relevant to Council because the shaking hazard increase in the Kapiti district is likely to correlate through to an increase in secondary perils (liquefaction/lateral spread, landslip and differential settlement) and higher MPL expectancies. Aon expects to complete this by January 2024.
- 25 Risk Financing Options: These will incorporate the updated risk modelling impact (likely higher loss limits) on the OWSS and WCIG syndicates as well as for Council as a standalone entity. Options of a captive, protected cell and externally managed self-insurance fund will be provided by Aon. The required insurance capacity, insurance rate impacts and indicative premium impacts (from a commercial perspective) will also be included for each option, as part of the OWSS and WCIG syndicates and as a standalone entity.

He take | Issues

- 26 This matter has a low level of significance under the Council's Significance and Engagement Policy.

Ngā kōwhiringa | Options

- 27 There are no options in addition to those already noted in this report.

Tangata whenua

- 28 There are no tāngata whenua considerations required with this report.

Panonitanga āhuarangi | Climate change

- 29 There are no climate change considerations required with this report.

Ahumoni me ngā rawa | Financial and resourcing

- 30 There are no financial and resourcing considerations in addition to those already discussed in this report.

Ture me ngā Tūraru | Legal and risk

- 31 There are no legal issues arising from this report. There are no risk considerations in addition to those already discussed in this report.

Ngā pānga ki ngā kaupapa here | Policy impact

- 32 This report has no impact on the Council policies.

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT

Te mahere tūhono | Engagement planning

33 There are no engagement plans required for this report.

Whakatairanga | Publicity

34 No publicity is planned in relation to this report.

NGĀ ĀPITI HANGA | ATTACHMENTS

Nil

8.6 CHIEF EXECUTIVE REPORT

Kaituhi | Author: **Darren Edwards, Chief Executive**

Kaiwhakamana | Authoriser: **Darren Edwards, Chief Executive**

TE PŪTAKE | PURPOSE

- 1 The purpose of this report is to inform the Risk and Assurance Committee of the key risks faced by Kapiti Coast District Council that the Chief Executive would like to highlight.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 This report does not require an Executive Summary.

TE TUKU HAEPAPA | DELEGATION

- 3 The Risk and Assurance Committee has delegated authority to consider this report under section C.3 of the Governance Structure and Delegations.

TAUNAKITANGA | RECOMMENDATIONS

- A. That the Risk and Assurance Committee receives and notes this report.

TŪĀPAPA | BACKGROUND

- 4 As Chief Executive of this Council there are a myriad of issues and matters that come to my attention every day and it would not be sustainable for me to report all to this Committee. Nor is it appropriate for me to report my operational responsibilities in detail, that sits with me while you manage your governance duties. Having said that, this Committee does support my successful oversight of the various functions of this organisation. In return, this report provides you with a high-level summary of risks that concern me as the head of the organisation.
- 5 Key areas of interest to be highlighted at this meeting are health and safety, preparing for the future, inflation and increased costs, and business continuity for core services.
- 6 A more detailed review of Council's key risk topics is included in the Top 10 Organisational Risk Report and Health and Safety Quarterly Report to this Committee meeting.

HE KŌRERORERO | DISCUSSION

Health and Safety

- 7 Maintaining a safe working environment for workers is our top priority. We are actively responding to support our frontline staff who continue to experience aggressive and intimidating customer behaviour. A small internal working group is working collaboratively to look at how we engage, empower, and enable our leaders to lead in and across the organisation; to problem solve and inform our direction and change; and to work on organisational wide issues. One example of an initiative to support the wellbeing of our people is to learn from our local Police on how to communicate effectively with members of the public who have mental health issues, or who have caused issues in public areas previously, to staff who carry out community and stakeholder engagement activity. In time this will become part of our corporate training offering.
- 8 Staff shortages remain in some areas of Council because of staff vacancies and winter sickness, including some with Covid-19 who need to isolate. This continues to create stress and fatigue for a number of staff in the business at this time. While it is important that we maintain momentum and deliver for our community that does not come at the cost of staff health, safety, or wellbeing. If staff are sick or need to focus on their own wellbeing, need to take annual leave, or take time out to care for dependents they are reminded to not stress

about the need to get work done. We let them know that if their work cannot be put on hold, slowed down or re-prioritised then we can always find a workaround. At this time of year, we regularly remind staff that to achieve winter wellness everyone needs to all play their part to keep each other safe and keeping germs at home is the best way to do this. To support this flu vaccine vouchers were made available for all staff who wanted a flu vaccine.

- 9 More detail can be found on this agenda in the Top 10 Organisational Risk Report and the Health and Safety Quarterly Report which highlights the efforts and focus the business continues to make in support of driving an improved safety culture and performance.

Preparing for the Future

- 10 As an organisation we are facing some significant challenges - from 42 central government reform programmes (including Affordable Waters, previously known as 3 Waters, resource management reform, and the future for local government), climate change, growth, rising costs and delivery on our Long-term Plan. To prepare ourselves for the future the Senior Leadership Team (SLT) recognise that change may be needed to help the organisation to respond to these challenges.
- 11 SLT have invited all staff to be involved in this process and share their thoughts on whether we need to make some organisational changes to help us meet these challenges and why, and what outcomes people would like to see as a result of any potential changes.
- 12 This is an operational programme of work that will inform me as Chief Executive that the organisation is well placed to continue to deliver significant benefits to the wellbeing of our community post government reforms. I have shared with all staff that SLT want to:
- 12.1 enable a great transition for our Three Waters function moving to Entity G, with our people as a key focus,
 - 12.2 optimise how organisational functions are organised to best service our community,
 - 12.3 continue efforts to develop a more mutually mana enhancing partnership with mana whenua and Kāpiti Māori,
 - 12.4 be in the best position to respond to new pressures that are growing in demand. For example, new mandates and geo-political, technological and environmental/climate issues, and
 - 12.5 maintain high standards of business as usual delivery whilst managing escalating delivery costs, supply chain issues and skilled labour shortages.
- 13 However, the above points represent just one view. At the outset of focusing on these considerations the most important thing to do is to hear from staff first on how they think we can optimise the opportunity that these huge delivery, legislative and central government reform challenges offer. All staff have been told that this is the start point of a conversation and not something that is being done to them and there are no specific changes being proposed. To that end all staff have received the following points as conversation starters and invited to provide their feedback on:
- 13.1 whether we can manage these challenges the way we are now, or whether we should make some changes,
 - 13.2 the outcomes they would like to see from any changes, and
 - 13.3 anything else that SLT has not considered.
- 14 The changes and significant challenges the organisation is facing are happening. The organisation must have a conversation about the need to play what is in front of us and what we can see and influence. To do nothing would be both negligent and risky.

Inflation and Increasing Costs

- 15 Increasing costs to serve the community continues to be a problem. The continued global impacts from the war in Ukraine and the COVID-19 hangover has driven increases in inflation as the demand for products, materials and labour is outstripping supply. Higher interest rates are also a significant contributor to increasing costs. Managing these cost increases to minimise the impact on our District is challenging. An example of these cost pressures was seen in the development of the 2023-24 Annual Plan adopted on 29 June 2023 as staff worked with elected members to deliver a meaningful and impactful Annual Plan that addresses the balance of priorities of living within our means whilst delivering on our commitments as best as possible.

Business Continuity for Core Services

- 16 While there has been no movement in residual risk ratings for the Top Ten Organisational Risks separately reported to this meeting, the impact of the North Island's severe weather events through January and February has had and will continue to have implications for risk assessment across the board including:
- 16.1 deployment of staff to support the Civil Defence Emergency Management response and ongoing recovery efforts,
 - 16.2 additional financial pressure on an economy already feeling significant pain,
 - 16.3 highlighting conversations about planning where and how we grow,
 - 16.4 unavailability of external resources impacting on progress and cost of some projects,
 - 16.5 our readiness to respond had we been more directly impacted,
 - 16.6 increased pressure on staff and resources in response to incidents,
- 17 These implications are consistent with what we are seeing in the global risk landscape which indicates the cost of living dominating global risks over the next two years and climate action failure dominating the next decade.
- 18 Staff will be working with Elected Members to develop a draft long term plan that acknowledges and adapts to these challenges as best as possible.
- Equally important and already underway is a refreshed focus on confirming business continuity of core services across the organisation. By way of an example Cyclone Gabrielle has had a devastating impact on many parts of Aotearoa and Council's thoughts are with all those suffering significant hardship as a result. The need to rebuild many communities is a New Zealand wide priority. We were lucky enough to not be impacted. However, a by-product of this event that we have already experienced is an even more restriction in access to key materials and suppliers to support the completion of our capital programme. Council staff are monitoring the situation carefully and will make procurement decisions for example bulk buying as the situation develops and relevant information comes to hand.

He take | Issues

- 19 There are no issues to be raised in this report. Other topics including risks, may be included in the verbal update should they become a matter of concern to me as the Chief Executive following submission of this report.

Ngā kōwhiringa | Options

- 20 There are no options to be raised in this report.

Tangata whenua

- 21 This report does not directly affect tangata whenua, however I note that considerations are included as appropriate in other reports on this agenda.

Panonitanga āhuarangi | Climate change

- 22 This report does not directly relate to climate change; however I note that considerations are included as appropriate in other reports on this agenda.

Ahumoni me ngā rawa | Financial and resourcing

- 23 There are no additional financial and resourcing considerations arising from this report.

Ture me ngā Tūraru | Legal and risk

- 24 There are no specific legal or risk considerations associated with the recommendation of this report.

Ngā pānga ki ngā kaupapa here | Policy impact

- 25 There are no policy implications arising from this report.

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT**Te mahere tūhono | Engagement planning**

- 26 This matter has a low level of significance under the Council's Significance and Engagement Policy.

Whakatairanga | Publicity

- 27 There are no publicity considerations.

NGĀ ĀPITI HANGA | ATTACHMENTS

Nil

8.7 TOP 10 ORGANISATIONAL RISK REPORT

Kaituhi | Author: **Sharon Foss, Business Improvement Manager**

Kaiwhakamana | Authoriser: **Mark de Haast, Group Manager Corporate Services**

TE PŪTAKE | PURPOSE

- 1 This report updates the Risk and Assurance Committee on the Top 10 Organisational Risks currently facing the organisation.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 This report does not require an Executive Summary.

TE TUKU HAEPAPA | DELEGATION

- 3 The Risk and Assurance Committee has delegated authority to consider this report under section C.3 of the Governance Structure and Delegations.
 - *Ensuring that Council has in place a current and comprehensive risk management framework and making recommendations to the Council on risk mitigation.*

TAUNAKITANGA | RECOMMENDATIONS

- A. That the Risk and Assurance Committee receives and notes this report, including Appendix 1 to this report.

TŪĀPAPA | BACKGROUND

- 4 “Risk” for the management of the council organisation is defined as:
 - 4.1 the impact of unforeseen events on the planned objectives that the Senior Leadership Team (SLT) intend to deliver and/or achieve (short, medium and long term), and
 - 4.2 risks including strategic, reputational, regulatory, legal, security, change and some operational risks deemed important enough to become organisational risks. Although they have not happened, they have the potential to affect the ability of the SLT to achieve its objectives.
- 5 The SLT identified and set the Top Ten Organisational Risks discussed in this report. These risks set a clear direction for staff as to what SLT believe are the highest areas of risk for the organisation being able to successfully achieve its objectives and show the plans to mitigate them through our work programmes.
- 6 The current top ten risks listed in the following table are managed in a risk register in our Enterprise Risk Management software: Camms Risk. It is important to note that these risk listings are:
 - 6.1 not ranked in order of severity,
 - 6.2 capped at 10, to provide a clear focus for SLT and this Committee,
 - 6.3 not ‘set in stone,’ emerging risks can be brought forward by SLT to replace an existing organisational risk when required and/or relevant.
- 7 Engagement on the organisational risk profile is through quarterly conversations with SLT. These conversations ensure each risk is regularly reviewed providing assurance that the treatments and progress updates are being conducted to further mitigate the risk.
- 8 The Top 10 Organisational Risks will contribute to the development of the 2024 Long Term Plan, particularly to help inform the significant forecasting assumptions that form the foundation of the Long Term Plan. Both SLT and Elected Members will be able to reference them during

their considerations and they may also help develop proposed new work programmes for the Long Term Plan which assist in mitigating some of the Organisational Risks in the future.

Risk No.	Risk Title
ORG 1	Loss of life, serious injury or illness due to insufficient Health, Safety and Wellbeing management
ORG 2	Failure to adequately maintain social licence
ORG 3	Failure to give effect to Te Tiriti and our obligations to Iwi, Hapu and Māori
ORG 4	Inadequate mitigation and adaptation responses to known and future climate change challenges.
ORG 5	Failure to achieve legislative obligations
ORG 6	Inadequate management of the impacts of central government reform/change
ORG 7	Inadequate safeguards against cyber security threats
ORG 8	Failure to prudently manage Council's financial stability including fraudulent activity
ORG 9	Failure to maintain business continuity for our core services
ORG 10	Inability to attract and retain sufficient capacity to deliver Council's objectives

HE KŌRERORERO | DISCUSSION

Organisational Risks

- 9 This report updates the Risk and Assurance Committee of the current Top 10 Organisational Risks for the organisation. The 'Top 10 Organisational Risk Heatmap Report' attached as Appendix 1 to this report, details how the organisation is treating and mitigating these risks, with progress updates against each of the individual risk treatments highlighted in yellow to make for easier reference. There are no changes to any of the residual risk ratings.

Global Risk Horizon Scan

- 10 The similarities between the Top 10 Organisational Risks and the global risks predicted for the next two and ten years by the World Economic Forum remain the same. Those global risks reported to this Committee on 16 May 2023 and outlined in [The Global Risks Report 2023](#) and remain the latest report by a major global organisation.

Assurance Linkages

- 11 Two of the Top 10 Risks (*ORG 8 - Failure to prudently manage Council's financial stability including fraudulent activity and ORG 9 Failure to maintain business continuity for our core services*) have treatments planned that will help to assist the Internal Audit function in completing their audits. The latest Internal Audit – Progress Update Internal Audit Work is on this agenda.

He take | Issues

- 12 There are no issues to be raised in this report.

Ngā kōwhiringa | Options

- 13 There are no options to be raised in this report.

Tangata whenua

- 14 The Top 10 Organisational Risk Heatmap Report attached as Appendix 1 to this report includes *ORG 3 - Failure to give effect to Te Tiriti and our obligations to Iwi, Hapu and Māori.*
- 15 This risk update was undertaken by the Group Manager People and Partnerships. With the arrival of the Group Manger, Iwi Partnerships the role of risk sponsor has been transferred to that role and that change is reflected in the report.

Panonitanga āhuarangi | Climate change

- 16 The Top 10 Organisational Risk Heatmap Report attached as Appendix 1 to this report includes *ORG 4 – Inadequate mitigation and adaptation responses to known and future climate change challenges.*

Ahumoni me ngā rawa | Financial and resourcing

- 17 There are no further financial and resourcing considerations arising from this report.

Ture me ngā Tūraru | Legal and risk

- 18 There are no further legal considerations arising from this report.
- 19 This report provides an update on the current Top 10 Organisational Risks.

Ngā pānga ki ngā kaupapa here | Policy impact

- 20 There are no further policy implications arising from this report.

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT**Te mahere tūhono | Engagement planning**

- 21 This matter has a low level of significance under the Council's Significance and Engagement Policy.

Whakatairanga | Publicity

- 22 There are no publicity considerations.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. Appendix 1 - Top 10 Organisational Risk Heatmap Report [↓](#)
2. Appendix 2 - Definitions [↓](#)

8.8 INTERNAL AUDIT - PROGRESS UPDATE INTERNAL AUDIT WORK PROGRAMME

Kaituhi | Author: **Linda Guerin, Business Analyst - Business Improvement**

Kaiwhakamana | Authoriser: **Mark de Haast, Group Manager Corporate Services**

TE PŪTAKE | PURPOSE

1 This report updates the Risk and Assurance Committee on the Internal Audit function of Council.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

2 This report does not require an Executive Summary.

TE TUKU HAEPAPA | DELEGATION

3 The Risk and Assurance Committee has delegated authority to consider this report under section C.3 of the Governance Structure and Delegations.

- *Ensuring that Council has in place a current and comprehensive risk management framework and making recommendations to the Council on risk mitigation.*

TAUNAKITANGA | RECOMMENDATIONS

A. That the Risk and Assurance Committee receives and notes the Internal Audit progress update on the work programme for 2023.

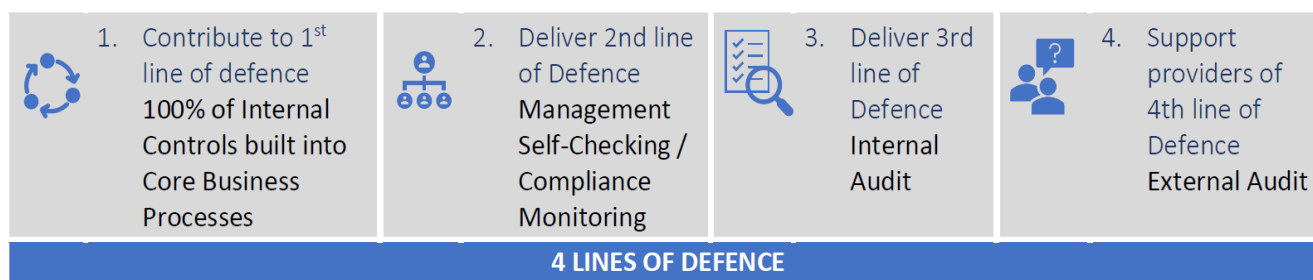
TŪĀPAPA | BACKGROUND

4 Internal audit is an independent, objective assurance activity. It adds value and can improve an organisation's operations, in particular in areas that expose the organisation to risk and vulnerability. It brings a systematic and disciplined approach to evaluating and improving the effectiveness of risk management in the organisation.

5 As reported to the 16 May 2023 meeting, internal audit as a continuous improvement tool can deliver organisational changes to:

- influence positive change
- review internal controls
- help understand risks
- identify improvement opportunities
- promote integrity, and
- inform senior management by providing objective analysis, evaluations, and recommendations.

6 Internal audit is line three of the 'Four Lines of Defence' model as used by the Risk and Assurance workstream.



- 7 Each of the four sources of assurance in the table above contribute to the overall level of assurance provided and importantly by breaking them down into four categories they can be integrated into everyday life at Council.
- First line: Risks are managed and controlled day-to-day. Assurance comes directly from those responsible for delivering specific objectives or processes.
 - Second line: Council oversees the control framework so that it operates effectively.
 - Third line: Internal audit, providing reasonable (not absolute) assurance of the overall effectiveness of governance, risk management and controls.
 - Fourth line: Assurance from external independent bodies such as the external auditors and other external bodies.
- 8 The 2023 internal audit work programme was set by the Chief Executive with reference to a range of sources including:
- the Office of the Auditor-General published resources and guidance,
 - Audit NZ published resources and guidance,
 - Ernst and Young (our “appointed auditor” appointed by the Auditor-General) independent recommendations and control findings, and
 - other observations made from internal audits.
- 9 The Chief Executive receives the internal audit report for his consideration and management response in relation to both the first and second lines of defence.
- 10 This Committee receives two forms of reports in relation to the approved Internal Audit work programme:
- this progress report, and
 - a final outcomes report on the internal audits completed in a calendar year which will be reported to the 9 November 2023 meeting. That report will consider the set of control findings against the components of the Integrity Framework for the Public Sector issued by the Auditor-General in June 2022 titled “*Putting integrity at the core of how public organisations operate*”.

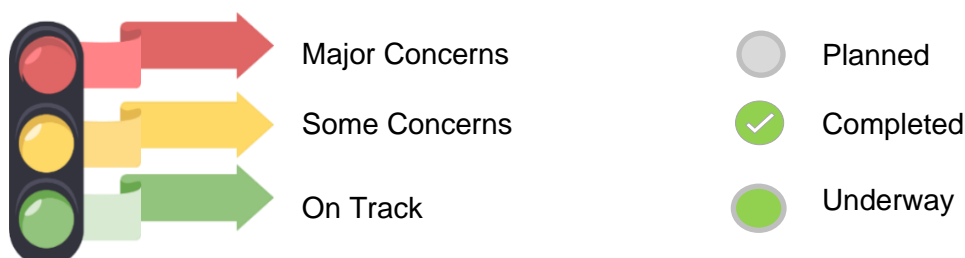
HE KŌRERORERO | DISCUSSION

Third Line of Defence (Internal Audit)







- 11 In accordance with the New Zealand Auditing Standards, we have chosen to use the same Risk Ranking System as is used by Ernst & Young when conducting their external audits of the organisation for selecting which Internal Audits to conduct. This ranking system is as follows:



Internal Audit – Risk Ranking System	
High	• Matters and/or issues considered to be fundamental to the mitigation of material risk, maintenance of internal control or good corporate governance.
Moderate	• Matters and/or issues considered to be of major importance to maintenance of internal control, good corporate governance, or best practice for processes.
Low	• A weakness which does not seriously detract from the internal control framework.

- 12 The following progress status categories have been updated to reflect the comment made at the 16 May 2023 meeting that “Planned” is a better reflection of the work programme intent and status than “Not Started”.



13 The Internal Audit Work Programme has progressed well since the last meeting as noted below.

Risk Ranking	Activity	Internal Audit Work Programme 2023 Progress as of 21 July 2023	
		Progress Status	Update
High	<p>Compliance with Mitigation of Fraud Policy</p> <p><u>Audit scope</u> Review 6 key internal controls to see if they meet their objectives, remain current to meet the organisation's requirements and are being followed.</p>		<p><u>Completed</u> Internal audit report received by CE and management response underway.</p> <p><u>Next step for this Committee</u> Receive final outcomes of the internal audit at the 9 November 2023 meeting.</p>
High	<p>Compliance with Procurement Policy Framework</p> <p><u>Audit scope</u> Review 10 key internal controls to see if they meet their objectives, remain current to meet the organisation's requirements and are being followed.</p>		<p><u>Completed</u> Internal audit report received by CE and management response underway.</p> <p><u>Next step for this Committee</u> Receive final outcomes of the internal audit at the 9 November 2023 meeting.</p>
High	<p>Compliance with Employee Code of Conduct document (incl. Conflict of Interest)</p> <p><u>Audit scope</u> Test the fundamental principles and high-level rules that apply to employee conduct.</p>		<p><u>Underway</u> Commenced initial planning and preliminary desk top review.</p>
High	<p>Compliance with General Expenses Policy</p> <p><u>Audit scope</u> Test compliance with selected internal controls within the General Expenses Policy.</p>		<p><u>Planned</u> Commence within Quarter 1, 2023/24 in line with approved internal audit work programme.</p>
Moderate	<p>Compliance with Receipt of Gifts and Hospitality Policy</p> <p><u>Audit scope</u> Test compliance with the rules that apply to Receipt of Gifts and Hospitality.</p>		<p><u>Planned</u> Commence within Quarter 2, 2023/24 in line with approved internal audit work programme.</p>
Moderate	<p>Compliance with Protected Disclosures (Protection of Whistleblowers) Policy.</p> <p><u>Audit scope</u> Test the rules that apply to protecting disclosures (protection of whistleblowers).</p>		<p><u>Planned</u> Commence within Quarter 3, 2023/24 in line with approved internal audit work programme.</p>

Risk Ranking	Activity	Internal Audit Work Programme 2023 Progress as of 21 July 2023	
		Progress Status	Update
Moderate	EY Audit Control Findings: follow up on independent recommendations		<u>Ongoing</u> F/Y 2022/23. See separate report on this agenda.
Low	Review preparedness for business interruption and continuously improve.		<u>Continuous</u> Monitor readiness across the organisation and identify risks to assurance and raise control improvements (system and/or process). Progress on planning for scope of rolling review of Business Continuity Plans across Council was delayed due to Internal Audit Work Programme.

He take | Issues

14 There are no issues to be raised in this report.

Ngā kōwhiringa | Options

15 There are no options to be raised in this report.

Tangata whenua

16 There are no tāngata whenua considerations arising from this report.

Panonitanga āhuarangi | Climate change

17 There are no climate change issues arising from this report.

Ahumoni me ngā rawa | Financial and resourcing

18 There are no further financial and resourcing considerations arising from this report.

Ture me ngā Tūraru | Legal and risk

19 There are no legal considerations arising from this report.

20 This report provides an update on the Internal Audit function.

Ngā pānga ki ngā kaupapa here | Policy impact

21 There are no policy implications arising from this report.

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT

Te mahere tūhono | Engagement planning

22 This matter has a low level of significance under the Council's Significance and Engagement Policy.

Whakatairanga | Publicity

23 There are no publicity considerations.

NGĀ ĀPITI HANGA | ATTACHMENTS

Nil

8.9 COUNCIL'S CREDIT RATING FOR 2023/24

Kaituhi | Author: **Jing Zhou, Chief Financial Officer**

Kaiwhakamana | Authoriser: **Mark de Haast, Group Manager Corporate Services**

TE PŪTAKE | PURPOSE

- 1 This report provides the Risk and Assurance Committee (Committee) with the Council's credit rating for 2023/24 from independent credit rating agency S&P Global.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 Not required.

TE TUKU HAEPAPA | DELEGATION

- 3 The Committee has the delegation to consider this matter under the section of Part C.3 of the Governance Structure and Delegations 2022-2025 Triennium which states: "*This committee is responsible for monitoring the Council's financial management, financial reporting mechanisms and framework, and risk and assurance function, ensuring the existence of sound internal systems.*".

TAUNAKITANGA | RECOMMENDATIONS

- A. That the Risk and Assurance Committee receives this report, including attachment 1 to this report.
- B. That the Risk and Assurance Committee notes that S&P Global have re-affirmed the Council's credit rating for 2023/24 as **AA** but has revised the Council's outlook from stable to **negative**.
- C. That the Risk and Assurance Committee notes that budgetary management concerns raised by S&P Global will be monitored and reported during 2023/24 and taken into further consideration when developing the budgets for the **2024-34 Long Term Plan**.

TŪĀPAPA | BACKGROUND

- 1 S&P Global provides an annual credit rating which provides an assessment of the Council's financial management based on its historical and planned performance. S&P Global use key rating factors including liquidity, budgetary management and debt burden to determine their overall credit rating.
- 2 The credit rating, as well as being internationally recognised, also impacts the Council's ability to secure debt funding. Unrated councils, or councils with a long-term credit rating lower than 'A' equivalent, have more restrictive borrowing requirements than councils with a long-term credit rating of 'A' or higher.
- 3 The Council's current credit rating report from S&P Global was published on the 21 July 2023 and is attached as Appendix 1 to this report.

HE KŌRERORERO | DISCUSSION

- 4 The Council's large capex budget for 2023/24 together with significant cost pressures from inflation, supply constraints and resourcing costs are causing S&P Global some concern regards the money we plan to spend in 2023/24 and the associated debt levels, compared to their earlier forecasts using our 2021-41 Long-Term Plan.
- 5 S&P Global predict that elevated operating expenses will contribute to larger after-tax capital deficits and rising debt than previous forecasts. Key to liquidity is that the Council maintains

its debt prefunding strategy, which allows the Council to prefund debt maturities up to 18 months in advance. The Council has an active prefunding strategy. As at 30 June 2023, the Council's gross debt was \$275 million, including \$55 million of debt prefunding. Net debt was \$199.8 million (193% of total income against the preferred limit of 250%).

- 6 S&P Global considers that New Zealand has an excellent institutional framework, and the Council has strong financial management to underpin the Council's creditworthiness.
- 7 As noted in their report, the Council's credit rating could be downgraded if its after-tax capital account deficit does not materially improve. S&P Global consider that the Council has sufficient budget flexibility to make these improvements.
- 8 S&P Global has also clearly indicated that they may revise the outlook back to stable if the Council reduces its after-tax capital account deficits materially. The Council's after-tax capital deficits will be closely monitored and reported during 2023/24. In addition, the Council will fully consider these concerns raised by S&P Global when it develops and balances the budgets for the 2024-34 Long Term Plan over the next eleven months.

He take | Issues

- 9 There are no issues in addition to those already raised in this report.

Ngā kōwhiringa | Options

- 10 There are no options in addition to those already discussed in this report.

Mana whenua

- 11 There are no mana whenua considerations arising from this report.

Panonitanga Āhuarangi me te Taiao | Climate change and Environment

- 12 There are no climate change and environment issues arising directly from this report. However, these will certainly be the main considerations when developing the 2024-34 Long Term Plan over the next eleven months.

Ahumoni me ngā rawa | Financial and resourcing

- 13 The Council has retained its AA credit rating for 2023/24. There are no financial consequences of the Council's outlook now being negative.
- 14 The Council issues 100% of its debt from the Local Government Funding Agency (LGFA). Included in the borrowing costs from LGFA, is a long-term credit margin. At the time of writing this report, AA+ and AA rated Council's pay nil margin, AA- rated councils pay a margin of 5 basis points (bps) and A+ rated councils pay a margin of 10 bps. Unrated and non-guarantor councils pay a margin of up to 30bps.
- 15 On these margins, if the Council was to be downgraded to AA- or A+, the Council would incur additional borrowing costs between five to ten bps on new debt issued. In dollar terms, this equates to \$5,000 to \$10,000 per annum for every \$10 million of debt issued.
- 16 The Council's credit rating fee per annum is approximately \$60,000. A credit rating provides a minimum saving of 20bps to rated councils. Credit ratings are beneficial to councils with debt levels of at least \$30 million.

Tūraru ā-Ture me te Whakahaere | Legal and Organisational Risk

- 17 There are no legal or organisational risk considerations arising directly from this report.

Ngā pānga ki ngā kaupapa here | Policy impact

- 18 There are no policy implications arising directly from this report.

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT**Te mahere tūhono | Engagement planning**

- 19 This matter has a low level of significance under the Council's Significance and Engagement Policy.

Whakatairanga | Publicity

- 20 The Council issued a media release shortly after S&P Global issued their report. This report is available to the public on the Council's website.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. S&P Global Ratings Direct Report, 20 July 2023 [↓](#)

9 TE WHAKAŪ I NGĀ ĀMIKI | CONFIRMATION OF MINUTES**9.1 CONFIRMATION OF MINUTES**

Author: Anna Smith, Senior Democracy Services Advisor

Authoriser: Mark de Haast, Group Manager Corporate Services

Taunakitanga | Recommendations

That the minutes of the Risk and Assurance Committee meeting of 16 May 2023 be accepted as a true and correct record.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. Confirmation of Minutes - 16 May 2023 [↓](#)

10 TE WHAKAŪNGA O NGĀ ĀMIKI KĀORE E WĀTEA KI TE MAREA | CONFIRMATION OF PUBLIC EXCLUDED MINUTES

11 PURONGO KĀORE E WĀTEA KI TE MAREA | PUBLIC EXCLUDED REPORTS

RESOLUTION TO EXCLUDE THE PUBLIC

PUBLIC EXCLUDED RESOLUTION

That, pursuant to Section 48 of the Local Government Official Information and Meetings Act 1987, the public now be excluded from the meeting for the reasons given below, while the following matters are considered.

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(1) 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
10.1 - Confirmation of Minutes	<p>Section 7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>Section 7(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</p> <p>Section 7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</p>	Section 48(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
11.1 - Legislative Compliance Report - 1 April 2023 to 30 June 2023	Section 7(2)(c)(i) - 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 to prejudice the supply of similar information, or information from the same source, and it is in the public	Section 48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

	<p>interest that such information should continue to be supplied</p> <p>Section 7(2)(f)(ii) - the withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of Council members, officers, employees, and persons from improper pressure or harassment</p>	
<p>11.2 - Litigation and External Investigations Report</p>	<p>Section 7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest</p> <p>Section 7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</p>	<p>Section 48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>