



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, 21 September 2023

Te Wā | Time: 9:30am

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

**Mark de Haast
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 21 September 2023, 9:30am.

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
Mr David Cochrane	Member
Ms Oriwia Raureti	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 CLOSING REPORT FROM AUDIT FOR THE YEAR ENDED 30 JUNE 2023

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 with Ernst & Young's Audit Close Report for the year ended 30 June 2023.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 Not required.

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.3.
 - *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 receives and notes this report including Appendix 1 to this report.

TŪĀPAPA | BACKGROUND

- 4 The Council's Auditors, Ernst & Young (Audit) tabled their audit plan for the year ended 30 June 2023 at the Risk and Assurance Committee meeting on 16 May 2023.
- 5 Audit has now substantially completed their audit of the Council's draft Annual and Summary Annual Report for the year ended 30 June 2023.

HE KŌRERORERO | DISCUSSION

- 6 Audit has confirmed that they will issue an unqualified audit report for the Annual Report and Summary Annual Report for the year ended 30 June 2023, subject to the adequate resolution of the outstanding matters listed in Appendix 1 to this report.

He take | Issues

- 7 There are no additional issues arising from this report.

Ngā kōwhiringa | Options

- 8 There are no options arising from this report.

Tangata whenua

- 9 There are no tangata whenua considerations arising from this report.

Panonitanga āhuarangi | Climate change

- 10 There are no climate change issues arising from this report.

Ahumoni me ngā rawa | Financial and resourcing

11 There are no financial considerations in addition to those already discussed in this report.

Ture me ngā Tūraru | Legal and risk

12 There are no legal and risk issues arising directly from this report.

Ngā pānga ki ngā kaupapa here | Policy impact

13 There are no policy considerations in relation to this report.

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

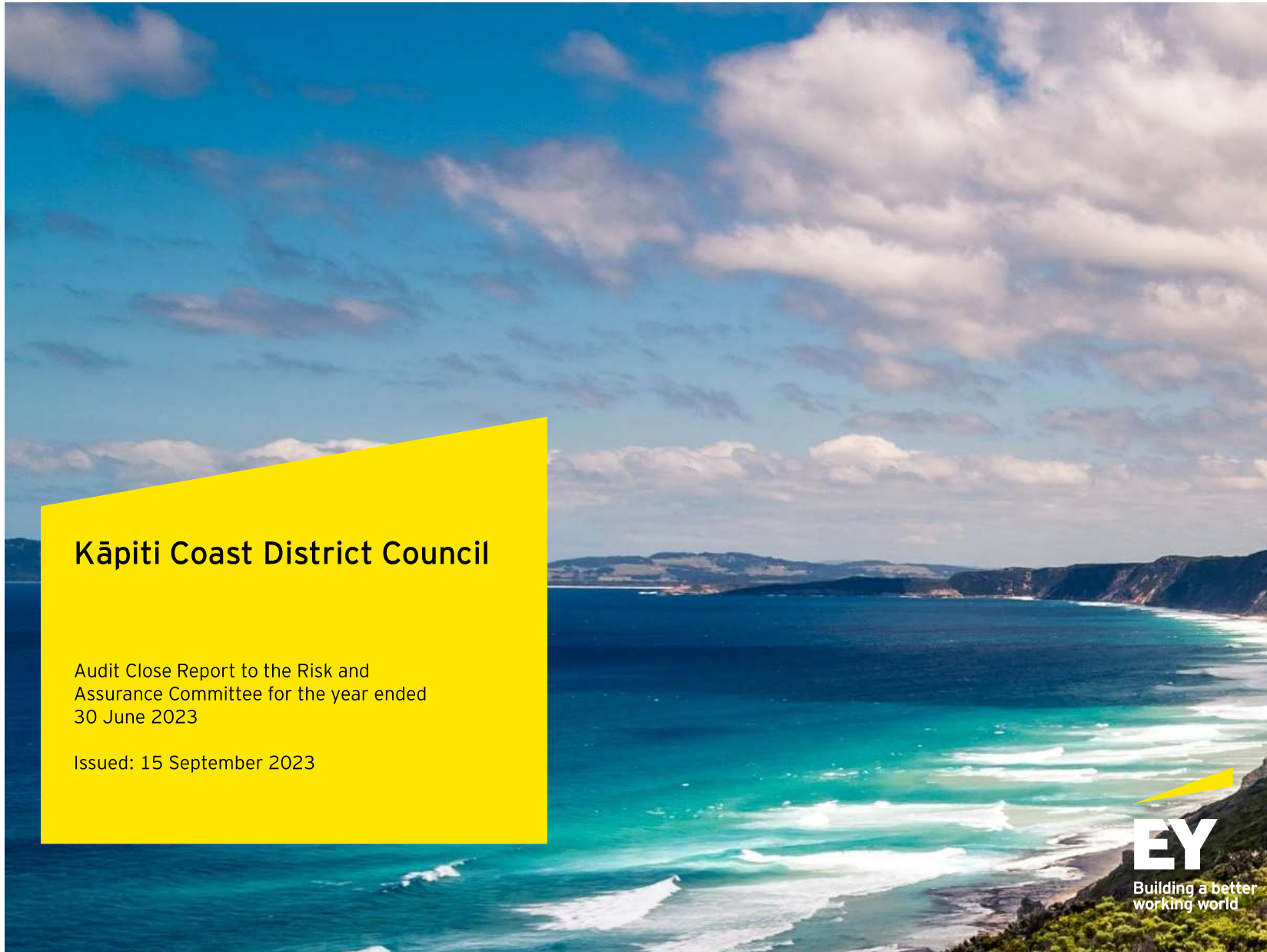
14 The report has a low level of significance under the Council's Significance and Engagement Policy.

Whakatairanga | Publicity

15 There are no publicity considerations.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. Audit Close Report for the Year Ended 30 June 2023 [↓](#)



Kāpiti Coast District Council

Audit Close Report to the Risk and Assurance Committee for the year ended 30 June 2023

Issued: 15 September 2023



8.2 ANNUAL REPORT 2022/23

Kaituhi | Author: **Sheryl Gavin, Acting Group Manager Corporate Services**

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

TE PŪTAKE | PURPOSE

- 1 This report seeks the Risk and Assurance Committee's consideration of the draft Annual Report 2022/23 and draft Summary Annual Report 2022/23.

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 the Governance Structure, Section C.1.

TAUNAKITANGA | RECOMMENDATIONS

It is recommended that the Risk and Assurance Committee:

- A. **Notes and receives** this report, including Appendix 1 and 2 to this report.
- B. **Recommends** the draft Annual Report 2022/23 and the Summary Annual Report 2022/23 be provided for consideration and adoption by the Council on 26 September 2023.
- C. **Delegates** authority to the Chief Executive and Chair of the Risk and Assurance Committee to make minor editorial changes to the draft Annual Report 2022/23 and its summary prior to being submitted to the Council for adoption.

TŪĀPAPA | BACKGROUND

- 4 This report outlines the Council's financial and non-financial performance for the 2022/23 year against year two of the Long-term Plan 2021-41 (LTP).
- 5 The Council is required under the Local Government Act 2002 (the Act) to produce an audited Annual Report and Summary Annual Report. The draft Annual Report 2022/23 is in Appendix 1 and the Summary Annual Report 2022/23 is in Appendix 2 to this report.
- 6 The Council's auditors, Ernst & Young (EY), have completed their audit of the financial statements and service performance information.

HE KŌRERORERO | DISCUSSION

7 FINANCIAL OVERVIEW

- The Council achieved an operating surplus of \$8.5 million mainly due to external funding for the capital works programme. This does not represent a cash surplus.
- The Council's net value on 30 June 2023 is \$1.9 billion, with the Council assets valued at \$2.2 billion.
- Capital spend for the 2022/23 financial year was \$61.5 million. This represents 73% of the total capital budget forecast in the 2022/23 Annual Plan.
- Revenue for the year was \$116.8 million.
- Operating expenditure for the year was \$108.3 million.

- Net debt on 30 June 2023 was \$199.8 million, 192.4 percent of operating income (compared with our financial strategy limit of 280 percent).
- The Council retained its S&P Global AA credit rating, however the outlook for the coming year has been adjusted from stable to negative to acknowledge changes to our operating environment. The shift to a negative outlook has no financial consequences on our borrowing costs.
- The Disclosure Statement for the year ending 30 June 2023 presents the Council's financial performance in relation to eight prudence benchmarks set by the Department of Internal Affairs to enable assessment of whether the Council is prudently managing its revenue, expenses, assets, liabilities, and general financial dealings. The Council met six of the benchmarks.

8 SERVICE PERFORMANCE OVERVIEW

- The Council achieved 75 percent (63 out of 84) of its LTP level of service performance targets for the year. This is a 8 percent increase on the achievement in 2021/22.
- Resident Opinion Survey results from 800 respondents, a statistically representative sample size, show a decrease in satisfaction from 70 percent in 2021/22 to 64 percent. Three key drivers were identified to have had a negative impact on overall satisfaction in 2022/23, and that an improvement in these aspects will result in an increase in residents' overall satisfaction. These three aspects in order of impact were the perception that the Council is making good decisions, residents' confidence that the district is heading in the right direction, and residents value for money satisfaction.

He take | Issues

Ngā kōwhiringa | Options

- 9 There are no options arising from this report.

Tangata whenua

- 10 The tangata whenua vision has been included in the draft Annual Report 2022/23.
- 11 Performance measure results indicate further work is needed in relation to iwi partnership agreements and satisfaction with their partnership with Council.

Panonitanga āhuarangi | Climate change

- 12 There are no climate change implications for the Committee to consider.

Ahumoni me ngā rawa | Financial and resourcing

- 13 There are no financial or funding implications for the Committee to consider.

Ture me ngā Tūraru | Legal and risk

Legal compliance

- 14 The draft Annual Report 2022/23 has been prepared to meet the requirements of the Local Government Act 2002 (LGA).
- 15 The final Annual Report 2022/23 will contain the auditor's opinion on whether it meets the requirements of the LGA. The Summary Annual Report 2022/23 is also audited to ensure that it represents, fairly and consistently, information about major matters in the full Annual Report.
- 16 EY has signalled that both the draft and Summary Annual Reports for the year ended 30 June 2023 will include unqualified (clean) audit opinions.

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 The report has a low level of significance in the Significance and Engagement Policy.

Whakatairanga | Publicity

19 The Annual Report 2022/23 and Summary Annual Report 2022/23 will be made available to the public within one month of the Council adoption.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. Draft Annual Report 2022/23 [↓](#)
2. Draft Summary Annual Report 2022/23 [↓](#)

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

Author: Jessica Mackman, Senior Advisor, Democracy Services

Authoriser: Mark de Haast, Group Manager Corporate Services

Taunakitanga | Recommendations

That the minutes of the Risk and Assurance Committee meeting of 3 August 2023 be accepted as a true and correct record.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. Minutes of Risk and Assurance Committee Meeting of 3 August 2023 [↓](#)

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

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
<p>10.1 - Confirmation of Public Excluded Minutes</p>	<p>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 interest that such information should continue to be supplied</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)(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>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>

	Section 7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	