



# **RĀRANGI TAKE AGENDA**

## **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, 23 May 2024**

**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 23 May 2024, 9.30am.**

**Te Komiti Whakamauru Tūraru | Risk and Assurance Committee Members**

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



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

I a mātou e whiriwhiri ana i ngā take kei mua i ō mātou aroaro *As we deliberate on the issues before us,*

E pono ana mātou ka kaha tonu ki te whakapau mahara huapai mō ngā hapori e mahi nei mātou. *We trust that we will reflect positively on the communities we serve.*

Me kaha hoki mātou katoa kia whaihua, kia tōtika tā mātou mahi, *Let us all seek to be effective and just,*

Ā, mā te māia, te tiro whakamua me te hihiri *So that with courage, vision and energy,*

Ka taea te arahi i roto i te kotahitanga me te aroha. *We provide positive leadership in a spirit of harmony and compassion.*

**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 TEPUTEIHANA | DEPUTATIONS**

Nil

**7 NGĀ TAKE A NGĀ MEMA | MEMBERS' BUSINESS**

(a) Updates from the Chair

(b) Leave of Absence

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

**8 HE KŌRERO HOU | UPDATES**

Nil

## 9 PŪRONGO | REPORTS

### 9.1 ERNST & YOUNG AUDIT PLAN FOR THE YEAR ENDED 30 JUNE 2024

Kaituhi | Author: **Michael Parrish, Manager, Financial Accounting**

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 Plan, on behalf of the Office of the Auditor General (OAG), for the year ending 30 June 2024.

#### 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.
  - *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 the Ernst & Young Audit Plan for the year ended 30 June 2024 attached as Appendix 1 to this report.

#### Tūāpapa | Background

- 4 The Council's Auditors, Ernst & Young (Audit), have been engaged to undertake the audit of the Council's Annual Report, including the Council's Summary Annual Report and compliance with its Debenture Trust Deed, for the year ended 30 June 2024.
- 5 The Audit Plan is attached as Appendix 1 to this report. This provides an overview of audit's focus areas, their risk assessment and their audit approach for the year ended 30 June 2024.

#### He kōrerorero | Discussion

##### Audit focus areas and risk assessment

- 6 The areas of audit focus are summarised below:
  - Property, Plant and Equipment. (Council will perform a full revaluation of the three water assets, but will need to ensure assets are held at fair value less accumulated depreciation)
  - Rates setting and collection
  - Statement of service performance reporting (Non-financial Performance reporting)
  - Expenditure, Procurement and Tendering
  - Debt Facilities and Derivatives
  - Revenue from Grants and Subsidies

**Materiality**

- 7 Audit has set their materiality threshold at \$3.8 million, being 3% of forecast expenditure for 2023/24. Materiality is broadly defined as the quantum of any misstatements (through error or otherwise), that would likely mislead users of the financial statements. Any identified misstatements impacting on the Council's operating result by more than \$190,000 will be reported to the Committee by way of Audit's Closing Report on conclusion of their audit.

**He take | Issues**

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

**Ngā kōwhiringa | Options**

- 9 There are no options to be considered.

**Tangata whenua**

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

**Panonitanga āhuarangi | Climate change and Environment**

- 11 There are no climate change considerations within this report.

**Ahumoni me ngā rawa | Financial and resourcing**

- 12 As disclosed in the audit proposal letter dated 27 June 2023, the fees for the period ending 30 June 2024 will equate to \$243,000. This is before any estimated disbursements and is exclusive of GST.

**Ture me ngā Tūraru | Legal and risk**

- 13 There are no legal and risk issues arising from this report.

**Ngā pānga ki ngā kaupapa here | Policy impact**

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

**Te whakawhiti kōrero me te tūhono | Communications & engagement****Te mahere tūhono | Engagement planning**

- 15 An engagement plan is not required for this report.

**Whakatairanga | Publicity**

- 16 There are no specific publicity considerations arising from this report.

**Ngā āpitihanga | Attachments**

1. Ernst & Young Audit Plan for the year ended 30 June 2024 [📄](#)

## Kāpiti Coast District Council

Audit Plan for the year ending  
30 June 2024

Issued: 13 May 2024



WELCOME



Dear Risk and Assurance Committee Members

We are pleased to present our External Audit Plan (“Audit Plan”) for Kāpiti Coast District Council (“KCDC” or “the Council”) for the year ending 30 June 2024. Our meeting with you on 23 May 2024 is a forum to discuss our Audit Plan, the scope of our work, confirm your current expectations and make certain that our efforts are aligned with your expectations.

Our audit is designed to express an audit opinion on the 30 June 2024 full year financial statements, service performance information and information included in the annual report in compliance with the *Local Government Act 2002* and *Local Government (Financial Reporting and Prudence) Regulations 2014*.

Our Audit Plan has been prepared acknowledging, and with consideration of, the Council’s current and emerging risks and the resultant financial statement impacts. It is designed to be responsive to the unique needs of KCDC, to maximise audit effectiveness and to deliver the high-quality audit you expect.

Should you have any questions or comments, please do not hesitate to contact me on 027 489 9693 or sam.nicolle@nz.ey.com.

We look forward to discussing our Audit Plan with you at the Risk and Assurance Committee (“the Committee”) meeting on 23 May 2024.

Yours faithfully



Sam Nicolle  
Partner  
13 May 2024



Shiela Mae Guardo  
Manager  
13 May 2024

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## EXECUTIVE SUMMARY

Kāpiti Coast District Council

For the year Ending 30 June 2024

### AREAS OF AUDIT FOCUS

6

key focus areas identified that remain broadly consistent with the prior year

Our areas of audit focus have been summarised below and explained in detail in the Areas of Audit Focus section.

- |                                           |        |                                          |     |
|-------------------------------------------|--------|------------------------------------------|-----|
| ▶ Property, plant and equipment           | HIGH   | ▶ Expenditure, procurement and tendering | LOW |
| ▶ Rates setting, invoicing and collection | HIGH   | ▶ Debt facilities and derivatives        | LOW |
| ▶ Non-financial performance reporting     | MEDIUM | ▶ Revenue from grants and subsidies      | LOW |

### YOUR EY TEAM

Sam Nicolle is the Appointed Auditor on behalf of the Auditor-General and he will be supported by Shiela Mae Guardo who will be the Audit Manager.

### AUDIT FEE

The audit fee has been agreed in the audit proposal letter dated 27 June 2023 for the 2024 financial year and is set out below.

	\$'000s
Audit fee	223
OAG contribution	20
<b>Audit fee excluding disbursements</b>	<b>243</b>

### AUDIT APPROACH

A substantive approach will be taken to the following key financial statement processes:

- ▶ Financial statement close process
- ▶ Asset management and tendering process
- ▶ Expenses and payables process
- ▶ Maintenance and operations expense process
- ▶ Rates setting and collection process
- ▶ Other income (Sales of goods and services)
- ▶ Government grants and contributions (NZTA and others)
- ▶ Payroll process
- ▶ Statement of service performance process
- ▶ Water rates process
- ▶ Derivatives/financial instruments process

### PLANNING MATERIALITY

**\$3.8M**

Our planning materiality has been set at \$3.8m, calculated at 3% of forecasted expenditure for 2023/24.

The basis for calculating planning materiality is consistent with prior year. We will report all audit differences over \$190k.

Materiality will be set individually for each significant performance measure selected for testing.

### INDEPENDENCE

We will confirm our independence throughout the audit and remain in compliance with the NZICA Code of Ethics and the Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (Including International Independence Standards)* (New Zealand) independence requirements and the Auditor General's independence requirements.



# Summary - Areas of Audit Focus

Set out below are the areas of audit focus and a description of our planned approach.

1

Property, Plant and Equipment

Property, plant and equipment are KCDC's highest value assets with a carrying value of \$2.1b at 30 June 2023. These assets are held at fair value less accumulated depreciation and are re-valued on a systematic basis.

KCDC will perform full revaluation for its three waters assets with the other revalued asset classes subject to an assessment whether there are any factors or circumstances that would suggest that the carrying values of property, plant and equipment don't approximate fair value

2

Rates Setting, Invoicing and Collection

Rates income levied represents KCDC's primary revenue source. There is specific legislation in place which must be adhered to for the rates set to be lawful. In the local authority context, failure to comply with rating law and the associated consultation requirements can create significant risks to the integrity of rates revenue collected by KCDC.

3

Non-financial Performance Reporting

The Council is required to report its performance against performance measures included in the previous Long-Term Plan (LTP). These measures are key to the Council providing a 'performance story' to the community.

4

Expenditure, Procurement and Tendering

As a public entity, all expenditure should be subject to a high standard of probity and financial prudence and should be able to withstand public scrutiny. Areas of expenditure such as travel, accommodation, training and catering can present opportunities for personal benefit, or perceived personal benefit, and therefore require additional focus.

5

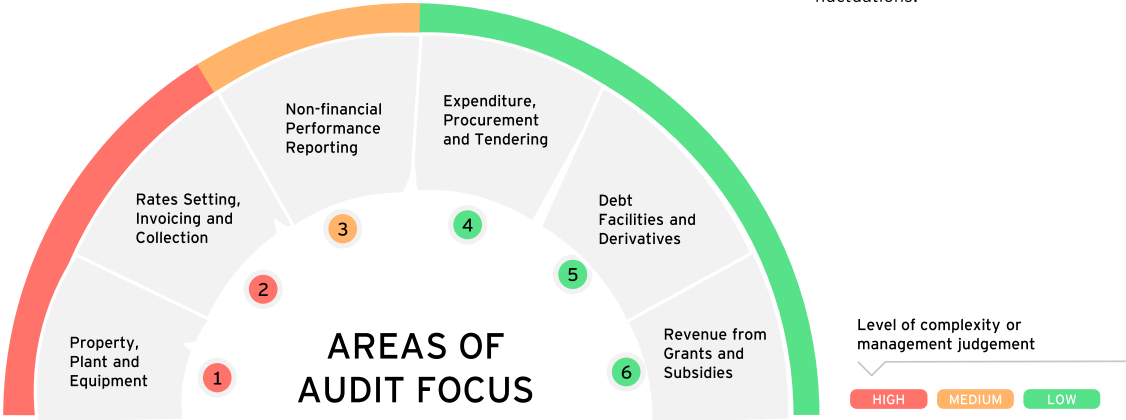
Debt Facilities and Derivatives

Borrowing represents one of the main sources of funding for KCDC's capital costs and debt levels change with the timing of planned capital projects and repayment timelines. The total forecast value of debt at year end is \$315m (\$275m in FY23). KCDC accesses debt through the Local Government Funding Authority (LGFA) and has reporting requirements and debt covenant compliance obligations. KCDC maintains interest rate swaps to manage the Council's exposure to interest rate fluctuations.

6

Revenue from Grants and Subsidies

The Council receives grant funding from a number of different funding providers. Accounting standards requires KCDC to meet the conditions stipulated in each funding contract in order to recognise revenue and any unspent amounts be recorded as a liability until the funds are utilised for the relevant project.



# Property, Plant and Equipment

## Our Understanding

- Property, plant and equipment represents the bulk of the Council’s balance sheet with a 30 June 2023 carrying value comprising:

Assets	\$million
Operational assets	158
Infrastructural assets	1,761
Restricted assets	184
Total value	2,103

- Infrastructural assets primarily comprise of roading, three waters, and seawall assets and are valued using Optimised Depreciated Replacement Cost (ODRC).
- Operational and restricted assets primarily comprise of land and buildings and are valued at market value.
- FY24 is not a scheduled valuation year per the revaluation cycles disclosed in the LTP, except for three waters assets as full revaluation will be performed for these assets. However, if there are significant movements in replacement costs, the Council is required to reassess whether current carrying values of infrastructural assets approximate fair values. Management should review unit cost factors to assess if there may be indications that a revaluation is required in the current financial year.
- The integrity of the classification of maintenance and/or capital expenditure is important both from the perspective of correct classification in the financial statements and tracking asset condition.
- The Government repealed the Water Services Entities Act in early 2024 and as such, KCDC will continue to own and operate these assets at 30 June 2024.
- In 2024, KCDC expects to take over management of Peka Peka to Ōtaki (PP2Ō) and Mackays to Peka Peka (M2PP) expressways, with assets vesting from Waka Kotahi.

## Planned Audit Approach

- Where assets are being revalued, we will examine the integrity of the data provided to the valuer and the cost information used as an input to the valuation process.
- For the asset classes not subject to revaluation in the current year, we will review management’s assessment whether the carrying amounts approximate fair value. This will include consideration of assumptions in the historical valuations against current information, asset management plans and recent experience in maintaining. We will also discuss with management their assessment of potential indicators of impairment at balance date.
- We sample test costs capitalised by Council to assess whether they meet the criteria for capitalisation under PBE IPSAS 17.
- We will review the reasonableness of depreciation recognised considering the estimated useful lives determined in previous valuations and other supporting information.

Key Judgements: Unit costs, useful lives, and classification of capital and maintenance costs

Relevant accounting standards: [PBE IPSAS 17 Property, Plant and Equipment](#)

Level of complexity or management judgement: HIGH

Rates Setting, Invoicing and Collection

Our Understanding

- ▶ Rates income levied represents KCDC’s primary revenue source. The rates setting process is guided by specific legislation which must be adhered to for the rates set to be lawful. With this in mind, we note that failure to comply with rating law and the associated consultation requirements could create significant risks to the integrity and collectability of rates revenue.
- ▶ Below is a summary of the rates revenue recognised by the Council for the year ended 30 June 2023 and per 23/24 Annual Plan.

Rates revenue	2023 Annual Report \$million	2024 Annual Plan \$million
General rates	29.6	32.2
Targeted rates	53.8	58.6
Internal rates and rates remitted	(2.0)	(2.1)
Total value	81.4	88.7

- ▶ The requirement for there to be consistency between the rates resolution, the Funding Impact Statement for that year, and the Revenue and Financing Policy in the LTP is fundamental because this is the thread that links community consultation to the rates levied by KCDC.
- ▶ Accuracy of rates revenue is largely dependent on the integrity of the rates database. The reliability of the rates billing system is also key to rates being billed appropriately.
- ▶ Certain rate paying groups may represent significant collection risk to the Council.
- ▶ Management has a history of consulting with external legal counsel (Simpson Grierson) to check compliance with rating legislation is maintained.
- ▶ General revaluation of KCDC as at 1 August 2023 were approved by LINZ on 20 October 2023.

Planned Audit Approach

- ▶ We will review KCDC's procedures for ensuring the rates set are compliant with the Local Government Rating Act and test that the rates set are being applied appropriately to the rating database and invoiced accordingly.
- ▶ We will test the accuracy of the use of underlying valuation information (as prepared by Quotable Value) within the rating database and its application to rates set.
- ▶ On a sample basis, we will undertake a review of the billing to specific ratepayers and subsequent collection.
- ▶ For a sample of rates invoiced, we will agree the amounts to supporting information and trace the cash received to bank statements.
- ▶ We will review any provision for doubtful rates debtors to consider whether it is appropriate in the circumstances. We understand that Council continues to successfully use the assistance of Debt Management Central (DMC) to manage the age profile of rates debtors. We will consider whether this has been appropriately reflected in the provision for doubtful debts recognised at year end.
- ▶ We will obtain a sample of the rates assessments for 2023/24 and review for consistency with recommendations made by Council's legal advisor.

**Key Judgements:** Compliance with the *Local Government (Rating) Act 2002* and provisioning for outstanding rates debtors

**Relevant accounting standards:** [PBE IPSAS 23 Revenue from Non-Exchange Transactions](#)

Level of complexity or management judgement: HIGH

## Medium and Low Risk Focus Areas



### Areas of Audit Focus



### Background



### Planned Audit Approach

#### Non-financial Performance Reporting

MEDIUM

- ▶ The Council is required to report its performance against performance measures included in the Long-Term Plan (LTP). These measures are key to the Council providing a 'performance story' to the community. The performance framework set as part of the 2021-41 LTP is applicable to the current financial year.
- ▶ Our audit opinion on the service performance report covers compliance with generally accepted accounting practice, and whether the service performance report fairly reflects the Council's actual service performance for the period.
- ▶ In previous years, we have noted improvement opportunities relating to the accuracy and reliability of service reporting. In FY23, we reported the need for further improvements to the way information is captured in the system for certain measures relating to customer services requests.
- ▶ Consistent with previous periods, we have selected the following activities as significant in the context of our audit of 2023/24 Annual Report. However, we will consider the entire performance report in providing general feedback to management.
  - ▶ Access and transport
  - ▶ Stormwater
  - ▶ Coastal management
  - ▶ Drinking water
  - ▶ Wastewater
  - ▶ Recreation and leisure
- ▶ We will update our understanding of key performance reporting processes and review the collation methodologies applied by the Council.
- ▶ We will examine, on a sample basis, the Statement of Service Performance to determine if measures have been reported on and outputs have been achieved where stipulated. For the selected measures, this will include obtaining the underlying supporting documentation on a sample basis and re-performing the calculations.
- ▶ We will assess the completeness and effectiveness of the performance framework utilised.
- ▶ We will check whether all mandatory performance measures stipulated by the Non-Financial Performance Measures Rules 2013 have been reported appropriately.
- ▶ We will assess the extent to which the improvement matters identified during the 2023 audit have been addressed and will provide feedback on the overall Annual Report and the Summary Annual Report.

#### Good practice guidance

##### Performance reporting in Local Government

<https://oag.parliament.nz/good-practice/performance-reporting/local-government-examples>

The OAG has published guidance providing a range of individual examples of good practice, including where different councils have done more than simply meet minimum statutory requirements.

##### Results of 2021/22 Local Government Audits

The OAG publishes a summary of its audits of the Local Government sector which can be found at:

<https://oag.parliament.nz/2023/local-govt>

EY | Kāpiti Coast District Council | For the Year Ending 30 June 2024

## Medium and Low Risk Focus Areas



### Areas of Audit Focus

#### Expenditure, Procurement and Tendering

LOW



### Background

- ▶ The appropriateness of Councillor and management expenditure continues to be an area of interest to ratepayers.
- ▶ Areas of expenditure such as travel, accommodation, training and catering can present opportunities for personal benefit.
- ▶ The Council's capital works programme involves significant cash spend. The Council has a range of policies that seek to ensure procurement is managed in the best interests of the Council.
- ▶ We will maintain an awareness of transactions or events that could indicate waste or probity concerns.
- ▶ OAG's controlling sensitive expenditure guidelines for public entities require expenditure decisions to:
  - ▶ Have a justifiable business purpose
  - ▶ Be cost-effective
  - ▶ Preserve impartiality
  - ▶ Be made with integrity
  - ▶ Be moderate and conservative, having regard to circumstances
  - ▶ Be made transparently
  - ▶ Be appropriate in all respects
- ▶ Conflicts of interest of local authority members is also an area of interest as described in *Local Authorities (Members' Interests) Act 1968: A guide for members of local authorities on managing financial conflicts of interest* published in June 2020 which provides guidance of the requirements of the Act in regards to financial interests of members in contracts entered into by Council.



### Planned Audit Approach

- ▶ We will review the incurrence and approval of a sample of operational expenditure.
- ▶ We will review the use of a sample of credit cards and whether expenditure has been incurred for a reasonable purpose.
- ▶ We will obtain an understanding of Council's processes over expenditure are in place.
- ▶ For a sample of contracts tendered during the year, we will establish an understanding of how the tendering process was managed. This will be completed with reference to KCDC's tendering policies and good practice.
- ▶ In considering sensitive expenditure, we will review the Council's policies to check if there is adequate guidance regarding the procedures for handling sensitive expenditure within the organisation and the policy is consistent with best practice guidelines issued by the OAG.

#### Recent OAG publications

##### Emergency Procurement

<https://oag.parliament.nz/2023/emergency-procurement>

The OAG reviewed how effectively public organisations have ensured integrity in emergency procurements, surveying six public organisations who undertook emergency procurements between June 2018 and July 2022.

##### Auckland Council: Preparedness for responding to an emergency

The OAG reviewed Auckland Council's work on emergency preparedness considering its role in supporting resilience and readiness to respond to emergency events.

<https://oag.parliament.nz/2023/auckland-council>

Medium and Low Risk Focus Areas



Areas of Audit Focus



Background



Planned Audit Approach

Debt Facilities and Derivatives

LOW

- ▶ Borrowing represents one of the main sources of funding for KCDC’s capital costs and debt levels change with the timing of planned capital projects and repayment timelines. The total forecast debt for FY24 is \$315m (FY23: \$275m).
  - ▶ KCDC accesses debt through the Local Government Funding Authority (LGFA) and has reporting requirements and debt covenant compliance obligations. The Council is responsible for preparing Reporting Certificates to the Trustee in accordance with the requirements of the Trust Deed and we are required to report to the Trustee with respect to the accuracy of the reporting certificates.
  - ▶ KCDC continues to maintain interest rate swaps to manage the Council’s exposure to interest rate fluctuations arising from borrowing activities.
- ▶ We will obtain an understanding of debt facility agreements maintained in the year and review the relevant debt facility agreements including the process for managing drawdowns.
  - ▶ We will consider the term or current classification of the debt.
  - ▶ We will obtain LGFA confirmation of the outstanding debt position at year end.
  - ▶ We will confirm derivative positions in place at year end and independently value a sample of derivative contracts.
  - ▶ We will review disclosures associated with the debt and swap positions held to check that they are in accordance with the reporting standards.
  - ▶ We will review the prudence benchmark measures relating to debt, interest levels and sustainability as required by legislation.
  - ▶ We will also complete procedures required of us by the debenture trust deed.

Medium and Low Risk Focus Areas



Areas of Audit Focus



Background



Planned Audit Approach

Revenue from Grants and Subsidies

LOW

- ▶ Council receives grant funding from a number of different funding providers.
  - ▶ KCDC receives NZTA funding to subsidise costs associated with local roads. The funding assistance rate is typically 51% with higher amounts being available in certain circumstances. Financial reporting standards require NZTA subsidies to be recognised as revenue, while a portion of the associated expenditure is capitalised as part of roading assets.
  - ▶ Accounting standards require KCDC to meet the conditions stipulated in each funding contract in order to recognise revenue and any unspent amounts be recorded as a liability until the funds are utilised for the relevant project.
- ▶ We will check, on a sample basis, that the costs being recovered are in line with the funding agreements.
  - ▶ We will check, on a sample basis, that revenue is being recognised in line with obligations/undertakings being satisfied.
  - ▶ We will examine costs claims from NZTA, on a sample basis, to check the expenditure is allowed to be claimed and the funding assistance rate applied is appropriate.
  - ▶ We will carry out an assessment of the reasonability of NZTA income and its completeness in consideration of the level of costs incurred for the period.
  - ▶ We will assess the disclosures in the annual report in relation to each funding is in line with relevant accounting standards.



EY | Kāpiti Coast District Council | For the Year Ending 30 June 2024

## Digital Audit Approach

### Your purpose built digital audit for now, next and beyond

Digitalisation is one of the most important drivers of transformation, especially in these changing times. This is also an important transformation in the auditing profession where it continues to be critical for companies to share trustworthy and readily available financial information for stakeholders.

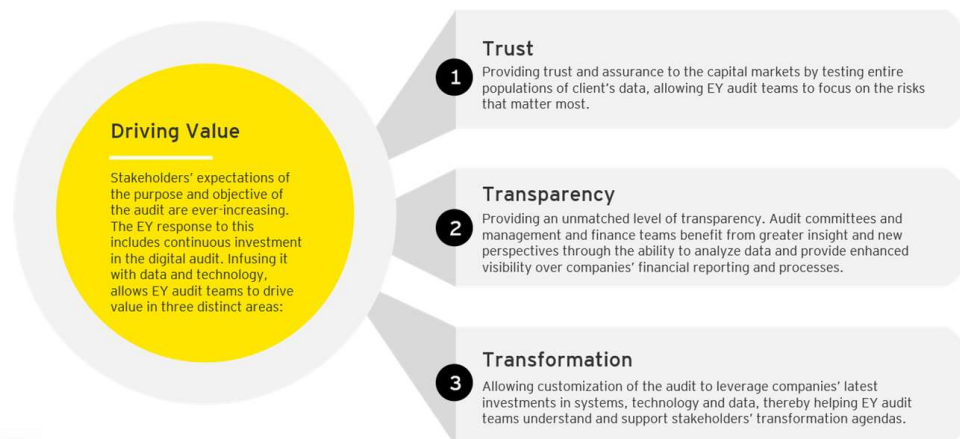
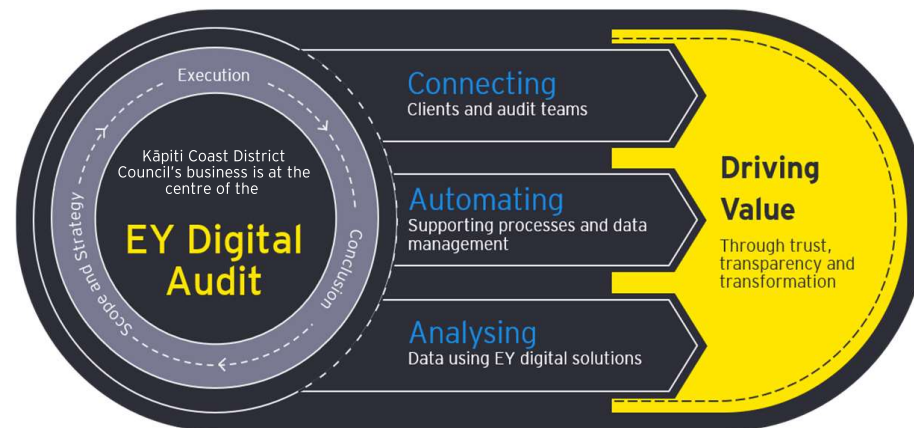
### Data-driven Audit

To meet the expectations of stakeholders, regulators and clients of a modern audit, we have invested heavily in new technology, revolutionising our professional practice.

With the EY Digital Audit analysing large or full sets of data from your data population, we are responsive to the changing risk profiles of our clients. This helps establish trust. data-driven procedures can bring insights to management and risk and assurance committee alike, enabling them to be proactive in investigating issues and addressing risks.

The EY Digital Audit improves the way our auditors look at risk, reduces management burden in supporting the audit and provides an opportunity for new insights to improve KCDC's financial processes.

**EY Data Snipper** is an intelligent audit platform within Excel that improves speed and audit quality. Underlying source documentation can be tagged to appear on screen alongside testing workbooks, facilitating an effective and efficient review process. The tool is also able to validate excel datasets against uploaded folders of audit evidence (e.g. pdf invoices) and flag where matches are not identified - a functionality we aim to make greater use of in our FY24 audit. This simple tool has been our most popular automation solution with high rates of adoption across the EY team in FY23.





EY | Kāpiti Coast District Council | For the Year Ending 30 June 2024

## Internal Control Environment

The primary responsibility for the design and operating effectiveness of the internal control environment, including the prevention and detection of fraud and error, rests with those charged with governance and management.

We obtain an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit is not designed to express an opinion on the effectiveness of internal control we are required to communicate significant deficiencies in internal control to you.

Our assessment of internal controls covers:

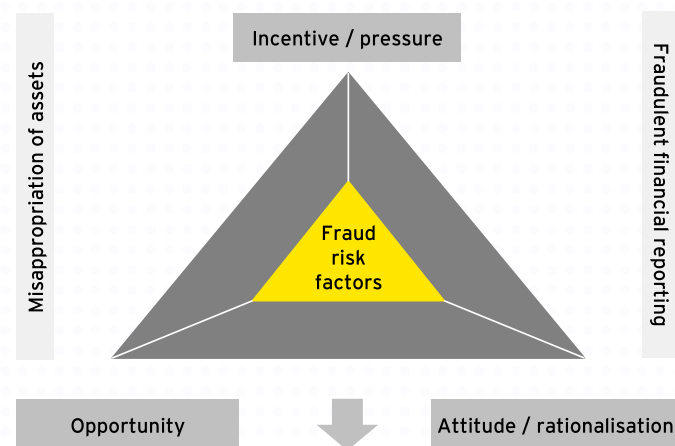
- ▶ The control environment including entity level controls
- ▶ KCDC's risk assessment procedures
- ▶ The design and operating effectiveness of internal controls (including IT general controls)
- ▶ Monitoring of controls and assurance services (internal audit).

We provide management with a report during the audit process, outlining our findings and our recommendations on where improvements in internal controls can be made. Where significant deficiencies come to our attention, we will communicate these to the Council.

## Assessing the Risk of Fraud

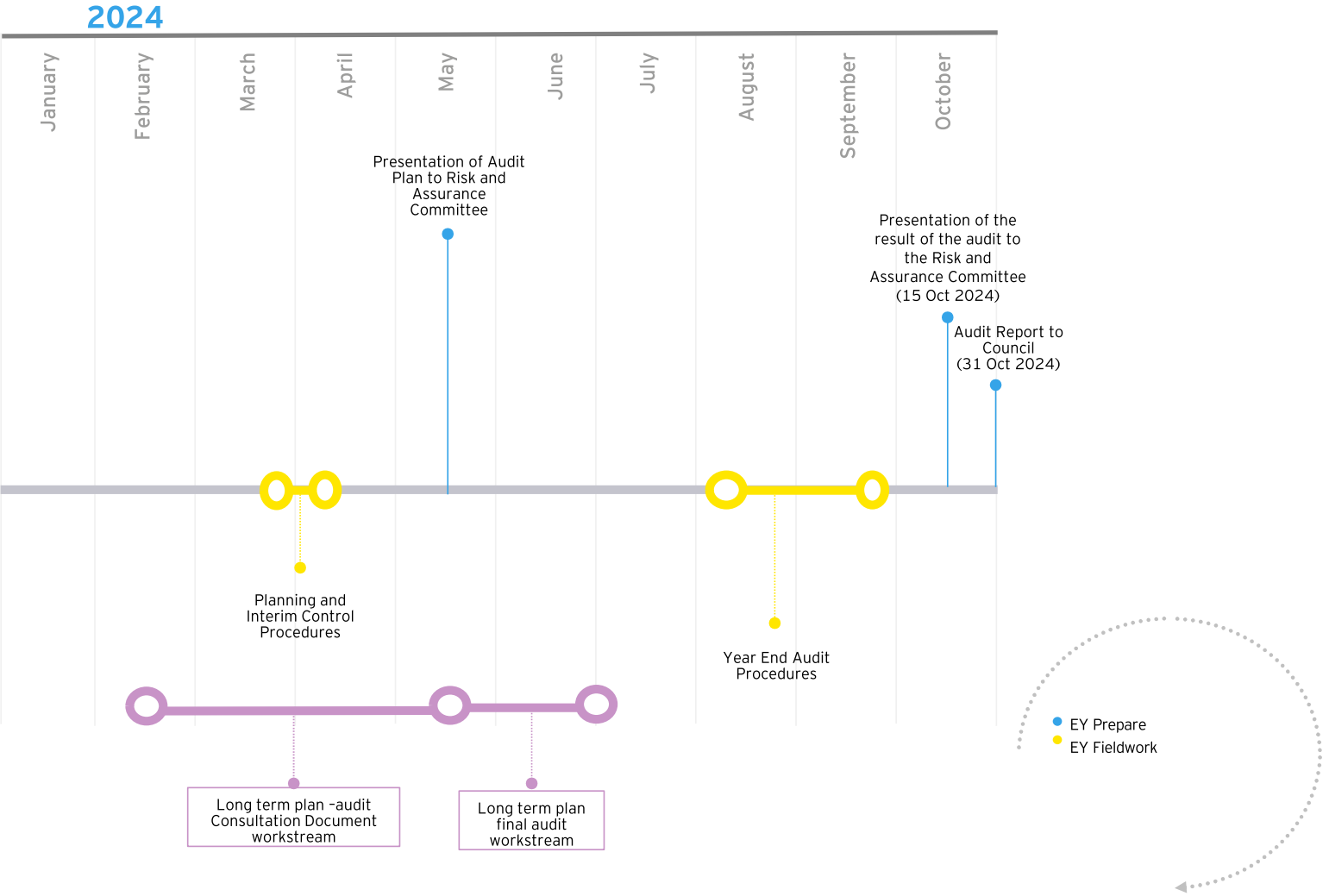
Our responsibility as the external auditor is to consider the risk of fraud and the factors that are associated with it so as to provide reasonable assurance that the financial statements are free from material misstatement resulting from fraud. However, it is important to note that while our external audit work is not primarily directed towards the detection of fraud or other irregularities, we will report any matters identified during the course of our work.

When developing our Audit Plan, we use professional judgement in determining whether a fraud risk factor is present. We determine fraud risk factors in the context of the three conditions generally present when fraud occurs (i.e., incentive/pressure, opportunity and attitude/rationalisation).



EY | Kāpiti Coast District Council | For the Year Ending 30 June 2024

Engagement Execution



# APPENDICES

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## Appendices

## A. Independence

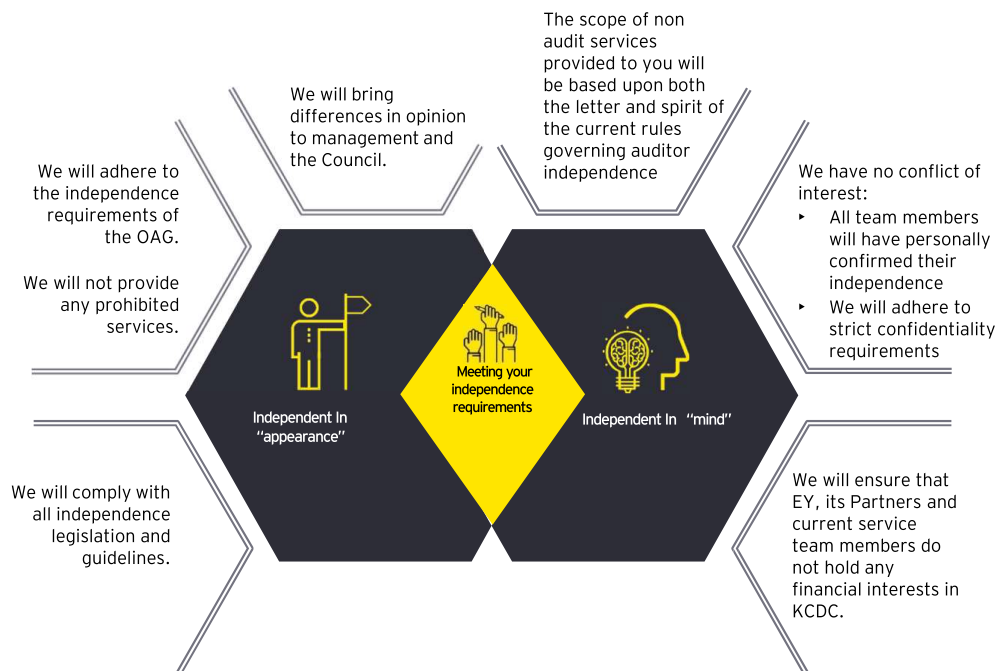
Independence is fundamental to EY as our ongoing reputation and success is connected to our ability to meet both KCDC's and broader regulatory independence requirements.

We have consistently complied with all professional regulations relating to auditor independence including those outlined in:

- ▶ PES 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)
- ▶ OAG independence rules

Accordingly, we ensure that there are controls in place and actions taken on a regular basis that mitigate any risks to our independence.

There are no matters that, in our professional judgement, bear on our independence which need to be disclosed to the Risk and Assurance Committee.



## Appendices

## B. System of Quality Management

### International Standard on Quality Management 1 (ISQM 1) overview

#### EY's approach to quality management

Professional and Ethical Standard 3 ("PES 3", which is the NZ version of ISQM 1) is applicable to all firms that perform audits and other similar engagements. As a result, we are required to design, implement and operate a system of quality management ("SQM") to provide reasonable assurance that:

- ▶ The member firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements
- ▶ Engagement reports issued by the member firm or engagement partners are appropriate in the circumstances

We are also required to monitor, remediate and annually evaluate the SQM as well as communicate to those charged with governance how the SQM supports the consistent performance of quality engagements. The following slides explain our approach and the results of our most recent assessment.

Individuals with SQM roles have the appropriate experience, knowledge, influence and authority, and sufficient time to fulfil their System of Quality Management roles and are accountable for fulfilling their responsibilities.

Key roles within the SQM include:

- ▶ The Country Managing Partner: assigned ultimate responsibility and accountability for the SQM by concluding on its effectiveness.
- ▶ The Country Assurance Managing Partner: assigned operational responsibility for the System of Quality Management. This includes recommending the System of Quality Management annual evaluation conclusion to the Country Managing Partner.
- ▶ The Country Independence leader: assigned operational responsibility for compliance with independence requirements.
- ▶ The Country Professional Practice Director: assigned operational responsibility for monitoring the SQM including concurring with or proposing changes to the recommended SQM annual evaluation conclusion.

The EY organisation is dedicated to delivering high-quality audits and assurance engagements and serving the public interest.



EY member firms, which include the relevant New Zealand firms, are ultimately responsible for the design, implementation, and operation of their SQM, and have the responsibility to:

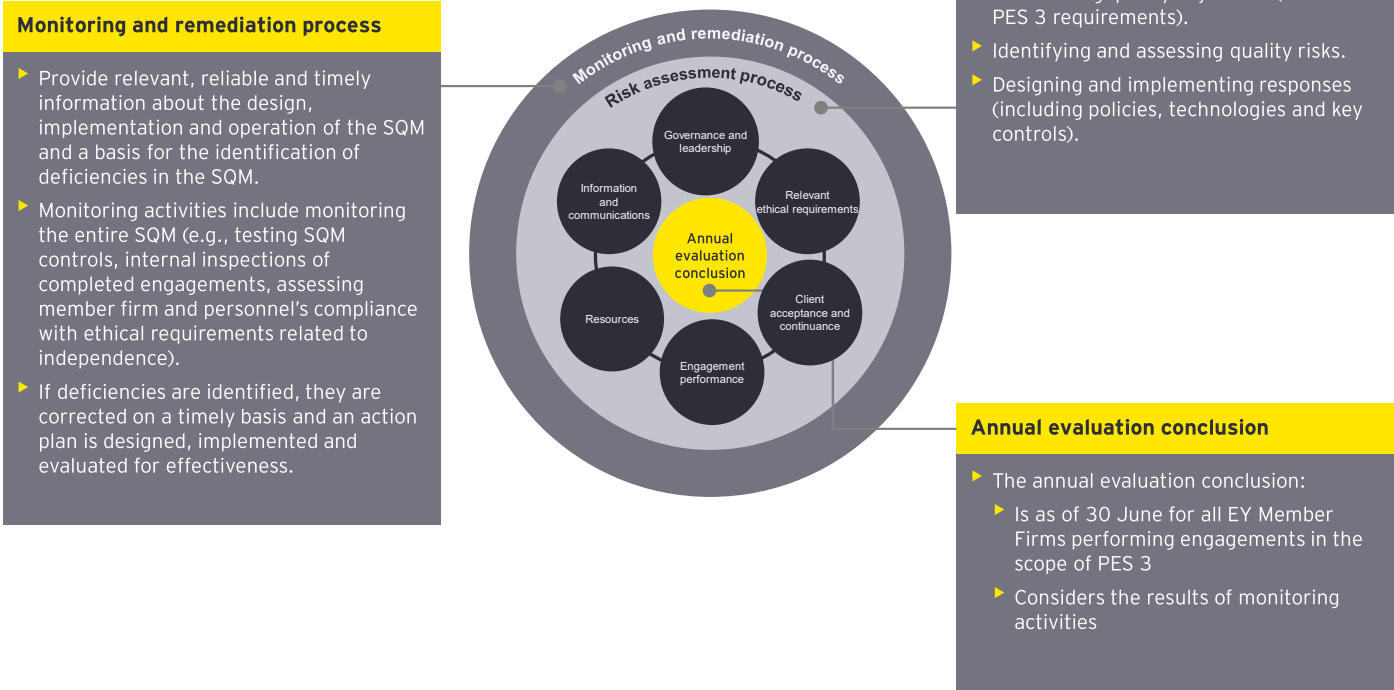
- ▶ Evaluate policies, technologies, strategies, programs and baseline elements provided to them, and
- ▶ Determine if they need to be supplemented by the member firm to be appropriate for use

Appendices



B. System of Quality Management (cont.)

SQM processes to support quality audits



## Appendices



## B. System of Quality Management (cont.)

SQM annual evaluation conclusion

Effective

The annual evaluation conclusion for EY New Zealand is that that the objectives of the System of Quality Management are being achieved as of 30 June 2023 and that they support the consistent performance of quality audits and related engagements.

Note: In the context of the annual evaluation of the SQM, EY New Zealand refers to the following member firms performing audits or reviews of financial statements or other assurance or related services engagements: Ernst & Young (partnership), Ernst & Young Limited and Ernst & Young Strategy and Transactions Limited.

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ED None

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## 9.2 PROGRESS UPDATE REGARDING AUDIT CONTROL FINDINGS 2022/23

Kaituhi | Author: **Sharon Foss, Manager Risk and Assurance**

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

### TE PŪTAKE | PURPOSE

- 1 This report provides the Risk and Assurance Committee with a progress report on Ernst & Young's Report on Control Findings for the year ended 30 June 2023.

### 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:
- A.1 notes the progress update regarding Ernst & Young's Report on Control Findings for the year ended 30 June 2023, attached as 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 2024.

### TŪĀPAPA | BACKGROUND

- 4 In accordance with NZ Auditing Standards, Ernst & Young (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 2023. That review is part of EY's annual Audit Plan, as considered by this Committee, and reflects the areas of focus set by the Office of the Auditor General.
- 5 The EY Report on Control Findings highlights weaknesses in our first line of defences (controls). Of interest for the Committee are the levels that EY classify the control risk matters they identify.

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 There are three control findings from EY that are open across their last two external audits. EY will consider if these can be closed out, as part of their audit for the financial year ended 30 June 2024

7 The table below details the year-to-date progress against these control findings.

EY Risk Ranking	Control Findings at 30 June 2023	Summary as at 14 May 2024 (updates on actions are highlighted)	Completion Status
Low	<p><b>2.2.1</b></p> <p><b>Aged work in progress review</b></p> <p>(Waikanae duplicate rising main infrastructure project refers)</p>	<p><b>Agreed action:</b></p> <ul style="list-style-type: none"> <li>– Establish annual reviews of aged work in progress projects</li> <li>– Document the review and ensure that the assessment includes consideration of: <ul style="list-style-type: none"> <li>– the age of the work in progress,</li> <li>– whether the asset is ready for use, and</li> <li>– any indicators of impairment.</li> </ul> </li> </ul> <p><b>Action update: Generic Improvement: Assurance around Aged Work in Progress (WIP)</b></p> <ul style="list-style-type: none"> <li>- As part of our annual end of year review process the aged WIP balances that are standalone projects and have had no movement in the last 12 months will be assessed for impairment.</li> <li>– The reviews will be documented in accordance with standard accounting practice.</li> </ul> <p><b>Action update: Specific Finding: WIP - Waikanae Duplicate Rising Main Project</b></p> <ul style="list-style-type: none"> <li>– Completion is still expected in 2025. Note: the original 30 June 2024 completion date was not met due to resource consent delays.</li> </ul>	<p>In Progress</p> <p>Likely be carried over to 2025</p>

EY Risk Ranking	Control Findings at 30 June 2023	Summary as at 14 May 2024	Completion Status
Low	2.2.2 Overhead rate applied to projects	<b>Agreed action:</b> Develop a specific overhead allocation model.  <b>Action update:</b> <ul style="list-style-type: none"> <li>Last financial year planning started on the development of a mechanism to ensure our time and effort for projects are considered.</li> <li>SLT considered alternate overhead allocation models for the 2024-34 Long-Term Plan. It was agreed that the overhead allocation model for the current Long-Term Plan was to be applied to the 2024-34 Long Term Plan and was to be applied correctly.</li> </ul>	Complete

### He take | Issues

8 There are no additional issues to be raised in this report.

### Ngā kōwhiringa | Options

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

### Tangata whenua

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

### Panonitanga āhuarangi | Climate change and Environment

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

### Ahumoni me ngā rawa | Financial and resourcing

12 There are no additional financial or resource issues arising from this report.

### Ture me ngā Tūraru | Legal and risk

13 There are no legal considerations arising from this report.

### Ngā pānga ki ngā kaupapa here | Policy impact

14 There are no policy implications arising from this report.

## TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT

### Te mahere tūhono | Engagement planning

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

### Whakatairanga | Publicity

16 There are no publicity considerations.

## NGĀ ĀPITI HANGA | ATTACHMENTS

1. Appendix 1 - Ernst & Young's Report on Control Findings for the year ended 30 June 2023 [↓](#)

# Kāpiti Coast District Council

Report on Control Findings

1 November 2023





**Building a better  
working world**

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Mark de Haast  
Group Manager - Corporate Services  
Kāpiti Coast District Council  
Private Bag 60601  
Paraparaumu 5254

1 November 2023

Dear Mark

#### **Report on Control Findings**

We have substantially completed our audit of the financial statements and service performance information of Kāpiti Coast District Council ("Council" or "KCDC") for the year ended 30 June 2023.

This Report on Control Findings includes control matters and issues arising from our audit that we consider appropriate for review by management.

In accordance with the Auditor-General's Auditing Standards we performed a review of the design and operating effectiveness of KCDC's significant financial and non-financial reporting processes. Our audit procedures do not address all internal control and accounting procedures and are based on selective tests of accounting records and supporting data. They have not been designed for the purposes of making detailed recommendations. As a result, our procedures would not necessarily disclose all weaknesses in KCDC's

internal control environment. We wish to express our appreciation for the courtesies and co-operation extended to our representatives during the course of their work. If you have any questions or comments, please do not hesitate to call me on 027 489 9693.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Sam Nicolle'.

Sam Nicolle  
Partner  
Ernst & Young

EY | i

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2. Detailed recommendations..... 4

## 1. Overview

### 1.1 Overview of Risk Ranking System and Recommendations

The following table provides an overview of the number of observations and the associated risk ratings.

	High	Moderate	Low	Total
Open as at 30 June 2022	-	1	4	5
Closed during FY23	-	-	(3)	(3)
New points raised in FY23	-	-	1	1
Total open points as at 30 June 2023	-	1	2	3

Key:

■	A weakness which does not seriously detract from the internal control framework. If required, action should be taken within 6-12 months.
■	Matters and/or issues are 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 6 months.
■	Matters and/or issues are 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 3 months.

1.2    Audit observations

The following table summarises open recommendations at 30 June 2023.

Observations	High Needs significant improvement	Moderate Needs substantial improvement	Low Needs some improvement
Accuracy of response and resolution times	-	✓	-
Aged work in progress review	-	-	✓
Overhead rate applied to projects	-	-	✓

1.3    Disclaimer

Issues identified are only those found within the course of the audit for year ended 30 June 2023. Recommendations are intended solely for the use of Council’s management. We disclaim any assumption of responsibility for any reliance on this report, to any person other than Council and the management team or for any purpose other than that for which it was prepared.



## 2. Detailed recommendations

### 2.1 Moderate Risk

#### 2.1.1 Accuracy of response and resolution times

<b>Observation</b>	<p>One of Council's key activities is managing, and responding to, requests for service that ratepayers make of Council. KCDC uses the MagiQ system to record and monitor these requests. When a member of the community makes a request the time of the request, actions taken to respond to and resolve the request, and the time these actions were taken are all recorded in the system. This data then forms the basis for reporting a number of performance measures which relate to how quickly Council have either responded to, or resolved, requests for service relating to a particular area of operations.</p> <p>In completing our testing of performance reporting information, we identified instances where the response times used as a basis for calculating performance measures were identical to the time the request for service was raised with Council. We observed this mostly arises where a request for service is not logged with the call centre immediately. This results in the on call staff member arriving on site before the request for service has been logged in the system. As MagiQ does not allow response times to be before the received time the response time will default to the earliest possible time which will be identical to the received time.</p> <p>For six items tested, we noted the 'response' time was identical to the 'service requested' time (one instance for stormwater services requests, Three times in water management service requests and five instances for wastewater overflow and blockage requests).</p> <p>For water supply, we noted 3 instances of urgent responses (6% of the population) were negative.</p>
<b>Implication</b>	There is a risk that Council reports incorrect performance results as a result of not using accurate response times. This can also impact management's ability to understand the team's responsiveness to ratepayer requests and any resourcing or process issues that may need to be remedied to allow timely responses to requests.
<b>Recommendation</b>	<p>We recommend the either the process for recording requests for service be updated or that the data used as an input in calculating the request for service-based measures be reviewed prior to being used to calculate performance measures.</p> <p>We recommend Council consider an internal review of the performance measure data prior to finalising the measure and consider anomalies and whether they have a material impact on performance reported.</p>
<b>Management Response</b>	Management accepts audit findings and recommendation. An internal review of the performance measure data prior to finalising will be undertaken and the process for recording requests for service will be updated to correct this weakness.
<b>Responsibility</b>	Corporate Services

## 2.2 Low Risk

### 2.2.1 Aged work in progress review

Observation	Our testing of infrastructure assets includes a review of work in progress projects that had no further costs incurred in the financial period. There was one material project, the Waikanae duplicate rising main, which commenced in 2017 and had not incurred further cost nor been capitalised in FY23.
Implication	The accumulation of capital work in progress in error may result in: <ul style="list-style-type: none"><li>- Delayed commencement of depreciation</li><li>- impairment</li></ul>
Recommendation	We recommend aged WIP projects are reviewed annually and documented. The assessment should consider the age of WIP, whether the asset is ready for use and for an assessment of indicators of impairment.
Management Response	Management accepts audit's grading and recommendation. The Waikanae duplicate rising main is planned to be fully complete by 30 June 2024 and depreciation will commence thereon from 1 July 2024.
Responsibility	Corporate Services

2.2.2 Overhead rate applied to projects	
Observation	During our testing of the capital grants and capex, we observed that there was change in the method to apply the allocation of overhead staff costs to capital projects. This method allocates based on an approved SLT rate (percentage) that is applied against the budgeted personnel recovery costs. The approved SLT rates are average market recovery rates and are not specific to KCDC.
Implication	The Council are using rates that are reasonable in the market but not specific to KCDC. Therefore, there is uncertainty on whether the time and effort recovered at the market rates is reflective of the actual time and effort incurred on the project
Recommendation	We recommend KCDC to develop an overhead rate specific to actual time and effort that has been incurred for KCDC projects.
Management Response	Management accepts the audit finding and recommendation and commits to exploring options to enhance the overhead recovery methodology to be more KCDC specific as part of developing the 2024-34 Long Term Plan.
Responsibility	Corporate Services

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**9.3 HEALTH AND SAFETY QUARTERLY REPORT: 1 JANUARY 2024 - 31 MARCH 2024**

Kaituhi | Author: **Rach Wells, Group Manager People and Capability**

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

**TE PŪTAKE | PURPOSE**

- 1 This Report presents the Health and Safety Quarterly Report for the period 1 January to 31 March 2024.

**HE WHAKARĀPOOTO | EXECUTIVE SUMMARY**

- 2 Not required for this report.

**TE TUKU HAE PAPA | 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.*

**AKITANGA | RECOMMENDATIONS**

- A. That the Risk and Assurance Committee notes the Health and Safety Quarterly Report for the period 1 January 2024 – 31 March 2024 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 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 in the next available Quarterly Report.

**HE KŌRERORERO | DISCUSSION****He take | Issues**

- 6 There are no issues to highlight in addition to those included in Appendix One to this report.

**Ngā kōwhiringa | Options**

- 7 There are no options arising from this report.

**Tangata whenua**

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

**Panonitanga āhuarangi | Climate change**

- 9 There are no climate change considerations arising from this report.

**Ahumoni me ngā rawa | Financial and resourcing**

10 There are no financial or resourcing considerations arising from this report.

**Ture me ngā Tūraru | Legal and risk**

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

**Ngā pānga ki ngā kaupapa here | Policy impact**

12 There are no policy considerations arising from this report.

**TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT**

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

**Te mahere tūhono | Engagement planning**

14 An engagement plan is not needed regarding this report.

**Whakatairanga | Publicity**

15 There are no publicity considerations.

**NGĀ ĀPITI HANGA | ATTACHMENTS**

1. Health & Safety Quarterly Report for the period of 1 January to 31 March 2024 [↓](#)

**KĀPITI COAST DISTRICT COUNCIL**  
**Health and Safety Quarterly Report to the Risk and Assurance Committee**  
**1 January 2024 – 31 March 2024**

**Appendix One**

## 1 Executive Summary

There were no WorkSafe notifiable or serious harm events this Quarter. No 'reasonable cause' drug and alcohol tests were required from employees this quarter.

EAP hours utilised have dropped off significantly in the third quarter of the financial year. This trend is not uncommon across organisations, with increased hours leading into the festive season, then flattening post December.

## 2 LEAD INDICATORS

### 2.1 CORPORATE HEALTH AND SAFETY TRAINING SUMMARY

Training Type	Training Course Name	Scheduled	Status
<i>Role Related</i>	<ul style="list-style-type: none"> <li>NZ Pool Lifeguard (Level 3) Certificate</li> </ul>	Feb 2024	Completed
<i>Critical Risk Related</i>	<ul style="list-style-type: none"> <li>Incident Cause Analysis Method (ICAM) Investigation Technique</li> </ul>	Feb 2024	Completed
<i>Leadership</i>	<ul style="list-style-type: none"> <li>Totara Hui</li> </ul>	May 2024	Completed
<i>General - Health &amp; Safety</i>	<ul style="list-style-type: none"> <li>Comprehensive First Aid</li> <li>First Aid Refresher</li> <li>Disability Awareness Training</li> <li>Health &amp; Safety Rep training</li> </ul>	Feb/Mar 2024 Feb 2024 Feb 2024 Feb 2024	Completed Completed Completed Completed

### 2.2 HEALTH MONITORING

Health Monitoring	Staff recipients
Eye Examinations	9
Ergonomic Work Assessments by Occupational Health Specialist	12

### 2.3 DRUG AND ALCOHOL MANAGEMENT

- Pre-employment Drug and Alcohol Tests continue to be undertaken by all preferred applicants.
- No Reasonable Cause tests were conducted during this quarter.

### 2.4 RISK MANAGEMENT

- As of 31 March 2024, there are a total of 126 selected Contractors on the SiteWise system.
- As of 31 March 2024, there were 59 Care Register entries, with no new additions this quarter.

**KĀPITI COAST DISTRICT COUNCIL**  
**Health and Safety Quarterly Report to the Risk and Assurance Committee**  
**1 January 2024 – 31 March 2024**

**Appendix One**

**2.5 SENIOR LEADERSHIP TEAM**

- KCDC is progressing well though the recruitment and selection process for a Manager, Health, Safety and Wellbeing. We hope to have a preferred candidate selected in the week beginning 18<sup>th</sup> May. The calibre and diversity of the applicants was impressive, with over 50 applicants.

**2.6 ORGANISATION HEALTH AND SAFETY COMMITTEE**

- Monthly meetings were held in February and March 2024.
- Health and Safety Representative numbers remain at 16.
- The current chair is stepping down after four years of service. They will continue as a H&S Representative. A replacement chair will be discussed at the May meeting.



## Health and Safety Dashboard: January – March 2024

Number of Actual or Potential 'Severe' Major' & 'Moderate' Events related to Critical Risk		Jan-26 Mar 2024	July 2023 - YTD
	Aggressive interactions	0	9
	Biological hazards & unknown organisms	0	0
	Contractor Management	3	7
	Driving	1	3
	Fatigue	0	0
	Hazardous Substances	0	2
	Psychological H&S	0	1
	Remote & Isolated Work	0	0
	Working with animals	0	1

## Total Events

183

Jan - Mar

## Overdue Corrective Actions for Incidents Rated Severe/Major/Moderate

0

Target 0

## H&amp;S Representative Numbers

16

Target &gt; 10

## Health, Safety &amp; Wellbeing Induction module (modules assigned vs completions)

7

(7/15)

46%

Target &gt; 95%

## Notifications to WorkSafe

0

Jan-Mar

0

YTD

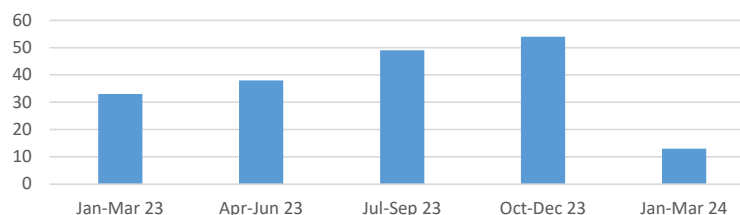
## Improvement Notices from WorkSafe

0

Jan-Mar

2

YTD

EAP Hours Used  
(includes staff and elected members)

## Key Insights

- The number of actual or potential events relating to critical risks that were rated severe, major or moderate was 4.
- There were 3 Contractor Management incidents, two were a near miss, rated severe with the third being an actual event, rated moderate. A Driving incident involving a council worker was rated moderate. Full details of the incidents, investigations and correctives actions are on page 2.
- Health and Safety Representative numbers remain at 16. The current chair is stepping down after four years of service. They will continue as a H&S Representative. A replacement chair will be discussed at the May meeting.
- The number of Council staff showing as having completed the HSW Induction via the e-Ako module is below target.
- There were no WorkSafe notifiable or serious harm events this quarter.
- EAP hours used have significantly dropped off in the 3rd quarter (FY). This may be as a result of the run into the holiday period and flattening off in the new calendar year. This trend if not uncommon across industry.



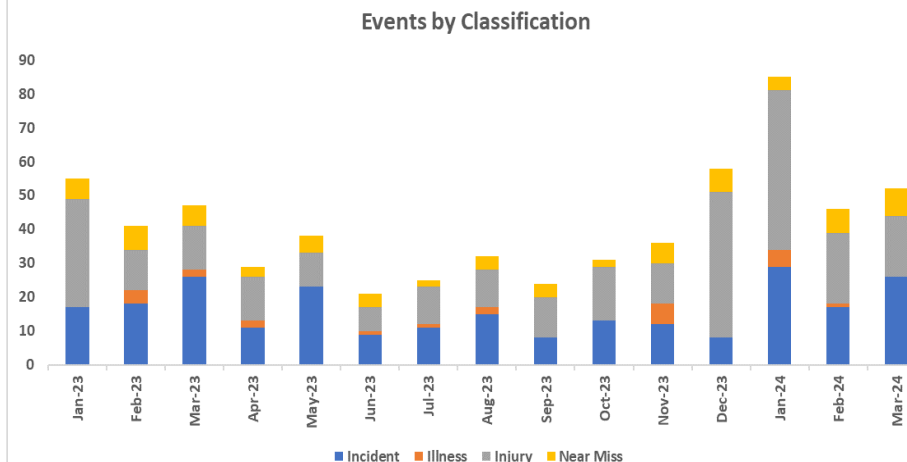
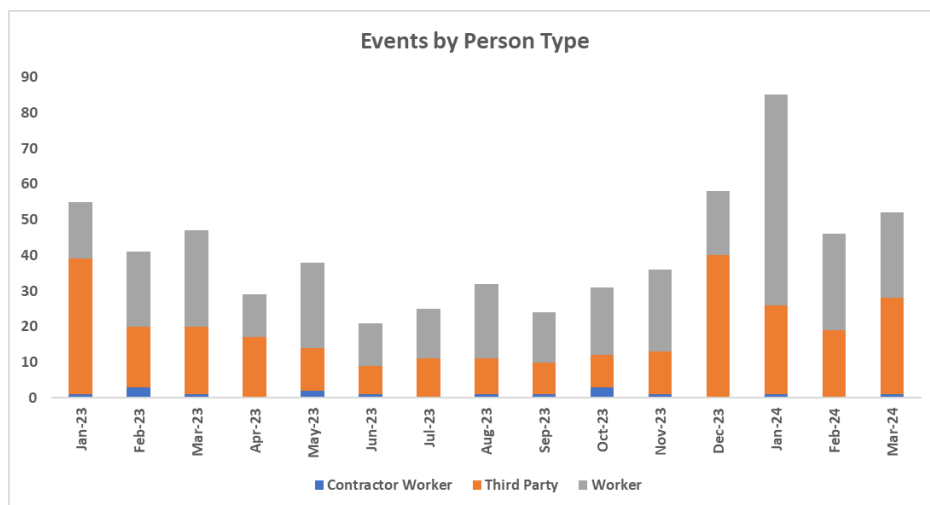
## Actual or Potential 'Severe' 'Major' & 'Moderate' Rated Events related to Critical Risk and Emerging Risks: January – March 2024

Risk	Critical Risk (Y/N)	Key Information	Description	Investigation / Corrective actions
1 Contractor Management	Y	Vault ID 6584 - 25/01/2024 Near Miss Rating - Severe	Scaffold was erected and tagged as safe for use. Four of the standards were bearing on a partially constructed timber ramp which was temporarily propped whilst timber piles were hanging from the frame awaiting concrete. If the scaffold had been loaded and the ramp had shifted there would have been potential for collapse.	It was immediately brought to the attention of the site staff. The access steps were cordoned off with danger tape, and the site contract manager informed.
2 Contractor Management	Y	Vault ID 6589 - 29/01/2024 Rating -Moderate	Manly Street, North Boat Ramp. Bobcat drivers (2) were approached by up to seven residents who were dissatisfied with the way they were doing the repair work. The residents were angry and used abusive language and personal insults to the contractor. One local resident defended the contractors. .	The contractor politely advised the residents that they were conducting the work in line with instructions from Council, and if they have a problem with how the work is being done, to contact the Council. The contractor reported the incident to the Council staff member directing the work. No action/communication has been taken with the residents.
3 Contractor Management	Y	Vault ID 6681 - 21/03/2024 Near Miss Rating - Severe	Building Inspector was undertaking building inspection to block R at 4 Kapiti Road. While walking at Level 3 of scaffolding they noticed that a lot of the scaffolding had been removed and that no safety barriers were in place to restrict access to that area. The fall could have been extremely dangerous and there were multiple areas where scaffolding had been altered.	Building Inspector left scaffolding and advised Gibbons Group (main contractors) who advised that scaffolding was removed to crane in gib board and that the builders were supposed to put it back. Gibbons notified work safe about the incident.
4 Driving	Y	Vault ID 6639 - 28/02/2024 Rating - Moderate	Council worked was driving fleet vehicle HNU25 when the vehicle spun 180 degrees at the Otaihangā Roundabout. They reported their approximate speed to be 40kph in 3 <sup>rd</sup> gear. The ground conditions were wet, and it was raining. They think they may have aquaplaned or driven through a slick patch. On inspection of the vehicle, they thought the rear tyres needed to be replaced (photos of tyres in the vault record)	Rear tyres were replaced.



# Health, Safety & Wellbeing Performance Report – Group Dashboard – January - March 2024

Group Overview		Organisational Development		Strategy & Growth		People & Partnerships		Iwi Partnerships		Corporate Services		Place & Space		Regulatory Services		Infrastructure Services		Total	
		Jan-Mar	YTD	Jan-Mar	YTD	Jan-Mar	YTD	Jan-Mar	YTD	Jan-Mar	YTD	Jan-Mar	YTD	Jan-Mar	YTD	Jan-Mar	YTD	Jan-Mar	YTD
Lead Indicators	Near Miss Reporting	0	0	0	0	2	2	0	0	1	1	9	24	1	6	3	8	16	41
	H&S Representatives	0	0	0	2	0	2	0	1	0	1	-1	4	0	2	0	4	16	16
Lag	Total Events by Group	0	1	0	0	4	6	0	0	0	0	136	275	7	20	20	62	167	364



## 9.4 TOP 10 ORGANISATIONAL RISK REPORT

Kaituhi | Author: **Nienke Itjeshorst, Lead Risk and Assurance Advisor**

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 WHAKARĀPOOTO | EXECUTIVE SUMMARY

- 2 This report does not require an Executive Summary.

### TE TUKU HAE PAPA | 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 The Top 10 Organisational Risks (Top 10 Risks) are aimed at setting a clear direction for staff as to what the Senior Leadership Team (SLT) have identified as the highest areas of potential risk for the organisation to being able to successfully achieve its objectives.
- 5 “Risk” for the management of the council organisation is defined as:
  - 5.1 the impact of uncertain events that can happen in the future on the planned objectives that SLT wants the organisation to deliver and/or achieve (short, medium and long term), and
  - 5.2 includes strategic, reputational, regulatory, legal, security, change and operational risks.
- 6 The current Top 10 Risks 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 organisational risks can be brought forward to replace an existing risk when required and/or relevant.
- 7 Engagement on the organisational risk profile is through on-going conversations with SLT and activity managers about these risks, the controls to prevent or mitigate these risks and status of risk treatments that are underway to implement the controls to achieve the target risk level. These conversations ensure each risk is regularly reviewed providing assurance that the treatments are being conducted to further mitigate the risk.
- 8 The next table identifies the current Top 10 Organisational Risks.

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 and inadequate planning and preparedness for emergencies.
ORG 10	Inability to attract and retain sufficient capacity to deliver Council's objectives.

- 9 A list of *AS/NZ/ISO 3100:2018 Standard: Risk Management – Guidelines* definitions is included in the Heatmap Report on the last page.

## HE KŌRERORERO | DISCUSSION

- 10 This report provides an update of the current Top 10 Risks. The associated Risk Heatmap Report ([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.

### Changes to Top 10 Organisational Risks

- 11 A workshop with SLT in March 2024 discussed the effectiveness of controls in place to mitigate the Top 10 Risks. For each control SLT considered whether a control was operating as was intended, which is to reduce the likelihood and/or impact of the risk. Controls rated 'partially effective' had new treatments included and/or existing treatments extended to support increasing the effectiveness of the control. These effectiveness ratings are included on the last page of the Risk Heatmap Report in Appendix 1 to this report.
- 12 The changes highlighted in the Risk Heatmap Report mainly relate to three themes that emerged from the review and further discussions.
- 12.1 SLT oversight of Asset Management Planning (AMP) should be improved and a new treatment has been added to ensure this happens. The treatment includes developing an AMP Policy that has a review and regular reporting process to SLT and this Committee.
- 12.2 Strategic alignment on large (land) developments across the organisation is important and a treatment has been put in place to refine and clarify current processes.
- 12.3 Continuous staff education is required regarding key components of best practice work delivery in alignment with policies and organisational values.
- 13 Also changed are the likelihood ratings for Top 10 Risks' 4 and 6, resulting in these risks trending towards target in the Risk Summary Overview. The reason for SLTs' reconsideration was that the likelihood ratings seemed to connect more with the actual event of climate change and government reform, rather than with the risk that our organisation 'fails to prepare for or manage change.'
- 14 Following inclusion of the risk of "*inadequate planning and preparedness for emergencies*" into ORG 9 (as reported in February), the Risk Heatmap Report has been updated. It now includes an additional heatmap as the likelihood rating for Business Continuity Planning is different than for Emergency Management given these processes are in different stages of development.

**He take | Issues**

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

**Ngā kōwhiringa | Options**

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

**Tangata whenua**

17 There are no tangata whenua considerations arising in addition to those included in Appendix 1 to this report.

**Panonitanga āhuarangi | Climate change**

18 There are no climate change considerations arising in addition to those included in Appendix 1 to this report.

**Ahumoni me ngā rawa | Financial and resourcing**

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

**Ture me ngā Tūraru | Legal and risk**

20 There are no further legal considerations arising from this report.

**Ngā pānga ki ngā kaupapa here | Policy impact**

21 There are no further 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**

1. Organisational Top 10 Risk Heatmap Report 23 May 2024 [↓](#)



# Heatmap Report

Kapiti Coast District Council

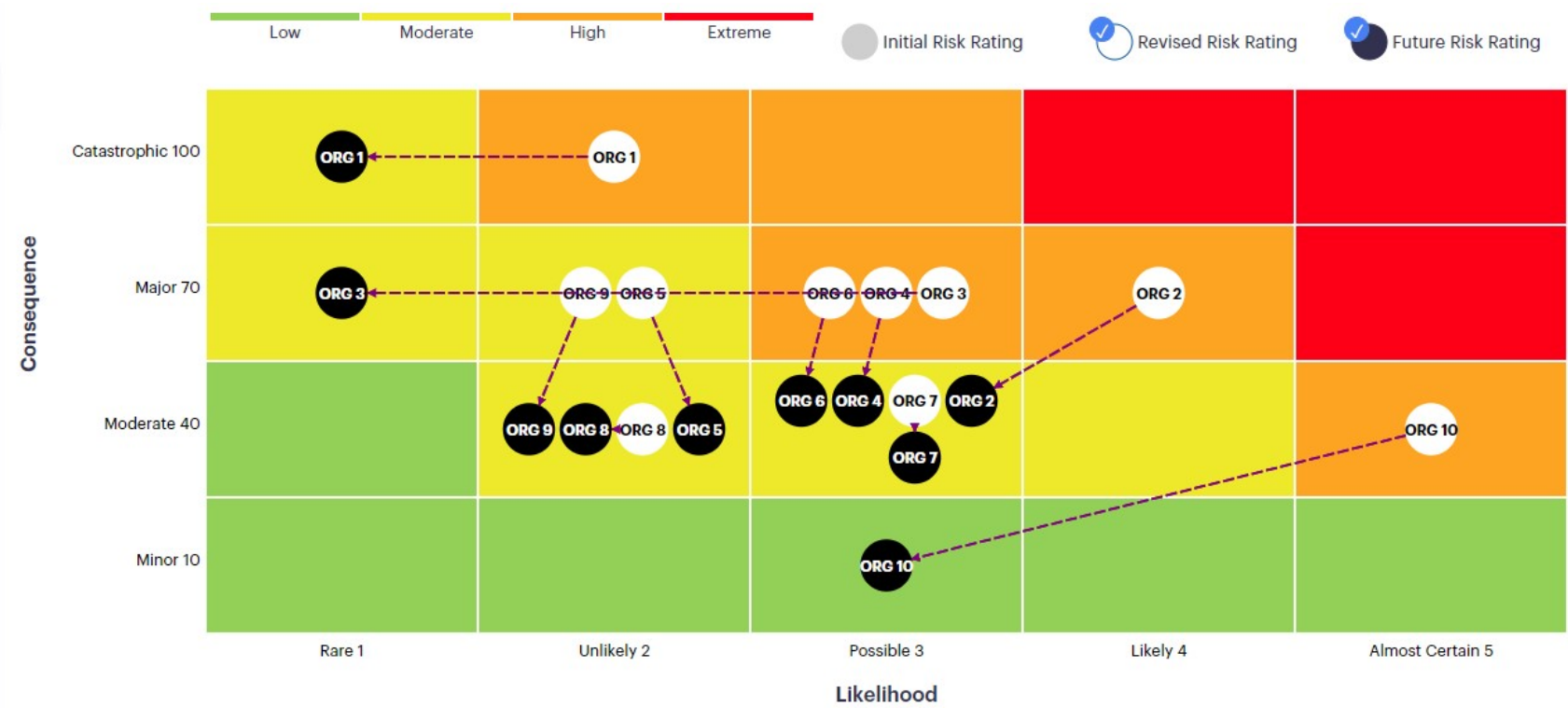
Camms.

Print Date:23-May-2024

HEATMAP SUMMARY

The heatmap shown below presents a 'big picture' and concise view of all current Organisational Risks for Council. It enables you to see on one page how each risk is tracking from the current (revised) risk rating towards the target (future) risk rating. Council is aiming to achieve the target risk ratings using appropriate risk treatment. The risk treatments under each risk in this report provide more detail. The current risk rating was achieved by revising the initial risk rating, taking into consideration the existing risk controls. For clarity reasons the initial risk ratings are not shown in the below map. The initial risk ratings for each risk are shown in the heatmaps further in this report.

- Initial risk rating - The initial risk level without taking into consideration existing risk control measures
- Current Risk Rating - The current risk level taking into consideration existing risk controls and their effectiveness
- Target Risk Rating - The future risk level taking into consideration planned risk treatments, new and existing controls and their effectiveness
- The target risk rating represents the Risk Appetite, which means the level of risk Council is willing to accept when delivering on its objectives.





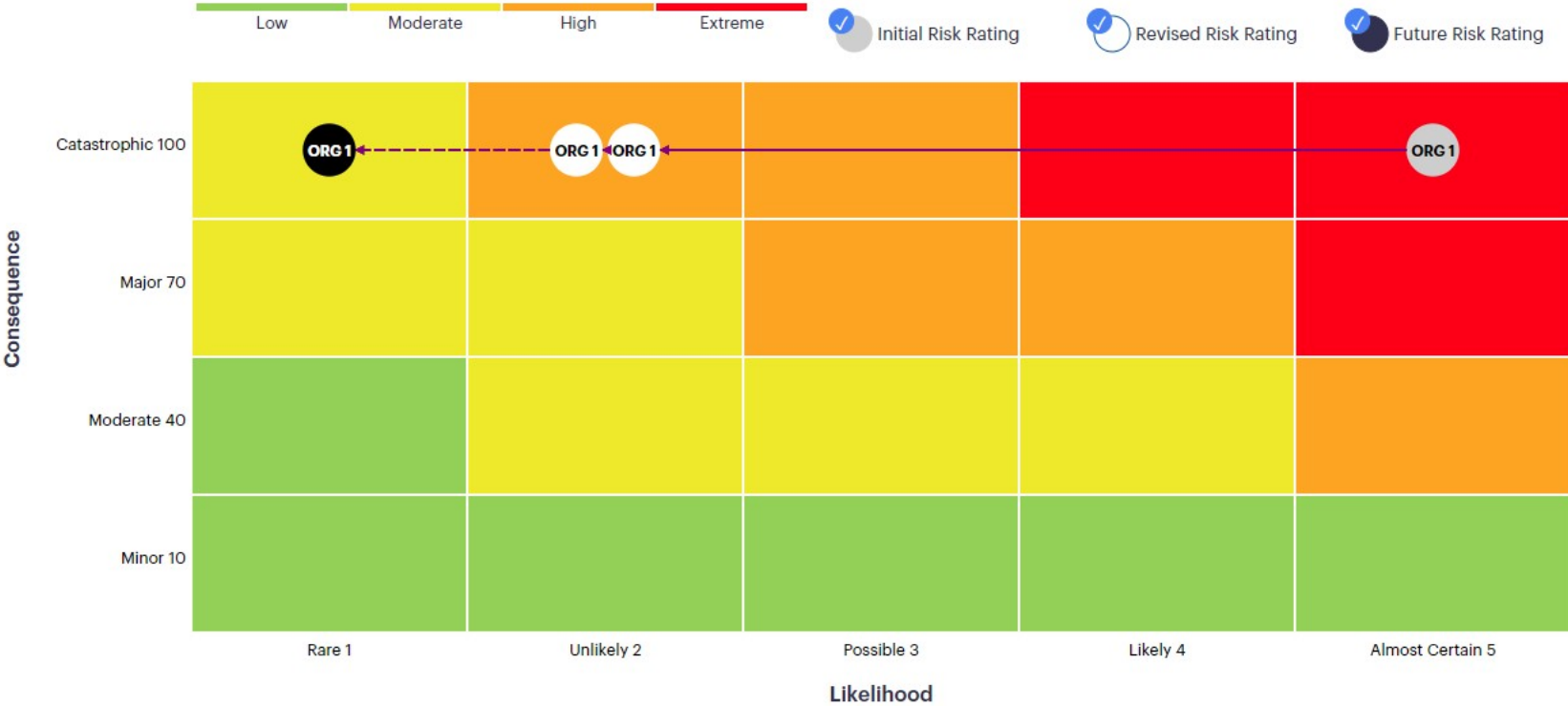
## RISK SUMMARY

### Organisational Risk

No.	Risk Title	Initial	Current	Target	Trend
1	<b>ORG 1 - Loss of life, serious injury or illness due to insufficient Health, Safety and Wellbeing management</b>	Extreme	High	Moderate	↔
	Risk Sponsor Comments: Council is committed to providing a healthy, safe working environment improved by a continuous improvement approach for learning opportunities and leadership development. Reviewing the effectiveness of the controls in planned for July in alignment with organisational changes, there is currently no change in the trend towards target risk.				
2	<b>ORG 2 - Failure to adequately maintain social licence</b>	High	High	Moderate	↔
	Risk Sponsor Comments: To maintain social licence means for our council that our community trusts us to make good decisions about how we spend ratepayer's money and invest in our district's future. The effectiveness of existing controls has been reviewed but at this time doesn't result in a change in risk trend. A further review of controls is planned for July taking into account organisational changes.				
3	<b>ORG 3 - Failure to give effect to Te Tiriti and our obligations to Iwi, Hapu and Maori</b>	Extreme	High	Moderate	↔
	Risk Sponsor Comments: There are potential partnership, legal and reputational consequences for the Council associated with this risk, however an increased focus within Council including the delivery of Te Tiriti o Waitangi workshops provides an improving foundation for working alongside our mana whenua iwi partners to understand and mitigate these. Control effectiveness was reviewed but has not resulted in a change in risk trend at this time. Implementation of treatments will get underway once staff is available.				
4	<b>ORG 4 - Inadequate mitigation and adaptation responses to known and future climate change challenges</b>	Extreme	High	Moderate	↓
	Risk Sponsor Comments: We are seeing increasing impacts of climate change and will need to continually increase our response to adapt to and mitigate climate change. This is a long-term response where Council is also advocating for action from others and influencing decision-makers. Review of the current likelihood of the risk occurring to 'possible', combined with controls becoming more effective results in the risk trending further towards the target risk.				
5	<b>ORG 5 - Failure to achieve legislative obligations</b>	Extreme	Moderate	Moderate	↔
	Risk Sponsor Comments: There are significant controls in place and staff are acutely aware of the risks of not meeting their statutory obligations as part of their roles. After reviewing the effectiveness of controls, half of the twelve controls in place for this risk are considered effective. A new control and new or extended treatments have been confirmed to contribute to control effectiveness and mitigate the risk further. Both the current and target risk rating operate at the moderate risk appetite level, currently at a different consequence rating.				
6	<b>ORG 6 - Inadequate management of the impacts of central government reform/change</b>	Extreme	High	Moderate	↓
	Risk Sponsor Comments: We are working in a reasonably fluid environment in regard to central government reform/change. The coalition agreement has provided some direction and initial change. We are monitoring further change and direction setting closely and ensuring there is a good understanding of the implications for the organisation. Controls are increasingly effective as work is being delivered towards completion of treatments. This combined with reviewing the likelihood of the initial risk to 'likely' shows as a trend towards target.				
7	<b>ORG 7 - Inadequate safeguards against cyber security threats</b>	Extreme	Moderate	Moderate	↔
	Risk Sponsor Comments: Cyber security protection measures need to be fit for purpose for the Council and resourced appropriately. Controls remain effective, operating at target risk level is maintained.				

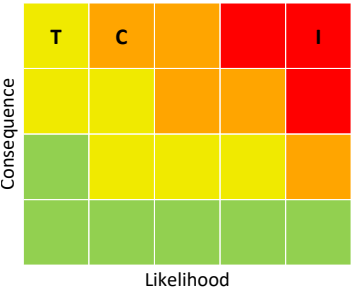
No.	Risk Title	Initial	Current	Target	Trend
8	<b>ORG 8 - Failure to prudently manage Council's financial stability including fraudulent activity</b>	Extreme	Moderate	Moderate	↔
	Risk Sponsor Comments: Generally satisfied with internal controls of the financial system. More regular training and awareness of the fraud mitigation policy is planned. The majority of controls are effective, operating at target risk level is maintained.				
9	<b>ORG 9 - Failure to maintain business continuity for essential services and inadequate planning and preparedness for emergencies.</b>	High	Moderate	Moderate	↔
	Risk Sponsor Comments: Business continuity remains a key area of focus. To have robust planning in place and a high level of readiness is essential for Council's ability to deliver an adequate response and meet statutory obligations during an emergency event. The review of effectiveness of controls identified gaps in BCP planning for which a treatment has been included. Five out of seven controls relate to emergency management, and treatments remain in place as implementation is still uncertain (LTP decision) or timeframes for completion are further out. As the risk rating for BCP Planning and Emergency Management are different a second heatmap for emergency management has been included in this report for this risk.				
10	<b>ORG 10 - Inability to attract and retain sufficient capacity to deliver Council's objectives</b>	Extreme	High	Low	↔
	Risk Sponsor Comments: Our Council is experiencing challenges in attracting and retaining suitably skilled and experienced staff. This challenge is also compounded through candidate remuneration expectations balanced against what the Council can afford to pay. Reviewing the effectiveness of the controls is planned for July to align with organisational changes, there is no further change in the current trend towards target risk.				

ORG 1 - Loss of life, serious injury or illness due to insufficient Health, Safety and Wellbeing management



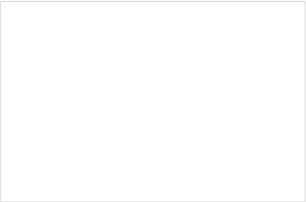
ORG 1	Loss of life, serious injury or illness due to insufficient Health, Safety and Wellbeing management			
Risk Categories: Health, Safety and Wellbeing, Legal and Regulatory Compliance, Reputational and Stakeholder Relationship		Risk Sponsor: Chief Executive	Secondary Risk Sponsor(s): Senior Leadership Team (SLT)	Last Reviewed Date: 23 May, 2024
				Next Review Date: 09 Aug, 2024

ndividual Heatmap



- I Initial Risk Assessment
- C Current Risk Assessment
- T Target Risk Assessment

Effectiveness of control	
C	Partially Effective



Causes

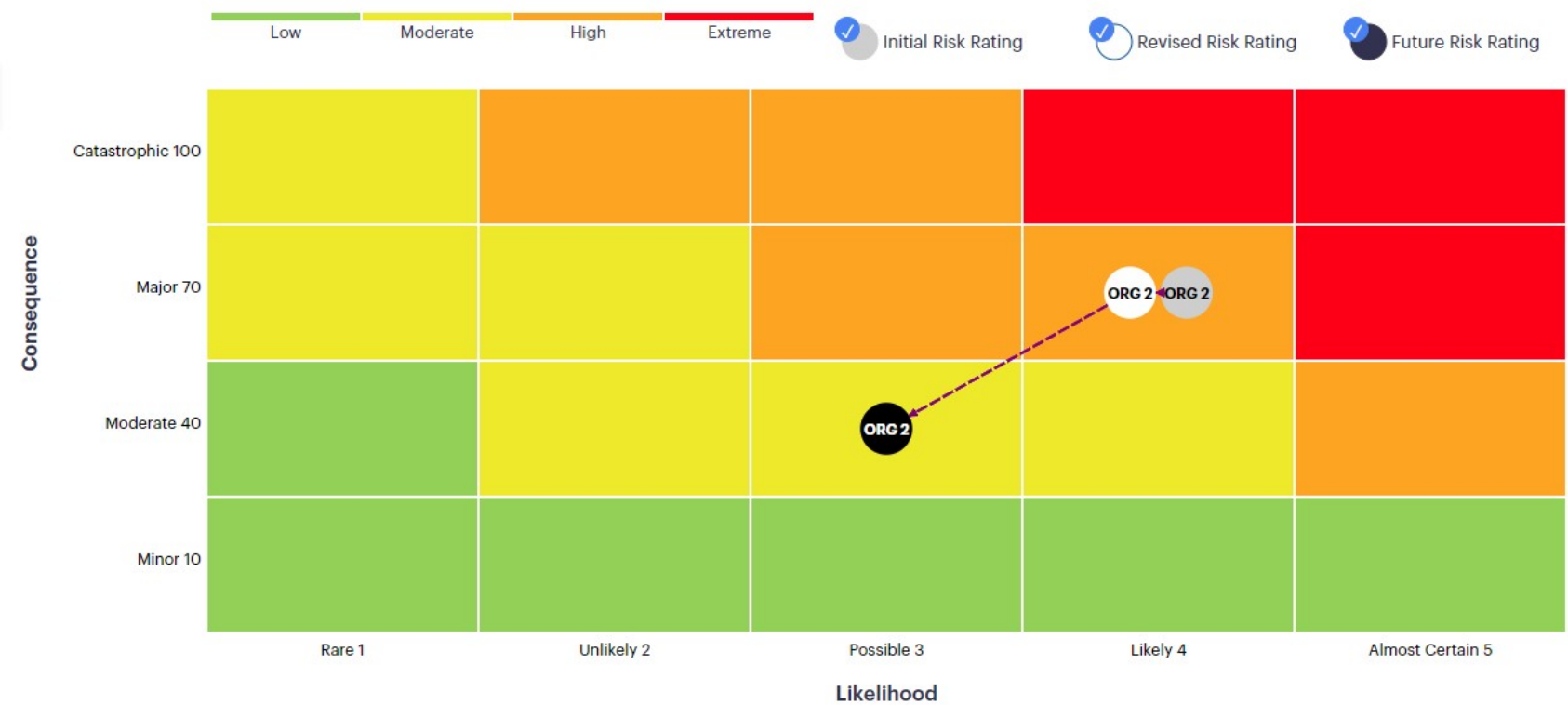
- Complacency
- Failure to engage and listen to staff
- Ineffective consistent engagement and communication between staff and management
- Ineffective safeguards and/or process controls
- Insufficient levels of capability
- Lack of adherence of contractor management frameworks
- Lack of sharing information to enable lessons learnt
- Loss of balance between resourcing and expectations
- Personal circumstances of staff
- Poor health and safety processes
- Poor safety culture and/or behaviours

Risk Treatment: Accept,Take further action to modify impact / likelihood

Current Controls

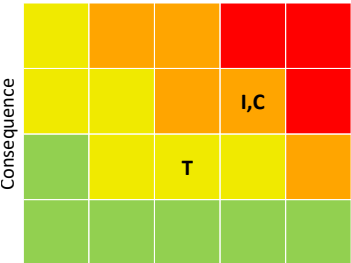
Control Title	Control Owner	Control Effectiveness Rating	Control Next Review Date
(1) Continuing the risk-based approach / assessment focus on: asbestos, hazardous substances, contractor management and driving.	GM People and Capability	Partially Effective	30 Jul, 2024
(2) Well-being initiatives for staff	GM People and Capability	Partially Effective	30 Jul, 2024
(3) H&S prequalification requirements for contractors.	GM People and Capability	Effective	30 Jul, 2024
(4) Employee Assistance Programme for Kapiti staff	GM People and Capability	Effective	30 Jul, 2024
(5) Consistent use of Health and safety management systems	GM People and Capability	Effective	30 Jul, 2024
(6) Proactive modelling of good Health & Safety behaviours to promote well-being	GM People and Capability	Partially Effective	30 Jul, 2024
(7) Kapiti staff Health and Safety Committee	GM People and Capability	Partially Effective	30 Jul, 2024

ORG 2 - Failure to adequately maintain social licence



ORG 2 Failure to adequately maintain social licence				
Risk Categories: Reputational and Stakeholder Relationship - Reputation,Stakeholder Relationship, Assets & Infrastructure Resilience, Environmental Impact, Legal and Regulatory Compliance		Risk Sponsor: GM Customer & Community	Secondary Risk Sponsor(s): Senior Leadership Team (SLT)	Last Reviewed Date: 23 May, 2024
				Next Review Date: 09 Aug, 2024

individual Heatmap



- I Initial Risk Assessment
- C Current Risk Assessment
- T Target Risk Assessment

Effectiveness of control	
C	Partially Effective

Causes

- Inconsistent approaches to engagement and collaboration
- Lack of transparency and accountability
- Poor alignment with strategic priorities in decision-making (reports)
- Poor understanding of and responsiveness to community needs and expectations

Consequences

- Decision makers lack mandate/confidence to act
- Lack of public confidence in and acceptance of Council decisions and advice
- Project and initiatives requiring community involvement or support take longer and cost more to deliver

Risk Treatment: Take further action to modify impact / likelihood

Current Controls

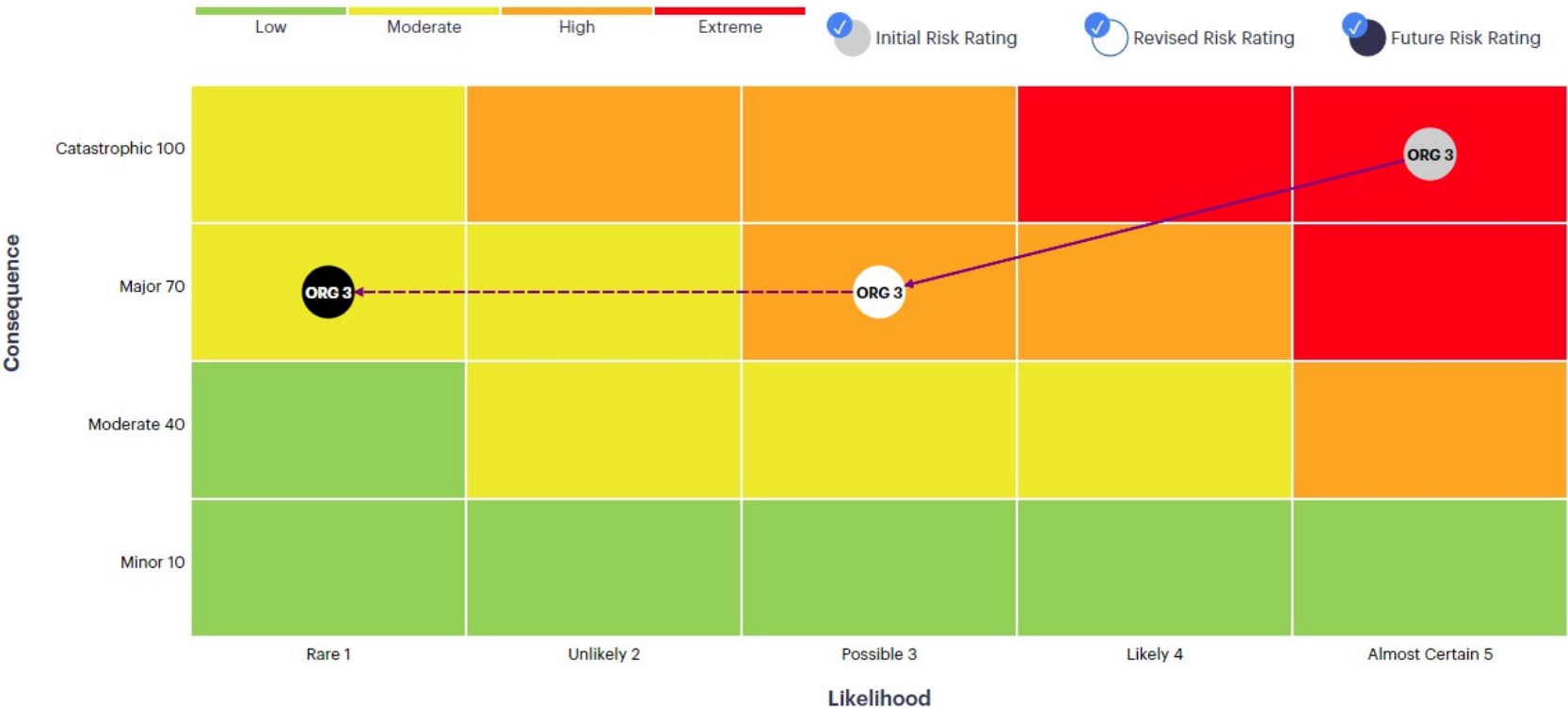
Control Title	Control Owner	Control Effectiveness Rating	Control Next Review Date
(1) Transparency and pro-active disclosure: LGOIMA requests published on the Council website, Council briefings open to the public	Manager Legal Services	Effective	30 Jul, 2024
(2) Communication, Media and Social Media Policy 2021 implementation	Manager Communications and Engagement	Partially Effective	30 Jul, 2024
(3) Adherence to Codes of Conduct by staff and by Elected Members	Senior Leadership Team (SLT)	Partially Effective	30 Jul, 2024
(4) Communication and Engagement Strategy implementation: Providing adequate opportunities for the public to understand and get involved in decision making.	Manager Communications and Engagement	Partially Effective	30 Jul, 2024
(6) Significance and Engagement Policy	Principal Advisor Corporate Services	Partially Effective	30 Jul, 2024
(5) Protected Disclosures Policy	Manager Legal Services	Partially Effective	30 Jul, 2024
(7) Investing in and lifting communications and engagement capability across the organisation.	Manager Communications and Engagement	Partially Effective	30 Jul, 2024

Current Risk Treatments

Risk Treatment Title	Responsible Officer	Treatment Status	% Completed	End Date	Performance
(3) Regular Elected Members communications on transparency and EM code of conduct.	Manager Democracy Services	In Progress	70	30 Jun, 2024	<div><div></div><div></div><div></div></div> GREEN

Risk Treatment Title	Responsible Officer	Treatment Status	% Completed	End Date	Performance
<b>Progress Comment:</b> Messaging is embedded in elected members induction programme and will be reinforced through regular elected members updates and communications. A workshop with Elected Members on this topic will take place in May 2024.					
(3) Regular staff communications about transparency, accountability and code of conduct.	Manager Communications and Engagement	In Progress	70	30 Jun, 2024	<div><div></div><div></div><div></div><div></div></div> <div>GREEN</div>
<b>Progress Comment:</b> Messaging is being embedded in staff induction programme and reinforced through regular managers updates and other staff communications.					

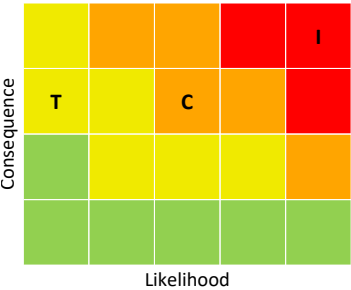
ORG 3 Failure to give effect to Te Tiriti and out obligations to Iwi, Hapu and Maori





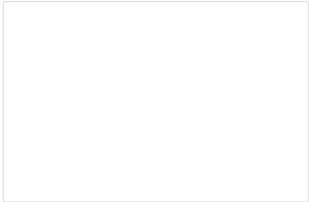
ORG 3 Failure to give effect to Te Tiriti and our obligations to Iwi, Hapu and Maori				
Risk Categories: Reputational and Stakeholder Relationship	Risk Sponsor: GM Iwi Partnerships	Secondary Risk Sponsor(s): Chief Executive	Last Reviewed Date: 23 May, 2024	Next Review Date: 09 Aug, 2024

Individual Heatmap



- I Initial Risk Assessment
- C Current Risk Assessment
- T Target Risk Assessment

Effectiveness of control	
C	Partially Effective



Causes

- Failure to be a supportive partner to mana whenua iwi during treaty claim and negotiation processes
- Inadequate resourcing of organisation to have appropriate capacity and capability to partner, collaborate and engage
- Inadequate support for resourcing of mana whenua iwi to enable appropriate capacity to partner, collaborate and engage
- Inadequate understanding of obligations to iwi, hapu and maori
- Inadequate understanding of partnership obligations to mana whenua iwi
- Inadequate understanding of Te Tiriti o Waitangi obligations
- Miscommunication or No communication

Risk Treatment: Take further action to modify impact / likelihood

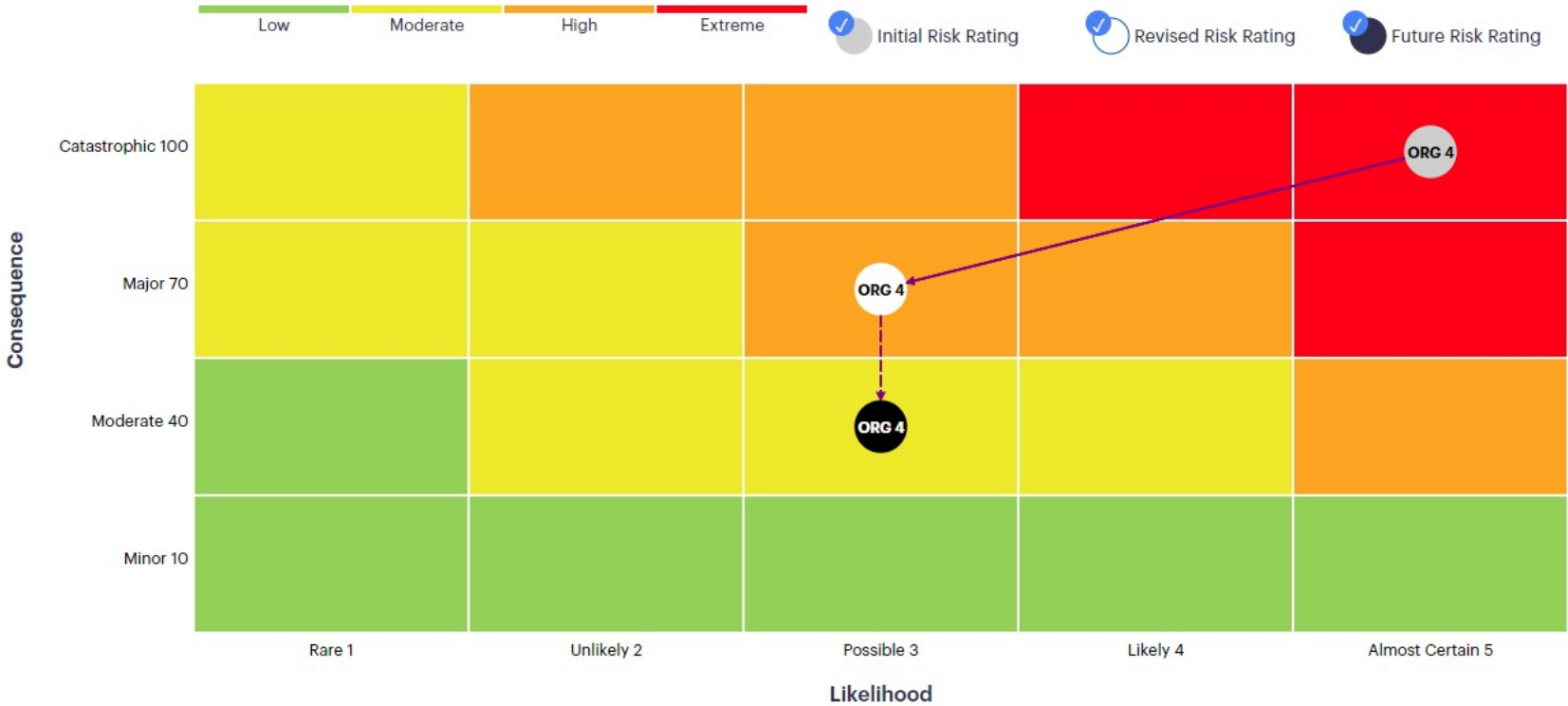
Current Controls

Control Title	Control Owner	Control Effectiveness Rating	Control Next Review Date
(1) Long Term Plan and other strategic and operational plans.	Senior Leadership Team (SLT)	Partially Effective	30 Oct, 2024
(6) Organisational Te Ao Maori capability training	Manager Iwi Partnerships	Partially Effective	30 Oct, 2024
(2) Mana whenua representation in Council Governance Structure	GM Iwi Partnerships	Effective	30 Oct, 2024
(3) Funding for Iwi capacity	GM Iwi Partnerships	Partially Effective	30 Oct, 2024
(4) Memorandum of Partnership - Whakahoatanga Manatu	GM Iwi Partnerships	Partially Effective	30 Oct, 2024
(5) Te Whakaminenga o Kapiti work programme	GM Iwi Partnerships	Partially Effective	30 Oct, 2024
(7) Establishment of new Iwi Partnerships Group	GM Iwi Partnerships	Partially Effective	30 Oct, 2024

Current Risk Treatments

Risk Treatment Title	Responsible Officer	Treatment Status	% Completed	End Date	Performance
(3) Scoping aspirational and funding needs of iwi partners.	Manager Iwi Partnerships	Not Started	0	01 Jul, 2025	 N/A
<b>Progress Comment:</b> Recruitment will provide and enable a focus on gathering this information from iwi partners and use it to improve effective work and budget planning to deliver on these needs.					
(4) Work with our mana whenua iwi partners to review the Memorandum of Partnership and Te Whakaminega o Kapiti terms of reference	GM Iwi Partnerships	In Progress	60	31 Dec, 2024	 GREEN
<b>Progress Comment:</b> Discussions are ongoing with all three of our Iwi partners specific to the partnership aspirations and needs of each Iwi. The GM Iwi Partnerships has been meeting regularly with Iwi Partners to progress a review of the Memorandum of Partnership and the ToR. The TWOK workprogramme is under review.					
(6) Develop process and programmes for staff engagement with Iwi Partners	GM Iwi Partnerships	Not Started	0	31 Dec, 2024	 N/A
<b>Progress Comment:</b> Te Reo learning programme was successfully implemented. Further capability work from the Iwi Partnerships Group will get underway as soon as new staff has started in the vacant roles. It's essential to have clear and consistent ways in which staff engages with Council's Iwi Partners.					

ORG 4 - Inadequate mitigation and adaptation responses to known and future climate change challenges



**ORG 4****Inadequate mitigation and adaptation responses to known and future climate change challenges**

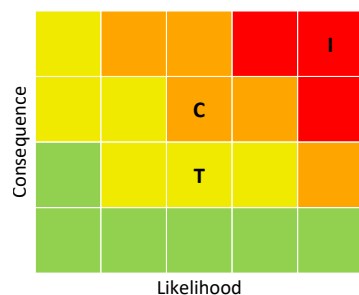
**Risk Categories:** Environmental Impact, Assets & Infrastructure Resilience, Health, Safety and Wellbeing, Reputational and Stakeholder Relationship

**Risk Sponsor:** GM Strategy and Growth

**Secondary Risk Sponsor(s):** GM Corporate Services, GM Infrastructure and Asset Management, GM Regulatory and Environment

**Last Reviewed Date:** 23 May, 2024

**Next Review Date:** 09 Aug, 2024

**Individual Heatmap**

- I Initial Risk Assessment
- C Current Risk Assessment
- T Target Risk Assessment

**Effectiveness of control**

C Partially Effective

**Causes**

- Failure to appropriately consider climate change in growth decisions
- Failure to consider climate change appropriately in BAU activities
- Inadequate consideration in Council strategies and plans
- Misalignment between Council's climate change strategies and operational activities
- Misalignment between national direction and appropriate local responses

**Consequences**

- Building consents liabilities
- Coastal erosion
- Disruption to core Infrastructure
- Economic development disruption to local businesses and community
- Environmental non-compliances due to discharge
- Property and assets losses/impacts
- Increased capital costs for resilient assets
- Increased wastewater overflow
- Loss of credit rating
- Loss of cultural taonga of significance
- Negative impacts on our resilience
- Reduced quality of land for use
- Reduced quality of wai (rivers, streams and ocean)

**Risk Treatment:** Take further action to modify impact / likelihood





**Current Controls**

Control Title	Control Owner	Control Effectiveness Rating	Control Next Review Date
(1) Deliver asset management and capital projects to make core infrastructure assets resilient to a changing climate.	GM Infrastructure and Asset Management	Effective	30 Oct, 2024
(2) Carbon Footprint and Emissions Reduction support across the organisation and internal and external education programmes.	Manager Climate Action and Connected Communities	Partially Effective	30 Oct, 2024
(3) Natural Catastrophe Insurance	GM Corporate Services	Effective	30 Oct, 2024
(4) Embed climate change thinking, planning and action into all council activities.	Manager Climate Action and Connected Communities	Effective	30 Oct, 2024
(5) Land Use Planning (Local and Regional projects) - to mitigate risks from increasing natural hazards and support emissions reductions through low carbon development.	Manager District Planning	Partially Effective	30 Oct, 2024
(6) Implement further 'direct emissions' reductions from Council's services delivery towards reaching the 2032 and 2040 targets	Manager Climate Action and Connected Communities	Effective	30 Oct, 2024

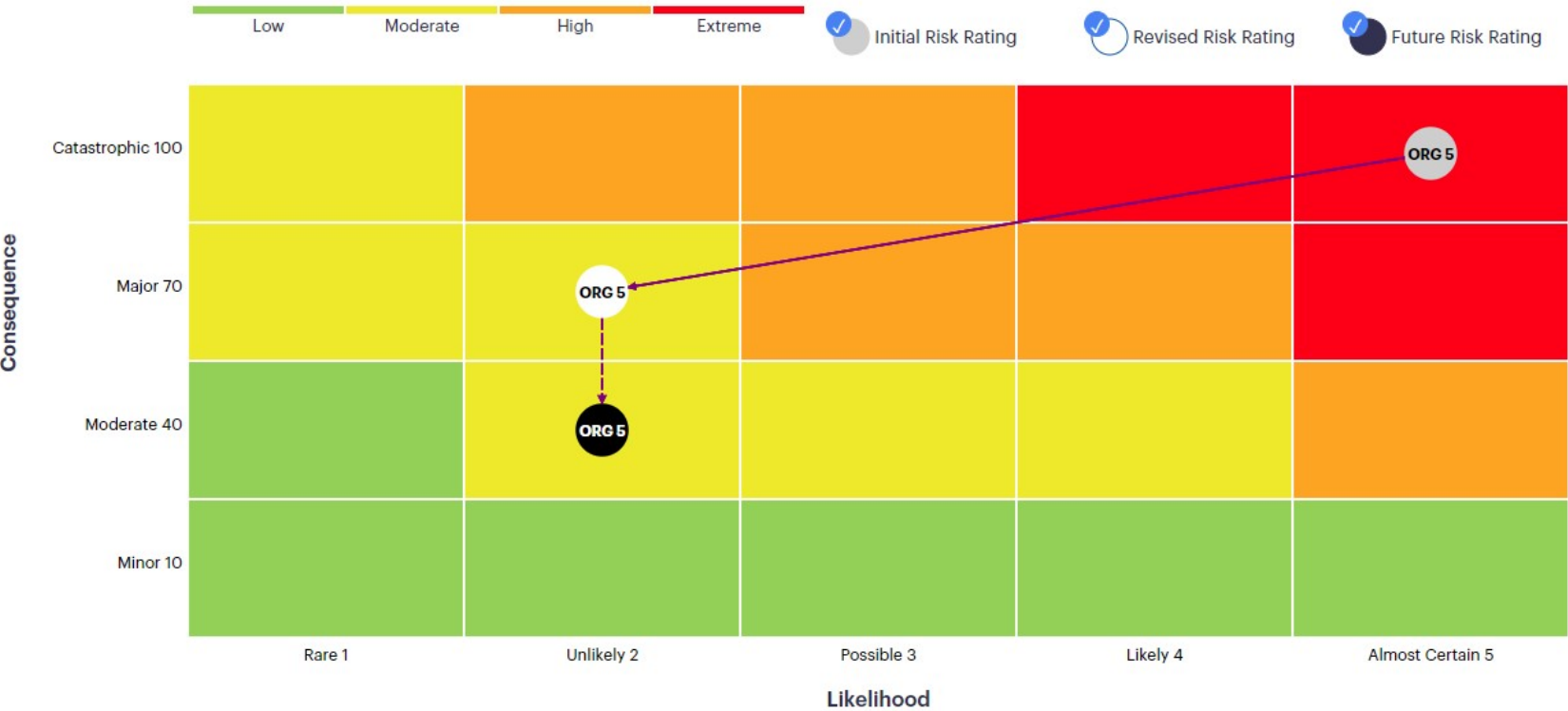
## Current Controls

Control Title	Control Owner	Control Effectiveness Rating	Control Next Review Date
(7) Implement Climate Emergency Action framework and report through Climate Emergency Update Reports (LTP 2021)	Manager Climate Action and Connected Communities	Partially Effective	30 Oct, 2024

## Current Risk Treatments

Risk Treatment Title	Responsible Officer	Treatment Status	% Completed	End Date	Performance
(5) Coastal Adaptation Panel (CAP) recommendations to Council	Manager District Planning	In Progress	88	30 Jun, 2024	 GREEN
<b>Progress Comment:</b> The Coastal Advisory Panel have completed their initial community value workshops for the whole district and have commenced their work on options for the Paekākāriki Adaptation area. The project is on track for the CAP's recommendation report to be presented to Council end of June 2024.					
(5) Progress flood risk plan change.	Manager District Planning	Not Started	0	31 Dec, 2025	 N/A
<b>Progress Comment:</b> This work has not started as it depends on the flood mapping work underway (refer to infrastructure stormwater and inland flooding project).					
(5)Progress coastal district plan change	Manager District Planning	Not Started	0	31 Dec, 2026	 N/A
<b>Progress Comment:</b> The recommendation from CAP, if adopted, will inform the district plan change and other associated actions.					
(new) Introduce a Climate Strategy	Manager Strategy	In Progress	65	01 Oct, 2024	 GREEN
<b>Progress Comment:</b> The Climate Change and Resilience Community Think Tank was established and has met twice. SOF has set a district-wide emissions reduction target in December 2023 to be included in the Strategy. <a href="#">The Direction of Travel document is being finalised for public consultation in June.</a>					

ORG 5 Failure to achieve legislative obligations



**ORG 5****Failure to achieve legislative obligations**

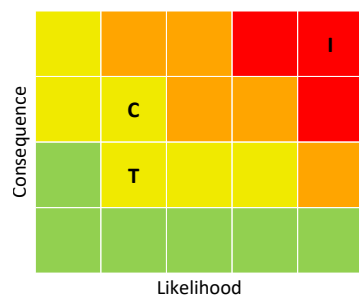
**Risk Categories:** Legal and Regulatory Compliance, Reputational and Stakeholder Relationship

**Risk Sponsor:** GM Regulatory and Environment

**Secondary Risk Sponsor(s):** GM Corporate Services, GM Infrastructure and Asset Management, GM Strategy and Growth, Vacant

**Last Reviewed Date:** 23 May, 2024

**Next Review Date:** 09 Aug, 2024

**Individual Heatmap****Effectiveness of control**

C Partially Effective

**Causes**

- Breach of internal policy or procedure
- Failure to provide or maintain safe infrastructure
- Insufficient analysis of available data
- Insufficient resourcing
- Misaligned policies
- Miscommunication or No communication
- Political decisions made against professional advice
- Political influence in operational matters
- Staff applying legislation incorrectly
- Staff providing incorrect advice to Council

**Consequences**

- Community impact
- Public safety impacted negatively
- Council liability
- Environmental impact
- Failed infrastructure
- Failure to adopt LTP / Annual Plans
- Financial exposure
- Legal consequences
- Loss of IANZ accreditation
- Loss of public confidence
- Loss of skilled and specialist staff
- Loss of staff due disciplinary action or termination
- Non-compliance with regulatory and legislative obligations
- Poor decision making
- Regulatory infringement
- Reputational damage

**Risk Treatment:** Take further action to modify impact / likelihood

**Current Controls**

Control Title	Control Owner	Control Effectiveness Rating	Control Next Review Date
(1) Compliance with Local Government Act 2002 and all other relevant legislation	Senior Leadership Team (SLT)	Effective	30 Oct, 2024
(2) Compliance with statutory standards and associated Annual Reports	GM Regulatory and Environment	Effective	30 Oct, 2024
(5) Compliance Reports on sanitary services to Taumata Arowai.	GM Infrastructure and Asset Management	Effective	30 Oct, 2024
(3) Advice available from external legal service providers	Manager Legal Services	Partially Effective	30 Oct, 2024
(4) Internal legal counsel services	Manager Legal Services	Partially Effective	30 Oct, 2024
(6) Monitoring policy/legislative change announcements	Principal Advisor Regulatory and Environment	Effective	30 Oct, 2024

## Current Controls

Control Title	Control Owner	Control Effectiveness Rating	Control Next Review Date
(7) Maintain building consent authority International Accreditation New Zealand (IANZ)	Manager Building	Effective	30 Oct, 2025
(8) Implement District Plan and other relevant land use planning legislation	Manager District Planning	Partially Effective	30 Oct, 2024
(9) Strategic Projects Alignment (developments) (NEW)	Director Strategic Development	Partially Effective	30 Oct, 2024
(10) Workshops for applicants to ensure (new) legislative requirements are well understood.	Director Strategic Development	Partially Effective	30 Oct, 2024
(11) SLT maintains oversight of Asset Management Plans and work programmes	Senior Leadership Team (SLT)	Partially Effective	30 Oct, 2024
(12) Training for staff to ensure that (new) legislative requirements are well understood by decision-makers.	Manager Customer Experience	Effective	30 Oct, 2024

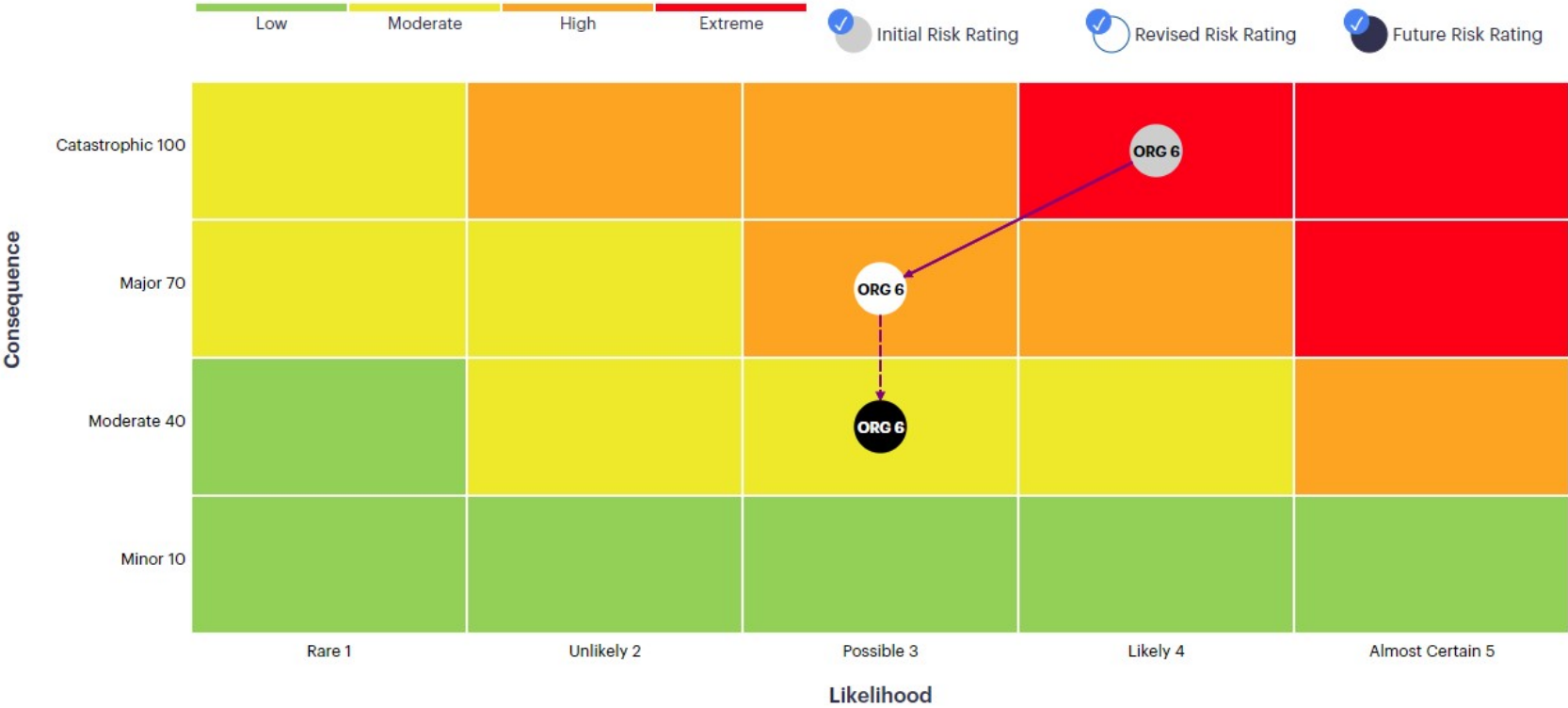
## Current Risk Treatments

Risk Treatment Title	Responsible Officer	Treatment Status	% Completed	End Date	Performance
(11) Develop Asset Management Policy including SLT review programme and RAC reporting cycle.	Principal Advisor Customer and Community	Not Started	0	31 Dec, 2024	N/A
<b>Progress Comment:</b> Develop an AMP Policy that sets out commitments, mechanisms and timelines for reviewing Asset Management Plans and work programmes (in alignment with maturity scoring from IIMM (International Infrastructure Management Manual) by SLT. Include a reporting cycle to RAC on delivery on AMP improvement plans and key changes/updates to work programmes (if any).					
(12) Extending Government Regulatory training for staff.	Principal Advisor Regulatory and Environment	Not Started	0	31 Dec, 2024	N/A
<b>Progress Comment:</b> Extend G-Reg training to all staff that has involvement in regulatory decision-making processes.					
(12) Promote a collaborative culture in the regulatory and technical decision-making process.	Manager Resource Consents and Compliance	In Progress	10	01 Nov, 2024	GREEN
<b>Progress Comment:</b> Support peer-to-peer upskilling and collaboration to enable improved technical vetting in the pre-application and pre-lodgment phase for resource consents and building consents.					
(2) Better analysis of compliance inspections and reporting	GM Regulatory and Environment	In Progress	10	31 Dec, 2024	GREEN
<b>Progress Comment:</b> Continue to improve how we analyse and use data from inspections and compliance actions as part of performance and statutory reporting.					
(4) Implementation of the Legal Strategy	Manager Legal Services	In Progress	10	30 Apr, 2026	GREEN
<b>Progress Comment:</b> SLT recently approved the Legal Strategy which will now be implemented, which includes staff education on when to seek advice and ensure that legal advice meets the organisation's needs.					



Risk Treatment Title	Responsible Officer	Treatment Status	% Completed	End Date	Performance
(9) Implement strategic project alignment for (land use) developments across the organisation.	Director Strategic Development	Not Started	0	01 Oct, 2024	<div><div></div><div></div><div></div></div> N/A
<b>Progress Comment:</b> Refine and clarify current processes in place for gaining strategic, technical, regulatory and risk alignment across the business when upcoming large developments are socialised by developers. Establish a monthly agenda item for SLT to report back on this process with regard to up-and-coming developments and developments in the pre-application stage.					

ORG 6 - Inadequate management of the impacts of central government reform/change



## ORG 6

## Inadequate management of the impacts of central government reform/change

**Risk Categories:** Legal and Regulatory Compliance, Environmental Impact, Financial Exposure, Reputational and Stakeholder Relationship

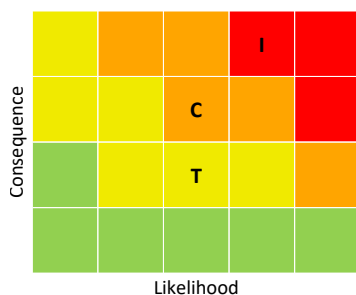
**Risk Sponsor:** GM Strategy and Growth

**Secondary Risk Sponsor(s):** GM Infrastructure and Asset Management, GM Regulatory and Environment, Vacant, Vacant

**Last Reviewed Date:** 23 May, 2024

**Next Review Date:** 09 Aug, 2024

## Individual Heatmap



## Effectiveness of control

C Partially Effective

## Causes

- Change in Government direction
- Inadequate regulatory impact statements affecting local government
- Government intervention
- Government timeframes for local government engagement

## Consequences

- Organisational change
- Delays to work programmes
- Do-ability challenges in implementing national directive
- Financial exposure
- Increased costs
- Reprioritisation
- Reputational damage

**Risk Treatment:** Take further action to modify impact / likelihood

## Current Controls

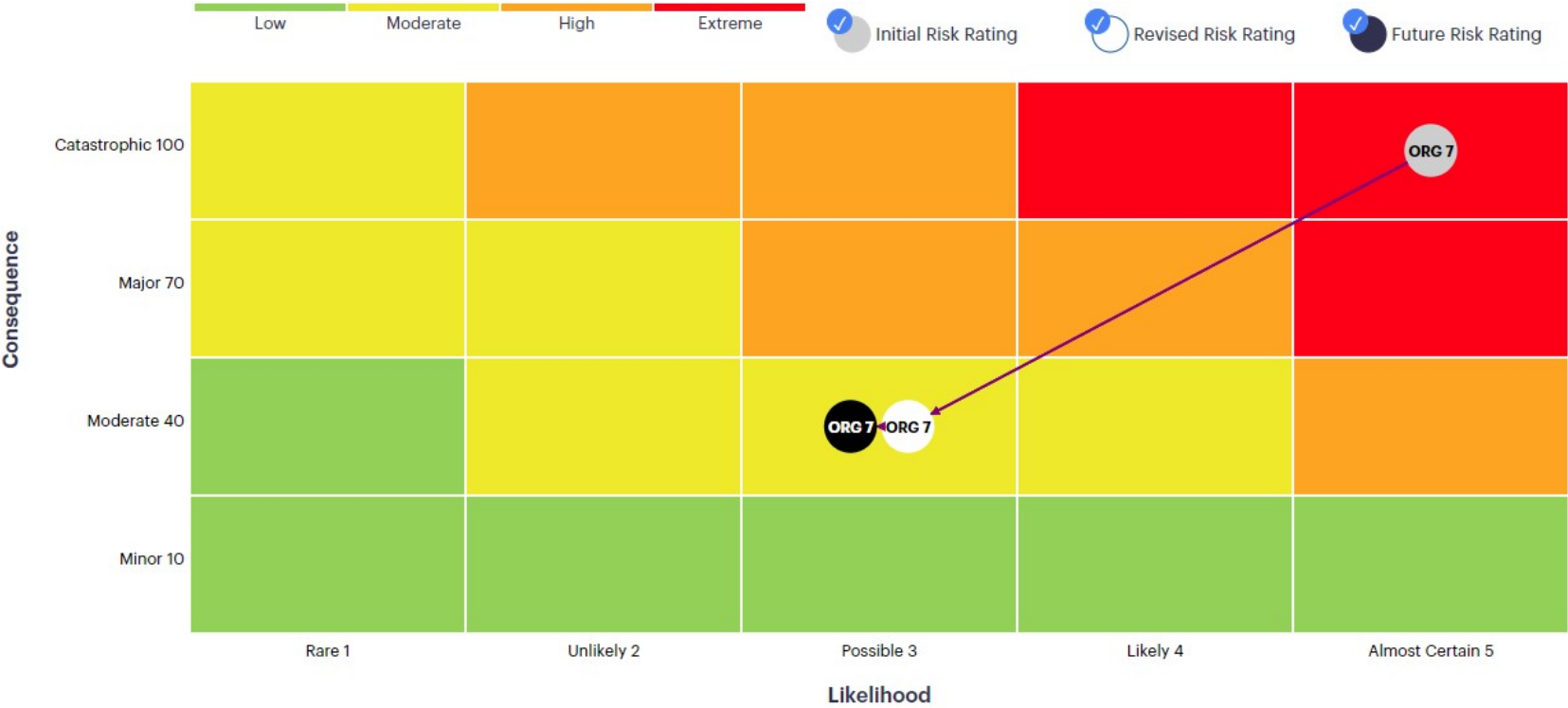
Control Title	Control Owner	Control Effectiveness Rating	Control Next Review Date
(1) Monitoring policy and legislative announcements to respond and prepare for change.	Manager Strategy	Effective	30 Oct, 2024
(2) Raising issues of concern for our community through formal processes (Health, Housing)	Manager Strategy	Partially Effective	30 Oct, 2024
(3) Regional and national collaboration, knowledge sharing and creating opportunities to influence decision-making.	Manager Strategy	Partially Effective	30 Oct, 2024
(4) Identify short to medium term high impact legislative changes to include budgets in Long Term Plans	Chief Financial Officer	Partially Effective	30 Oct, 2024

## Current Risk Treatments

Risk Treatment Title	Responsible Officer	Treatment Status	% Completed	End Date	Performance
(2) Consider, assess and manage implications of health reform for Kāpiti district. <b>Progress Comment:</b> A Health Strategy is being drafted to outline how Council will support addressing the implications of health reform for Kāpiti as a locality, and existing/growing health services gaps. Legislation requires local authorities to be consulted in the locality discussion for health services. We are working with the health sector and with the Kāpiti Health Advisory Group. The Direction of Travel document has been consulted on, feedback is being considered.	Manager Strategy	In Progress	60	31 Dec, 2024	GREEN
(3) Regional and national collaboration and knowledge sharing <b>Progress Comment:</b> Progressively targeting engagement with central government and regional government. Recruitment in the Strategy & Growth Group will enable further delivery of this work-programme.	Manager Strategy	In Progress	85	30 Jun, 2024	GREEN

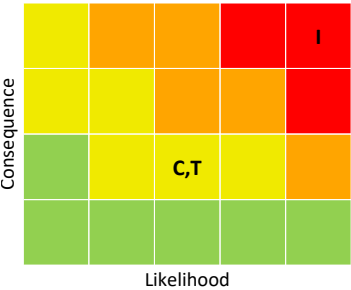
Risk Treatment Title	Responsible Officer	Treatment Status	% Completed	End Date	Performance
(N) Scenario planning that will inform our short, medium and long term direction (includes input to LTP)	Manager Strategy	Not Started	0	01 Aug, 2024	<div><div></div><div></div><div></div></div> N/A
<b>Progress Comment:</b> Councillors have agreed that developing scenarios will be part of the Vision Kapiti development. We will start pathways development in the new year.					

ORG 7 - Inadequate safeguards against cyber security threats



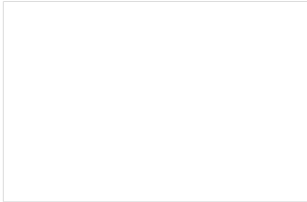
ORG 7 Inadequate safeguards against cyber security threats			
Risk Categories: Information and Data Management, Financial Exposure, IT Systems and Processes, Reputational and Stakeholder Relationship		Risk Sponsor: GM Corporate Services	Last Reviewed Date: 23 May, 2024
			Next Review Date: 09 Aug, 2024

individual Heatmap



- I Initial Risk Assessment
- C Current Risk Assessment
- T Target Risk Assessment

Effectiveness of control	
C	Effective



Causes

- Data breach
- Denial of service
- Inappropriate use
- Malicious code
- Phishing attack
- Poor physical security
- Ransomware
- Supplier being breached
- Unauthorised access
- Unpatched systems
- Zero-day attacks

Risk Treatment: Accept

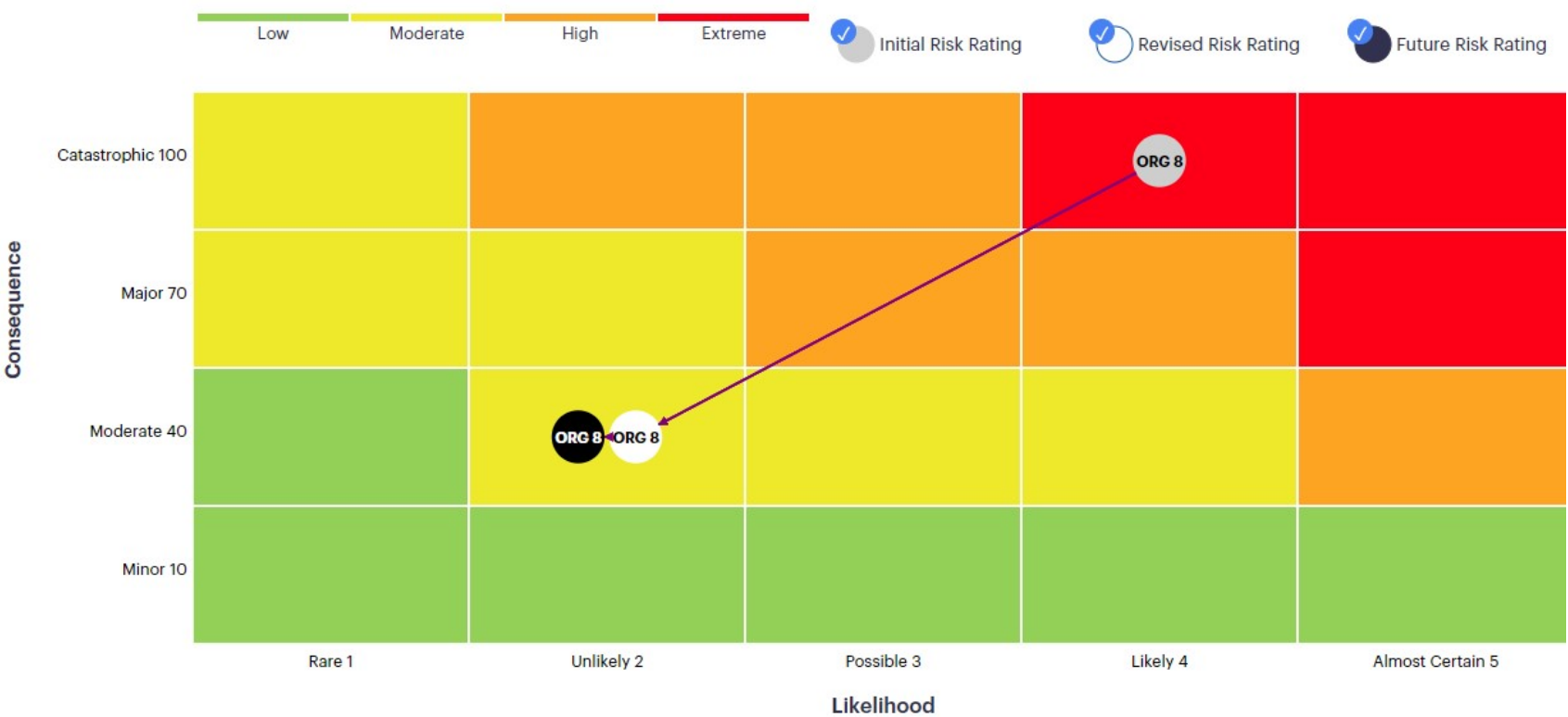
Current Controls

Control Title	Control Owner	Control Effectiveness Rating	Control Next Review Date
(1) Cyber Security Awareness Training	Chief Information Officer	Effective	30 Oct, 2024
(3) Annual independent cyber security audit	Chief Information Officer	Effective	30 Oct, 2024
(4) Software security patches	Chief Information Officer	Effective	30 Oct, 2024
(5) User Security Permissions	Chief Information Officer	Effective	30 Oct, 2024
(2) Security Incident Management System (SIEM) (pro-active monitoring of cyber security threats.	Chief Information Officer	Effective	30 Oct, 2024
(6) Quarterly testing of IT team response to cyber threats	Manager Information Technology	Effective	30 Oct, 2024

Consequences

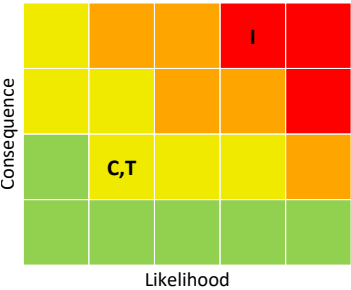
- Financial exposure
- Information leakage
- Legal consequences
- Privacy breaches
- Reputational damage
- Service disruption
- Theft of information

ORG 8 - Failure to prudently manage Council's financial stability including fraudulent activity



ORG 8 Failure to prudently manage Council’s financial stability including fraudulent activity			
Risk Categories: Financial Exposure, Reputational and Stakeholder Relationship		Risk Sponsor: GM Corporate Services	<div>Last Reviewed Date: 23 May, 2024Next Review Date: 09 Aug, 2024</div>

Individual Heatmap



Causes

- Cyber security attack
- Decreased revenue
- Inadequate financial controls
- Increased insurance premiums
- Inflation
- Lack of process controls
- Major government policy changes
- Rising costs

Consequences

- Delays to work programmes
- Failure to meet legislative and statutory obligations
- Financial losses
- Legal consequences
- Reputational damage
- Service disruption

Risk Treatment: Take further action to modify impact / likelihood

Current Controls






Control Title	Control Owner	Control Effectiveness Rating	Control Next Review Date
(1) Employee screening	GM People and Capability	Effective	30 Oct, 2024
(2) Enterprise Risk Management	Manager Risk and Assurance	Effective	30 Oct, 2024
(3) Fraud and Corruption awareness training	Manager Risk and Assurance	Partially Effective	30 Oct, 2024
(4) Protected Disclosures Policy	Manager Legal Services	Partially Effective	30 Oct, 2024
(5) Mitigation of Fraud Policy	Manager Risk and Assurance	Partially Effective	30 Oct, 2024
(6) Internal Audit work programme	Manager Risk and Assurance	Effective	30 Oct, 2024
(7) Financial External Audits	Chief Financial Officer	Effective	30 Oct, 2024
(8) Financial Internal verification processes (checks and balances).	Chief Financial Officer	Effective	30 Oct, 2024
(9) Financial management awareness training	Chief Financial Officer	Effective	30 Oct, 2024
(10) Financial reporting	Chief Financial Officer	Effective	30 Oct, 2024



## Current Controls

Control Title	Control Owner	Control Effectiveness Rating	Control Next Review Date
(11) Financial Strategy	GM Corporate Services	Partially Effective	30 Oct, 2024
(12) Procurement Policy and Manual implementation.	Chief Financial Officer	Partially Effective	30 Oct, 2024
(13) Insurance and re-insurance of Council assets	GM Corporate Services	Effective	30 Oct, 2024
(14) Code of conduct and Corporate Policies	Senior Leadership Team (SLT)	Partially Effective	30 Oct, 2024
(15) Council's Long-Term Plans and Annual Plans	Senior Leadership Team (SLT)	Effective	30 Oct, 2024
(16) Financial Policies (implementation and review).	Chief Financial Officer	Partially Effective	30 Oct, 2024

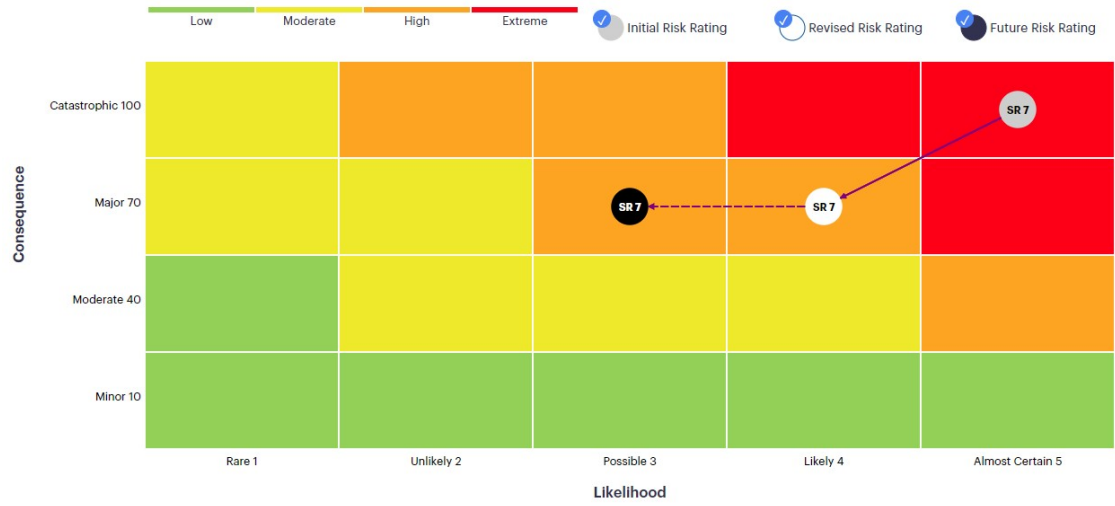
## Current Risk Treatments

Risk Treatment Title	Responsible Officer	Treatment Status	% Completed	End Date	Performance
(12) Procurement Policy and Framework implementation to achieve fair and transparent procurement as part of services delivery.	Chief Financial Officer	In Progress	60	31 Dec, 2024	 GREEN
<b>Progress Comment:</b> The procurement framework has been reviewed and change recommendations are being implemented.					
(14) Develop and implement a rolling staff education programme.	GM People and Capability	Not Started	0	30 Oct, 2024	 N/A
<b>Progress Comment:</b> In collaboration develop an education programme that adds regularity to education (using various methods) with a focus on CoC, Finance, Procurement, Legal and Iwi Partnerships. Refer to and include communications treatments under ORG 2.					
(16) Regularly review relevant corporate policies	GM Corporate Services	In Progress	80	30 Jun, 2024	 GREEN
<b>Progress Comment:</b> Ongoing as part of BAU; the General Expenses Policy was reviewed in July 2023, the Koha Policy review is almost complete.					
(3) Develop Fraud and Corruption awareness training module.	Manager Risk and Assurance	In Progress	10	31 Dec, 2024	 GREEN
<b>Progress Comment:</b> Develop training module and align with education programme development.					
(5) Annual review of Conflicts of Interest (COI) register	Manager Risk and Assurance	In Progress	80	30 Jun, 2024	 GREEN
<b>Progress Comment:</b> In progress but delayed due to Long Term Plan work requirements.					

ORG 9 - Failure to maintain business continuity for essential services and inadequate planning and preparedness for emergencies



Risk rating for Maintaining business continuity for essential services



Risk rating for Inadequate planning and preparedness for emergencies

**ORG 9****Failure to maintain business continuity for essential services and inadequate planning and preparedness for emergencies.**

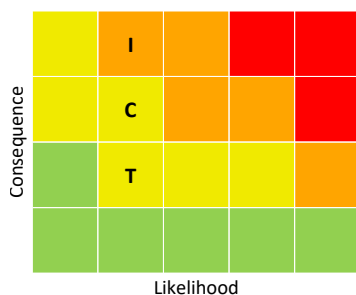
**Risk Categories:** Assets & Infrastructure Resilience, Financial Exposure, Health, Safety and Wellbeing, IT Systems and Processes, Legal and Regulatory Compliance, Reputational and Stakeholder Relationship

**Risk Sponsor:** GM Infrastructure and Asset Management

**Secondary Risk Sponsor(s):** GM Corporate Services, GM Regulatory and Environment

**Last Reviewed Date:** 23 May, 2024

**Next Review Date:** 09 Aug, 2024

**Individual Heatmap****Causes**

- Civil Defence Emergency
- Cyber security attack
- Data breach
- Earthquakes
- Fire
- Flooding
- Natural catastrophe
- Network failure
- Pandemics

**Consequences**








- Homelessness
- Negative impact on Council and community resilience
- Public/staff harm
- Legal implications
- Customer dissatisfaction
- Failure to meet statutory requirements
- Delays to work programmes
- Disruption to core Infrastructure
- Failure to achieve business objectives
- Financial exposure
- Reputational damage
- Service disruption

**Risk Treatment:** Take further action to modify impact / likelihood

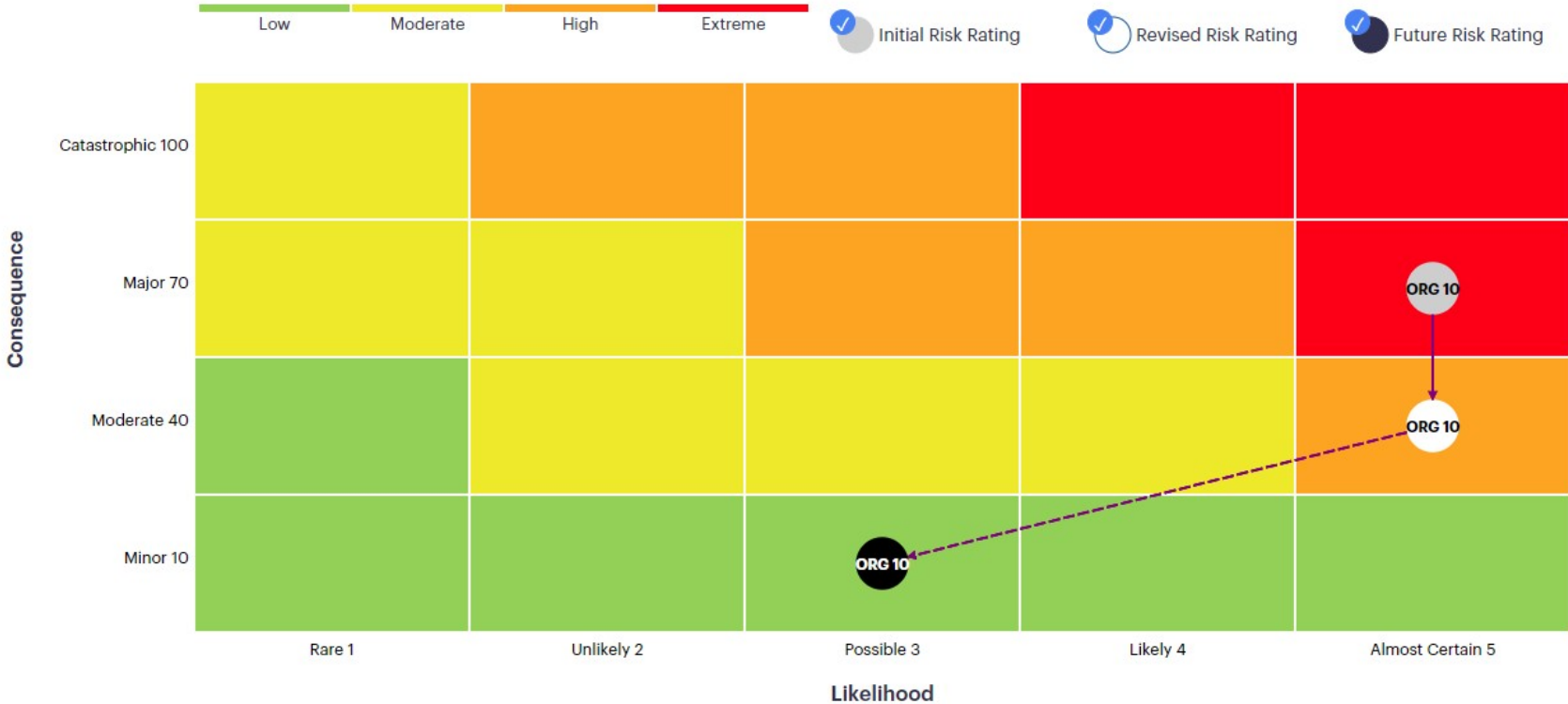
**Current Controls**

Control Title	Control Owner	Control Effectiveness Rating	Control Next Review Date
(1) Asset Management Planning and investing in resilient infrastructure.	Senior Leadership Team (SLT)	Partially Effective	30 Oct, 2024
(2) Business Continuity Plans	Senior Leadership Team (SLT)	Partially Effective	30 Oct, 2024
(3) Resourcing, training, professionalisation and integration with WREMO and use of the CIMS model.	Manager Emergency Management	Partially Effective	30 Oct, 2024
(4) Sufficient emergency management staffing levels to provide better preparedness, response and recovery.	Manager Emergency Management	Partially Effective	30 Oct, 2024
(5) Kapiti Local Emergency Response Plans are up to date and joint operational readiness through KESCC is in place.	Manager Emergency Management	Partially Effective	30 Oct, 2024
(6) Continued Community Resilience Education Programmes delivered by in Kapiti by WREMO.	Manager Emergency Management	Effective	30 Oct, 2024
(7) Development of more comprehensive Recovery Planning (Emergency Management)	GM Strategy and Growth	Partially Effective	30 Oct, 2024

## Current Treatments

Risk Treatment Title	Responsible Officer	Treatment Status	% Completed	End Date	Performance
(1) Share findings of external AMP audits with SLT (LTP cycle).	GM Infrastructure and Asset Management	In Progress	10	30 Sep, 2024	 GREEN
<b>Progress Comment:</b> Once the audit findings are delivered these will be shared for information with SLT.					
(2) Develop a BCP Governance framework for SLT and a 'one format one system' approach across Business Units.	Manager Risk and Assurance	In Progress	40	30 Aug, 2024	 GREEN
<b>Progress Comment:</b> Inventory was done of existing BCPs across the business, discussions one system approach has started. Reminders to test and review will be included in this process and in CAMMS Risk sytem.					
(2) Review and update Infrastructure BCP's	GM Infrastructure and Asset Management	In Progress	65	30 Jun, 2024	 AMBER
<b>Progress Comment:</b> Some review work has started; a Waste Water PCB review is in progress. The Property PCB is in draft ready for practice. A discussion about a framework is underway. BCP review work will be programmed accordingly.					
(3) Professionalise EOC structure in order to build and retain capacity and capability.	Manager Emergency Management	In Progress	35	31 Dec, 2025	 GREEN
<b>Progress Comment:</b> Progression pathways have been developed to offer advancement through the various levels within the EOC (from Function Staff to Local Controller). Remuneration framework has been endorsed by SLT as a priority for the draft LTP2024 budget. Remuneration recognises the critical role of this workforce, incentivises advancement through training and provides recognition.					
(5) Kāpiti Local Emergency Response Plan development and implemetation.	Manager Emergency Management	In Progress	85	30 Jun, 2024	 GREEN
<b>Progress Comment:</b> The draft Local Response Plan is close to being finalised. The final plan will be approved by SLT and will be reviewed every 5 years. A local Emergency Drinking Water Plan is under development.					
(5) Work programme to enhance inter-agency collaboration locally (KESCC) and joint operational readiness	Manager Emergency Management	In Progress	45	20 May, 2025	 GREEN
<b>Progress Comment:</b> A local Severe Weather Management Team based of the Kapiti Emergency Services Coordination Committee) was established as part of the integrated readiness approach. Other agencies take part in Council's EOC exercises and this programme is working towards an inter-agency exercise in May 2025.					
(7) Recovery Plan development.	Manager Strategy	In Progress	10	31 Dec, 2024	 GREEN
<b>Progress Comment:</b> Recovery function is now embedded in the EOC response and Recovery Planning will get underway once recruitment for the planning role is completed.					

ORG 10 Inability to attract and retain sufficient capacity to deliver Council's objectives



**ORG 10** Inability to attract and retain sufficient capacity to deliver Council's objectives

Risk Categories: Health, Safety and Wellbeing

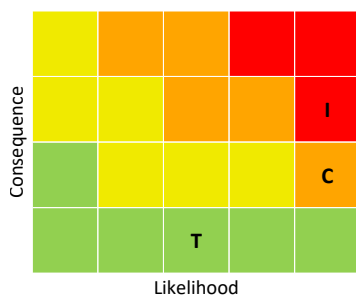
Risk Sponsor: GM People and Capability

Secondary Risk Sponsor(s): Senior Leadership Team (SLT)

Last Reviewed Date: 23 May, 2024

Next Review Date: 09 Aug, 2024

## Individual Heatmap



## Effectiveness of control

C Partially Effective

## Causes

- Competitive market
- Increased workload expectations
- Inflation
- Limited opportunities for career progression
- Significant family or life event

## Consequences

- Corporate loss of institutional and intellectual knowledge
- Decreased staff welfare and mental health
- Delays to work programmes
- Failure to meet legislative and statutory obligations
- Increased costs
- Loss of skilled and specialist staff
- Lowering of staff morale
- Reputational damage

Risk Treatment: Take further action to modify impact / likelihood

## Current Controls

Control Title	Control Owner	Control Effectiveness Rating	Control Next Review Date
(1) Engaging Contractors / Consultants to backfill vacancies	GM People and Capability	Partially Effective	30 Jul, 2024
(2) Monitoring job grade & remuneration policy	GM People and Capability	Partially Effective	30 Jul, 2024
(3) Monitoring Remuneration trends	GM People and Capability	Effective	30 Jul, 2024
(4) Professional development opportunities	GM People and Capability	Partially Effective	30 Jul, 2024
(5) Regular staff engagement surveys and associated work programmes	GM People and Capability	Partially Effective	30 Jul, 2024
(6) Workforce and Succession Planning	GM People and Capability	Partially Effective	30 Jul, 2024
(7) Reprioritisation of Work Programmes	Senior Leadership Team (SLT)	Partially Effective	30 Jul, 2024
(8) People and Culture Strategy implementation	GM People and Capability	Partially Effective	30 Jul, 2024

## Current Risk Treatments

Risk Treatment Title	Responsible Officer	Treatment Status	% Completed	End Date	Performance
(7) Provide input into development of AMP Policy and review/reporting process - linking capacity/capability to delivery.	GM People and Capability	Not Started	0	31 Dec, 2024	<div><div></div><div></div><div></div></div> <div>N/A</div>
Progress Comment: This control and treatment are linked to control and treatment in ORG risk 5 (SLT oversight of AMPs and work programmes).					

## 5. Definitions (ISO 31000:2018)

Term	Definition
Risk	The effect of uncertainty on achieving objectives. It can be positive, negative or both, and can create or result in opportunities and threats.
Risk Appetite	The amount of risk that Council is willing to pursue or retain to achieve its objectives.
Risk Assessment	The overall process of risk identification, risk analysis and risk evaluation.
Risk Tolerance	The threshold levels of risk exposure that, with appropriate approvals can be exceeded but when exceeded will trigger some form of response.
Risk Management	Coordinated activities to direct and control Councils uncertainties in relation to achieving objectives.
Risk Management Capability	The culture, practices, experience and application of risk management within Council.
Risk Management Guidance	A structured approach to identify, monitor and manage risk.
Risk Register	A record of information about identified risks and how they are being managed. There are three different types of registers, Strategic, Operational (Group) and Projects.
Initial Risk Rating	The current risk level without taking into consideration existing control measures.
Current Risk Rating	The current risk level taking into consideration existing risk controls.
Consequence	The outcome of an event which affects Council achieving its objectives.
Likelihood	The chance of something occurring.
Control	A measure that maintains and / or modifies the current risk rating

Note: Risk Treatments are in place to make controls more effective in modifying the risk



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from Enterprise Risk Management (ERM) Policy & Guidance

Control Rating	Description
Not Assessed	Effectiveness of Control has not yet been assessed.
Ineffective	Significant control gaps exist and do not reduce the risk as the operating effectiveness of the control is ineffective
Partially Effective	Deficiencies in the control design that do not address the risk or control may not be consistently applied, meaning the risk is only partially reduced
Effective	Control is well designed and operating effectively to reduce risk. These controls are consistently applied to address the root cause of risk

## 9.5 INTERNAL AUDIT WORK PROGRAMME - PROGRESS UPDATE

Kaituhi | Author: **Sharon Foss, Manager Risk and Assurance**

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

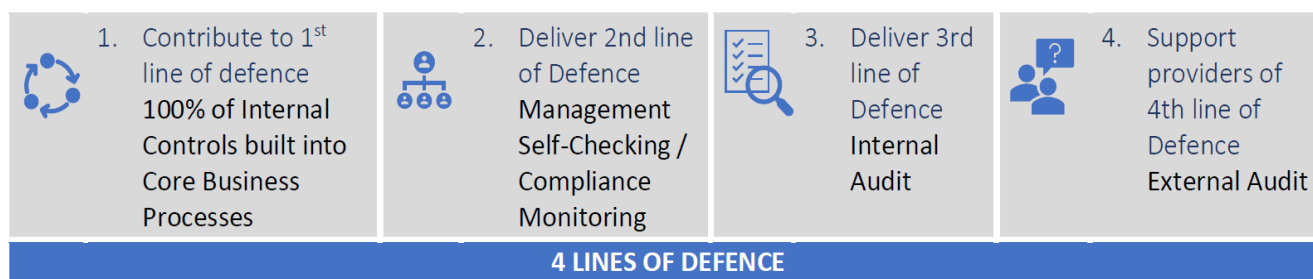
- 3 The Risk and Assurance Committee has delegated authority to consider this report under section C.3 of the Governance Structure and Delegations.
  - *Ensuring that Council has in place a current and comprehensive risk management framework and making recommendations to the Council on risk mitigation.*

### TAUNAKITANGA | RECOMMENDATIONS

- A. That the Risk and Assurance Committee receives and notes the Internal Audit progress update on the work programme for 2023/24.

### TŪĀPAPA | BACKGROUND

- 4 Internal audit is line three of the 'Four Lines of Defence' model used in the Risk and Assurance workstream.



- 5 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.

- 6 The 2024 internal audit work programme approved in February this year by this Committee was set 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.
- 7 In addition to the work programme, this Committee receives two other reports on internal audits:
- this progress report on the internal audits within the work programme; and
  - a final outcomes report on the internal audits completed in the past calendar year. This will report on internal audits completed in 2024.

## HE KŌRERORERO | DISCUSSION




### Third Line of Defence (Internal Audit)

- 8 In accordance with both the NZ Auditing Standards and our external auditors, EY, we use the following risk ranking system when selecting which internal audits to conduct.




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







### Progress

- 9 The following status categories update this Committee on progress made on the internal audit work programme at the time of finalising this report.

Progress Status Categories		
 Planned	 Underway	 Completed

- 10 The progress on the Internal Audit Work Programme is noted below.

Internal Audit Work Programme 2024			
Risk Ranking	Activity	Status	Progress Status as of 14 May 2024
<b>High</b>	Compliance with Mitigation of Fraud Policy.		<b>Completed</b>
<b>High</b>	Compliance with Procurement Policy Framework.		<b>Completed</b>
<b>High</b>	Compliance with Employee Code of Conduct document. <u>Audit scope</u> - Test the fundamental principles and high-level rules that apply to employee conduct.		<b>In progress</b> It was decided to separate this audit from the Conflict of Interest audit. The draft report on Compliance with the Employee Code of Conduct is

Internal Audit Work Programme 2024			
Risk Ranking	Activity	Status	Progress Status as of 14 May 2024
			with the Group Manager, People and Capability for consideration.
High	Review of Employee Conflict of Interest Declarations. <u>Audit scope</u> - Test the fundamental principles and high-level rules that apply to conflicts of interest.		<b>In progress</b> It was decided to separate this audit from the Employee Code of Conduct audit. The draft report on the review of Employee Conflict of Interest is with the GM, People and Capability for consideration.
High	Compliance with General Expenses Policy. <u>Audit scope</u> - Test compliance with selected internal controls within the General Expenses Policy		<b>In progress</b>
Moderate	Compliance with Receipt of Gifts and Hospitality Policy. <u>Audit scope</u> - Test compliance with rules that apply to Receipt of Gifts and Hospitality.		<b>In progress</b>
Moderate	Compliance with Protected Disclosures (Protection of Whistleblowers) Policy. <u>Audit scope</u> - Test the rules that apply to protecting disclosures (protection of whistleblowers).		<b>Planned</b> for June 2024.
Moderate	External Audit (Ernst & Young) 2022/23 - Control Findings. Follow up on recommendations.		<b>Ongoing</b> F/Y 2022/23 See Progress Update Regarding Audit Control Findings 2022/23 report on this agenda.
Low	Review preparedness for business interruption and continuously improve.		<b>Ongoing.</b>

**He take | Issues**

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

**Ngā kōwhiringa | Options**

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

**Tangata whenua**

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

**Panonitanga āhuarangi | Climate change**

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

**Ahumoni me ngā rawa | Financial and resourcing**

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

**Ture me ngā Tūraru | Legal and risk**

16 There are no legal considerations arising from this report.

**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 requirements or considerations arising from this report.

**NGĀ ĀPITI HANGA | ATTACHMENTS**

Nil

**9.6 LEGISLATIVE COMPLIANCE 1 JANUARY TO 31 MARCH 2024**

Kaituhi | Author: **Sarah Wattie, Governance & Legal Services Manager**

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

**TE PŪTAKE | PURPOSE**

- 1 The purpose of this report is to notify the committee of legislative non-compliance in the third quarter of the financial year, 1 January 2024 to 31 March 2024.

**HE WHAKARĀPOOTO | EXECUTIVE SUMMARY**

- 2 An executive summary is not required.

**TE TUKU HAEPAPA | DELEGATION**

- 3 The Risk and Assurance Committee has delegated authority to consider this report under section C3 of the Governance Structure and Delegations document for the 2022-2025 triennium. These delegations include:
  - 3.1 ensuring that Council has in place a current and comprehensive risk management framework and making recommendations to the Council on risk mitigation.
  - 3.2 assisting elected members in the discharge of their responsibilities by ensuring compliance procedures are in place for all statutory requirements relating to their role.

**TAUNAKITANGA | RECOMMENDATIONS**

- A. That the Committee:
  - A.1 notes legislative non-compliance for the third quarter of the financial year from 1 January 2024 to 31 March 2024 as outlined in Attachment 1 to this report.

**TŪĀPAPA | BACKGROUND**

- 4 Local government is governed by a complex statutory framework with the Council responsible for a range of legislative requirements. Legislative compliance is important to Council carrying out its functions under the Local Government Act 2002 in a fair and effective manner that is accountable to the local community. Failure to achieve Council's legislative obligations has also been identified as one of Council's top 10 risks.
- 5 Each quarter key Council staff responsible for Council's compliance with legal obligations under different Acts are asked to complete a quarterly declaration of known non-compliance with legislative requirements and key assurance areas being privacy, procurement, authorised expenditure, cyber security and Local Government Official Information and Meetings Act 1987 (LGOIMA) requirements.
- 6 Council staff are asked to report against all applicable legislation. A legislative compliance schedule exists to assist staff in completing this declaration, set out in Attachment 2 to this report. Council's external auditors have identified the following legislation and regulations where non-compliance could have a fundamental effect on operations:
  - Local Government Act 2002
  - Local Authorities (Members' Interests) Act 1968
  - Local Government (Rating) Act 2002
  - Local Government (Financial Reporting and Prudence) Regulations 2014

- Building Act 2004
- Resource Management Act 1991.

## HE KÖRERORERO | DISCUSSION

- 7 This section sets out legislative compliance breaches for the third quarter of the financial year, 1 January 2024 to 31 March 2024, against all applicable legislation with risk ratings, corrective actions and status assigned for each breach. It also provides an assurance against key assurance areas outlined above being privacy, procurement, authorised expenditure, cyber security and LGOIMA.

### Organisational Risk Levels

- 8 Organisational risks levels have been assigned to legislative compliance breaches reported to this Committee based on Council's organisational risk framework. The risk levels are set out below:

Organisational Risk Levels	
High	<ul style="list-style-type: none"> <li>• Matters and/or issues considered to be fundamental to the mitigation of material risk, maintenance of internal control or good corporate governance.</li> </ul>
Moderate	<ul style="list-style-type: none"> <li>• Matters and/or issues considered to be of major importance to maintenance of internal control, good corporate governance, or best practice for processes.</li> </ul>
Low	<ul style="list-style-type: none"> <li>• A weakness which does not seriously detract from the internal control framework.</li> </ul>

### Key Assurance Areas

- 9 The Risk and Assurance Committee has requested the following key assurance areas be reported on in addition to legislative compliance:
- **Privacy breach:** A privacy breach is not meeting the requirements of the Privacy Act 2020 which may include releasing personal information to someone not authorised to receive it or using personal information in an unauthorised way.
  - **Procurement breach:** A procurement or probity breach is a failure to follow the requirements of Council's procurement policy, which sets out the requirements for our staff to ensure they carry out procurement in a way that is transparency, accountable, impartial and equitable.
  - **Unauthorised expenditure:** Unauthorised expenditure is expenditure that breaches Council's finance and purchasing policies, such as a staff member spending money without the appropriate financial delegation.
  - **Cyber security breach:** A cyber security breach is a breach of Council's information security systems which may result in the disclosure of sensitive, personal or commercial information to persons who are not authorised to receive the information or members of the public.
  - **Local Government Official Information and Meetings Act 1987 (LGOIMA):** A breach of this act relates to failure to meet deadlines or requirements for official information requests or transparency and notification requirements relating to Council meetings.
- 10 Confidential investigations are not included in this legislative compliance report and will be reported in public excluded where required.

11 **Table 1: Assurance against key risk areas**

Risk area	Description
Privacy	There were six privacy breaches reported in the period, two of which were related to breaches by other organisations.
Procurement	There were no reported procurement breaches in the period.
Unauthorised expenditure	There was no reported unauthorised expenditure in the period.
Cyber security	There were no reported cyber security breaches in the period.
LGOIMA	There was one breach of requirements under the LGOIMA (official information and meeting requirements) in the period.

- 12 The Privacy Commissioner's Privacy Week 2024 took place from the 13 -17 May 2024 and a series of communications, guidance and events accessible to all staff were provided to highlight the importance of privacy.

**Legislative Compliance Breaches**

- 13 Legislative compliance breaches for the third quarter of the financial year are set out in Attachment 1 to this report. These include ongoing breaches previously reported to this Committee.

**He take | Issues**

- 14 There are no issues for this report.

**Ngā kōwhiringa | Options**

- 15 There are no options required for this report.

**Mana whenua**

- 16 Council has a partnership with local iwi and hapū on the Kāpiti Coast District represented by Te Rūnanga O Toa Rangātira, Ngā Hapū o Ōtaki and Āti Awa ki Whakarongotai Charitable Trust.
- 17 Council's accountability to the community on legislative compliance extends to its partnership with iwi and commitments made to reflect the obligations under Te Tiriti o Waitangi, as well as other obligations to Māori, mana whenua and tangata whenua under the Local Government Act 2002, Resource Management Act 1987 and other legislation.

**Panonitanga āhuarangi | Climate change**

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

**Ahumoni me ngā rawa | Financial and resourcing**

- 19 There are no financial implications arising directly from this report.

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

- 20 Except for the issues noted in this report, there are no other legal or risk implications.



**Ngā pānga ki ngā kaupapa here | Policy impact**

21 There are no policy implications arising directly from this report.

**TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT**

22 This report is for the purpose of providing information only and does not trigger the Council's Significance and Engagement policy.

**Te mahere tūhono | Engagement planning**

23 There is no requirement for engagement planning.

**Whakatairanga | Publicity**

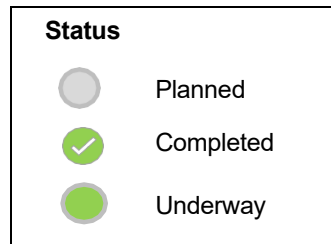
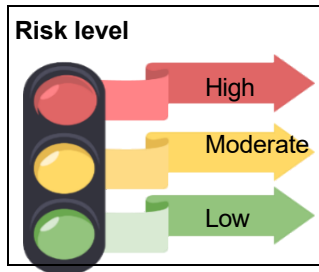
24 There are no additional publicity considerations arising directly from this report.

**NGĀ ĀPITI HANGA | ATTACHMENTS**

1. Legislative Compliance Breaches and Updates 1 January to 31 March 2024 [↓](#)
2. Legislative Compliance Schedule [↓](#)

**Attachment 1: Legislative compliance breaches 1 January to 31 March 2024**



Note: This report is presented in a two part format: Part A: New Matters and Part B: Previously Reported Matters: (updates are in yellow)



Part A - New matters							
Ref	Non-compliance description	Group(s)	Breach Type	Date Received	Corrective Action	Risk Level	Current Status
A-1	Sent customer personal information to an incorrect postal address. This was caused by a government agency incorrectly changing Council's default mail address to a private address.	Corporate Services	Privacy	Q3 23/24	<b>Q3 23/24</b> <ul style="list-style-type: none"> <li>Corrected the postal address details.</li> <li>Government agency advised they will undertake an internal investigation.</li> </ul>	Low	Complete ✓
A-2	Stored a document containing staff personal information in an electronic file open to view.	Corporate Services/ People and Capability	Privacy	Q3 23/24	<b>Q3 23/24</b> <ul style="list-style-type: none"> <li>Moved document to a secure file location.</li> <li>Reviewed processes and made improvements to minimise the risk of this administrative error reoccurring.</li> </ul>	Low	Complete ✓
A-3	Emailed personal information to a member of the public.	Corporate Services	Privacy	Q3 23/24	<b>Q3 23/24</b> <ul style="list-style-type: none"> <li>Acknowledged member of the public for their helpfulness in contacting us immediately and agreeing to delete the email.</li> <li>Informed Privacy Officer</li> <li>Reviewed processes and made improvements to minimise the risk of this administrative error reoccurring.</li> </ul>	Low	Complete ✓

Part A - New matters							
Ref	Non-compliance description	Group(s)	Breach Type	Date Received	Corrective Action	Risk Level	Current Status
A-4	Published public excluded grant applications to Council website as part of a public Community Board agenda.	Corporate Services	Privacy	Q3 23/24	<b>Q3 23/24</b> <ul style="list-style-type: none"> <li>– Removed documents.</li> <li>– Informed affected individuals.</li> <li>– Reviewed processes and made associated improvements to minimise the risk of this administrative error reoccurring.</li> </ul>	Low	Complete ✓
A-5	Emailed the wrong person when processing a Community Board grant application.	Corporate Services	Privacy	Q3 23/24	<b>Q3 23/24</b> <ul style="list-style-type: none"> <li>– Contacted the individual and requested they delete the email.</li> <li>– Notified grant applicant of the breach.</li> <li>– Reviewed processes and made improvements to minimise the risk of this administrative error reoccurring.</li> </ul>	Low	Complete ✓
A-6	An Elected Member (EM) posted an email from a member of the public to their public Facebook page.	Corporate Services	Privacy	Q3 23/24	<b>Q3 23/24</b> <ul style="list-style-type: none"> <li>– Requested EM amend the post to remove reference to private details. This was done.</li> <li>– Held training for all EMs in May on use of social media (including privacy).</li> </ul>	Low	Complete ✓
A-7	Delays internally transferring an official information request meant it was first registered on working day 19. This resulted in a failure to meet the LGOIMA 20-working day timeframe.	Corporate Services; Regulatory and Environment	LGOIMA	Q3 23/24	<b>Q3 23/24</b> <ul style="list-style-type: none"> <li>– Contacted customer to explain delay was due to an administrative error.</li> <li>– Prioritised response (now sent).</li> <li>– Ongoing staff training in place to ensure staff are aware of LGOIMA avenues.</li> </ul>	Low	Complete ✓
A-8	Incorrect sign-off made on a document sent to the Environmental Protection Agency under COVID-19 Recovery (Fast-track Consenting) Act 2020.	Regulatory and Environment	Fast-track consenting	Q3 23/24	<b>Q3 23/24</b> <ul style="list-style-type: none"> <li>– Provided clarification on the required approval process to relevant internal parties.</li> </ul>	Low	Complete ✓
A-9	Failed to meet Building Act 2004 20-working day timeframe during Q3: granted 94% of building consents and issued 98% of code compliance certificates.	Regulatory and Environment	Building consents	Q3 23/24	<b>Q2 23/24</b> <ul style="list-style-type: none"> <li>– Introduced mitigation measures to minimise the risk of the issues resulting in non-compliance reoccurring. Improvements include increased level of monitoring,</li> </ul>	Low	Complete ✓

Part A - New matters							
Ref	Non-compliance description	Group(s)	Breach Type	Date Received	Corrective Action	Risk Level	Current Status
					improving the quality of applications and increasing the use contractors to support the Building Processing team.		

Part B - Previously reported matters							
Ref	Non-compliance description	Group	Breach Type	Date Received	Corrective Action (Update for this meeting highlighted in yellow)	Risk Level	Current Status
B-1	Given we have volumetric water charges, we are not able to fully comply with the Local Government (Rating) Act 2002 that requires the Council to fully assess each property's total rates for the rating year.	Corporate Services	Rating	2014	<b>Q4 22/23</b> <ul style="list-style-type: none"> <li>Compliance not possible given we have volumetric water charges.</li> </ul>	Low	Ongoing 
B-2	Historical procurement breach relating to Takutai Kāpiti - three instances identified where no contracts or procurement paperwork are in place for two suppliers.	Strategy and Growth	Takutai Kāpiti	Q1 23/24	<b>Q1 23/24</b> <ul style="list-style-type: none"> <li>Possible breach identified in Q1 of 2023/24.</li> </ul> <b>Q2 23/24</b> <ul style="list-style-type: none"> <li>Review of all available documents including archives undertaken. Findings shared with the procurement, coastal and audit/risk teams.</li> </ul> <b>Q3 23/24</b> <ul style="list-style-type: none"> <li>Actions to resolve the procurement concerns for Takutai Kapiti complete.</li> </ul>	Low	Complete 

Part B - Previously reported matters							
Ref	Non-compliance description	Group	Breach Type	Date Received	Corrective Action (Update for this meeting highlighted in yellow)	Risk Level	Current Status
B-3	<p>Under section 35(2AA) of the RMA each local authority is required to complete a review and publish the results of the efficiency and effectiveness of policies, rules, or other methods in its policy statement or its plan.</p> <p>The coastal hazard provisions were withdrawn in 2014, following which a suite of litigation ensued, and a suite of provisions from the 1999 Operative District Plan have continued to apply since that time. Accordingly, it could be determined that these provisions are overdue for s35 review. This issue is not a surprise for Council, who are aware of the issue and work programme underway through Takutai Kāpiti.</p>	Strategy and Growth	District Plan	Q4 22/23	<p><b>Q4 22/23</b></p> <ul style="list-style-type: none"> <li>To address the suggested non-compliance, Council is currently scoping a section 35 review of those provisions.</li> </ul> <p><b>Q1 23/24</b></p> <ul style="list-style-type: none"> <li>Technically we have not met requirements around updating the operative district plans chapters on coastal hazards (required every 10 years). Due to previous litigation on this matter, and an agreement to undertake community engagement work via Takutai Kapiti which will not finish until May 2024, we will not complete the district plan change until 2025/26. Our district is not alone in these challenges. The community disagrees with guidance provided by the Ministry for the Environment (MfE) on coastal hazard identification. In October, we have written to the MfE and Department of Conservation about the issues and asked them to clarify expectations for local authorities.</li> </ul> <p><b>Q3 23/24</b></p> <ul style="list-style-type: none"> <li>MfE and DOC provided useful clarification which is available on the Council website.</li> <li>Takutai Kapiti continues to make significant progress towards a final set of recommendations, which include recommendations intended to inform Council's approach to a future coastal plan change, to be received by Council (at a June 2024 meeting).</li> <li>The Section 35 Review will be completed in 2024 in time to incorporate any necessary changes into the coastal plan change, which is expected to be publicly notified in mid-2025.</li> </ul>	Low	Underway

## Attachment 2: Legislative Compliance Schedule

LEGISLATION	PART/SECTION/ REGULATION	AREA OF RESPONSIBILITY
Accident Compensation Act 2001	All Sections	Administration of internal systems in compliance with the Act and the requirements of the Accident Compensation Corporation. Maintain a system of Accident and Hazard reporting. Administration of claims.
Amusement Devices Regulations 1978	All Regulations	Process applications for permits. Administering permits for amusement devices pursuant to Regulation 11. Inspection of device as per Regulation 11(2,3).
Animal Welfare Act 1999	All Sections	Ensure compliance with all relevant provisions.
Arts Council of New Zealand Toi Aotearoa Act 2014	Section 24	<b>No current Community Arts Council.</b> Administration for Community Arts Council. Reporting to and between the Council and the Community Arts Council.
Biosecurity Act 1993	All Sections	Ensure Council carries out all such functions as the Act requires to the standard required by the Act.
Building (Accreditation of Building Consent Authorities) Regulations 2006	All Regulations	Ensure compliance with the standards as an accredited building consent authority.

Building Act 2004 and Building Regulations 1992	All Sections and Regulations particularly Regulation 3 Schedule 1 Sections 17, 108, 114, 116B, 120, 128A, 133AI, 133AM, 164, 223 and 363	<p>Ensure that the Building Code is complied with.</p> <p>Administration of Act including:</p> <ol style="list-style-type: none"> <li>1. Administration of Building Consents.</li> <li>2. Issuing PIMs, Code Compliance certificates, compliance schedules and warrants of fitness.</li> <li>3. Keeping records.</li> <li>4. Monitoring and compliance.</li> <li>5. Fixing charges.</li> <li>6. Dealing with Dangerous and Insanitary buildings.</li> </ol> <p>s17 - Ensure all building work done to a Council building complies with the building code where a building consent is not required.</p> <p>S108 - Annually supply the Building Team with a building warrant of fitness for all Council buildings that have a compliance schedule.</p> <p>s114 - Give notice to the Building Team of any change of use of a Council building.</p> <p>s116B - Do not allow a Council building to be used if it is insanitary or has inadequate means of escape from fire.</p> <p>s120 - Display notices or signs visible from outside Council building(s) that access provision is made for persons with disabilities, if this is required.</p> <p>s128A - Comply with notice requiring work or restricting entry to a "dangerous" or "insanitary" Council building.</p> <p>s133AI - Provide engineering assessment to the Building Team if requested for Council building(s).</p> <p>s133AM - Comply with deadline for seismic work in respect of Council building(s).</p> <p>s164 - Ensure Council complies with any notice to fix issued to it.</p> <p>s223 - Give reasonable assistance to a building inspector inspecting a Council building.</p> <p>s.363 "Area of responsibility"</p> <ul style="list-style-type: none"> <li>- obtain building consents for all work done on Council buildings if building consent required</li> <li>- keep building or part of building closed if no code compliance certificate or certificate of public use has been issued for building or part of building where building work occurred</li> <li>- penalty for non-compliance of maximum fine \$20,000.</li> </ul>
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LEGISLATION	PART/SECTION/ REGULATION	AREA OF RESPONSIBILITY
Building Research Levy Act 1969	Relevant Sections	Ensure compliance with provisions relating to levies.
Burial and Cremation (Removal of Monuments and Tablets) Regulations 1967	All Regulations particularly Regulations 3-5	Ensure compliance with regulations. Ensure monuments are only removed after regulated notice given. Administration and management of Cemeteries.
Burial and Cremation Act 1964	Sections 5-21, Section 46AA Section 50 Section 52(2) Section 18	Ensure Cemetery managed with the powers granted by the Sections. Ensure a certificate of cause of death or a coroner's certificate is always provided before a burial is done (including for assisted dying). Keep a register of all burials Ensure Council complies with any notice issued on behalf of the Minister of Health or a Health Protection Officer. All money received in respect of cemetery separately accounted for and only used for management and improvement of cemeteries under Council control.
Bylaws Act 1910	Section 12 - Section 23	Ensure all bylaws adopted by the Council comply with the requirements of this Act.
Camping Grounds Regulations 1985	All Regulations	Ensure that all camping grounds are conducted in compliance with the regulations. Regularly inspect all camping grounds in the District.
Child Support Act 1991	Section 154	Administration of deductions for child support.
Children's Act 2014	Part 3	Obligations, regulations, and requirements for safety checks of staff working with children.
Civil Defence Emergency Management Act 2002	All of Act, Section 64 specific to Council roles, Section 12, Section 17	Together with the Regional Council, establish a Civil Defence Emergency Management Group. Duty to plan and provide for civil defence emergency management within the district, and ensure it is able to function to the fullest extent during and after an emergency. Member of Civil Defence Emergency Management Group (CDEM), and undertake the roles of these groups as set out in Act.
COVID-19 Recovery (Fast-track Consenting) Act 2020	Transitional powers	Ensure compliance with transitional provisions.
Construction Contracts Act 2002	Relevant Sections	Retention of monies in separate bank account and quarterly report too suppliers re retention balance.



LEGISLATION	PART/SECTION/REGULATION	AREA OF RESPONSIBILITY
Criminal Procedure Act 2011	All Sections	Ensure compliance with all relevant provisions.
Dog Control Act 1996	Relevant Sections	Ensure bylaws and policies enacted under an Act complies with the legislative requirements of that Act. Administration of Act, including: <ol style="list-style-type: none"> <li>1. Formulation and review of policy on dogs and bylaws.</li> <li>2. Licensing of dogs.</li> <li>3. Fees.</li> <li>4. Enforcement action.</li> </ol>
Electricity Act 1992	Section 24, Section 24A, Section 32	Ensure that where works are to be carried out by an electricity operator, Council imposes any necessary conditions on the work having regard to the matters in Section 24A of the Act. Ensure that where an application is made to carry out works in the road, Council recovers its reasonable costs and expenses for work done including processing the notice of works and supervising the work undertaken. Administration of the act to require works of electricity operator to be moved if required.
Employment Relations Act 2000	All Sections	Ensure correct breaks. Ensure correct wages/salary information supplied to Payroll. Allow staff who are union delegates to take reasonable time to represent employees in accordance with the Act. Ensure compliance with whistleblower provisions, must not retaliate against a whistleblower (Sections 110B and 103(1)(k)) Preparation and administration of contracts of employment.
Environmental Health Officers Qualifications Regulations 1993	All Regulations	Ensure Environmental Health Officers hold appropriate qualifications.

LEGISLATION	PART/SECTION/REGULATION	AREA OF RESPONSIBILITY
Family Violence Regulations 2019	All Regulations, Regulations 13 to 24	To restrict applicants name from public registers, namely, Rating and Valuation rolls, Electoral Roll, Dog Register, Building Records (as set out in Schedule 3). To promptly and helpfully dispose of applications and to restrict applicant's name from public registers and decide applications for public registers to ensure identifying information relating to a protected person is not published.
Fees and Travelling Allowances Act 1951	All Sections	Administration and payment of travelling expenses for members.
Fencing Act 1978	All Sections - particularly Section 16	Administration of claims for a contribution to boundary fences in accordance with the Act.
Fire and Emergency Act 2017	Relevant Sections	Ensure bylaws and policies enacted under an Act complies with the legislative requirements of that Act.
Fire and Emergency New Zealand (Fire Safety, Evacuation Procedures, and Evacuation Schemes) Regulations 2018	All Regulations	Ensure compliance with the Act in regard to Council property. Check to ensure compliance with the requirements when processing building consents before issuing Code Compliance Certificates. Investigate complaints and take enforcement action if necessary.
Food Act 2014	Section 19, Section 33, Section 35 - Section 72, Section 137, Section 173 - Section 197, Section 200, Section 205	Undertake territorial authority role in food safety Undertake any additional functions delegated to territorial authorities by Chief Executive Registration authority for food control plans Verification functions and activities Collection and setting of fees for registration, verification and compliance and monitoring activities. Carrying out enforcement and regulatory responsibilities.

LEGISLATION	PART/SECTION/ REGULATION	AREA OF RESPONSIBILITY
Food Regulations 2015	Regulation 42 - 44, Regulation 13	Process applications for exemption from registration and monitoring of exemption premises. Exercise powers of recognized evaluators. Ensure that all premises required to be registered are. Conduct all necessary evaluations for the purpose of registration. Investigate complaints and, where necessary, take enforcement action. Check food handling, food safety, condition of premises and conduct of workers. Note amendment where new businesses can now request extension of time to fulfil verification obligations (Reg 94A). Ensure Plunge Café in compliance with OSH legislation.
Freedom Camping Act 2011	Part 2, Section 32 - 41	<b>No Bylaw at present.</b> Ensure bylaws and policies enacted under an Act complies with the legislative requirements of that Act. Power to make freedom camping bylaws restricting or prohibiting areas of freedom camping in district with approval by Council. If a Bylaw is made, review bylaws no later than 5 years after made, and review within 10 years after initial review. Appoint enforcement officers to enforce bylaws under the Act.
Fringe Benefit Tax Act	All Sections	Ensure compliance with all relevant provisions.
Gambling Act 2003	All Sections, particularly Sections 100 to 103.	Ensure bylaws and policies enacted under an Act complies with the legislative requirements of that Act. Ensure the Council has a class 4 venue policy and ensure compliance with requirements regarding the adoption and review of the class 4 venue policy. Ensure compliance with requirements when considering and determining application for territorial authority consent.
Gas Act 1992	All Sections	Ensure compliance with all relevant provisions relating to works.
Goods and Services Tax Act 1985	All Sections	Accounting for GST to IRD in accordance with the requirements of the Act. Ensure the administration of GST returns
Government Roadway Powers Act 1989	All Sections	Ensure compliance with all relevant provisions.

LEGISLATION	PART/SECTION/REGULATION	AREA OF RESPONSIBILITY
Hazardous Substances and New Organisms Act 1996	All Sections - Section 97, Section 100	Licensing of premises used for the storage of dangerous goods. Administration of enforcement: 1. Ensure provisions of the Act are enforced in the district. 2. Appoint enforcement officers.
Health (Burial) Regulations 1946	All Sections	Administer and maintain register of Funeral Directors in compliance with these regulations. Administer and maintain register of Funeral Directors in compliance with these regulations. If mortuary is re-erected/repared/alterd, then ensure it is not used as a mortuary until a certificate of fitness has been granted and produced to Council
Health (Hairdressers) Regulations 1980	All Regulations	Process applications for exemption from registration and monitoring of exemption premises. Exercise powers of local authority inspectors. Ensure that all premises required to be registered are. Conduct all necessary inspections for the purpose of registration. Investigate complaints and, where necessary, take enforcement action
Health (Infectious and Notifiable Diseases) Regulations 2016	All Regulations	Ensure compliance with reporting provisions.
Health (Registration of Premises) Regulations 1966	All Regulations	Maintain an adequate system for administration of licences.

LEGISLATION	PART/SECTION/ REGULATION	AREA OF RESPONSIBILITY
Health Act 1956	Section 23 Section 25 Section 28 Section 69S Section 116I	Appoint Environmental Health Officer to administer the Council's obligations under this Act. Do inspections of district to identify nuisances, conditions likely to be injurious to health or offensive and arrange abatement or removal of such. In accordance with Director General enforce Health Regulations Promote bylaws for purposes of Health Act and for the protection of public health Provide Medical Officer of Health with reports as required. To provide sanitary waterworks, drainage works, wastewater works and works for the disposal of wastewater, and works for the collection and disposal of refuse, soil, and other offensive matter, including sanitary conveniences for the use of the public if requisitioned by the Director General under the Health Act 1956. To comply with a direction from the Director General of Health regarding fluoridation of drinking water. Provide sanitary swimming pools and dressing sheds.

Health and Safety at Work Act 2015	All Sections Part 2, Part 3	<p>Ensure adequate system in place for the recording and notification of accidents or hazards. Keep a register of accidents.</p> <p>Ensure that Council's duty as employer, principal and/or controller of workplace is satisfied.</p> <p>The following are the responsibility of all managers:</p> <ol style="list-style-type: none"> <li>1. To ensure safety of employees (including contractors, subcontractors, their employees, volunteers, and the public generally) in the workplace you control.</li> <li>2. To identify hazards in all of Council's workplaces.</li> <li>3. To eliminate, isolate or minimize significant hazards in the workplace you control.</li> <li>4. To monitor in the workplace you control.</li> <li>5. To keep your staff informed and to train and supervise them.</li> <li>6. To ensure that Council's duty as an employer, as a controller of a place of work and as a principal are fulfilled in the workplace you control.</li> <li>7. To ensure accidents and serious harm are recorded and notified wherever they are if you know about them.</li> </ol> <p>Ensure that Council's duty as employer, principal and/or controller of workplace is satisfied in the workplace you control.</p> <p>Ensure that Council's duty as employer, principal and/or controller of workplace is satisfied including consulting with contractors and subcontractors and other entities whose duties overlap:</p> <ul style="list-style-type: none"> <li>- eliminating or minimizing risks in your area as far as reasonably practicable</li> <li>- ensure health and safety of workers and visitors as far as reasonably practicable</li> <li>- do not put others at risk</li> <li>- provide training</li> <li>- ensure safe handling of plant, substances and structures.</li> </ul> <p>Recording and notification of accidents that affect your staff or occur in the workplace you control.</p> <p>Protect the accident site if it is in the workplace you control. If it is not in the workplace, you control and you are the first manager on the scene, protect the site until the appropriate manager is able to take steps to control it.</p> <p>Duty to engage with workers - see Sections 58-60.</p> <p>Encourage worker participation in improving work health and safety.</p>
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LEGISLATION	PART/SECTION/ REGULATION	AREA OF RESPONSIBILITY
		Ensure that processes are in place to enable Council to comply with worker engagement, participation, and representation. Ensure managers are aware of and must not be involved in adverse, coercive, or misleading conduct as defined in the Health and Safety at Work Act 2015 Sections 88 and 92.
Health and Safety in Employment (Prescribed Matters) Regulations 1993	All Sections	Ensure adequate system in place for the recording and notification of accidents or hazards. Keep a register of accidents.
Heavy Motor Vehicle Regulations 1974	All Sections	1. Vehicles must comply with regulations including obtaining Certificate of Fitness. 2. Drivers of vehicles must have a heavy traffic licence.
Heritage New Zealand Pouhere Taonga Act 2014	All Sections Section 74 Section 76 Section 97	Administration of the Act in respect of any heritage buildings owned by Council. <ul style="list-style-type: none"> <li>– Ensure that action is taken to assist in the conservation and protection of a heritage area in accordance with any recommendation received.</li> <li>– Ensure a list of historic places, historic areas, wāhi tūpuna, wāhi tapu, and wāhi tapu areas entered on the New Zealand Heritage List is available for public inspection during business hours.</li> <li>– Administer the payment of any contributions to Heritage New Zealand Pouhere Taonga</li> </ul>
Holidays Act 2003	All Sections	To ensure that employees receive the holidays they are entitled to and ensure that employees are paid for the holidays they are entitled to.
Housing Improvement Regulations 1947	All Sections	Ensure compliance with all relevant provisions.

LEGISLATION	PART/SECTION/ REGULATION	AREA OF RESPONSIBILITY
Human Rights Act 1993	All Sections - particularly Section 21, Section 66, Section 62A	<p>Ensure that no discriminatory practices arise.</p> <p>1. Do not discriminate on the following grounds:</p> <ul style="list-style-type: none"> <li>- sex</li> <li>- pregnancy</li> <li>- childbirth</li> <li>- marital status</li> <li>- surviving spouse or partner</li> <li>- party to a dissolved marriage or civil union</li> <li>- religious belief</li> <li>- ethical belief which includes religious belief (lack of a religious belief)</li> <li>- colour</li> <li>- race</li> <li>- ethnic or national origins</li> <li>- disability (including psychiatric illness, reliance on a disability assist dog, wheelchair or other remedial means)</li> <li>- age (person 16 years or more)</li> <li>- political opinion</li> <li>- employment status (unemployed, or on a benefit of ACC entitlement)</li> <li>- family status</li> <li>- sexual orientation.</li> </ul> <p>Victimisation of whistleblowers prohibited.</p> <p>Unlawful to treat adversely any person suspected or assumed to be a person affected by domestic violence.</p> <p>Any complaints are dealt with under the appropriate policy.</p>
Human Rights Act 1993	All Sections	Any complaints are dealt with under the appropriate policy.
Impounding Act 1955	All Sections	<p>Establishment and maintenance of a public Pound</p> <p>Appointment of Pound Keeper</p> <p>Administration of Pound including recording and setting of fees and charges</p> <p>Dealing with trespassing stock, straying, or wandering stock</p>



LEGISLATION	PART/SECTION/ REGULATION	AREA OF RESPONSIBILITY
Income Tax (Fringe Benefit Tax, Interest on Loans) Regulations 1995	All Regulations	All regulations as employer.
Income Tax Act 2007	All Sections	1. Administration of PAYE tax including calculation, deduction from wages/salaries and accounting to IRD. 2. Accounting for Fringe Benefit Tax to IRD in accordance with requirements of the Act.
Infrastructure Funding and Financing Act 2020	Sections relating to levies.	Ensure compliance with provisions relating to levies.
Injury Prevention, Rehabilitation and Compensation Act 2001	All Sections	Administration of internal systems in compliance with the Act and the requirements of the Accident Compensation Corporation. Administration of claims. Maintain a system of Accident and Hazard reporting.
Juries Act 1981	Section 30 Section 32A	Administration of wages whilst on jury service. Ensuring employee is not prejudiced for attending jury service.
Kiwisaver Act 2006	All Sections	Administration of Kiwisaver in regard to payroll.
Land Act 1948	Section 168	Expenditure of funds on the maintenance or embellishment of any public reserve (whether owned by the Council or not) for the benefit of the residents.
Land Drainage Act 1908	All Sections	Ensure compliance with all relevant provisions relating to maintenance of drains and watercourses and drainage works.
Land Transport (Road User) Rule 2004	All Regulations	Ensure all parking restrictions are adopted by resolution of Council. All parking restrictions under the Land Transport Act 1998 and referred to in the Council's Traffic Bylaw must, in accordance with Section 22(AB) of the Land Transport Act 1998 be adopted by Council resolution. Ensure that any new parking restrictions are adopted by Council resolution. The process includes notifying nearby residents. Maintain and review Traffic Bylaw.
Land Transport (Road User) Rule 2004 Traffic Regulations 1976	All Regulations	Enforcement of parking restrictions and other stationary vehicle offences.

LEGISLATION	PART/SECTION/REGULATION	AREA OF RESPONSIBILITY
Land Transport Act 1998	Part 10 Sections 138-141 Section 42A Sections 128D and 128E, Sections 251 and 253 Section 72	Administer infringement offence system for parking offences. Ensure compliance with functions in relation to the appointment of parking wardens, and the exercise of parking warden powers. Ensure compliance with functions relating to the storage and disposal of motor vehicles. Keep Council's bylaws as to the use of roads under review and arrange for amendment when new bylaws required.
Land Transport Management Act 2003	Section 7B, Section 27	Administer any responsibilities transferred to the Council from the Regional Council under this Act. Ensure any interest that a local authority has in a public transport service to which this Section applies must be held in a CCO
Land Transport Rule: Setting of Speed Limits 2022	All Sections	Record speed limits in national speed limit register and revoke Bylaws that previously set speed limits. Prepare speed management plan and ensure it is reviewed every three years.
Litter Act 1979	All Sections	Supervision of litter control officers (Section 5) Investigation and enforcement of litter offences. Provide and maintain rubbish bins as is necessary to keep areas free from litter
Local Authorities (Members' Interests) Act 1968	Subpart 3 of Part 4	To ensure that contracts entered into by Council with members do not exceed the maximum without prior Audit approval. Ensure there is a register of pecuniary interests of members that complies with the requirements in Section 54A and that a summary of the information in the register is publicly available. Appoint a Registrar to compile the register and provide advice and guidance to elected members on their obligations.
Local Electoral Act 2001	All Sections	Administration of Act including compilation of roll and conduct of elections. Review membership on basis of election three yearly. Conduct elections three yearly.
Local Electoral Regulations 2001	All Sections	Ensure that local elections are conducted in accordance with these requirements

LEGISLATION	PART/SECTION/ REGULATION	AREA OF RESPONSIBILITY
Local Government (Elected Members) Determination 2003	All Sections	Ensure that salaries and allowances are paid to members in accordance with this determination.
Local Government (Financial Reporting and Prudence Regulations) 2014	All Sections	Ensure compliance with all relevant provisions. Administration of financial reporting.
Local Government (Rating) Act 2002	All Sections	Ensure that the administration of rates is in accordance with this Act.
Local Government Act 1974	All Sections including. Part 21 (Roads) Part 39 (Prevention of fires), Sections 647, 648	Ensure compliance with all relevant provisions. Maintain Council roading system in compliance with this part. Ensure fire hydrants and water pipes maintained so water is available for firefighting.
Local Government Act 2002	All Sections Sections 14(d) and 81	Ensure compliance with all relevant provisions. Ensure that the Council provides opportunities for Māori to contribute to its decision-making processes.
Local Government Act 2002	All Sections Sections 124-128 Sections 14(d) and 81	Ensure compliance with all relevant provisions. Ensure compliance with Council requirements to make assessments of drinking water, wastewater, and sanitary services and to ensure communities have safe drinking water.

LEGISLATION	PART/SECTION/ REGULATION	AREA OF RESPONSIBILITY
Local Government Act 2002	All Sections Sections 14(d) and 81	Ensure compliance and preparation of: 1. Long Term Plan 2. Annual Plan 3. Annual Report 4. Corporate Policies 5. Statutory Policies including Significance and Engagement Policy Ensure that the Council provides opportunities for Māori to contribute to its decision-making processes.
Local Government Act 2002	All Sections Sections 199A and 199B, Schedule 13A Sections 14(d) and 81	Ensure compliance and preparation of: 1. Long Term Plan 2. Annual Plan 3. Annual Report 4. Corporate Policies 5. Statutory Policies including Significance and Engagement Policy Ensure Council complies with statutory deadlines for processing applications for reconsideration or objections to levy of Development Contributions. Ensure that the Council provides opportunities for Māori to contribute to its decision-making processes.
Local Government Act 2002	All Sections	Ensure compliance with all relevant provisions. Ensure compliance and preparation of corporate policies.
Local Government Act 2002	All Sections Sections 14(d) and 81	Ensure compliance with all relevant provisions. Ensure that the Council provides opportunities for Māori to contribute to its decision-making processes.
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Local Government Act 2002	All Sections Sections 14(d) and 81	Ensure compliance with all provisions. Ensure that the Council provides opportunities for Māori to contribute to its decision-making processes.

LEGISLATION	PART/SECTION/ REGULATION	AREA OF RESPONSIBILITY
Local Government Act 2002	Section 200 Sections 100-120	Ensure compliance with requirements relating to development contributions, including: 1. limitations applying to requirement for development contributions (Section 200). 2. the requirement for a schedule of assets for which development contributions will be used (Section 201A). Ensure compliance with all relevant provisions including ensuring all required financial policies are in place.
Local Government Act 2002	Sections 207A-207F	Ensure compliance with requirements relating to development agreements.
Local Government Members (2022/23) Determination 2022	All Sections	Ensure that salaries and allowances are paid to members in accordance with this determination.
Local Government Official Information and Meetings Act 1987	All Sections Parts 1-6 Section 44A Part 7	Ensure compliance with all relevant provisions. Satisfying requests for information (except if good reason for withholding the information exists). Ensure Land Information Memorandum include the information required under Section 44A. Providing information in a timely manner when requested, to enable responses to LGOIMA requests within the required timeframes. Ensure requirements for Council meetings are met, including requirements for public notification of meetings, agendas and conduct of meetings.
Machinery Act 1950	Section 21A	Administering permits for amusement devices.
Minimum Wage Act 1983	All Sections	Compliance with requirements for minimum wages.
National Animal Identification and Tracing Act 2012	Relevant Sections	Ensure compliance with all relevant provisions.
New Zealand Bill of Rights Act 1990	All Sections	Ensure compliance with NZBORA, including - 1. Rights relating to the life and security of the person; 2. Democratic and civil rights; 3. Non-discrimination and minority rights; 4. search, arrest, and detention rights

LEGISLATION	PART/SECTION/ REGULATION	AREA OF RESPONSIBILITY
New Zealand Library Association Act 1939	All Sections	Administer the requirements of the Act if member of the association.
Ombudsman Act 1975	All Sections	Ensure compliance with all relevant provisions.
Oversight of all relevant legislation	All	Report any known legislative compliance risk, concern, and breach.
Parental leave and Employment Protection Act 1987	All Sections	Administration of payroll parental leave.
Parental leave and Employment Protection Act 1987	All Sections	Administration of payroll parental leave. Ensure Council's obligations as employer are met in respect of all applications made for parental leave.
Privacy Act 2020	All Sections	Ensure Council's compliance with Act in respect of: 1. Observance of information privacy principals and public register privacy principals. 2. That a privacy officer is appointed and trained. 3. Satisfying requests for personal information (except if good reason for withholding such information exists) and for correcting personal information. 4. All privacy breaches are reported.
Property Law Act and any Regulations made under the Act	All Sections	Ensure compliance with all relevant provisions.
Prostitution Reform Act 2003	All Sections	Ensure compliance with this Act, including inspect premises as and when appropriate.
Protected Disclosures (Protection of Whistleblowers) Act 2022	All Sections	Ensure compliance as a Receiver under the Act.
Psychoactive Substances Act 2013	Relevant Sections	Ensure bylaws and policies enacted under an Act complies with the legislative requirements of that Act.

LEGISLATION	PART/SECTION/ REGULATION	AREA OF RESPONSIBILITY
Public Records Act 2005	All Sections, particularly Sections 17 and 18.	Ensure that the classes of materials listed are not destroyed except with the prior approval of Chief Archivist. Maintain full and accurate records of the Council's affairs, in accordance with normal, prudent business practice, including the records of any matter that is contracted out to an independent contractor.
Public Works Act 1981	All Sections Sections 17-39 Sections 40-42	Ensure compliance with all relevant provisions. Ensure compliance with Act when acquiring land under the Act. Ensure compliance with this Act when disposing of land no longer required for a public work.
Racing Industry Act 2020	Relevant Sections	Ensure bylaws and policies enacted under an Act complies with the legislative requirements of that Act.
Railways Act 2005	All Sections	Railway crossings are to be maintained by Council and/or Kiwi Rail in accordance with their respective obligations under this Act.
Rates Rebate Act 1973	All Sections	Process applications for rebate and grant all qualifying applications. Give information about the rebate to those who may be entitled to make an application.
Rating Valuations Act 1998	All Sections	Ensure that valuation and rating rolls are maintained in compliance with the Act.
Reserves Act 1977	All Sections	Ensure that all land that is subject to this Act is administered in compliance with the Acts requirements.
Residential Tenancies Act 1986	All Sections	Ensure that requirements of the Act are complied with.

LEGISLATION	PART/SECTION/ REGULATION	AREA OF RESPONSIBILITY
Resource Management Act 1991	All Sections including 104. Sections 6(e), 7(a) and 8, subpart 2 of Part 5	<p>Ensure that requirements of the Act are complied with.</p> <p>Investigation and administration of subdivision or land use consent applications for compliance with Council's Land Development Minimum Requirements and Subdivision and Development Principles and Requirements, 2012.</p> <p>Ensure compliance with resource consents relating to discharge management of transfer stations and three closed landfills.</p> <p>Enforcement and infringements under relevant provisions of the Act.</p> <p>Administration of Act, including:</p> <ol style="list-style-type: none"> <li>1. Reviews of District Plan and preparation of resulting plan changes (particularly Sections 73 to 77M, Section 77T, Section 79, Schedule 1, and Schedule 3A).</li> <li>2. Carrying out procedures for making plan changes operative (Clause 20, Schedule 1).</li> <li>3. Fix fees and charges (Section 36 to 36AA).</li> <li>4. Maintain records, gather information and monitor (particularly, Sections 35 to 35A).</li> <li>5. Processing of private plan change applications (particularly, Part 2 of Schedule 1).</li> <li>6. Carrying out process in relation to notices of requirement for designations (Part 8).</li> <li>7. Ensure that the Council provides opportunities for Māori to contribute to its decision-making processes.</li> </ol>
Sale and Supply of Alcohol Act 2012	All Sections Sections 186-200	<p>Administration of hearings for the Kapiti District Licensing Committee.</p> <p>Performance the functions and exercise the powers of Secretary of the Kapiti District Licensing Committee.</p> <p>Administration of the Act for Kapiti's District Licensing Committee, including:</p> <ol style="list-style-type: none"> <li>1. Process applications for licenses and managers certificates.</li> <li>2. Conducting inspections and making reports.</li> <li>3. Maintaining records.</li> <li>4. Investigating complaints and liaising with Police over enforcement.</li> </ol>
Secret Commissions Act 1910	All Sections	Advise members at least three yearly, of their personal obligations and the Auditor-General's ability to surcharge them personally in some circumstances.
Shop Trading Hours Act 1990	Relevant Sections	Ensure bylaws and policies enacted under an Act complies with the legislative requirements of that Act.



LEGISLATION	PART/SECTION/ REGULATION	AREA OF RESPONSIBILITY
Smokefree Environments and Regulated Products Act 1990	Part 1	Ensure no Council employee smokes or vapes in a Council workplace or vehicle.
Statutory Land Charges Registration Act 1928	All Sections	Ensure compliance with all relevant provisions.
Summary Proceeding Act 1957	Section 87, 88,103	Administration of attachment order for unpaid fines. Ensure compliance with all relevant provisions.
Telecommunications Act 2001	All Sections	Ensure compliance with all relevant provisions relating to works.
Traffic Regulations 1976	All Sections	1. Enforcement of parking restrictions and other stationary vehicle offences. 2. Maintenance and review of traffic bylaws.
Trespass Act 1980	All Sections	Ensure compliance with the Act.
Unit Titles Act 2010	All Sections	Ensure compliance with all relevant provisions.
Urban Development Act 2020	Sections relating to levies.	Ensure compliance with provisions relating to levies.
Utilities Access Act 2010	All Sections	Ensure compliance with Code established under this Act.
Volunteers Employment Protection Act 1973	All Sections	Administration of voluntary and military service in regard to payroll.
Wages Protection Act 1983	All Sections	Ensure payroll system operates without infringing the requirements and obligations imposed by this Act.
Walking Access Act 2008	All Sections	1. Ensure compliance with the Act where Council is appointed as the controlling authority of walkways. 2. Make Bylaws for maintenance of walkways or conditions of use of walkways
Waste Minimisation Act 2008	All Sections	Ensure compliance with all relevant provisions.

LEGISLATION	PART/SECTION/ REGULATION	AREA OF RESPONSIBILITY
Water Services Act 2021	All Sections	1. If local authority supplies drinking water - ('drinking water' defined in Section 6, 'drinking water supplier' defined in Section 8). - Must comply with Part 2 including duty to supply safe drinking water, duty to provide sufficient quantity of drinking water 2. If local authority is a 'drinking water network operator' (as defined in s 140) - subpart 8 applies. - Must give information requested to Taumata Arowai - Keep records
Wild Animal Control Act 1977	Part 4, Section 30 -31	To ensure that any destruction of wild animals in the District is undertaken in accordance with a plan approved by the Minister. Administration of Act including the decision to apply funds to the destruction of wild animals.

## 9.7 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 31 March 2024.

### 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:

- A.1 Receives and notes this report.
- A.2 Notes the Council's non-compliance with its current Treasury Management Policy Fixed/Floating Risk Control limit in March 2024.
- A.3 Notes that the Council's Fixed/Floating Risk Control Limit is fully compliant with its new draft Treasury Management Policy, developed in conjunction with Bancorp, for the reporting period, adopted by Council on 28 March 2024 together with its draft 2024-34 Long Term Plan.
- A.4 Notes the Council has fully complied with all other requirements of the current Treasury Management Policy for the three months ended 31 March 2024.

### 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 kōrerorero | Discussion

### Cash/Debt Position

- 7 Table 1 below shows the Council's net debt position as at 31 March 2024 against the 2023/24 full year budget and the prior year closing balance.

Table 1	March YTD Actual \$000's	Full Year Budget \$000's	Prior year 2022/23 \$000's
External debt	330,000	315,000	275,000
less borrower notes	(7,620)	(7,335)	(6,110)
less Term Deposits	(80,000)	(60,000)	(55,000)
less cash*	(15,424)	(7,875)	(14,084)
<b>Net debt</b>	<b>226,956</b>	<b>239,790</b>	<b>199,806</b>
*Cash includes \$2.4Mill held for supplier retentions			

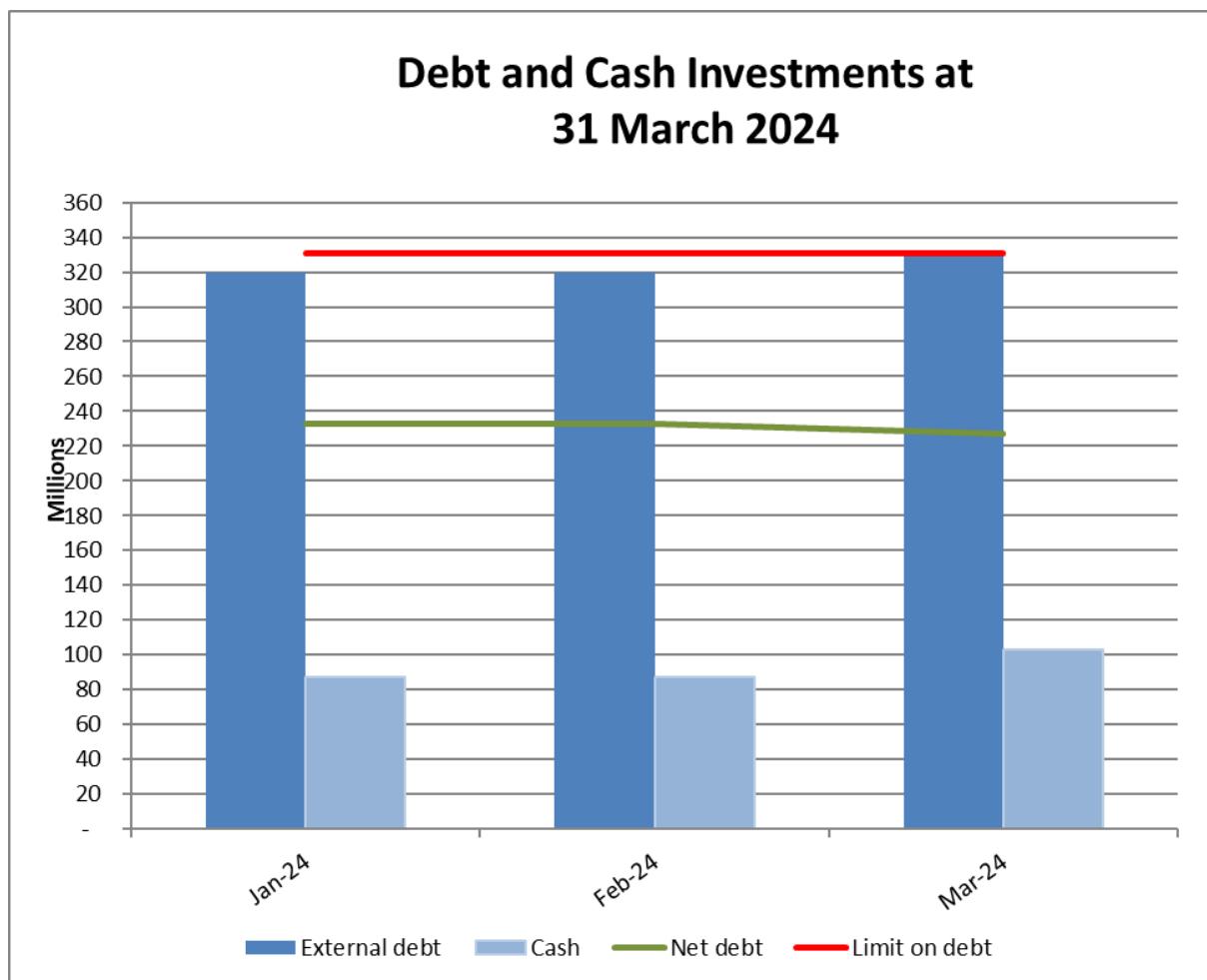
- 8 During the past three months, the Council has issued \$25 million of new debt. This was used to pre-fund the April 2025 debt maturity (\$20 million), and 2023/2024 capex programme costs (\$5 million).
- 9 The table below shows (a) the movement in the Council's external debt balance, (b) the movement 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 nine months ended 31 March 2024.

Borrowings	Gross borrowings \$000	Pre-funding					CAPEX
		TD Oct 2023 \$000	TD May 2024 \$000	TD Oct 2024 \$000	TD Apr 2025 \$000	Total Prefunding \$000	Capex programme \$000
Opening balance 1 July	275,000	25,000	30,000	-	-	55,000	n/a
New Long term debt issued YTD	80,000	-	-	30,000	20,000	50,000	30,000
Matured Long term debt	(25,000)	(25,000)	-	-	-	(25,000)	n/a
<b>Total</b>	<b>330,000</b>	<b>-</b>	<b>30,000</b>	<b>30,000</b>	<b>20,000</b>	<b>80,000</b>	<b>30,000</b>

- 10 As at 31 March 2024 the Council had \$103 million of cash, borrower notes and term deposits on hand. This is broken down as follows:

Term deposits, cash & borrower notes	Prefund borrowings \$000	Borrower notes \$000	Cash \$000	Total \$000
LGFA debt maturing May 2024	30,000	-	-	30,000
LGFA debt maturing Oct 2024	30,000	-	-	30,000
LGFA debt maturing Apr 2025	20,000	-	-	20,000
Surplus cash	-	-	15,424	15,424
Borrower notes held	-	7,620	-	7,620
<b>Total</b>	<b>80,000</b>	<b>7,620</b>	<b>15,424</b>	<b>103,044</b>

- 11 For the three months ended 31 March 2024, the Council has not breached its net debt upper limit, as shown in the chart below.

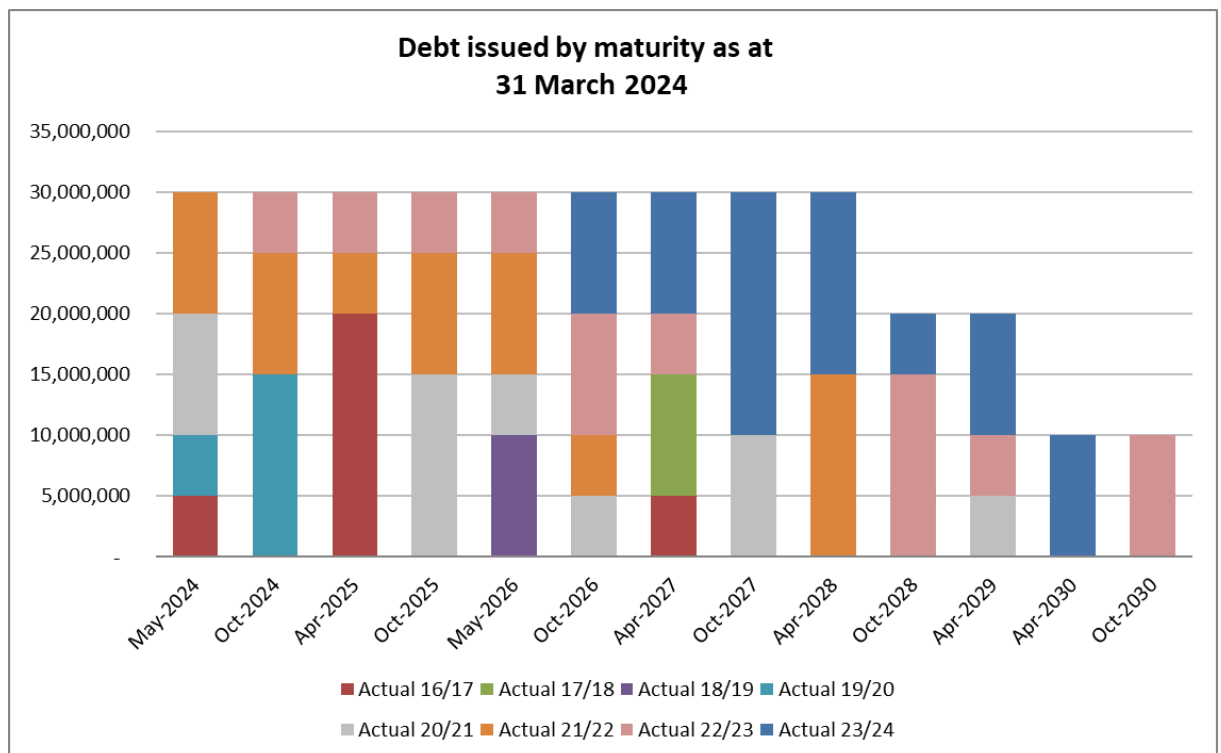


- 5  
12 The Council targeted through its LTP 2021-41 financial strategy to keep net borrowings below 280% of total operating income with a preferred limit of 250%. As at 31 March 2024, the Council's net borrowings are 198.0% of forecasted 2024 total operating income.

### Liquidity/Funding control limits

- 13 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.
- 14 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.

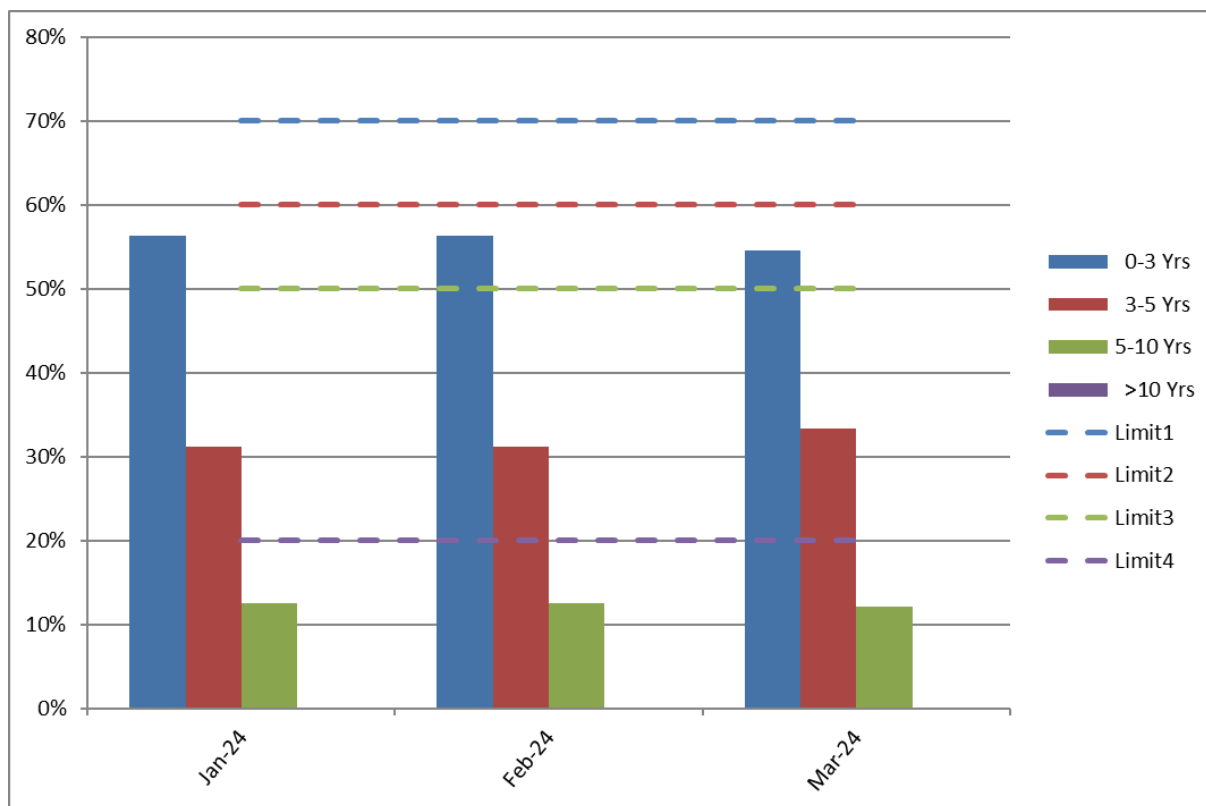
- 15 The following chart presents the Council's debt maturity dates in relation to the financial year in which the debt was issued. This demonstrates that since 2016/17, the Council has actively reduced risk concentration by spreading debt maturity dates and debt maturity values.



- 6  
16 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%

- 17 For the three months ended 31 March 2024, 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 years 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

- 18 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.
- 19 Without such hedging, the Council would have difficulty absorbing adverse interest rate movements. A 1% increase in interest rates on \$330 million of external debt would equate to additional interest expense of \$3.30 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.
- 20 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.
- 21 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%.

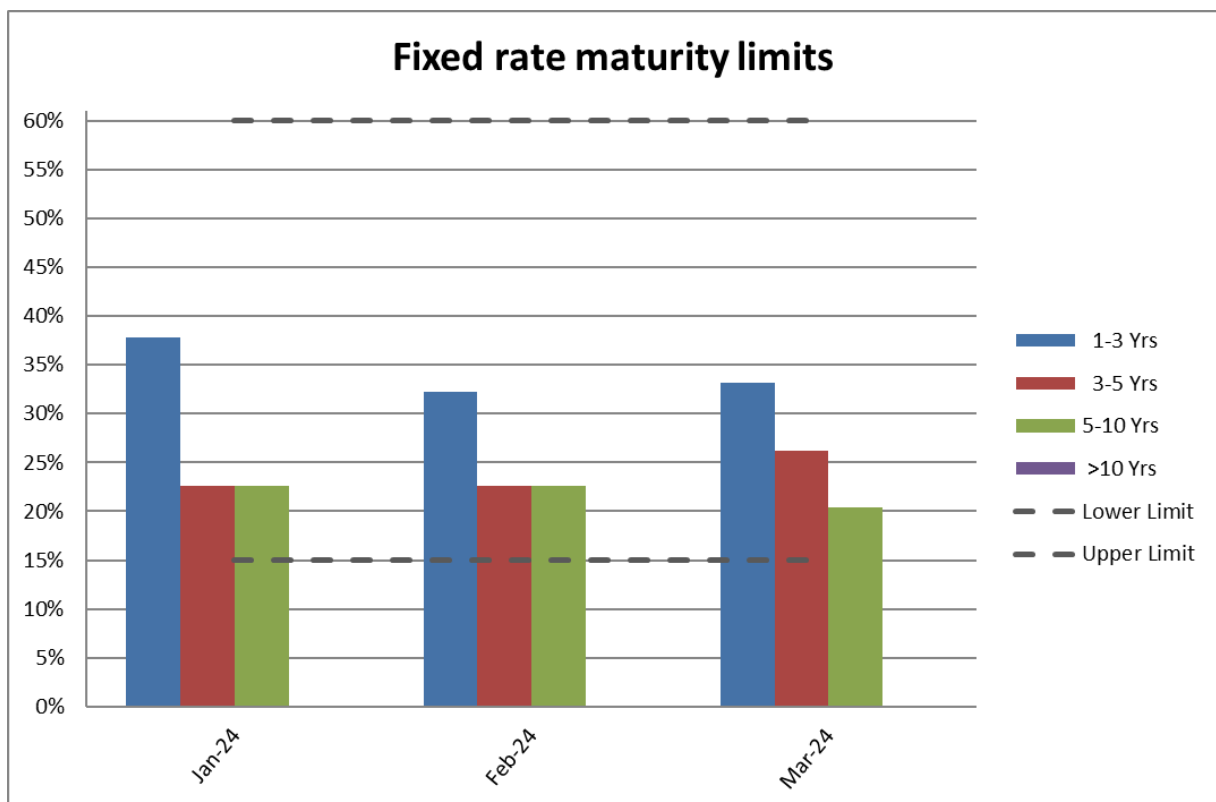
- 22 The table below shows that the Council has breached its fixed/floating risk control limit in March 2024.

\$000's	Jan-24	Feb-24	Mar-24
External debt (floating)	320,000	320,000	330,000
Swaps (fixed portion)	177,000	177,000	172,000
Fixed %	55.3%	55.3%	52.1%
Unfixed debt	143,000	143,000	158,000

- 23 On the 28 March 2024, Council adopted a new draft Treasury Management Policy together with its draft 2024-34 Long Term Plan. Developed in conjunction with Bancorp, new Fixed/Floating Risk Control limits (ranging from 20% to 100%) are now applied to different maturity buckets of Council's borrowings. Under the new draft policy, Council was fully compliant for the reporting period.
- 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 31 March 2024, 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 31 March 2024. The tables below show the Council's investments and risk management instruments holdings per counterparty for this period.

**Term deposit & Cash investments**

Counter party	Jan-2024		Feb-2024		Mar-2024		Comply
	\$000	%	\$000	%	\$000	%	
NZ Registerd Bank 1	30,000	37.48%	30,000	37.60%	35,000	36.68%	✓
NZ Registerd Bank 2	10,000	12.49%	10,000	12.53%	10,000	10.48%	✓
NZ Registerd Bank 3	30,000	37.48%	30,000	37.60%	35,000	36.68%	✓
NZ Registerd Bank 4	10,051	12.56%	9,782	12.26%	15,424	16.16%	✓
	80,051	100.00%	79,782	100.00%	95,424	100.00%	

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

**Interest rate swaps**

Counter party	Jan-2024		Feb-2024		Mar-2024		Comply
	\$000	%	\$000	%	\$000	%	
NZ Registerd Bank 1	40,000	22.60%	40,000	22.60%	40,000	23.26%	✓
NZ Registerd Bank 2	85,000	48.02%	85,000	48.02%	80,000	46.51%	✓
NZ Registerd Bank 3	52,000	29.38%	52,000	29.38%	52,000	30.23%	✓
	177,000	100%	177,000	100%	172,000	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 31 March 2024 and the results are shown below:

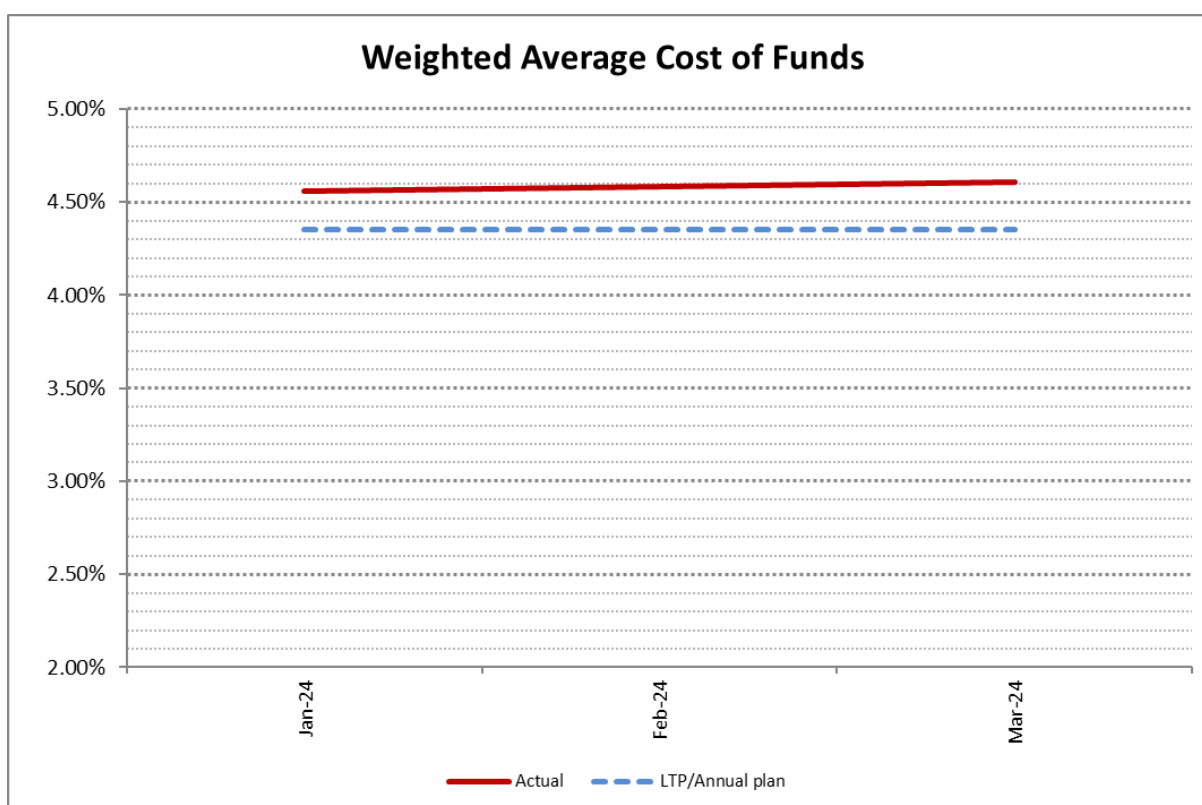
Borrowing limit	Policy limit	2023/24	Comply
Net interest expense/Total Operating Income	< 20%	8.0%	✓
Liquidity ((total debt +total committed facilities +cash on hand)/total debt))	> 110%	131.9%	✓
Net External Debt/Total Operating Income	< 280%	198.0%	✓

### Risk Management Performance

- 31 The following table shows the Council's interest income and expense for the three months ended 31 March 2024 together with the weighted average cost of borrowing (WACB), compared to year-to-date budget and full year forecast.

	March YTD Actual \$000	YTD Budget \$000	Variance (Fav/UnFav) \$000	Full year Forecast \$000
Interest Expense	10,462	9,467	(994)	14,246
less: Interest Income	(3,669)	(2,808)	860	(4,966)
Net Interest Cost	6,793	6,659	(134)	9,279
Weighted Average Cost of Borrowings	4.61%	4.35%	-0.26%	4.64%

- 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 and Environment**

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 āpitihanga | Attachments**

Nil

## 9.8 2024 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 2024 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 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 2024 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 particularly Wellington, is seen as increasingly challenging for underwriters due to the seismic and flooding risk.

### 2024 Insurance Renewal Update

- 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 2024. Aon provides the Council with independent expert insurance advisory and brokerage services.

7 Significant asset insurances, as renewed for the year commencing 1 May 2024, 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	~\$705 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 \$1million per event.
Property, plant and equipment	Material damage and business interruption (MDBI)	~\$469 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	Earthquake Commission (EQC)	~\$31 million	EQC: First \$300,000 for each loss event per property to be recovered from the EQC.	The EQC deductible is 1% of sum insured with a minimum deductible of \$200. If claim is for land, the deductible is 10% of sum insured with minimum deductible of \$500.
	All other losses	(Included in \$469 million MDBI)	As per MDBI policy above	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 maximum probable loss (MPL) to underground infrastructure from natural catastrophe damage, (known as the 60:40 cost sharing arrangement). This policy has been in place for over 26 years. The Council's 2024 insurance cover has been based on the assumption that government will continue to provide a full contribution of up to 60% of the Council's MPL to underground infrastructure damage from natural catastrophe, and therefore, insurance has been placed which covers approximately 40% of the Council's MPL to underground infrastructure assets from natural catastrophe.
- 9 The Council's underground infrastructure assets have a total replacement value of \$705 million. The Council's MPL estimate is \$130 million for natural catastrophe damage to underground infrastructure assets, within a combined \$600 million loss limit for OWSS. Of this \$130 million loss 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 \$469 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 \$31 million and are included in the MDBI policy. EQC covers up to \$300,000 per dwelling, with the balance of any loss covered within the MDBI policy. The EQC deductible is 1% of the sum insured value of the residential assets that have sustained losses, with a minimum deductible of \$200. If the claim is for land, the deductible is 10% of sum insured value of the residential assets that have sustained losses, with minimum deductible of \$500. Losses sustained to residential assets exceeding the EQC insurance cover are covered by Council's above ground asset MDBI cover and the same deductibles then apply as noted above.
- 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 2023.

## He kōrerorero | Discussion

### PREMIUM AND BUDGET IMPACTS OF RENEWAL

- 13 Renewal premiums are summarised in the following table:

	2024 premium \$000s	2023 premium \$000s	Change \$000s	Change %
Underground Infrastructure	707	895	-188	-21.01%
Above ground asset (MDBI)	2,186	1,409	777	55.15%
FENZ (Material Damage)	115	76	39	51.32%
EQC (Material Damage)	43	43	0	0.00%
Other policies	360	314	46	14.65%
<b>Total</b>	<b>3,411</b>	<b>2,737</b>	<b>674</b>	<b>24.63%</b>

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

	2024 Sum Insured Value \$000s	2023 Sum Insured Value \$000s	Change \$000s	Change %
--	-------------------------------------	-------------------------------------	------------------	-------------

Underground Infrastructure	705,282	883,444	-178,162	(20.16)
Above ground assets MDBI	468,535	275,209	193,326	70.24
<b>Total</b>	<b>1,173,817</b>	<b>1,158,653</b>	<b>15,164</b>	<b>1.31%</b>

- 15 The Council's sum insured values over the last 12 months have increased by \$15.2 million or 1.31%. However, the total annual cost of the November 2023 and May 2024 renewals is \$3.41 million, an increase of \$674,000 or 24.63% over the previous year's insurance premium.
- 16 This premium increase is mainly due to a net premium increase of \$725,000 directly related to transferring the Council's wastewater and water treatment plants, (with a combined sum insured value of \$166 million), from underground infrastructure to above ground assets MDBI.

<b>2024 Sum Insured Value of Treatment Plants</b>	<b>2024 Above Ground Assets MDBI premium increase for Treatment Plants</b>	<b>2024 Underground Infrastructure Premium saving from removing Treatment Plants</b>	<b>Net Premium Increase of transferring Treatment Plants to Above Ground Assets MDBI</b>
<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
166,000	915	190	725

- 17 Treatment plants house extensive electrical componentry. Losses to the Council's treatment plants could be sustained from fire damage caused by electric fault(s). Underground infrastructure cover only covers losses from natural catastrophe and excludes fire related damages. Given the current full re-instatement cost of \$166 million, these assets are now covered by above ground MDBI to protect the Council from losses caused by natural catastrophe and non-natural catastrophe damages. The premium increase largely reflects the higher risk and loss of 60% central government underwriting from underground infrastructure insurance cover.
- 18 The total insurance budget for 2024/25 is \$3.12 million, which includes a 20% cost increase from the 2023/24 budget of \$2.6 million. There is an insurance budget shortfall of \$291,000 for 2024/25. Given the draft 2024/25 Long Term Plan includes an annual increase of 20% for insurance for years one to ten, there is no intention to further increase the 2024/25 insurance budget before Council adopts the 2024-34 Long Term Plan on 27 June 2024. Hopefully, anticipated market flattening in the coming years will align actual insurance premiums within Council's insurance budget from 2025/26 onwards.

#### **Alternate Risk Transfer Options Update**

- 19 Insurance rates are flattening (especially globally), but inflation and new asset additions are increasing sum insured values so premium increases are still assumed. Uncertainty remains around inflation as there are global issues that could affect this.
- 20 A reduction in insurance availability is still a strategic risk to New Zealand, especially in those areas more exposed to natural disasters, such as the Greater Wellington region.
- 21 Options to increase self-retention levels, thereby reducing the dependency on traditional insurance and enhancements to physical loss mitigation should all be included in an organisations long-term risk transfer strategy.

- 22 A captive or protected cell company (PCC) remain as alternatives to a self-managed fund, but the cost benefit of these options remains marginal. A self-managed fund (that is ringfenced) remains a viable long-term option for Council, assuming there are no losses that erode the fund during its development. A retention vehicle arrangement also provides some mitigation to the risk of insurance market contraction and alleviates some of the cyclical pricing issues associated with traditional insurance.
- 23 WCIG contracted AGRC to update its loss modelling to help inform prudent risk financing decisions. The preferred methodology was RiskScape, using the National Seismic Hazard Model 2022. However, the agreement with GNS to use RiskScape was not quite finalised. AGRC's contract therefore has two phases. Phase one completed loss modelling using the global vendor model Touchstone. This is an industry standard model but does not have the level of granularity that RiskScape does. Phase one showed a group MPL of \$478 million, compared to the current WCIG limit of \$600 million.
- 24 Phase two includes an update to the loss modelling, using RiskScape. It is anticipated that the MPL indications (for both Council and Group level) will increase because of this work. Phase two will be completed in time to inform decisions for 2025 insurance renewals.

### He take | Issues

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

### Ngā kōwhiringa | Options

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

### Tangata whenua

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

### Panonitanga āhuarangi | Climate change and Environment

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

### Ahumoni me ngā rawa | Financial and resourcing

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

### Ture me ngā Tūraru | Legal and risk

- 30 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

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

### Te whakawhiti kōrero me te tūhono | Communications & engagement

#### Te mahere tūhono | Engagement planning

- 32 There are no engagement plans required for this report.

#### Whakatairanga | Publicity

- 33 No publicity is planned in relation to this report.

### Ngā āpitihanga | Attachments

Nil



**10 TE WHAKAŪ I NGĀ ĀMIKI | CONFIRMATION OF MINUTES****10.1 CONFIRMATION OF MINUTES**

**Author:** Maria Cameron, Advisor Democracy Services

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

**Taunakitanga | Recommendations**

That the minutes of the Risk and Assurance Committee meeting of 15 February 2024 be accepted as a true and correct record.

**NGĀ ĀPITI HANGA | ATTACHMENTS**

1. Risk and Assurance Committee Minutes 15 February 2024 [↓](#)

## RISK AND ASSURANCE COMMITTEE MEETING MINUTES

15 FEBRUARY 2024

**MINUTES OF KĀPITI COAST DISTRICT COUNCIL  
RISK AND ASSURANCE COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBER, GROUND FLOOR, 175 RIMU ROAD, PARAPARAUMU  
ON THURSDAY, 15 FEBRUARY 2024 AT 9.30AM**

**PRESENT:** Mr David Shand (Chair), Deputy Mayor Lawrence Kirby, Cr Jocelyn Prvanov,  
Cr Glen Cooper, Ms Oriwia Raureti, Mr David Cochrane  
**Via Zoom:** Mayor Janet Holborow, Cr Liz Koh

**IN ATTENDANCE:** Mr Cam Butler, Mr Bede Laracy, Mr Bernie Randall, Mr Mark de Haast, Mr  
Darren Edwards, Mr James Jefferson, Ms Hara Adams, Ms Dianne Andrew,  
Ms Sharon Foss, Ms Nienke Itjeshorst, Ms Roddy Hickling, Ms Sarah Wattie,  
Ms Steffi Haefeli, Ms Jessica Mackman, Ms Kate Coutts, Mr Mark Duncan, Ms  
Renée Corlett  
**Via Zoom:** Ms Kris Pervan

**APOLOGIES:** Mr Richard Mansell, Cr Liz Koh, Mr Sam Nicolle, Mr Cam Butler (lateness)

**LEAVE OF  
ABSENCE:** There were none.

## 1 WELCOME

The Chair, David Shand welcomed everyone to the meeting.

## 2 COUNCIL BLESSING

The Chair read Karakia a te Kaunihera.

## 3 APOLOGIES

The Chair, David Shand noted that Waikanae Community Board Chair, Richard Mansell would be absent, Ōtaki Community Board Chair, Cam Butler may be late to join due to Council business and Cr Liz Koh was out of the district though would endeavour to join the meeting remotely. The Chair further noted that Sam Nicole, Ernst and Young would be absent.

### COMMITTEE RESOLUTION RAC2024/1

Moved: Cr Jocelyn Prvanov

Seconder: Lawrence Kirby

That apologies from Richard Mansell, Cam Butler, Liz Koh and Sam Nicolle be received and accepted.

**CARRIED**

## 4 DECLARATIONS OF INTEREST RELATING TO ITEMS ON THE AGENDA

There were no declarations of interest made.

## RISK AND ASSURANCE COMMITTEE MEETING MINUTES

15 FEBRUARY 2024

**5 PUBLIC SPEAKING TIME FOR ITEMS RELATING TO THE AGENDA**

There were no members of the public present who wished to speak.

Cr Liz Koh joined the meeting via Zoom at 9.33am.

**6 MEMBERS' BUSINESS****(a) Updates by the Chair**

The Chair, David Shand spoke to a tabled document which proposed additional delegations for the Risk and Assurance Committee and noted that the proposal had been discussed with Chief Executive Darren Edwards and Mayor Janet Holborow.

Members discussed the matter and Mark de Haast, Group Manager Corporate Services answered members' questions.

The Chair noted a consensus among members to support the proposal and Mr de Haast confirmed that a report would be brought to Council to extend the Committee's delegations as agreed. At its next meeting to be held on the 29 February 2024.

Cam Butler joined the meeting at 9.37am.

**MOTION****COMMITTEE RESOLUTION RAC2024/2**

Moved: Cr Jocelyn Prvanov

Seconder: Deputy Mayor Lawrence Kirby

That the Risk and Assurance Committee:

- A. note the update from the Chair, and
- B. agrees, in principal, with the proposal, and
- C. agrees it will be forwarded to Council for full development and consideration.

**CARRIED****TABLED DOCUMENTS**

The following documents were tabled.

Updates by the Chair, David Shand 15 February 2024

**Appendices**

1 Updates by the Chair, David Shand 15 February 2024

**(b) Leave of Absence**

There were no requests for a leave of absence.

**(c) Matters of an Urgent Nature**

There were no matters of an urgent nature notified to the Chair prior to the commencement of the meeting.

**7 HE KŌRERO HOU | UPDATES****7.1 EMERGENCY MANAGEMENT 101**

James Jefferson, Group Manager Regulatory Services introduced Roddy Hickling, Emergency

**RISK AND ASSURANCE COMMITTEE MEETING MINUTES****15 FEBRUARY 2024**

Management Advisor and Mark Duncan, Wellington Civil Defence and Emergency Management (CDEM) Group Controller.

James Jefferson, Mark Duncan and Roddy Hickling spoke to the presentation to provide an update on emergency management and together with Renée Corlett, Advisor – Community Resilience and Recovery WREMO (Wellington Region Emergency Management Office) answered members' questions.

Cr Glen Cooper left the meeting at 10.43am and returned to the meeting at 10.45am.

**TABLED DOCUMENTS**

The following documents were tabled.

Emergency Management 101 Presentation 15 February 2024

**Appendices**

1 Emergency Management 101 Presentation - 15 February 2024

The meeting adjourned at 10.57am and resumed at 11.12am.

**8 PŪRONGO | REPORTS****8.1 HEALTH AND SAFETY QUARTERLY REPORT :  
1 OCTOBER 2023 - 31 DECEMBER 2023**

The Chair, David Shand introduced Dianne Andrew, Organisational Development Manager, noted it was Ms Andrew's final meeting and acknowledged her contribution.

Dianne Andrew took the report as read, noting that one trespass notice detailed in the report had yet to be served as the individual was no longer residing in the district. Ms Andrew advised that police were managing the matter and answered members' questions.

**COMMITTEE RESOLUTION RAC2024/3**

Moved: Cr Jocelyn Prvanov

Seconder: Mr David Cochrane

- A. That the Risk and Assurance Committee notes the Health and Safety Quarterly Report for the period 1 October 2023 – 31 December 2023 attached as Appendix One to this Report.

**CARRIED**

**8.2 TOP 10 ORGANISATIONAL RISK REPORT**

Nienke Itjeshorst, Lead Risk and Assurance Advisor introduced the report and highlighted that emergency management had been added to the Top 10 Organisational Risks.

Members discussed the item and Mark de Haast, Group Manager Corporate Services and Ms Itjeshorst answered members' questions.

**COMMITTEE RESOLUTION RAC2024/4**

Moved: Mr David Shand

Seconder: Deputy Mayor Lawrence Kirby

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

**CARRIED**

## RISK AND ASSURANCE COMMITTEE MEETING MINUTES

15 FEBRUARY 2024

**8.3 QUARTERLY TREASURY COMPLIANCE**

Mark de Haast, Group Manager Corporate Services took the report as read and noted that Council officers were reviewing the current treasury management policy together with treasury advisors, Bancorp. Mr de Haast confirmed that any changes to the policy would need to be adopted by Council.

**COMMITTEE RESOLUTION RAC2024/5**

Moved: Mr David Shand

Seconder: Deputy Mayor Lawrence Kirby

- A. That the Risk and Assurance Committee notes the Council's full compliance with its Treasury Management Policy for the three months ended 31 December 2023.

**CARRIED**

**8.4 PROGRESS UPDATE REGARDING AUDIT CONTROL FINDINGS 2022/23**

Sharon Foss, Business Improvement Manager introduced the item and provided a brief overview of the report.

**COMMITTEE RESOLUTION RAC2024/6**

Moved: Oriwia Raureti

Seconder: Mr David Shand

That the Risk and Assurance Committee:

- A. notes the progress update regarding Ernst & Young's Report on Control Findings for the year ended 30 June 2023, attached as Appendix 1 to this report, and
- B. that Ernst & Young will re-assess these as part of their audit for the year ended 30 June 2024.

**CARRIED**

**8.5 INTERNAL AUDIT WORK PROGRAMME - PROGRESS UPDATE**

Sharon Foss, Business Improvement Manager introduced the item and provided a brief summary of the report.

**COMMITTEE RESOLUTION RAC2024/7**

Moved: Cr Jocelyn Prvanov

Seconder: Cr Glen Cooper

- A. That the Risk and Assurance Committee receives and notes the Internal Audit progress update on the work programme for 2023/24.

**CARRIED**

**8.6 INTERNAL AUDIT 2023 OUTCOMES REPORT**

Sharon Foss, Business Improvement Manager introduced the item and clarified the table titled 'Summary Overview - Internal Audit of the Procurement Framework Policy' in the report.

## RISK AND ASSURANCE COMMITTEE MEETING MINUTES

15 FEBRUARY 2024

Ms Foss answered members' questions.

**COMMITTEE RESOLUTION RAC2024/8**

Moved: Mr David Shand

Seconder: Deputy Mayor Lawrence Kirby

- A. That the Risk and Assurance Committee receives and notes the Internal Audit 2023 Outcomes Report.

**CARRIED**

**8.7 INTERNAL AUDIT WORK PROGRAMME 2024**

Sharon Foss, Business Improvement Manager provided a brief overview of the report noting a minor correction to the table in Appendix 1.

Chief Executive Darren Edwards answered members' questions and Mayor Janet Holborow proposed Council officers provide information on the regulatory improvement programme at a later date.

**COMMITTEE RESOLUTION RAC2024/9**

Moved: Mr David Shand

Seconder: Deputy Mayor Lawrence Kirby

- A. That the Risk and Assurance Committee approves the 2024 Internal Audit Work Programme through to 30 June 2024 as set out in Appendix 1 to this report.

**CARRIED**

**8.8 LEGISLATIVE COMPLIANCE 1 OCTOBER TO 31 DECEMBER 2023**

Sarah Wattie, Governance and Legal Services Manager took the report as read and answered members' questions.

**COMMITTEE RESOLUTION RAC2024/10**

Moved: Mr David Cochrane

Seconder: Deputy Mayor Lawrence Kirby

That the Risk and Assurance Committee:

- A. notes legislative non-compliance for the second quarter of the financial year from 1 October 2023 to 31 December 2023.
- B. notes that two legislative non-compliance matters have been transferred to the Litigation and External Investigations Public Excluded meeting for discussion.

**CARRIED**

**8.9 FORWARD WORK PROGRAMME 2024 FOR RISK AND ASSURANCE COMMITTEE**

The Chair, David Shand provided an overview of the forward work programme.

**COMMITTEE RESOLUTION RAC2024/11**

Moved: Cr Glen Cooper

## RISK AND ASSURANCE COMMITTEE MEETING MINUTES

15 FEBRUARY 2024

Seconded: Mr David Cochrane

- A. That the Risk and Assurance Committee approves its Forward Work Programme for the 2024 calendar year as set out in Appendix 1 to this report.

**CARRIED**

## 9 TE WHAKAŪ I NGĀ ĀMIKI | CONFIRMATION OF MINUTES

### 9.1 CONFIRMATION OF MINUTES

#### COMMITTEE RESOLUTION RAC2024/12

Moved: Mr David Shand

Seconded: Deputy Mayor Lawrence Kirby

That the minutes of the Risk and Assurance Committee meeting of 9 November 2023 be accepted as a true and correct record.

**CARRIED**

## 10 CONFIRMATION OF PUBLIC EXCLUDED MINUTES

## 11 PUBLIC EXCLUDED REPORTS

### RESOLUTION TO EXCLUDE THE PUBLIC

#### PUBLIC EXCLUDED RESOLUTION RAC2024/13

Moved: Ms Oriwia Raureti

Seconded: Mr David Shand

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
<b>10.1 - Confirmation of Public Excluded Minutes</b>	Section 7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons  Section 7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or	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

## RISK AND ASSURANCE COMMITTEE MEETING MINUTES

15 FEBRUARY 2024

	<p>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)(g) - the withholding of the information is necessary to maintain legal professional privilege</p>	
<b>11.1 - Litigation and External Investigations Report</b>	<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)(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)(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>
<b>CARRIED</b>		

The Te Komiti Whakamau Tūraru | Risk and Assurance Committee meeting went into public excluded session at 12.20pm.

**COMMITTEE RESOLUTION RAC2024/16**

Moved: Deputy Mayor Lawrence Kirby

Seconder: Cr Glen Cooper

That the Te Komiti Whakamau Tūraru | Risk and Assurance Committee moves out of a public



## RISK AND ASSURANCE COMMITTEE MEETING MINUTES

15 FEBRUARY 2024

excluded meeting.

**CARRIED**

The Te Komiti Whakamauru Tūraru | Risk and Assurance Committee came out of public excluded session at 12.34pm.

The following resolution was passed during the public excluded session to release the report (excluding attachment 1) and the resolutions from public excluded business.

**11.1 LITIGATION AND EXTERNAL INVESTIGATIONS REPORT****COMMITTEE RESOLUTION RAC2024/14**

Moved: Mr David Cochrane

Seconder: Cr Jocelyn Prvanov

That the Risk and Assurance Committee:

- A. note the status of litigation and external investigations for quarter 2 of the 2023-24 financial year.
- B. agree that this report and Attachment 2 and Attachment 3 be released from public excluded business; and agree that Attachment 1 of this report be excluded from public release to protect the privacy of natural persons, the obligation of confidence and legal professional privilege (Section 7(2)(a), Section 7(2)(c)(i) and Section 7(2)(g) of the Local Government Official Information and Meetings Act 1987).
- C. agree that the resolutions be released from public excluded business.

**CARRIED**

**Appendices**

- 1 Litigation and External Investigations Report 15 February 2024 (For Public Release)

**12 CLOSING KARAKIA**

Oriwia Raureti provided a closing karakia.

**The Te Komiti Whakamauru Tūraru | Risk and Assurance Committee meeting closed at 12.35pm.**

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**HEAMANA | CHAIRPERSON**

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

## 12 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
<b>11.1 - Confirmation of Public Excluded Minutes</b>	<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)(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)(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
<b>12.1 - Litigation and External Investigations Report</b>	<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)(c)(i) - the withholding of the information</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

	<p>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)(g) - the withholding of the information is necessary to maintain legal professional privilege</p>	<p>withholding would exist under section 6 or section 7</p>
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**13 KARAKIA WHAKAMUTUNGA | CLOSING KARAKIA**

Kia tau ngā manaakitanga ki runga i a tātou katoa,	<i>May blessings be upon us all,</i>
Kia hua ai te mākihikihi, e kī ana	<i>And our business be successful.</i>
Kia toi te kupu	<i>So that our words endure,</i>
Kia toi te reo	<i>And our language endures,</i>
Kia toi te wairua	<i>May the spirit be strong,</i>
Kia tau te mauri	<i>May mauri be settled and in balance,</i>
Ki roto i a mātou mahi katoa i tēnei rā	<i>Among the activities we will do today</i>
Haumi e! Hui e! Taiki e!	<i>Join, gather, and unite! Forward together!</i>