



# **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, 15 August 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 15 August 2024, 9.30am.**

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

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

## Te Raupapa Take | Order Of Business

1	<b>Nau Mai   Welcome</b> .....	5
2	<b>Karakia a te Kaunihera   Council Blessing</b> .....	5
3	<b>Whakapāha   Apologies</b> .....	5
4	<b>Te Tauākī o Te Whaitake ki ngā Mea o te Rārangi Take   Declarations of Interest Relating to Items on the Agenda</b> .....	5
5	<b>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</b> .....	5
6	<b>Ngā Teputeihana   Deputations</b> .....	5
	Nil	
7	<b>Ngā Take a ngā Mema   Members' Business</b> .....	5
8	<b>He Kōrero Hou   Updates</b> .....	6
	8.1 First discussion on Recovery, as the second component of the emergency management programme. ....	6
9	<b>Pūrongo   Reports</b> .....	30
	9.1 Audit Closing Report for the 2024-34 Long-term Plan .....	30
	9.2 EY Control Findings: 2022-23 Audit - Update.....	49
	9.3 Health and Safety Quarterly Report: 1 April 2024 to 30 June 2024 .....	61
	9.4 Top 10 Organisational Risk Report.....	69
	9.5 Internal Audit Work Programme - Update.....	108
	9.6 Quarterly Treasury Compliance.....	111
	9.7 Legislative Compliance 1 April to 30 June 2024 .....	121
	9.8 Forward Work Programme 2024/25 for Risk and Assurance Committee .....	144
10	<b>Te Whakaū i ngā Āmiki   Confirmation of Minutes</b> .....	147
	10.1 Confirmation of Minutes .....	147
11	<b>Purongo Kāore e Wātea ki te Marea   Public Excluded Reports</b> .....	156
	<b>Resolution to Exclude the Public</b> .....	156
	11.1 Confirmation of Public Excluded Minutes .....	156
	12.1 Litigation and External Investigations Report.....	156
12	<b>Karakia Whakamutunga   Closing Karakia</b> .....	158



**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

### 8.1 FIRST DISCUSSION ON RECOVERY, AS THE SECOND COMPONENT OF THE EMERGENCY MANAGEMENT PROGRAMME.

Kaituhi | Author: **Kris Pervan, Group Manager Strategy & Growth**

Kaiwhakamana | Authoriser: **Kris Pervan, Group Manager Strategy & Growth**

### TE PŪTAKE | PURPOSE

- 1 This paper shares an update on the Emergency Management Recovery Programme for the Kāpiti District. We are joined by our Group Recovery Management Team from Wellington Regional Emergency Management Office (WREMO).

### TAUNAKITANGA | RECOMMENDATIONS

That the Risk and Assurance Committee:

- A. Note that Kāpiti Coast District and the wider Wellington Region is vulnerable to a number of significant natural hazards and that pre-planning for Recovery is an increasing priority.
- B. Note the focus for the Kāpiti District Recovery Programme, which forms part of the wider Emergency Management requirements, and progress to date.
- C. Note that the Recovery Programme Team will come back to this Committee with an update on Phase 1 activity, as noted in attachment 1, in early 2025.

### TŪĀPAPA | BACKGROUND

- 2 The Civil Defence Emergency Management Act 2002 sets out the legislative mandate for Recovery, as part of the Emergency Management framework and requirements. It outlines expectations around roles and responsibilities of Group and Local Recovery Managers, including their authority and accountability during both local and national transition periods. It also outlines the procedures and authority for managing transition periods after emergencies, focusing on the criteria for declaring, extending, and terminating these periods.
- 3 Recovery involves phases of pre-event planning, and actions kick in from the moment that an event triggers an emergency management response. Whilst Emergency Management Response can be in place for weeks, Recovery is a longer haul need that in cases of a major event is likely to last for years.
- 4 Successful community recovery can be defined as the “re-establishment of infrastructure, public services, economy, environment, social and cultural connections, and a general sense of restored stability”. Collectively it is the establishment of a ‘new normal’, hopefully more liveable than before and better able to withstand the next emergency event.
- 5 Key work of the Recovery function is in the Emergency Operations Centre (EOC), as a lead desk, and development of a Recovery Plan. There is a transition period between Response and Recovery, and short period where mandate for ‘orders’ remains in place for the Recovery function. After this, it’s all about influence and collaboration. In practical terms, we will work with the community, business, NGOs and central government to support our community to ‘stand back up’ in the event of a significant impact to daily activity.
- 6 Council has the local responsibility to coordinate recovery planning and programme delivery pre and post event.
- 7 Although the Council’s Recovery Programme is in early development, foundational steps have been progressed through 2023/24 including:

- 7.1 Reviewing our existing Recovery Plan, to incorporate broader scenarios than COVID-19.
- 7.2 Clarifying our role in Recovery with WREMO, and agreement by our Chief Executive to stand up a 'virtual Recovery programme office' and to appoint dedicated staff to progress Recovery work.
- 7.3 Engagement in "Masterclasses" in Disaster Recovery with lead NGOs.
- 7.4 Training and courses via WREMO and NEMA, and learning about what works from previous disasters such as Cyclone Gabrielle. Engaged with Wellington Region Councils, and meeting regularly to plan together.
- 7.5 Involvement in 2x emergency management exercises; and the first Council to have dedicated recovery staff attend exercises in 2023.
- 7.6 Establishing documentation and process to incorporate a recovery focus into Emergency Management process with WREMO.
- 7.7 Briefing with Councillors on Recovery - 'cards of calamity' to better understand a community perspective of what's important for Recovery
- 7.8 Appointment of two additional staff to progress Recovery work. Regular engagement between Controller/s, Recovery Manager, and Emergency Management Advisor.
- 7.9 Initial discussions with community leaders, government, and key groups (incl Chamber of Commerce).

## HE TAKE | ISSUES

- 8 The Kāpiti Coast District and the wider Wellington Region is vulnerable to a number of significant natural hazards. Some of these hazards have the potential to be of such a scale and severity that they present an existential threat to our district and region's ongoing viability in its present form.
- 9 There is a 75% chance of an Alpine Fault Earthquake of magnitude 8+ happening any time in the next 50 years. It is not a matter of if, but when.
- 10 The scale and severity of impacts and compounding consequences will be beyond the capacity of any one single agency, organisation or community group to resolve.
- 11 Collaborative planning for recovery needs to start now to reduce the risks and ensure recovery activities are well coordinated, timely, effective, make the best use of money and resources, and ultimately meet the needs of our affected communities so they can recover quickly.
- 12 Everyone will experience a disaster differently. However, common patterns tend to emerge. Understanding this is vital to anticipating and responding to the challenges faced by community and those working in disaster recovery. A focus on driving a community-led and community-owned approach will be critical to success.
- 13 Lessons learnt from other recent disasters and events, indicates that we need to be more proactively pre-planning for future events now. In response to this, we are developing a community-led programme of work to ensure we will be appropriately prepared to act, when required.

## NGĀ KŌWHIRINGA | OPTIONS

- 14 There are no options proposed. However, the WREMO and Kāpiti Coast District Council are working together on a new approach for Recovery, which addresses lessons learnt from previous events.
- 15 The new approach will be piloted and implemented in the Kāpiti Coast first, and then utilised across the region. Further details are outlined in the presentation attached which we will discuss at today's meeting with our WREMO partners.

**NGĀ MAHI PANUKU | NEXT STEPS**

- 16 As outlined on page 21 of the attachment, Phase 1 work will progress through to January 2025 focused on four key areas including:
  - 16.1 Council and Community
  - 16.2 Systems
  - 16.3 Partnerships
  - 16.4 Plans and Procedures.
- 17 We will be working with Elected Members and the community on this work, including proposed governance structures and the establishment and embedding of the Virtual Programme Office within Council, and will update the Committee on progress in early 2025.

**NGĀ ĀPITI HANGA | ATTACHMENTS**

1. Attachment 1: Update on Kāpiti Coast Recovery Programme [↓](#)



# Recovery Update

Risk and Assurance Committee

15 August 2024















































## 9 PŪRONGO | REPORTS

### 9.1 AUDIT CLOSING REPORT FOR THE 2024-34 LONG-TERM PLAN

Kaituhi | Author: **Sheryl Gavin, Principal Advisor Corporate Services**

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 Closing Report for the audit of the 2024-34 Long-term Plan (LTP).

#### HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 An Executive Summary is not required for this report.

#### 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 receives and notes this report including the Ernst & Young Closing Report for the audit of the 2024-34 Long-term Plan in Appendix 1.

#### TŪĀPAPA | BACKGROUND

- 4 The Council's auditors, Ernst & Young (EY) completed their audit of the 2024-34 LTP, issuing an unqualified opinion on 27 June 2024.
- 5 The Closing Report has been received. This concludes EY's audit engagement with Council on the 2024-34 LTP.
- 6 The Closing Report is included in Appendix 1.

#### HE KŌRERORERO | DISCUSSION

- 7 The Closing Report summarises key areas of focus where there are potential risks and exposure, any outstanding matters, the level of materiality applied, unadjusted non-material audit differences, and EY's disclosure of independence.
- 8 The outstanding issues identified in the Closing Report to included sign-off of the LTP and representation letter, and completion of adjustments requested by EY after the date of signing the assurance report. These issues have since been resolved.

#### He take | Issues

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

#### Ngā kōwhiringa | Options

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

**Mana whenua**

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

**Panonitanga Āhuarangi me te Taiao | Climate change and Environment**

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

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

13 There are no financial considerations in addition to those already discussed in this report or its attachments.

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

14 There are no legal considerations in addition to those already discussed in this report or its attachments.

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

15 There are no policy implications arising from the report.

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

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

**Whakatairanga | Publicity**

17 There are no publicity considerations.

**NGĀ ĀPITI HANGA | ATTACHMENTS**

1. Closing Report for the Audit of the 2024-34 Long-Term Plan [↓](#)









































## 9.2 EY CONTROL FINDINGS: 2022-23 AUDIT - UPDATE

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 resolving 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.1 That the Risk and Assurance Committee notes the progress made to resolve the Control Findings from Ernst & Young for the year ended 30 June 2023 to be re-assessed as part of their audit for the year ended 30 June 2024.

### TŪĀPAPA | BACKGROUND

- 4 In accordance with NZ Auditing Standards, Ernst & Young (EY) reviewed 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). Those findings are given a risk ranking from the three options below.

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 currently three open control findings from the last two external audits by EY. These will be considered for 'closing' by EY during their audit of the 2023/24 financial year.

Control Findings open at 30 June 2023 by risk ranking	Risk Ranking			Total
	High	Moderate	Low	
	----	1	2	3

- 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 26 July 2024 (updates are in blue font)	Completion Status
Moderate	<p><b>2.1.1</b></p> <p><b>Accuracy of response and resolution times</b></p> <p>(MagiQ service request data refers)</p>	<p><b>Agreed action:</b></p> <p>Undertake an internal review of the performance measure data prior to finalising. Update the process for recording requests for service to correct this weakness.</p> <p><b>Action update:</b></p> <p>The issue of inaccurate response and resolution times in service requests relates to user difficulties with our 30 year old MagiQ software system.</p> <p>Note, when Datascape replaces MagiQ next calendar year we expect these inadvertent errors will not reoccur. Until then the inadequacies of and difficulties using MagiQ means the potential for inaccurate response and resolution times remains.</p> <p>EY are aware of the cause and the improvement Datascape will bring. Meantime, to manage the control weakness - the supporting guidance documentation has been updated, associated training provided and staff carry out a manual quality check of service request data.</p>	Complete

EY Risk Ranking	Control Findings at 30 June 2023	Summary as at 26 July 2024 (updates are in blue font)	Completion Status
Low	<p><b>2.2.1</b></p> <p><b>Aged work in progress (WIP) review</b></p> <p>(Waikanae duplicate rising main infrastructure project refers)</p>	<p><b>Agreed action:</b></p> <p>Establish annual reviews of aged work in progress projects. Document the review and ensure the assessment includes consideration of:</p> <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> <p><b>Action update: Generic Improvement Assurance around Aged Work in Progress.</b></p> <p>As agreed with EY, any aged Work in Progress balances that are standalone projects with no movement in the last 12 months will be assessed as part of the year-end review process for impairment. Those reviews documented in accordance with standard accounting practice.</p> <p><b>Action update: Specific Finding: Aged WIP - Waikanae Duplicate Rising Main Project</b></p> <p>Completion still expected in 2025. Note: resource consent delays resulted in the original 30 June 2024 completion date not being met.</p>	<p>In Progress</p> <p>Likely be carried over</p>

EY Risk Ranking	Control Findings at 30 June 2023	Summary as at 26 July 2024 (updates are in blue font)	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> A review has been undertaken for the year ending 30 June 2024 to ensure the allocation is reasonable.	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.

### Mana whenua

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

### Panonitanga Āhuarangi me te Taiao | 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.

### Tūraru ā-Ture me te Whakahaere | Legal and Organisational 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 [↓](#)





















### 9.3 HEALTH AND SAFETY QUARTERLY REPORT: 1 APRIL 2024 TO 30 JUNE 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 April 2024 to 30 June 2024

#### HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 An Executive Summary is not required for this report.

#### TE TUKU HAEPAPA | DELEGATION

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

#### TAUNAKITANGA | RECOMMENDATIONS

- A. That the Risk and Assurance Committee notes the Health and Safety Quarterly Report for the period 1 April 2024 to 30 June 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.

##### Mana whenua

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

##### Panonitanga Āhuarangi me te Taiao | Climate change and Environment

- 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.

**Tūraru ā-Ture me te Whakahaere | Legal and Organisational 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 April 2024 to 30 June 2024 [↓](#)















## 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 WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 This report does not require an Executive Summary.

### TE TUKU HAEPAPA | DELEGATION

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

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

### TAUNAKITANGA | RECOMMENDATIONS

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

### TŪĀPAPA | BACKGROUND

- 4 The Top 10 Organisational 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 Organisational 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,’ an emerging organisational risk 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 o Waitangi
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 digital technology risks.
ORG 8	Failure to prudently manage Council's financial stability including fraudulent activity.
ORG 9	Failure to maintain business continuity for essential 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 KÖRERORERO | DISCUSSION

- 10 This report provides an update of the current Top Organisational 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 Organisational Risks

- 11 A workshop with SLT was held in July 2024 to consider 'refreshing' the Top 10 Organisational Risk that was set in May 2023. This was done by looking back at the challenges faced by the organisation in the past year, considering external/internal changes impacting the organisation and looking at Council's Strategic Outcomes and targeted actions of the Long Term Plan 2024-34.
- 12 SLT discussed whether any new risks should be identified, or that new controls and treatments should be identified to mitigate existing and/or increasing risks.
- 13 Some new controls and treatments have been added as a result. For example, a control and risk treatment were added to the ORG 2 Risk to reflect that development of a Client Relationship Management System is underway, mitigating this risk.
- 14 Updates and minor amendments have been made following meetings with individual SLT members and other control and treatment owners.
- 15 All the changes have been highlighted in blue font in the Risk Heatmap Report.

### He take | Issues

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

### Ngā kōwhiringa | Options

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

### Mana whenua

- 18 There are no mana whenua considerations arising in addition to those included in Appendix 1 to this report.

**Panonitanga Āhuarangi me te Taiao | Climate change and Environment**

19 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**

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

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

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

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

22 There are no further policy implications arising from this report.

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

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

**Whakatairanga | Publicity**

24 There are no publicity considerations.

**NGĀ ĀPITIHINGA | ATTACHMENTS**

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



















































































## 9.5 INTERNAL AUDIT WORK PROGRAMME - UPDATE

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 the 2024 Internal Audit work programme.

### HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 This report does not require an Executive Summary.

### TE TUKU HAEPAPA | DELEGATION

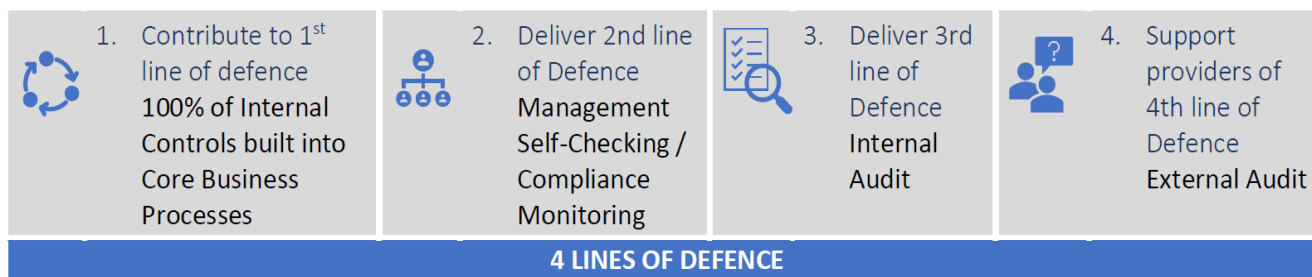
- 3 The Committee has delegated authority to consider this report under section C.3 of the Governance Structure and Delegations.
  - *Ensuring that the Council has in place a current and comprehensive risk management framework and making recommendations to the Council on risk mitigation.*

### TAUNAKITANGA | RECOMMENDATIONS

- A. That the Risk and Assurance Committee receives and notes the progress update on the 2024 Internal Audit work programme.

### 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 above four sources of assurance contribute to the overall level of assurance provided and the classification into four categories demonstrates how they are integrated into Council business.

First line: Risks are managed and controlled day-to-day. Assurance comes directly from those responsible for delivering specific objectives or processes.

Second line: The 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.

Third Line of Defence (Internal Audit)

6 In accordance with both the NZ Auditing Standards and our external auditors, EY, the internal audits have been given a risk ranking from the three options below.






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.










7 Validation of audit findings and recommendations is an important part of the internal audit approach. As previously advised this practice assures full discussion, consideration and management acceptance of observations/recommendations and report content through to final authorisation of the report.

8 The 2024 internal audit work programme approved by this Committee in February 2024 was set until 30 June 2024. This allowed for the carryover of audits from 2023 and aligned the audit scheduling with the adoption of the Long-Term Plan 2024-34.

**HE KŌRERORERO | DISCUSSION**

9 The following table updates this Committee on progress made on the internal audit work programme. The status categories include a new category titled “Finalised” to better reflect a draft audit report proceeding through the validation process.

Progress Status Categories				
				
<b>Planned</b>	<b>Ongoing</b>	<b>In Progress</b>	<b>Finalised</b>	<b>Completed</b>

Risk	Activity	Status: 26 July 2024	
<b>High</b>	Compliance with Mitigation of Fraud Policy.		Completed
<b>High</b>	Compliance with Procurement Policy Framework.		Completed
<b>High</b>	Compliance with Employee Code of Conduct document.		Finalised
<b>High</b>	Review Employee Conflict of Interest Declarations.		Finalised
<b>High</b>	Compliance with General Expenses Policy.		In Progress
<b>Moderate</b>	Compliance with Protected Disclosures (Protection of Whistleblowers) Policy.		Finalised
<b>Moderate</b>	Compliance with Receipt of Gifts and Hospitality Policy.		Finalised
<b>Moderate</b>	Monitor progress against Ernst & Young Control Findings: Close Report F/Y 2022-23		In Progress - until EY complete their F/Y 2023-24 external audit
<b>Low</b>	Review preparedness for business interruption and continuously improve.		Ongoing

**He take | Issues**

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

**Ngā kōwhiringa | Options**

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

**Mana whenua**

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

**Panonitanga Āhuarangi me te Taiao | Climate change and Environment**

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

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

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

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

15 There are no legal considerations arising from this report.

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

16 There are no policy implications arising from this report.

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

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

**Whakatairanga | Publicity**

18 There are no publicity requirements or considerations arising from this report.

**NGĀ ĀPITI HANGA | ATTACHMENTS**

Nil

## 9.6 QUARTERLY TREASURY COMPLIANCE

Kaituhi | Author: **Ian Georgeson, Chief Financial Officer**

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

### TE PŪTAKE | PURPOSE

- 1 This report provides confirmation to the Risk and Assurance Committee of the Council's compliance with its Treasury Management Policy (Policy) for the quarter ended 30 June 2024.

### HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 An Executive Summary 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 old Policy in three areas:

- i. Debt maturities (6% in 5-10 year bucket vs policy minimum 10%)
  - ii. Fixed/Floating Risk Control limit (54% hedged vs policy minimum 55%)
  - iii. Hedging Instrument maturities (14% in 5-10 year bucket vs policy minimum 15%)
- (these non-compliant areas have been further discussed in this report).

A.3 Notes the Council has fully complied with all other requirements of the old Policy for the three months ended 30 June 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 with the Policy, certain performance measures and parameters have been prescribed. These are:
- cash/debt position;
  - liquidity/funding control limits;
  - interest rate risk control limits;
  - counterparty credit risk;
  - specific borrowing limits; and
  - risk management performance.

## HE KÖRERORERO | DISCUSSION

### Cash/Debt Position

- 7 Table 1 below shows the Council's net debt position as at 30 June 2024 against the 2023/24 full year budget and the prior year closing balance.

Table 1	June YTD Actual	Full Year Budget	Prior year 2022/23
	\$000's	\$000's	\$000's
External debt	320,000	315,000	275,000
less borrower notes	(7,460)	(7,335)	(6,110)
less Term Deposits	(60,000)	(60,000)	(55,000)
less cash	(7,953)	(7,875)	(14,084)
<b>Net debt</b>	<b>244,587</b>	<b>239,790</b>	<b>199,806</b>

- 8 During the past three months, the Council has issued \$35 million of new debt. This was used to pre-fund the April 2025 debt maturity (\$10 million), and 2023/2024 capex programme costs (\$25 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 twelve months ended 30 June 2024.

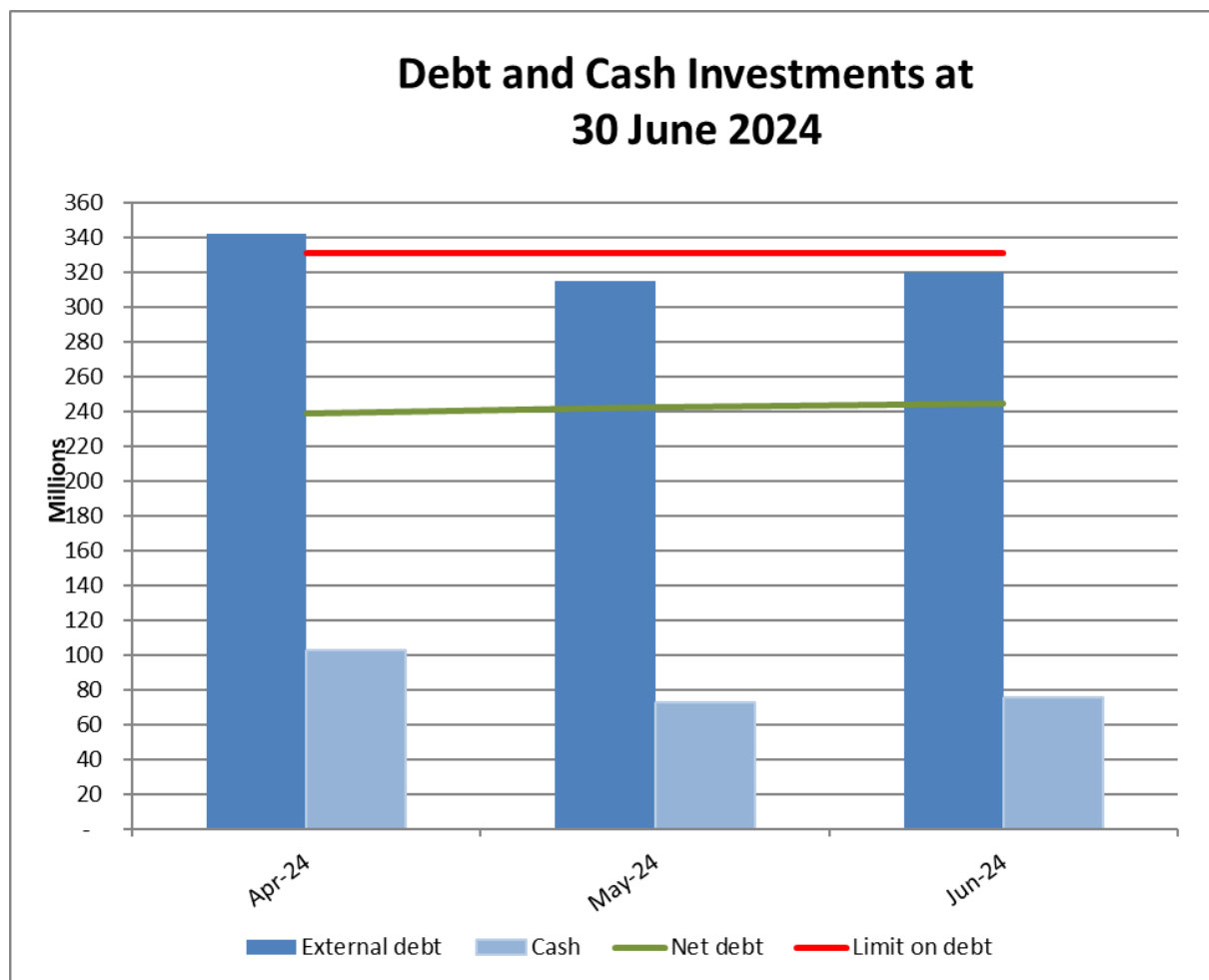
Borrowings	Gross borrowings \$000	Pre-funding				Total Prefunding \$000	CAPEX Capex programme \$000
		TD Oct 2023 \$000	TD May 2024 \$000	TD Oct 2024 \$000	TD Apr 2025 \$000		
Opening balance 1 July	275,000	25,000	30,000	-	-	55,000	n/a
New Long term debt issued YTD	100,000	-	-	30,000	30,000	60,000	40,000
Matured Long term debt	(55,000)	(25,000)	(30,000)	-	-	(55,000)	n/a
<b>Total</b>	<b>320,000</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>30,000</b>	<b>60,000</b>	<b>40,000</b>

- 10 As at 30 June 2024 the Council had \$75.4 million of cash, borrower notes and term deposits on hand. This is broken down as follows:

Term deposits, cash & borrower notes	Prefund borrowings	Borrower notes	Cash	Total
	\$000	\$000	\$000	\$000
LGFA debt maturing Oct 2024	30,000	-	-	30,000
LGFA debt maturing Apr 2025	30,000	-	-	30,000
Surplus cash	-	-	7,953	7,953
Borrower notes held	-	7,460	-	7,460
<b>Total</b>	<b>60,000</b>	<b>7,460</b>	<b>7,953</b>	<b>75,413</b>



- 11 For the three months ended 30 June 2024, the Council has not breached its net debt upper limit, as shown in the chart below.

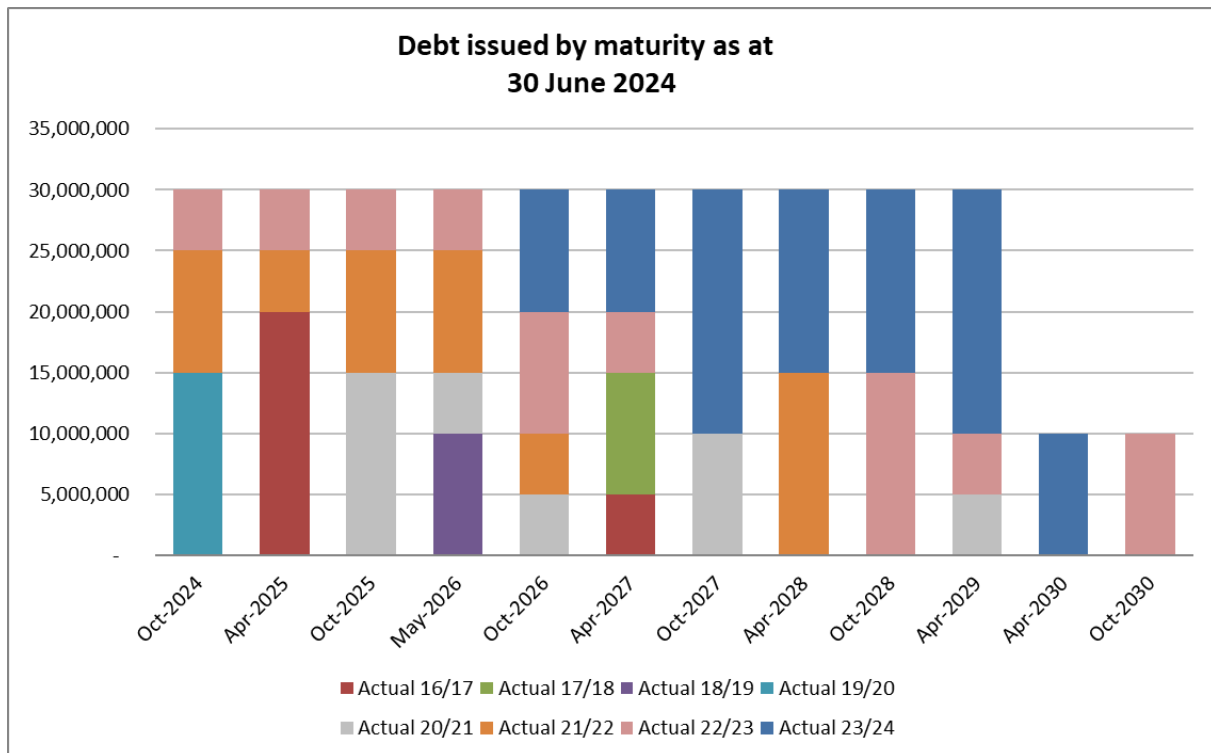


- 12 The Council targeted through its LTP 2021-41 financial strategy to keep net borrowings below 280% of total operating income with a preferred limit of 250%. As at 30 June 2024, the Council's net borrowings are 205.7% of actual 2024 total operating income.

### 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.

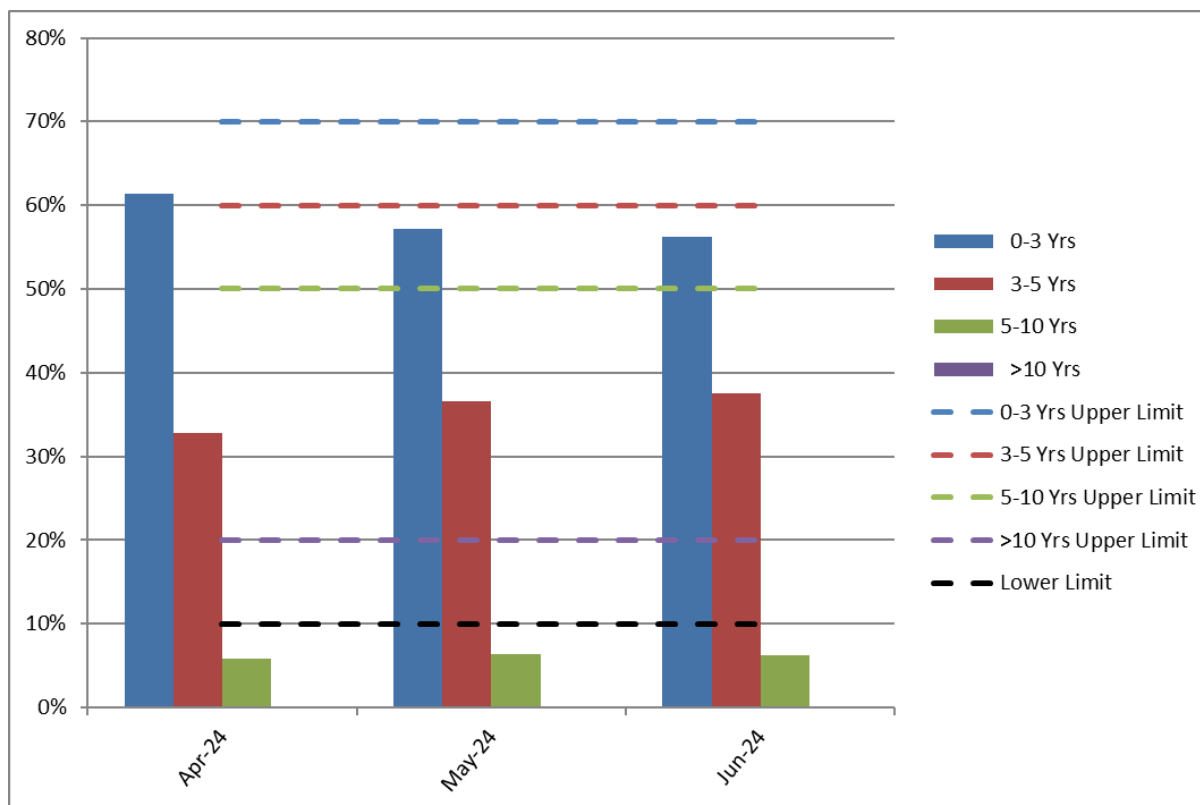


16 Debt maturities must fall within maturity compliance buckets. These maturity buckets are as follows:

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 30 June 2024, the Council has breached its debt maturity limits in the 5-10 year maturity bucket, with council having 6% of debt in this maturity bracket while the Policy requires a lower limit of 10%.

- 18 This is shown in the following chart. The 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.



- 19 It should be noted that longer maturity dates carry a higher lending margin so are more expensive, and this is the reason council has been reluctant to take longer date debt.
- 20 The new Treasury policy applying from 1 July 2024 has a less prescriptive approach to the spread of maturities instead requiring that no more than 40% of debt shall mature in any rolling 12 month period. This amendment alleviates the need to micromanage exposures to comply with policy while in reality adding additional cost and complexity to the risk management process.

### Interest rate risk control limits

- 21 The Council seeks advice 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.
- 22 Without such hedging, the Council would have difficulty absorbing adverse interest rate movements. A 1% increase in interest rates on \$320 million of external debt would equate to additional interest expense of \$3.20 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.
- 23 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.

- 24 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%.

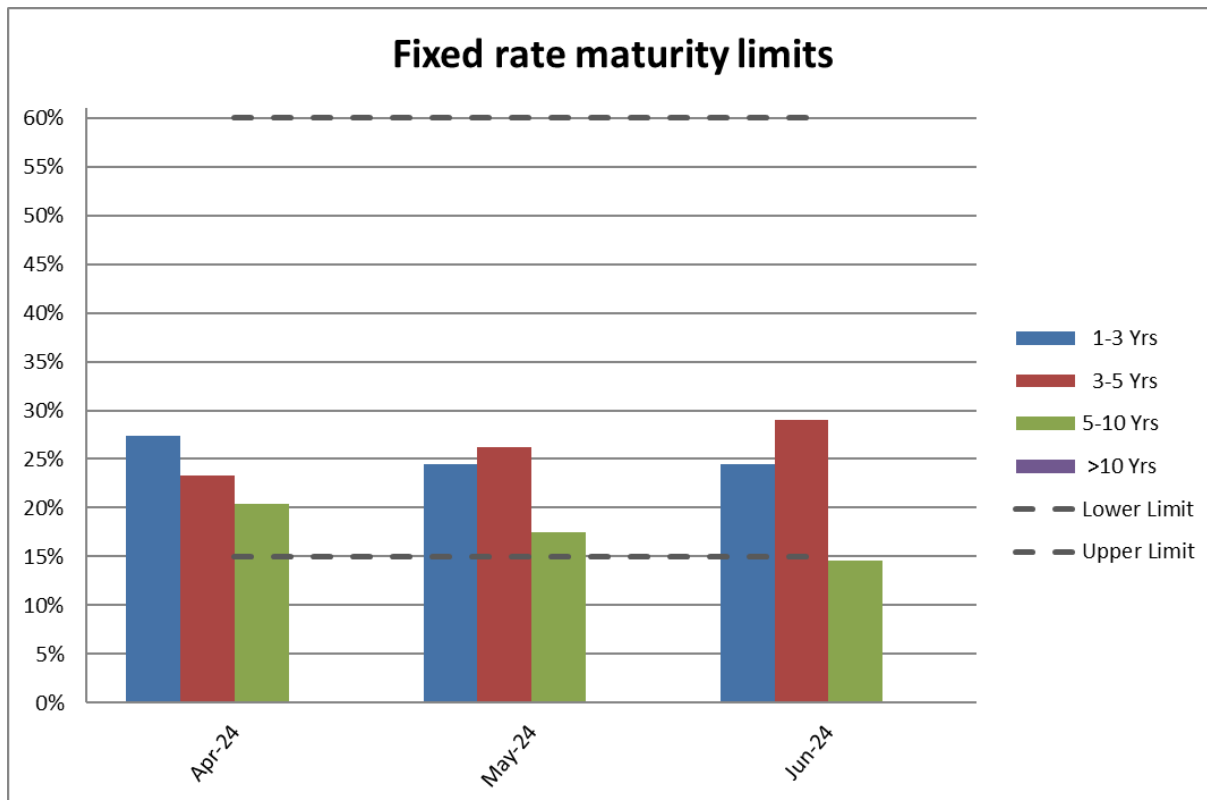
- 25 For the three months ended 30 June 2024, the Council has breached its fixed/floating risk control limits, in that total hedging fell slightly below the policy limit of 55%. This is shown in the table below.

\$000's	Apr-24	May-24	Jun-24
External debt (floating	342,000	315,000	320,000
Swaps (fixed portion)	172,000	172,000	172,000
Fixed %	50.3%	54.6%	53.8%
Unfixed debt	170,000	143,000	148,000

- 26 It is noted that in the recent high interest rate environment the Council has intentionally held off entering into new swap contracts, resulting in this policy breach.
- 27 Looking forward, Council will not immediately be in compliance with the new policy parameters but the intention is to become compliant over the September quarter. The effect of not taking out additional hedging over the last few months is expected to be of material benefit to Council as interest rates have fallen significantly since early June, the 2 year swap (for example) down by 0.80% to 4.40%, the 5 year swap down 0.78% to 3.96% and the 10 year swap by 0.75% to 4.12%. Since the peak of interest rates in October 2023 the falls have been much greater, the 2 year swap is down by 1.49%, the 5 year by 1.45% and the 10 year by 1.25%. Council will look to lock in lower swap rates progressively as market conditions dictate.
- 28 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%

- 29 As shown by the following chart. The Council breached its hedging maturity compliance buckets in June 2024, with 14% in the 5-10 year maturity bucket against the policy lower limit of 15%. The new Policy adopts different maturity buckets against which Council will be fully compliant from 1 July 2024. Note that maturities falling within 1 year are not included. The Council has no hedging instrument maturities in ten years' time or beyond.
- 30 As noted in paragraph 26 and 27 above, the Council has held off entering into new swap contracts in the recent high interest rate environment but expects to recommence shortly.



**Counterparty Credit Risk**

- 31 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.
- 32 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

- 33 The Council was in full compliance with all counterparty credit limits for the three months ended 30 June 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	Apr-2024		May-2024		Jun-2024		Comply
	\$000	%	\$000	%	\$000	%	
NZ Registerd Bank 1	35,000	36.87%	20,000	30.59%	20,000	29.43%	✓
NZ Registerd Bank 2	20,000	21.07%	20,000	30.59%	20,000	29.43%	✓
NZ Registerd Bank 3	35,000	36.87%	20,000	30.59%	20,000	29.43%	✓
NZ Registerd Bank 4	4,924	5.19%	5,391	8.24%	7,953	11.70%	✓
	94,924	100.00%	65,391	100.00%	67,953	100.00%	

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

#### Interest rate swaps

Counter party	Apr-2024		May-2024		Jun-2024		Comply
	\$000	%	\$000	%	\$000	%	
NZ Registerd Bank 1	40,000	23.26%	40,000	23.26%	40,000	23.26%	✓
NZ Registerd Bank 2	80,000	46.51%	80,000	46.51%	80,000	46.51%	✓
NZ Registerd Bank 3	52,000	30.23%	52,000	30.23%	52,000	30.23%	✓
	172,000	100%	172,000	100%	172,000	100%	

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

#### Specific Borrowing Limits

- 34 In managing debt, the Council is required to adhere to the specific borrowing limits.
- 35 The Council fully complied with these limits for the three months ended 30 June 2024 and the results are shown below:

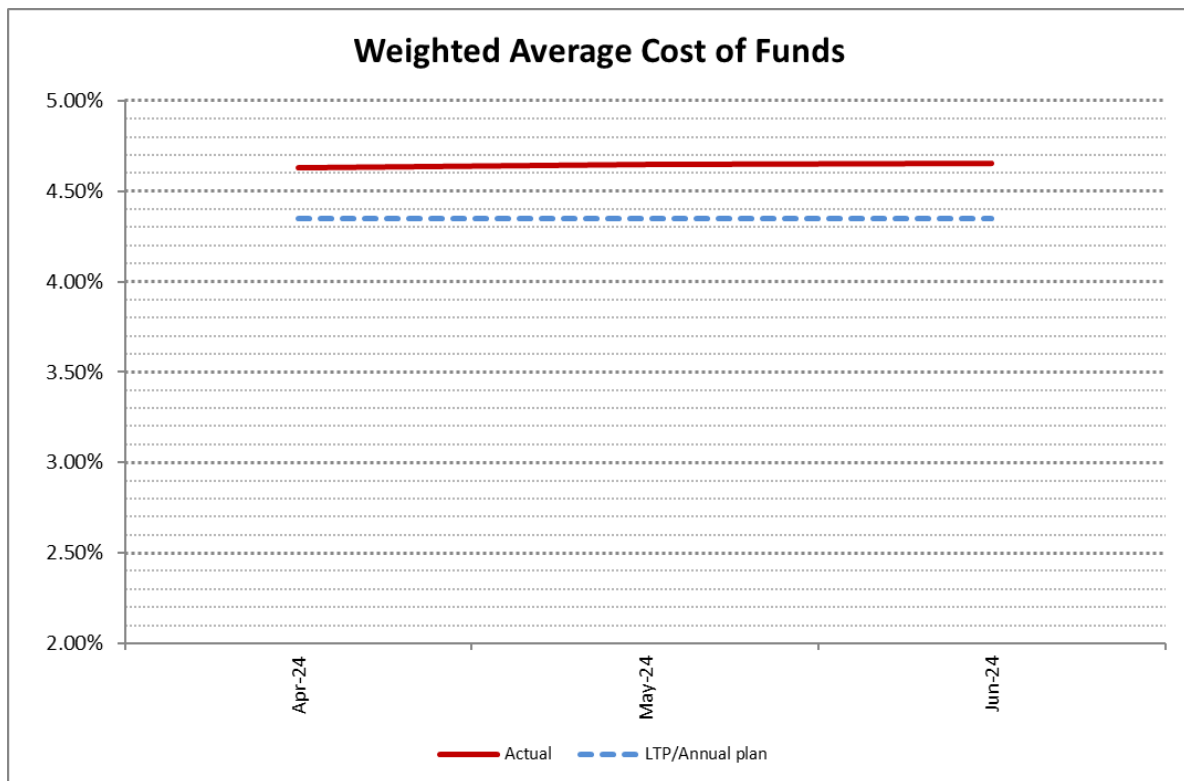
Borrowing limit	Policy limit	2023/24	Comply
Net interest expense/Total Operating Income	< 20%	7.9%	✓
Liquidity ((total debt +total committed facilities +cash on hand)/total debt))	> 110%	124.4%	✓
Net External Debt/Total Operating Income	< 280%	205.7%	✓

#### Risk Management Performance

- 36 The following table shows the Council's interest income and expense for the three months ended 30 June 2024 together with the weighted average cost of borrowing (WACB), compared to year-to-date budget.

	June YTD		Variance (Fav/UnFav) \$000
	Actual \$000	YTD Budget \$000	
Interest Expense	14,411	12,838	(1,573)
less: Interest Income	(5,047)	(3,915)	1,132
Net Interest Cost	9,364	8,923	(441)
Weighted Average Cost of Borrowings	4.66%	4.35%	-0.31%

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



### He take | Issues

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

### Ngā kōwhiringa | Options

- 39 There are no options to be considered.

### Mana whenua

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

### Panonitanga Āhuarangi me te Taiao | Climate change and Environment

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

### Ahumoni me ngā rawa | Financial and resourcing

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

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

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

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

- 44 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

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

**Whakatairanga | Publicity**

46 There are no publicity considerations arising from this report.

**NGĀ ĀPITI HANGA | ATTACHMENTS**

Nil



## 9.7 LEGISLATIVE COMPLIANCE 1 APRIL TO 30 JUNE 2024

Kaituhi | Author: **Sarah Wattie, General Counsel**

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 fourth quarter of the financial year, 1 April 2024 to 30 June 2024.

### HE WHAKARĀPOPOTO | 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:
  - *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.*

### TAUNAKITANGA | RECOMMENDATIONS

- A. That the Risk and Assurance Committee:
  - A.1 notes legislative non-compliance for the fourth quarter of the financial year from 1 April 2024 to 30 June 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 the 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 the Council's top 10 risks.
- 5 Each quarter key Council staff responsible for the 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. The 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 fourth quarter of the financial year, 1 April 2024 to 30 June 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 the 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, land information memorandum (LIM) requests, and 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 two privacy breaches reported in the period.
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 requirement under the LGOIMA regarding the official information and meeting requirements and one breach regarding a LIM in the period.

**Legislative Compliance Breaches**

12 Legislative compliance breaches for the fourth 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**

13 There are no issues for this report.

**Ngā kōwhiringa | Options**

14 There are no options required for this report.

**Mana whenua**

15 The 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.

16 The 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**

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

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

18 There are no financial implications arising directly from this report.

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

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

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

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

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

21 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**

22 There is no requirement for engagement planning.

**Whakatairanga | Publicity**

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

**NGĀ ĀPITI HANGA | ATTACHMENTS**

1. Legislative Compliance Breaches and Updates 1 April to 30 June 2024 [↓](#)
2. Legislative Compliance Schedule [↓](#)











































## 9.8 FORWARD WORK PROGRAMME 2024/25 FOR RISK AND ASSURANCE COMMITTEE

Kaituhi | Author: **Mark de Haast, Group Manager Corporate Services**

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

### TE PŪTAKE | PURPOSE

- 1 This report seeks agreement to the forward work programme for the Risk and Assurance Committee in 2024/25.

### HE WHAKARĀPOOTO | EXECUTIVE SUMMARY

- 2 An executive summary 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 approves its Forward Work Programme for the 2024/2025 calendar year as set out in Appendix 1 to this report.

### TŪĀPAPA | BACKGROUND

- 4 The work programme for 2024/25 needs to be discussed and agreed at this meeting. While the Chief Executive retains responsibility for approving the Committee agenda, this report provides an opportunity for the Committee to discuss and endorse its work programme going forward.

### HE KŌRERORERO | DISCUSSION

- 5 The 2024/25 forward work programme for the Risk and Assurance Committee, as developed by the Group Manager Corporate Services, is attached in Appendix 1 to this report.

### He take | Issues

- 6 The establishment and presentation of the forward work programme is in accordance with the Office of the Auditor General's best practice guidance. This approach is used by other councils throughout New Zealand.
- 7 That same best practice also provides for the Committee to review its forward work programme at each subsequent meeting to ensure it remains relevant and can be adapted to changes.

### Ngā kōwhiringa | Options

- 8 The Committee can consider and if necessary, make amendments to the forward work programme attached as Appendix 1 to this report.



**Mana whenua**

- 9 Whilst this report does not directly affect mana whenua, any such considerations will be included where appropriate in other reports presented to the Committee as part of the approved work programme.

**Panonitanga Āhuarangi me te Taiao | Climate change and Environment**

- 10 There are no climate change considerations for this report.

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

- 11 There are no additional financial considerations for this report.

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

- 12 There are no legal considerations or risks for this report.

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

- 13 There is no impact on existing Council policies.

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

- 14 No engagement planning is required for this report.

**Whakatairanga | Publicity**

- 15 The approved forward work programme will be publicised through the publication of the agenda and minutes of the Council meetings.

**NGĀ ĀPITI HANGA | ATTACHMENTS**

1. Forward Work Programme 2024/2025 [↓](#)



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

**Author:** Jessica Mackman, Senior Advisor Governance

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

**TAUNAKITANGA | RECOMMENDATIONS**

That the minutes of the Risk and Assurance Committee meeting of 23 May 2024 be accepted as a true and correct record.

**NGĀ ĀPITIHINGA | ATTACHMENTS**

1. Minutes of Risk and Assurance Committee Meeting of 23 May 2024 [↓](#)



















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

## RESOLUTION TO EXCLUDE THE PUBLIC

**PUBLIC EXCLUDED RESOLUTION**

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

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48 for the passing of this resolution</b>
<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>11.2 - 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</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>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>	

**12 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>