



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, 21 November 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 21 November 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

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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 QUARTERLY TREASURY COMPLIANCE

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

Kaiwhakamana | Authoriser: **Steffi Haefeli, Acting 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 September 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 the "Treasury Dashboard Report" for the September 2024 Quarter, attached as Appendix 1.
- A.2 Notes the Council complied with all requirements of the Treasury Management Policy for the quarter ended 30 September 2024.

TŪĀPAPA | BACKGROUND

- 4 As part of the 2024/34 Long-term Plan process the Council adopted an updated Treasury Policy, to apply from July 2024. The objectives of the Policy are to control and manage borrowing costs, investment returns, liquidity requirements, and risks associated with treasury management activity.
- 5 The Council's objectives in relation to borrowings are to:
 - 5.1 minimise borrowing costs within approved risk parameters;
 - 5.2 prudently manage the Council's exposure to interest rate changes;
 - 5.3 ensure sufficient levels of liquidity to meet planned and unforeseen cash requirements;
 - 5.4 ensure that funding risks are managed by maintaining an appropriate spread of maturities;
 - 5.5 prudently manage the Council's credit exposures; and
 - 5.6 monitor and report on the risk and the performance of debt portfolios against predetermined limits and benchmarks.

HE KÖRERORERO | DISCUSSION

- 6 The Treasury Dashboard Report for the September 2024 quarter, as at Appendix 1 to this report, provides an economic overview and reports against Policy requirements. The dashboard has been developed with Bancorp, our Treasury advisers, and is in a style consistent with reporting produced for many of their council clients. We are able to tailor the content to meet any specific requirements we may have.
- 7 Policy compliance is reported as follows:
 - 7.1 Liquidity and funding risk
 - 7.1.1 Overall net debt / revenue within LGFA covenant 280% (page 9)
 - 7.1.2 Spread of debt maturities (page 4)
 - 7.1.3 Liquidity ratio (page 4)
 - 7.2 Interest rate risk
 - 7.2.1 Total fixed rate hedging and spread across maturity bands (page 5)
 - 7.3 Credit risk
 - 7.3.1 Counterparty exposure (page 9)
- 8 The Council complied with all policy requirements during the quarter.

He take | Issues

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

Ngā kōwhiringa | Options

- 10 There are no options to be considered.

Mana whenua

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

Panonitanga Āhuarangi me te Taiao | Climate change and Environment

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

Ahumoni me ngā rawa | Financial and resourcing

- 13 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

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

Ngā pānga ki ngā kaupapa here | Policy impact

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

TE WHAKAWHITI KÖRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT

Te mahere tūhono | Engagement planning

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

Whakatairanga | Publicity

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

NGĀ ĀPITIHANGA | ATTACHMENTS

1. Treasury Dashboard Report [↓](#)



Treasury Dashboard Report

For the September 2024
Quarter



BANCORP

BANCORP TREASURY SERVICES LIMITED



Economic Commentary

2

Global (for the September 2024 quarter)

The US Federal Reserve ("Fed") began its cutting cycle on 18 September, lowering the Fed Funds rate by 50 basis-points ("bps") to a target range of 4.75% - 5.00%. The Federal Open Market Committee ("FOMC") indicated 2 more 25 bps cuts by the end of the year. Notably, the FOMC vote was 11-1 in favour of the 50bps cut, with Governor Michelle Bowman instead advocating for a 25bps cut, the first dissenting vote by a Fed governor since 2005. The post-meeting statement declared, *"The Committee has gained greater confidence that inflation is moving sustainably toward 2 percent, and judges that the risks to achieving its employment and inflation goals are roughly in balance,"* with Fed Chair Jerome Powell stating in a news conference that *"We're trying to achieve a situation where we restore price stability without the kind of painful increase in unemployment that has come sometimes with this inflation. That's what we're trying to do, and I think you could take today's action as a sign of our strong commitment to achieve that goal."*

Markets are now projecting the Fed Funds rate to fall to 4.00% by the end of the year, 3.00% by August 2025 and 2.75% by the end of 2025. The benchmark US 10-year Treasury bond rate opened the quarter at 4.47% which represented the high for the quarter, fell to a low of 3.60% on the day of the September Fed meeting, but subsequently retraced a little of the down move and finished September at 3.78%. This post Fed meeting increase demonstrates that the markets were expecting a 50bps cut, so it was a classic case of 'buy the rumour sell the fact'.

The Bank of England ("BoE") and Sweden's Riksbank cut their cash rates over August. Despite the ongoing weakness in the Chinese economy, the People's Bank of China ("PBoC"), after its July rate cuts, initially left its key interest rates unchanged in September. However, in late September the PBoC released a multitude of stimulus measures which included reducing a number of key interest rates to try boost its slowing economy.

Against the global rate-cutting trend, the Bank of Japan ("BoJ") remains an outlier and increased its cash rate by 15bps to 0.25%. The BoJ also intervened to support the yen, spending USD36.6bn in August following on from June's USD65.0bn of US dollar sales. This time it was helped by general US dollar weakness, which saw investors aggressively unwind yen sourced carry trades. Markets are not expecting any further BoJ rate hikes until December.

The Reserve Bank of Australia ("RBA") again left its cash rate unchanged at 4.35% at its 24 September meeting and implied no cuts until early 2025. The RBA reiterated its commitment to combating inflation while acknowledging the uncertain economic outlook. The unemployment rate was steady at 4.2%, with a positive employment change of 47,500 workers, better than the expected 26,400.

Economic Commentary

New Zealand (for the September 2024 quarter)

3

	OCR	90 day	2 years	3 years	5 years	7 years	10 years
30-Jun-24	5.50%	5.63%	4.80%	4.51%	4.38%	4.38%	4.46%
30-Sep-24	5.25%	4.87%	3.58%	3.47%	3.55%	3.70%	3.89%
Change	-0.25%	-0.76%	-1.22%	-1.04%	-0.83%	-0.68%	-0.57%

The Reserve Bank of New Zealand (“RBNZ”) cut the Official Cash Rate (“OCR”) by 25bps to 5.25% at its August *Monetary Policy Statement* as the central bank was, “*Confident inflation (will be) back in its target band*”. Following the MPS, at the Government’s Finance and Expenditure Select Committee, RBNZ Governor Adrian Orr emphasised the need for OCR cuts to address the weak economy, and reiterated the RBNZ’s commitment to controlling inflation stating, “*The current economic environment is weak (and the) economy is weaker than anticipated 6-months ago. We have strong control over the inflation story. There was no talk on committee of raising rates again. We are not done yet on inflation, but it’s definitely moving in the right direction. If inflation expectations are well anchored, we can look through some of the noise*”. There is no doubt that the economy warrants an accelerated cutting cycle, but it does raise the question of credibility given the RBNZ’s abrupt change in its outlook since the prior May MPS.

GDP fell in the June quarter by -0.2%, with an annual decrease of -0.5%, slightly better than forecasts of -0.4% and -0.6%, respectively. GDP per capita fell 0.5% in the second quarter and was down 2.7% for the year. Primary industries saw the greatest decline over the quarter, with a -1.6% drop. Goods-producing industries increased by 0.7% over the quarter, although with a -3.2% decrease over the year, manufacturing increasing by 1.9% over the quarter and a -4.3% decrease over the year. Services were overall flat over the quarter, with a 0.7% increase over the year.

The current account deficit grew to \$27.8 billion in the year to June, or around 6.7% of GDP. This is slightly worse than the previous \$27.6 billion for the year to March. The deficit for the June quarter was \$7.2 billion, \$269 million more than the March quarter. The goods deficit widened by \$110 million to \$2.6 billion, as goods imports increased by \$183 million, led by transport equipment, while exports were up by \$74 million, led by meat and other commodities such as aluminium, wine, and fish. The services deficit narrowed by \$28 million to \$501 million over the quarter, with exports up \$127 million, led by transportation services, while imports increased \$99 million, led by New Zealanders spending while travelling overseas.

The weak GDP figures are expected to help reduce inflation, which the RBNZ is projecting to fall to 2.3% in the September 2024 year (currently it is 3.3%). Markets are pricing in a 100% probability of the OCR being at 5.00% in October 2024 and a 72% probability that it will be at 4.75%, while for November 2024 markets are pricing a 100% probability that the OCR will be at 4.50% and a 56% probability that it will be at 4.25%. By November 2025 markets are projecting it to have fallen to 2.75%.

Interest rate swap rates fell sharply over the quarter, even more so at the shorter end of the yield curve where the presumed future OCR cuts have more of an influence than at the longer end of the curve which is largely driven by moves in US and global bond rates. However the moves at the long end of the curve have still been significant driven by the moves in US and global bond yields. This flattening of the local yield curve reduces the benefit of forward start swaps compared to spot swaps but given the fall in spot swaps they are now providing more benefit than earlier in the year.

9.2 FY2024-25 QUARTER 1 - WORKPLACE HEALTH, SAFETY AND WELLBEING REPORT

Kaituhi | Author: **Kelly Newbold, Manager Health Safety and Wellbeing**

Kaiwhakamana | Authoriser: **Rach Wells, Group Manager People and Capability**

TE PŪTAKE | PURPOSE

- 1 This report presents the Workplace Health, Safety and Wellbeing Report for the period 1 July 2024 to 30 September 2024.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 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 mitigations,
 - 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, Safety and Wellbeing Policy and Plan.

TAUNAKITANGA | RECOMMENDATIONS

- A. That the Risk and Assurance Committee notes the Health and Safety Quarterly Insights Report for the period 1 July 2024 to 30 September 2024 attached as Appendix One to this Report.

TŪĀPAPA | BACKGROUND

- 4 The quarterly Health, Safety and Wellbeing Report is intended to provide the Council with insights into initiatives and activities and their progress, as part of the 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 and 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

- 6 This report provides a summary update on the Health, Safety and Wellbeing activities, and initiatives that are underway or planned to be undertaken during the 2024/2025 financial year, across policies, risk review, audits and assessments.
- 7 The insights report attached as Appendix One has changed from previous reporting formats to align with best practise reporting for Governance as set out in the updated "Health and Safety Governance: A Good Practice Guide" released by the Institute of Directors in July 2024.

He take | Issues

- 8 A recent people leader survey undertaken has shown that our Health and Safety Management System – Vault is not being optimised and in recent times there has been inconsistent training provided to staff and managers. A project is underway to determine if Vault is fit for purpose to meet our obligations under the Health and Safety at Work Act 2015.

Ngā kōwhiringa | Options

- 9 There are no options arising from 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 considerations arising from this report.

Ahumoni me ngā rawa | Financial and resourcing

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

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

- 13 There are no legal or organisational risks in addition to those noted in this report.

Ngā pānga ki ngā kaupapa here | Policy impact

- 14 There are 13 Health, Safety and Wellbeing related policies that are either under review or due to be reviewed in this financial year. These are detailed in the following table:

Table 1 – Health, Safety and Wellbeing Policies

Policy Name	Policy Description	Policy Review Due Date	Review Status
Corporate Policy Statement - Health and Safety	Statement from CEO to outlining Council's approach to H&S and expectations.	N/A	In progress
HR-21 Contractors Health and Safety Management	To set Council expectations of Contractors working on Council sites.	Jan 2025	In progress
HR-13-020 Health and Safety	Outlines Council's approach to managing H&S	Feb 2022	In progress
HR-13-018 Hazard Management	Aims to ensure the safety of Council employees, visitors and contractors required to work on or around its premises.		To be revoked when HR-13-020 H&S Policy Review Complete
HR-13-022 Working Alone or in Isolation	Outlines the H&S responsibilities of the Council, its managers and workers. It applies to those who may be required to work alone or in remote.	May 2020	
HR-24 Personal Protective Equipment	To ensure the provision of PPE where required to minimise the risk of harm.	2 year review cycle	
HR-030 Incident and Accident Management	To ensure all safety information about accidents, incidents, and near-misses are reported and investigated appropriately	Nov 2019	

HR-13-024 Smoke Free Workplace	To provide a smokefree environment that will assist to improve the health status of all those who undertake work for or visit Council workplaces.	Dec 2021	
HR-16-034 Care Register	Sets out the guidelines and parameters for the use, maintenance and review of the Care Register.	July 2020	Planned Q3
HR-16-035 Visitors	To ensure a safe environment for visitors at a Council workplace so they remain safe from harm or risk during that visit.	Dec 2021	Planned Q4
HR-16-044 Preventing and Responding to Workplace Bullying	To provide guidance for how to identify, report, address, and help prevent workplace bullying and other undesirable behaviour in our workplace.	Dec 2021	Planned Q3
HR-18 Return to Work	Aims to ensure good communication is established and maintained between the Council, employee, treatment provider, and ACC to facilitate a RTW programme	April 2011	Planned Q4
HR-13-015 Rehabilitation Management	Aims to ensure the early, safe and lasting return to work of Council employees following injury or illness.	May 2019	Planned Q4
HR-13-017 Staff Wellness	Provides information regarding the broad range of wellness initiatives offered to employees, encompassing both emotional and physical wellbeing.	Dec 2018	Planned Q3
HR-19 Vehicle User	To clarify the responsibilities of drivers when using Council vehicles, encourage and promote safe driving behaviours.	Feb 2023	Planned Q4
HR-19-041 Alcohol in the Workplace	Provides guidance for supplying and consuming alcohol at social events in Council workplaces or at Council-owned or controlled facilities.	May 2024	Planned Q4
HR-26 Drug and Alcohol	To ensure that all workers can work in an environment free of alcohol and drug use or abuse.	Mar 2021	Planned Q4
HR-13-016 Emergency Preparedness	To ensure Council has effective emergency plan to manage emergencies likely to occur across Council worksites.	Dec 2018	
HR-16 - Flexible Working Arrangements (FWA)	Policy to provide the process for flexible working arrangements including change in hours and location.	April 2019	In progress

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT

15 Health, Safety and Wellbeing internal communication continues to increase through a range of internal channels.

Te mahere tūhono | Engagement planning

16 An engagement plan is not needed regarding this report.

Whakatairanga | Publicity

17 There are no publicity considerations regarding this report.

NGĀ ĀPITIHANGA | ATTACHMENTS

1. Q1 Health, Safety and Wellbeing Insights Report [↓](#)

9.3 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 provides an update on the Top 10 Organisational Risks currently facing the organisation.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 Not required.

TE TUKU HAEPAPA | DELEGATION

- 3 The Risk and Assurance Committee has delegated authority to consider this matter in line with section C.3 of the Governance Structure and Delegations for the 2022-2025 triennium which state the committee has delegation to:
 - *Ensure 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:
 - a. 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
 - b. 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:
 - a. not ranked in order of severity,
 - b. capped at 10, to provide a clear focus for SLT and this Committee, and
 - c. 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 KŌRERORERO | DISCUSSION

- 10 This report provides an update of the current Top 10 Organisational Risks. The associated Risk Heatmap Report (attached as Appendix 1 to this report), details how the organisation is treating and mitigating these risks, with progress updates against each of the individual risk treatments.

Changes to Top Organisational Risks

- 11 Two more risk workshops with the Senior Leadership Team were held in September and October 2024 with a focus on risk appetite and risk trend towards target risk. Risk consequence categories/ratings are currently being reviewed with SLT with a target completion date of February 2025.
- 12 All updates/changes to the Risk Heatmap Report (attached as Appendix 1 to this report), have been highlighted in blue font.

He take | Issues

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

Ngā kōwhiringa | Options

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

Mana whenua

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

Panonitanga Āhuarangi me te Taiao | Climate change and Environment

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

Ahumoni me ngā rawa | Financial and resourcing

- 17 There are no financial and resourcing considerations in addition to those included in Appendix 1 to this report.

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

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

[Ngā pānga ki ngā kaupapa here](#) | [Policy impact](#)

19 There are no further policy considerations arising from this report.

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT

[Te mahere tūhono](#) | [Engagement planning](#)

20 This matter has a low level of significance under the Council's Significance and Engagement Policy and no engagement is triggered.

[Whakatairanga](#) | [Publicity](#)

21 This report and appendices will be publicly available through the agenda for the Risk and Assurance Committee meeting.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. Top 10 Organisational Risk Heatmap Report 21 November 2024 [↓](#)

9.4 LEGISLATIVE COMPLIANCE 1 JULY TO 30 SEPTEMBER 2024

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

Kaiwhakamana | Authoriser: **Steffi Haefeli, Acting Group Manager Corporate Services**

TE PŪTAKE | PURPOSE

- 1 The purpose of this report is to notify the committee of legislative non-compliance in the first quarter of the financial year, 1 July 2024 to 30 September 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 notes legislative non-compliance for the first quarter of the financial year from 1 July 2024 to 30 September 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 first quarter of the financial year, 1 July 2024 to 30 September 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, noting that the assigned Risk Levels in Attachment 1 account for an assessment of the risk and corrective actions taken together:

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

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 transparent, 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, including 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, committee and community board 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 five 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 were no reported LGOIMA breaches in the period.

- 12 While there has been an increase in the number of privacy breaches reported (six in the last quarter and five this quarter), reporting of privacy breaches is encouraged by increased focus on legislative non-compliance. Privacy awareness continues to be a priority for Council. The Legal Services team arrange compliance training on key risk areas for the organisation. In relation to privacy this includes online privacy modules for all staff, Privacy Week activities and communication, and team-specific training.
- 13 Legislative compliance breaches for the first quarter of the financial year are set out in Attachment 1 to this report. These include ongoing breaches previously reported to this Committee, where staff are still working on mitigations.

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 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.
- 17 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

- 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 July 2024 to 30 September 2024 [↓](#)
2. Legislative Compliance Schedule [↓](#)

9.5 FORWARD WORK PROGRAMME TO SEPTEMBER 2025

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

Kaiwhakamana | Authoriser: **Steffi Haefeli, Acting Group Manager Corporate Services**

TE PŪTAKE | PURPOSE

- 1 This report seeks agreement to the forward work programme for the Risk and Assurance Committee to September 2025.

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 and set its annual work programme which contains matters relating to the committee's purpose:

"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 to September 2025 as set out in Appendix 1 to this report.

TŪĀPAPA | BACKGROUND

- 4 Under Council's Standing Orders, the Chief Executive has the responsibility for approving the Committee agenda items, this report provides an opportunity for the Committee to discuss and endorse its work programme going forward which will shape the items to be discussed at future meetings.

HE KŌRERORERO | DISCUSSION

- 5 The 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 as necessary.

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 this Risk and Assurance meeting.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. Forward Work Programme to September 2025 [↓](#)

9.6 EY CONTROL FINDINGS 2024-34 LONG-TERM PLAN PROCESS

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

Kaiwhakamana | Authoriser: **Steffi Haefeli, Acting Group Manager Corporate Services**

TE PŪTAKE | PURPOSE

- 1 This report summarises the matters identified by Council's Auditors, Ernst and Young (EY) during their audit of the Long-Term Plan 2024-34 and outlines how the matters raised will be addressed.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 Not required.

TE TUKU HAEPAPA | DELEGATION

- 3 The Risk and Assurance Committee has the delegated authority to consider this matter in line with section C.3 of the Governance Structure and Delegations for the 2022-2025 triennium which state the committee has the delegation to:

- *Review and maintain the internal control framework*
- *Obtain from external auditors any information relevant to Council's financial statements and assess whether appropriate action has been taken by management in response to the above.*

TAUNAKITANGA | RECOMMENDATIONS

- A. That the Risk and Assurance Committee receives this report and notes that management accepts the Ernst & Young Long-term Plan 2024-34 Report on Control Findings.

TŪĀPAPA | BACKGROUND

- 4 EY, in their role as Council's external auditors, reviewed the process used to develop the Long-Term Plan for 2024-34 and associated Consultation Document. Their input acts as Council's 'fourth line of defence' and is valuable feedback for the development of Council's processes when preparing the next Long-Term Plan. EY have shared their observations, attached as Appendix 1 to this report, directly with management, which was a useful opportunity to hear directly from the auditors on areas for improvement when developing the next Long-Term Plan. They also acknowledged the hard work and dedication of the Council team involved in the process.
- 5 Each observation made by EY is attributed a risk ranking. The ranking system for the Long-Term Plan audit uses an amended risk descriptor and definition to that previously used by Council's auditors in order to reflect the three-year cycle. The rankings are noted below:

Ernst & Young – Risk Ranking System for Long-Term Plan Audit	
High: needs significant improvement	These recommendations relate to a serious weakness which exposes the Council to a material extent in terms of achievement of Council's objectives, key performance measures or may otherwise impair the Council's reputation.
Moderate: needs substantial improvement	A control weakness, which can undermine the system of internal control and/or operational efficiency and should therefore be addressed.
Low: needs some improvement	A weakness which does not seriously detract from the system of internal control and/or operational effectiveness/efficiency, but which should nevertheless be addressed by management.

HE KŌRERORERO | DISCUSSION

- 6 The management letter presents six findings that highlight weaknesses in Council's first line of defence (controls). The findings highlighted key areas for improvement, such as the forecasting model, processes and procedures used for the development of the consultation document, the content of the Long-Term Plan document and other significant matters that will be helpful for future Long-Term Plan processes.
- 7 The process of EY issuing a report on control findings is an opportunity for Council's external assurance provider to assist Council to improve preparation for the next Long-Term Plan. The six control findings and recommendations from EY have been accepted in full and are noted below:

Risk Ranking	EY No.	Long Term Plan 2024-34 Control Findings	Status as at 7 November 2024	
			EY finding	Council response
Moderate	2.1.1	Overall project management and timetabling	New	Accepted
Moderate	2.1.2	Consultation issues, providing the right debate and the readability of the consultation document	New	Accepted
Moderate	2.1.3	Infrastructure Strategy and Finance Strategy	New	Accepted
Low	2.2.1	Approach to finance modelling	New	Accepted
Low	2.2.2	Regular maintenance of asset management plans and linkage to forecasting documents	New	Accepted
Low	2.2.3	Key project costing	New	Accepted

- 8 The Group Manager Corporate Services will maintain corporate oversight of how the control findings provided by EY are considered and resolved in preparation for the next Long-Term Plan.
- 9 These actions will be incorporated into the 2027-37 Long-Term Plan scope and will be reported on alongside other EY control findings to this Committee. EY have commented that they will consider progress as part of the audit for the 2027-37 Long-Term Plan.

He take | Issues

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

Ngā kōwhiringa | Options

- 11 There are no options arising from this report.

Mana whenua

- 12 There are no tangata whenua considerations arising from this report and mana whenua have not been consulted in relation to this report – as it is procedural.

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 financial considerations in addition to those already discussed in this report.

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

- 15 There are no legal and risk issues arising directly from this report. The control findings reflect corrective measures recommended to strengthen Council's first line of defence in relation to its Long-Term Plan processes. None of the findings have been considered as high risk.

Ngā pānga ki ngā kaupapa here | Policy impact

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

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

17 The report has a low level of significance under the Council's Significance and Engagement Policy and no engagement is triggered.

Whakatairanga | Publicity

18 This report and appendices will be publicly available through the agenda for the Risk and Assurance Committee meeting.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. EY Report to Management for the LTP 2024-34 [↓](#)

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

Author: Maria Cameron, Advisor Governance

Authoriser: Mark de Haast, Group Manager Corporate Services

Taunakitanga | Recommendations

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

NGĀ ĀPITI HANGA | ATTACHMENTS

1. Unconfirmed Minutes of Risk and Assurance Committee Meeting 15 October 2024 [↓](#)

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

Nil

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
12.1 - Litigation and External Investigations Report	<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

13 KARAKIA WHAKAMUTUNGA | CLOSING KARAKIA