



Ngā Menīti Komiti

Committee Minutes

To	Risk and Assurance Committee
Date	3 July 2024
Subject	Risk and Assurance Committee – 15 May 2024

6

(This report shall not be construed as policy until adopted by full Council)

Whakarāpopoto Kāhui Kahika / Executive Summary

1. The Risk and Assurance Committee met on 15 May 2024. The Risk and Assurance Committee are being asked to adopt the minutes from 15 May 2024 as a true and correct record.
2. There were no recommendations within the minutes for the Council to consider.

Taunakitanga / Recommendation(s)

THAT the Risk and Assurance Committee adopt the minutes of their meeting held on 15 May 2024 as a true and correct record.

Rārangi Take o te Kōmiti
Tūraru me te Taurangi

Risk and Assurance Committee Agenda

Wednesday 3 July 2024, 10.30 am
Council Chamber, Albion Street, Hāwera





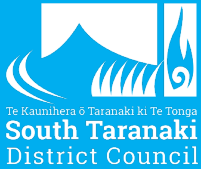
Rārangi Agenda

Risk and Assurance Committee

Wednesday 3 July 2024 at 10.30 am

1. **Karakia**
2. **Matakore / Apologies**
3. **Tauākī Whakarika / Declarations of Interest**
4. **Whakatakoto Kaupapa Whānui, Whakaaturanga hoki / Open Forum and Presentations**
5. **Ngā take kia noho tūmatanui kore / Resolution to Exclude the Public**
 - 5.1 **Fund Manager Presentations** Page 10
6. **Whakaaetia ngā Menīti / Confirmation of Minutes**
 - 6.1 **Risk and Assurance Committee held on 15 May 2024** Page 11
7. **Pūrongo-Whakamārama / Information Reports**
 - 7.1 **Quarterly Risk Management Status Report** Page 19
 - 7.2 **Quarterly Internal Audit Status Report** Page 28
 - 7.3 **Risk and Assurance Committee – Workplan** Page 41
8. **Ngā take kia noho tūmatanui kore / Resolution to Exclude the Public**
 - 8.1 **Confirmation of Minutes** Page 47
 - 8.2 **Health and Safety Quarterly Report – March 2024 to May 2024** Page 53
 - 8.3 **South Taranaki Business Park Update Report** Page 60
 - 8.4 **Mercer – Asset Manager Selection (Item laid on the table from 15 May 2024)** Page 67
9. **Karakia**

Next Meeting Date: Monday 26 August 2024 – Council Chamber, Albion Street, Hāwera
Elected Members’ Deadline: Monday 12 August 2024



Karakia

1. Karakia

Ruruku Timata – Opening Prayer

(Kia ururu mai ā-hauora,
ā-haukaha, ā-hau māia)

Ki runga

Ki raro

Ki roto

Ki waho

Rire rire hau

Paimārire

*(Fill me with vitality)
strength and bravery)*

Above

Below

Inwards

Outwards

The winds blow & bind us

Peace be with us.



Matakore Apologies

2. Matakore / Apologies

Leave of Absence: *The Board may grant a member leave of absence following an application from that member. Leave of absences will be held in the Public Excluded section of the meeting.*



Ngā Whakaputanga Declarations of Interest

3. Tauākī Whakarika / Declarations of Interest

Notification from elected members of:

- a) Any interests that may create a conflict with their role as an elected member relating to the items of business for this meeting; and
- b) 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.

Declarations of Interest: Notification from elected members of: Any interests that may create a conflict with their role as an elected member relating to the items of business for this meeting; and 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



Whakatakoto Kaupapa Whānui, Whakaaturanga hoki **Open Forum and Presentations**

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4. Whakatakoto Kaupapa Whānui, Whakaaturanga hoki / Open Forum and Presentations

The Board has set aside time for members of the public to speak in the public forum at the commencement of each Council, Committee and Community Board meeting (up to 10 minutes per person/organisation) when these meetings are open to the public. Permission of the Mayor or Chairperson is required for any person wishing to speak at the public forum.

5. Whakataunga kia noho tūmatanui kore / Resolution to Exclude the Public

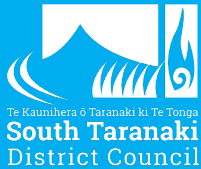
THAT the public be excluded from the following parts of the proceedings of this meeting, namely:

The general subject 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(1) for the passing of this resolution
1. Fund Manager - Metrics 2. Fund Manager - Salt 3. Fund Manager - Nikko 4. Fund Manager - Harbour 5. Fund Manager - Skerryvore	Good reason to withhold exists under Section 7.	That 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 exists. Section 48(1)(a)

This resolution is made in reliance on sections 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 7 of that Act, which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public are as follows:

Item No	Interest
1, 2, 3, 4, 5	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Schedule 7(2)(i)).



Menīti Minutes

Ngā Menīti take o te Komiti Tūraru me te Taurangi Risk and Assurance Committee Meeting

Council Chamber, Albion Street, Hāwera on Wednesday 15 May 2024 at 11.00 am

6

Kanohi Kitea / Present: Philip Jones *online*, Mayor Phil Nixon (Chairperson), Councillors Andy Beccard, Racquel Cleaver-Pittams, Celine Filbee, Te Aroha Hohaia and Marie Broughton (Iwi Representative).

Ngā Taenga-Ā-Tinana / In Attendance: Rob Haveswood (Acting Chief Executive), Liam Dagg (Group Manager Environmental Services), Herbert Denton *online* (Group Manager Infrastructure Services), Claire Bourke (Management Accountant), Sam Greenhill (Governance Officer), Vipul Mehta (Head of Business Enablement), Garry Morris (Senior Accountant), Anna Officer (Business and Risk Analyst), Garth Gregory, Priya Patel (Mercer), Bennie Greyling *online* and Ethan Teo *online* (Deloitte).

Matakore / Apologies: Nil.

1. Whakaaetia ngā Minitī / Confirmation of Minutes

1.1 Risk and Assurance Committee minutes held on 27 March 2024

RESOLUTION (Cr Filbee/Cr Cleaver-Pittams)

31/24 AR **THAT** the Risk and Assurance Committee adopt the minutes of their meeting held on 27 March 2024 as a true and correct record.

CARRIED

2. Pūrongo-Whakamārama / Information Report

2.1 Quarterly Financial and Non Financial Performance Report for period ending 31 March 2024

The report contained the Financial Variance Report and the Performance Measures Report for the third quarter of the financial year to 31 March 2024. The report contained Council officers' commentary on variances for the Council's activities and support centres, and management comments on variances had also been included, where relevant.

There was a deficit of \$1 million for quarter 3. Expenditure was close to budget, however income was down by \$4 million due to timing. The main focus was the Long Term Investment Fund (LTIF) positive return.

It was highlighted that the non cash movement reported was misleading as it was represented as an expense. It was suggested that there might be a better way to represent non cash movement.

In response to a query regarding the forecasted capital expenditure it was noted that an update would be provided as part of the Significant Projects Progress Report. It was noted that a couple of large pieces of work had been delayed, however most were underway now.

There was a query raised regarding the total income budget being under. It was noted that this was due to timing as the Provincial Growth Fund and Better Off funding was being paid to the Council as the money was being spent. There were concerns raised regarding the income for the South Taranaki Business Park with delays in financial contributions. It was noted that an update report would be presented at the July meeting.

In response to a query regarding the income for Te W'anake The Foundry it was noted that the Council was looking to break even from year three onwards. The private offices were tracking well, however more uptake was required for the permanent and hot desks.

It was suggested that a table could be included in the report which highlighted achievements compared with previous years.

There were concerns raised regarding the resourcing levels for the planning and building departments. This was highlighted due to the report indicating that consent monitoring was not being kept up to date. It was noted that there was a number of factors to consider. It was noted that a section 17A review would likely occur for how the building control activity was carried out. It was queried whether regular updates could be provided to allow the Committee to monitor the building control activity.

There was a query raised regarding the potential risks of the consent compliance not being monitored. It was noted that the outstanding monitoring was being carried out and a triage process was being used to mitigate the risk.

There were concerns raised regarding the performance measure imposed by the Department of Internal Affairs for the number of fatalities and serious injuries on council roads. It was suggested that there needed to be a word change that indicated the accident was due to poor road design as the Council had no control over people speeding or while impaired.

In response to a query regarding the business hub statistics it was noted that the figures were slightly skewed due to online visitor statistics not being recorded for a period of time.

It was highlighted that there were low figures for the animal control service. It was noted that the statistics were slightly skewed due to the system picking up CRM requests which were still open and being treated as overdue.

It was suggested that instead of reporting on new businesses starting up it might be more beneficial to report on which businesses were closing down. It was highlighted that this was becoming more common in the current environment.

In response to a query regarding the level of service for animal control matters it was noted that response times were not considered to be the issue. Dog attacks and roaming dogs were the areas of concern.

RESOLUTION

(Cr Filbee/Cr Beccard)

32/24 AR THAT the Risk and Assurance Committee receives the Third Quarter Financial and Non-Financial Performance Report for the period ending 31 March 2024.

CARRIED

2.2 Annual Report Audit Engagement Letter

The Annual Report Audit Engagement Letter outlined the terms of the audit engagement and the respective responsibilities of the Council and the auditors and the audit objectives.

It was noted that typically three documents were issued as part of the audit engagement letter, however only two had been provided at this time. It was highlighted that the actual audit hours were significantly higher than the budgeted hours. The amount of time required for an audit had significantly increased due to the new requirements.

It was queried whether there were any efficiencies that would help to reduce the audit hours. It was noted that the requirements for auditors and the amount of time needed had increased.

It was highlighted that a lot of the time was spent on the background work with items requiring updating. It was noted that the auditors generally always exceeded the budgeted hours, however this was never charged.

In response to a query regarding additional standards for the upcoming audit it was noted that there were no significant changes from last year. There had been minor changes around disclosure, however this was not substantial.

It was suggested that an approach by Local Government New Zealand should be taken to coordinate the audit process better as it was affecting every council in the country. It was felt that a tiered system could be used to reduce the effort and expenditure. In response to a query as to whether the Office of the Auditor General (OAG) actually read every annual report it was noted that it was submitted to the OAG and questions were sent back.

It was noted that efficiencies were being looked at moving forward and a discussion was being had about what the Council provided versus what was required.

In response to a query regarding the risk of not completing the annual report on time it was noted that the Council would be in breach of the Local Government Act and there was also a reputational risk.

The audit would be focused on the Long Term Investment Fund, internal controls particularly around fraud, the possibility of management overriding controls and valuations. It was noted that there was nothing in the plan that was substantially different and the approach would stay fairly similar.

RESOLUTION**(Cr Beccard/Cr Hohaia)**

33/24 AR THAT the Risk and Assurance Committee receives the Annual Report Audit Engagement Letter.

CARRIED

2.3 Significant Projects Progress Report

The report provided an update on the 2023/24 Significant Projects Programme to the Risk and Assurance Committee and highlighted risks associated with completing the programme and specific projects.

It was highlighted that the Waimate West Reservoir was now complete and in service. Nukumarū Station Road was also complete and the road had been opened. As of the end of March capital expenditure was \$25.1 million. It was anticipated that \$40 million would be spent by the end of the financial year.

It was noted that given the shift in what projects were included within the report the author would be considered moving forward.

It was highlighted that two of the risks listed for the digital transformation strategy (DTS) were high. It was queried whether the Councillors needed to have more of a focus on the DTS given one of the risks listed was the lack of governance. In response it was noted that there was a strategy in place, however the risk had remained high to ensure the DTS was a priority.

In response to a query regarding the budget for the Eltham Town Hall it was noted that if feedback from the public was positive the funding had been allocated in the draft Long Term Plan.

RESOLUTION**(Cr Filbee/Cr Hohaia)**

34/24 AR THAT the Risk and Assurance Committee receives the Significant Projects Progress Report for Quarter Two of the 2023/24 financial year.

CARRIED

2.4 Outstanding Debt as at 31 March 2024

The report contained financial variance information relating to aged trial balances for all debtors and the variance of outstanding debt for rates up to 31 March 2024.

It was queried whether the increase in outstanding rates was within the normal parameters or whether this was an upward trend. It was noted that this was an upward trend and likely a representation of the financial pressures people were feeling. It was highlighted that the significant increase in sundry debtors was predominantly due to a single invoice. It was recommended that the topic be discussed further in the public excluded portion of the meeting given the nature of the topic.

RESOLUTION**(Cr Beccard/Cr Filbee)**

35/24 AR THAT the Risk and Assurance Committee receives the outstanding debt report as at 31 March 2024..

CARRIED

2.5 Risk and Assurance Committee - Workplan

The Risk and Assurance Committee Workplan for 2023/24 – 2026/27 included key reports, policies for review and workshops, for the next three years.

It was suggested that past meetings could be removed from the workplan. It was highlighted that one of the workplan's purposes was to enable the Committee to raise issues requiring further discussion. It was suggested that statutory compliance for issuing building consents needed to be monitored by the Committee until compliance improved. It was also suggested that the South Taranaki Business Park should be reported on regularly. A comprehensive report on the South Taranaki Business Park and the financial contributions would be provided at the next meeting.

There were concerns raised regarding the water take consents issued by the Taranaki Regional Council. At a regional meeting a few weeks ago, a paper highlighted the amount of water consented to be extracted from rivers. It was signaled that Taranaki was over consented. It was expected that these consents would need to be reduced, which would have a significant impact.

In response to a query regarding the addition of a report on Civil Defence it was noted that a report was being prepared for the next meeting.

RESOLUTION**(Cr Cleaver-Pittams/Cr Beccard)**

36/24 AR THAT the Risk and Assurance Committee receives the Risk and Assurance Committee Workplan for the period 2023/24 – 2026/27.

CARRIED

2.6 Mercer Quarterly Investment Monitoring Report – March 2024

An update was provided on the market performance for the quarter. There was an overall return of 4.1% for the quarter which was slightly behind the benchmark. Both Nikko and PIMCO outperformed the benchmark for the quarter. In the longer term over three, five and ten years the Long Term Investment Fund (LTIF) outperformed the benchmark.

It was noted that inflation had been stubborn, however there had been a shift in sentiment around rate cuts. The Council's LTIF had been performing in line with the median. An update was provided regarding the decision from ANZ to close their wholesale business. It was noted that ANZ had given a deadline of 31 August to have funds moved to a different manager.

In response to a query regarding ANZ's decision to close their wholesale business it was noted that they had a focus on Kiwisaver funds.

There were concerns raised regarding the amount of funds that needed to be reallocated following the announcement from ANZ regarding their Wholesale fund.

RESOLUTION

(Cr Hohaia/Mayor Nixon)

37/24 AR THAT the Risk and Assurance Committee receives the Mercer Quarterly Investment Monitoring Report – March 2024.

CARRIED

*Meeting adjourned 12.30 pm.
Meeting reconvened 1.03 pm.*

3. Nga Whakataunga kia noho tūmataiti kore/Resolution to Exclude the Public

RESOLUTION

(Cr Beccard/Cr Hohaia)

38/24 AR THAT the public be excluded from the following parts of the proceedings of this meeting, namely:

The general subject 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(1) for the passing of this resolution
1. Confirmation of minutes held on 27 March 2024	Good reason to withhold exists under Section 7.	That 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 exists. Section 48(1)(a)
2. Fund Manager Presentation – ANZ Investments		
3. Senior Investment Consultant Appointment		
4. Mercer Quarterly Investment Monitoring Report – March 2024		
5. Mercer – Asset Manager Selection		
6. Outstanding Debt as at 31 March 2024		

This resolution is made in reliance on sections 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 7 of that Act, which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public are as follows:

Item No	Interest
1	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Schedule 7(2)(i)).
1, 4	Maintain the effective conduct of public affairs through the protection of members or officers or employees of the Council, and persons to whom Section 2(5) of the Local Government Official Information and Meetings Act 1987 applies in the course of their duty, from improper pressure or harassment (Schedule 7(2)(f)(ii)).
1, 6	To protect the privacy of natural persons, including that of deceased natural persons (S7(2)(a)).
1, 2, 5	To prevent the disclosure or use of official information for improper gain or advantage (s. 7(2)(j)).

CARRIED

4. Tuwhera anō te Hui / Resume Open Meeting

RESOLUTION

(Cr Beccard/Cr Cleaver-Pittams)

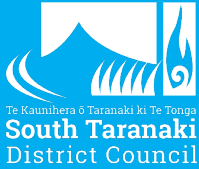
44/24 AR THAT the Risk and Assurance Committee resumes in open meeting.

CARRIED

The meeting concluded at 2.18 pm.

Dated this day of 2024.

.....
CHAIRPERSON



Pūrongo-Whakamārama

Information Report

To	Risk and Assurance Committee
From	Kaitātari Pakihi me te Morearea / Business and Risk Analyst, Anna Officer
Date	3 July 2024
Subject	Quarterly Risk Management Status Report

(This report shall not be construed as policy until adopted by full Council)

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Whakarāpopoto Kāhui Kahika / Executive Summary

1. The purpose of this report is to provide information to the Risk and Assurance Committee (the Committee) on the Council's Strategic risks, managed by the Senior Leadership Team (SLT), business risks with a high rating and general risk management activities.

Taunakitanga / Recommendation

THAT the Risk and Assurance Committee receives the Quarterly Risk Management Status Report.

Kupu Whakamārama / Background

2. This Quarterly Risk Management Status Report is a standing quarterly agenda item, as per the Committee's Work Plan.

Whakawhiti Kōrero / Discussion

Strategic Risks

3. The Strategic Risks and their ratings are presented in [Attachment A](#) as of 10 June 2024. There are 13 Strategic Risks, 12 of which have a medium residual risk rating and one with a high rating. These risks are presented in [Attachment A](#) as of 10 June 2024.

Business risks

4. The Council has 186 business risks as of 10 June 2024. There are six high business risks presented in [Attachment B](#).

Emerging/Evolving Risks

Building Consent Processing Risk

5. The risk below was escalated to reflect changes in the environment with significant resourcing issues. Details of the scoring changes are shown on the table below.

R00183	Non-compliance to processing of Building Consents within 20 working days	
Previous Residual Scoring	New Residual scoring	Residual Score
Impacts Legislative – Insignificant Reputational – Insignificant Service Delivery - Minor	Impacts Legislative – Insignificant Reputational – Moderate Health, safety and Wellbeing – Minor Staff – Moderate Service Delivery - Moderate	Previous score - Medium
Likelihood - Possible	Likelihood - Likely	
Treatments Employ qualified and competent Building Control Officers where possible. Ensure new employees are put through the appropriate training ASAP. Train staff on level of detail required in recording reasons, decisions and outcomes. Engage competent third-party contractors to conduct technical review.	Treatments Develop and review service level agreements with other building control authorities to share functions when workload requires. Engage competent third-party contractors to process and grant consents on our behalf when required. Review to be undertaken to investigate efficiencies and options to carry out building control function. Employ qualified and competent Building Control Officers where possible. Ensure new employees are put through the appropriate training ASAP. Train staff on level of detail required in recording reasons, decisions and outcomes.	New score - High

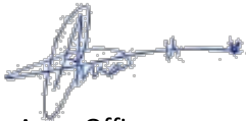
Water Supply Risks

6. Recently there were concerns raised regarding the water take consents issued by the Taranaki Regional Council (TRC). At a regional meeting a few weeks ago, a paper highlighted the amount of water consented to be extracted from rivers. It was signaled that Taranaki

was over consented. It was expected that these consents would need to be reduced, which would have a significant impact. The related risks for water supply are scheduled to be reviewed within the next quarter and scoring escalated if required. However, if further information is provided by the TRC, the Council would review all risks related to water supply earlier than scheduled.

Update on Risk Management Activity

7. Quarterly meetings with Unit Managers for Quarter Two were held in May/June. The focus of these meetings were overdue notifications, reviewing business risks, identifying related processes, highlighting the hierarchical relationship of risks and identifying operational risks.
8. We have been working closely with the Health and Safety Advisor to ensure the health and safety risks in the risk register reflect those in Vault.
9. We have been working with Asset Managers to capture asset risks from Asset Management Plans into the Risk register and assess scoring of these for discrepancies with associated business and strategic risks.



Anna Officer

**Kaitātari Pakihi me te Morearea /
Business and Risk Analyst**



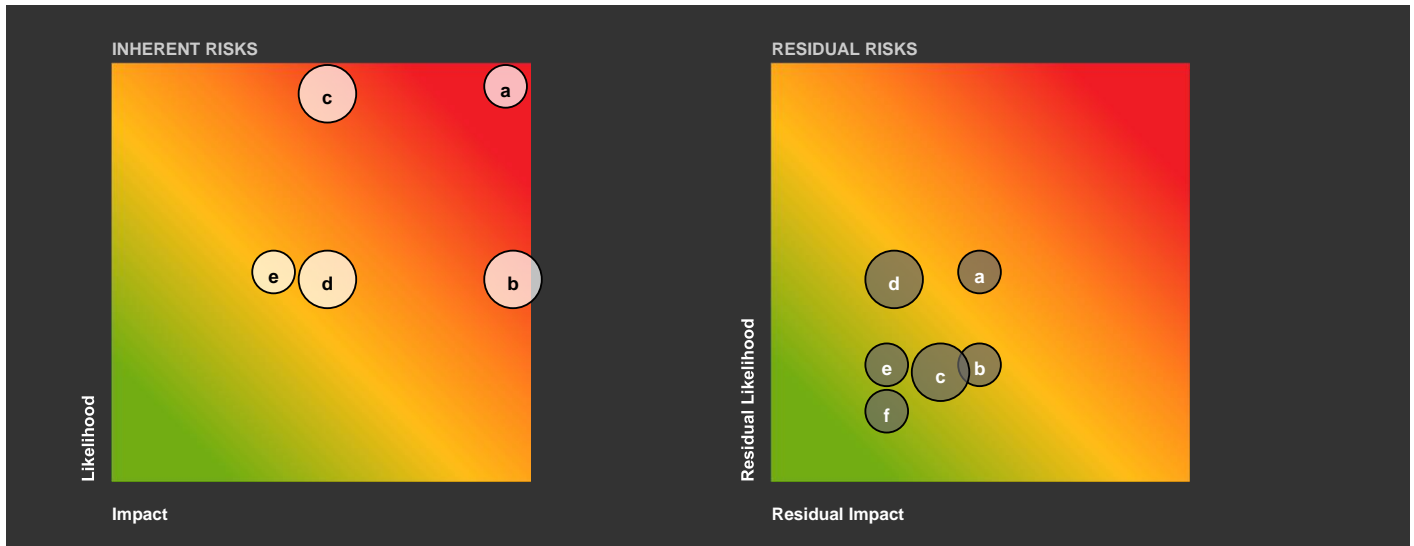
[Seen by]
Vipul Mehta

**Te Tumuaki Whakamana Pakihi /
Head of Business Enablement**

Attachment A: [RAC RM Report - Strategic Risks - 2023-07-03 Att A1.pdf](#)

Attachment B: [RAC RM Report - High Business Risks - 2024-07-03 - Att B.pdf](#)

Strategic Risks



7

1. Failure to manage and protect Council information

- (b)** Council function is significantly interrupted and / or suffers legislative breaches, This may result in:
- (a)**
 - financial consequences
 - reputational damage,
 - Loss of staff trust in processes and systems

incorrect information is provided.

as a result of:

- unauthorised access to Council data
- unauthorised distribution of Council data
- cyber-attack
- unauthorised destruction of Council data

- System (not people) failure
- Loack of controls in place
- Poor planning

Information Services - Business, Senior Leadership Team (SLT), Financial , Information Management, Legislative, Operations and Service Delivery, Reputational / Stakeholders

Owner:Vipul Mehta

RESIDUAL
20.0
HIGH

INHERENT
50.0
EXTREME

2. Significant disruption to Council's Business Continuity and/or Lifeline Utilities disruptions

- (b)** Council is not adequately prepared or able to continue to provide essential services to the community during a major natural hazard or emergency event, for an extended period of time, leading to:
- (b)**
 - The Council fails to meet statutory obligation and lose accreditation/certification. - failure to provide services - reputational damage
 - the disaster event can potentially affect the Council's financial position and cause environmental damage. - earthquake or other event can close the landfill; refuse disposal facility may be unavailable.
 - Risk to health of residents from contaminated drinking water and contaminated flood water -
 - Potential loss of life
 - Negative economic impact

Caused by:

- damage to Council's property or facility, or power / ICT / systems / telecommunications failure, with no continuity plans - failure of water supply, wastewater, stormwater and roading network (including bridge collapses and chemical leaks).
- Not being prepared for damage caused by catastrophic events
- Supply chain issues due to events not in our control
- Too many staff out of area so in an emergency can't get to work. Lack of suitably qualified staff
- Poor relationship management with TEMO

Emergency Management, Senior Leadership Team (SLT), Environmental, Financial , Health, Safety and Wellbeing, Information Management, Legislative, Operations and Service Delivery, Reputational / Stakeholders, Staff

Owner:Liam Dagg

RESIDUAL
10.0
MEDIUM

INHERENT
50.0
EXTREME

3.Failure to deliver on key projects and programmes

- (b) Non-delivery on key capital works projects / programmes, resulting in:
 - (d) - inadequately informed policy / procedures development,
 - failure to deliver on the LTP commitments, and level of services
 - Increase deferring of projects,
 - over / under spending of budgets and reputational damage (loss of Council's image and credibility).
 - downgrading of Council's financial rating (which impacts borrowing) etc.
 - Reputation damage
 - retaining qualified staff
 - Greater oversight from central government

Caused by:

- inadequate project planning or management,
- uncertainty of resource availability,
- lack of ownership,
- change of leadership,
- adverse economic situation
- cost escalation,
- changing contractor/supplier market and externalities (e.g. national increase in demand for infrastructure and contractors) - Lack of focus; too many priorities
- Inadequate designs and plans
- Incorrect budgeting - Weather conditions
- Lack of resources like budget and suitably qualified staff.

Projects - Business, Properties & Facilities - Business, Senior Leadership Team (SLT), Financial , Legislative, Operations and Service Delivery, Reputational / Stakeholders

Owner:Herbert Denton

RESIDUAL
10.0
MEDIUM

INHERENT
50.0
EXTREME

7

4.Environmental Damage (including Climate Change)

- (d) Significant environmental damage caused by Council, result in
 - (c) - impacts the community,
 - takes unplanned and expensive corrective action
 - results in harm to public health,
 - negative Council image
 - legal and financial consequences.
 - Degradation of the environment.

Caused by:

- poor environmental management,
- Failure to take into account environmental considerations
- Infrastructure failure
- Poor or inadequate planning

Senior Leadership Team (SLT), Environmental, Financial , Health, Safety and Wellbeing, Legislative, Reputational / Stakeholders

Owner:Liam Dagg

RESIDUAL
8.0
MEDIUM

INHERENT
20.0
HIGH

5.Government reform programmes adversely impacts service delivery

The Government reform programmes affect how the Council operates and delivers its services. The Council fails to manage and respond appropriately to the impacts of the reforms.

- (c) The causes of this are
 - (c) - Lack of Council planning or response
 - Lack of government funding or other funding for reforms.
 - Lack of communication from the central government
 - Lack of understanding by elected members of impacts of reform on organisation
 - Reform does not align with local government budget cycles
 - Uninformed elected members, staff and community

The consequences of these are

- Poor Service delivery
- Service cut or lost
- Reputational damage
- unhappy customers
- Continued erosion of Local Government and Central Government relationship
- Loss of staff and experts
- Staff unprepared for the transition
- uninformed elected members, staff and community.

Senior Leadership Team (SLT), Operations and Service Delivery

Owner:Fiona Aitken

RESIDUAL
8.0
MEDIUM

INHERENT
45.0
EXTREME

6.Major failure of Health & Safety Policy and procedures in the workplace

- (b) Non-compliance with the Health & Safety legislative requirements (H&S at work Act) for employees, contractors, volunteers and public in the workplace, public places owned by the Council. resulting in:
 - (c) - injury and / or illness or permanent disability,
 - fatalities,
 - penalties,
 - prosecution,
 - jail term(s) and reputational damage.
 - Work and programmes not being done due to staff losses.
 - Cost/pay-outs compensation.
 - Time and cost losses due to legal action

Caused by:

- unsafe work environment,
- unhealthy work environment and facilities,
- not following the Health & Safety Policy and procedures etc
- Not reviewing contractors work to ensure following council procedures.
- Lack of adequate oversight of tenders.
- Policies and procedures are not review and updated regularly.
- Lack of risk assessment of new task or roles.
- Lack of time to plan due to urgency or competing priorities. - Lack of training or on boarding.

People & Capability - Business, Senior Leadership Team (SLT), Health, Safety and Wellbeing

Owner:Fiona Aitken

RESIDUAL
8.0
MEDIUM

INHERENT
50.0
EXTREME

7.Failure to manage critical / strategic assets

- (b) Failure to manage critical strategic assets over their full life-cycle, leading to:
 - (c) - failure to provide sustained delivery of core services,
 - reputational damage,
 - financial loss,

RESIDUAL
8.0
MEDIUM

INHERENT
50.0
EXTREME

- damage to public health and environment, - injury, illness and/or death;

Caused by:

- inadequate asset strategy, planning, management and maintenance;
- inadequate knowledge of critical / strategic assets and existing asset condition,
- difficulty attracting and retaining appropriately qualified staff.

Printed Monday, September 4, 2023 10:48 AM- effect of change in environment

- Inadequate asset system / inadequate processes
- Inability to complete capital works

Senior Leadership Team (SLT), Strategic Assets - Business, Operations and Service Delivery

Owner:Herbert Denton

RESIDUAL
8.0
MEDIUM

INHERENT
20.0
HIGH

8.Political changes impact strategic direction

e There is a risk that a political change in Central or Local Government that may have impact on the Council operations.

d This may result in

- Rework and/or delay in project delivery
- Damage stakeholder relationship
- Reputational damage
- Legal challenge / central government intervention

Cause by

- Change in elected members
- No proper induction or informing new elected members
- Lobbying groups
- Change in government

Senior Leadership Team (SLT), Legislative, Operations and Service Delivery, Reputational / Stakeholders

Owner:Fiona Aitken

RESIDUAL
8.0
MEDIUM

INHERENT
25.0
HIGH

9.Ineffective Partnership relationships / Stakeholder engagement

d Not engaging effectively with key stakeholders (e.g. iwi, key industry), leading to:

d - an inability to achieve strategic objectives and reputational damage.

- Relationship damage
- Lost opportunity to collaborate

Caused by:

- not understanding their requirements / expectations,
- not communicating or operating within Council's values
- lack of appropriate resources (the right staff / skills / funding)
- Lack of culture awareness
- Lack of continuity relationship due to staff turnover

Communications & Iwi - Business, Senior Leadership Team (SLT), Reputational / Stakeholders

Owner:Fiona Aitken

RESIDUAL
8.0
MEDIUM

INHERENT
50.0
EXTREME

10. Fraud & Unethical Business Practices

b One or more member of staff or the public undertake fraud activity which goes undetected in timely manner.

d Caused by

- Lack of fraud awareness
- culture - Poor Fraud detection controls.
- Lack of training - Fraud tree

Consequence

- Loss of council asset - Reputational damage.
- Financial loss
- Delay in meeting deadlines

Finance - Business, Senior Leadership Team (SLT), Financial , Operations and Service Delivery, Reputational / Stakeholders

Owner:Vipul Mehta

RESIDUAL
8.0
MEDIUM

INHERENT
90.0
EXTREME

11.Legislative non-compliance

a Council fails to comply with its legislative obligations resulting in:

- ineffective strategic plans,
- unlawful action,
- exposure to litigation risk,
- regulatory and / or government sanctions,
- judicial review of Council's decisions and reputational damage (diminished trust and confidence in Council). Impact on staff seen as not good place to work (recruitment) Caused by:
- lack of awareness / knowledge,
- incorrect interpretation,
- disputes with regulatory authorities,
- reliance placed on key staff to ensure compliance etc
- insufficient resources to implement
- Incorrect or insufficient advice or information
- Bad reviewing practises ad plans

Communications & Iwi - Business, Community Development - Business, Contact Centre - Business, Emergency Management, Environment & Sustainability - Business, Finance Business, Information Services - Business, Libraries & Cultural - Business, People & Capability - Business, Planning and Development - Business, Policy & Governance - Business, Projects - Business, Properties & Facilities - Business, Quality Assurance - Business, Regulatory Services - Business, Senior Leadership Team (SLT), Strategic Assets - Business, Works Delivery - Business, Legislative

Owner:Becky Wolland

RESIDUAL
4.0
LOW

INHERENT
45.0
EXTREME

12. Failure to attract and retain staff.

c Council is inability to attract and retain appropriate staff leading to:

- inability to deliver on Council services,
- poor employee engagement;
- negative impacts on staff wellbeing
- Time pressures on current staff
- Cost of having to go out to the market constantly
- Poor recruitment decisions because you have to fill a role

Caused by:

- perception of geographical isolation
- lack of career and salary progression opportunities
- skill shortages

- Cost of housing/lack of rentals
- Lack of opportunities for families
- Staff benefits are not meeting expectations / Low remuneration - Competition with other councils for the same service

People & Capability - Business, Senior Leadership Team (SLT), Staff

Owner:Fiona Aitken

RESIDUAL

2.0
LOW

INHERENT

50.0
EXTREME

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13. Failure to meet financial obligations

b

Council is unable to finance its operations / service delivery leading to reputational damage and reduced ability to meet their financial obligations.

f

The Council may fail to manage its investments that may lead to loss in the investment value, the Council may also fail to manage the increase cost of borrowings.

Caused by:

- adverse economic conditions,
- increasing expenditures,
- lack of income etc.,
- lack of qualified staff,
- changing geopolitical environment,
- changes or new legislation
- Increase in interest rates for borrowing.

Consequences are

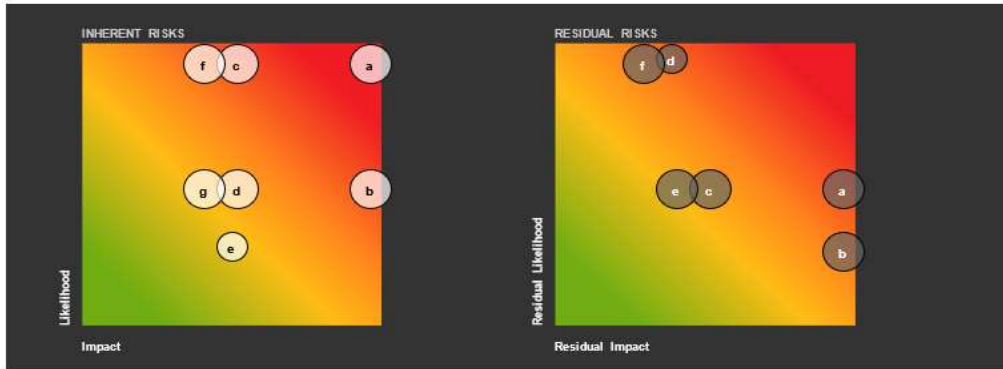
- Reputational damage
- reduced ability to meet their financial obligations
- inability to deliver on LTP/AP
- Decrease in credit rating
- Staff moving on seeking greater opportunities
- Increase cost of finance
- Loss of investment value

Finance - Business, Senior Leadership Team (SLT), Financial

Owner:Vipul Mehta



High Business Risks



<p>a</p>	<p>Outdated Technology</p> <p>There is a risk of council not keeping up with evolving technology and operating outdated systems/software/hardware. This may result in unsupported systems, security vulnerabilities leading to loss of data, reduced customer service and reduced functionality/performance/reliability, difficulty recruiting and retaining IT staff, increased IT cost. Caused by failure to upgrade software, and failure to recognise business needs.</p> <p>Information Services - Business, Financial, Information Management, Operations and Service Delivery, Staff</p> <p>Owner: Vipul Mehta</p>	<p>RESIDUAL 40.0 HIGH</p>
		<p>INHERENT 90.0 EXTREME</p>
<p>a</p>	<p>Compromised Data Integrity</p> <p>There is a risk of security breach this may result in loss of Council data, Data leak, unauthorised changes/encryption and unable to deliver services to the public caused by systems not being timely updated, staff not trained, lack of cyber awareness, hardware failure, disgruntled employee, malicious act by person or entity and data theft.</p> <p>Information Services - Business, Financial, Information Management, Operations and Service Delivery, Reputational / Stakeholders</p> <p>Owner: Vipul Mehta</p>	<p>RESIDUAL 40.0 HIGH</p>
		<p>INHERENT 90.0 EXTREME</p>
<p>c</p>	<p>Damage to Assets due to Moderate Natural Hazards – (minor earthquake/landslips/ major storm event)</p> <p>There is a risk that STDC is unable to minimise effects to assets of moderate natural hazards. This may result in inability to respond to, or effectively manage and recover from disaster or emergency, compromised ability to operate business under normal conditions, damage to infrastructural assets, loss of service hindering development, Negative image, and Potential loss of life. Caused by Strategic information is inadequately protected, internal and external risks not adequately identified, Possible impacts of disasters are not proactively minimised, Inadequate understanding of staff of disaster recover procedures, Inadequate documentation to support recovery process and/or Civil Defence not adequately resourced</p> <p>Water Supply - Business, Environmental, Financial, Health, Safety and Wellbeing, Operations and Service Delivery</p> <p>Owner: Herbert Denton</p>	<p>RESIDUAL 36.0 HIGH</p>
		<p>INHERENT 45.0 EXTREME</p>
<p>a</p>	<p>Non-compliance of Water Supply with legislation and legal requirements</p> <p>There is a risk of Non-compliance with legislation and legal requirements. This may result in Compromised health, safety and environment, legal action and resulting costs and consequences and poor public image. Caused by lack of awareness e.g. changes in legislation not identified, lack of funding, legislative changes increases statutory obligations to a level where they are unable to be met with existing resources (goalposts shift) and disputes with regulatory authorities.</p> <p>Water Supply - Business, Financial, Health, Safety and Wellbeing, Legislative, Reputational / Stakeholders</p> <p>Owner: Herbert Denton</p>	<p>RESIDUAL 25.0 HIGH</p>
		<p>INHERENT 90.0 EXTREME</p>
<p>b</p>	<p>Failure to manage and protect Council information</p> <p>There is a risk that Council fails to manage and protect information, leading to significant interruption of Council services or a legislative breach. This may result in:</p> <ul style="list-style-type: none"> - financial consequences - reputational damage, - Loss of staff trust in processes and systems - Incorrect information is provided. <p>as a result of:</p> <ul style="list-style-type: none"> - unauthorised access to Council data - unauthorised distribution of Council data - cyber-attack - unauthorised destruction of Council data - System (not people) failure - Lack of controls in place - Poor planning <p>Information Services - Business, Senior Leadership Team (SLT), Financial, Information Management, Legislative, Operations and Service Delivery, Reputational / Stakeholders</p> <p>Owner: Vipul Mehta</p>	<p>RESIDUAL 20.0 HIGH</p>
		<p>INHERENT 50.0 EXTREME</p>
<p>c</p>	<p>Non compliance to processing of Building Consents within 20 working days</p> <p>There is a risk of not processing building consents within 20 working days as per the Building Act 2004, this may result in loss of accreditation, negative customer experience, overworked BCO's and the need to engage 3rd party processors, caused by loss of staff through resignation or retirements, unplanned leave of BCO's, and increased numbers of consent applications received.</p> <p>Planning and Development - Business, Health, Safety and Wellbeing, Legislative, Operations and Service Delivery, Reputational / Stakeholders, Staff</p> <p>Owner: Carlene Hill</p>	<p>RESIDUAL 20.0 HIGH</p>
		<p>INHERENT 45.0 EXTREME</p>



Pūrongo-Whakamārama Information Report

To	Risk and Assurance Committee
From	Kaitātari Pakihi me te Morearea / Business and Risk Analyst, Anna Officer
Date	3 July 2024
Subject	Quarterly Internal Audit Status Report

(This report shall not be construed as policy until adopted by full Council)

7

Whakarāpopoto Kāhui Kahika / Executive Summary

1. This report provides the Risk and Assurance Committee (the Committee) with an update on the status of the Internal Audit activity since the last Internal Audit Status Report. This report also includes an update on the open recommendations from previous internal audits.

Taunakitanga / Recommendation

THAT the Risk and Assurance Committee receives the Quarterly Internal Audit Status Report.

Kupu Whakamārama / Background

2. This report includes details of the Council's Internal Audit activities undertaken since the last Internal Audit Status Report was presented to the Committee on 20 September 2023.

Whakawhiti Kōrero / Discussion

Current Audit Assignment

3. The status of the Internal Audit assignments, as of 29 February 2024, is summarised in the below table.

Assignment	Status	Comment
Privacy Compliance	Report Issued	Moved to August RAC agenda
Property Lease	In progress	

Management of Audit Recommendations

4. A trial has been implemented on the Promapp Improvements module to manage Internal Audit recommendations. This solution enables automated alerts and reminders to action assignees, the ability to link recommendations to processes and risks and improved reporting functionality.

Open Audit Recommendation Actions

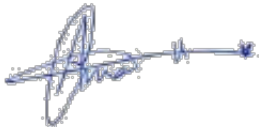
5. The total number of open recommendations as of February 2023 is 25, eight recommendations were closed since the last report. Eight recommendations are dependent on the implementation of the TechOne SaaS solution. The below table shows the number of recommendations for each group.

Group/Rating	High	Moderate	Low	N/A	Closed	Total Open
Office of Chief Executive	-	2	-	-	2	2
Environmental Services Group	-	-	-	-	1	0
Community Services Group	-	2	6	-	-	8
Corporate Service Group	6	8	7	-	3	21
Total	6	12	13	-	6	31

6. The actions for audit recommendations that have not yet been implemented, along with estimated completion dates and management comments are attached as [Appendix 1](#) and are as of 10 June 2024.
7. An update on audit recommendations related to the Emergency Response Management are included in [Appendix 2](#). To date, 50% of these have been completed.

Internal Audit Plan

8. The Internal Audit Plan 2024/25 is attached as [Appendix 3](#).



Anna Officer

**Kaitātari Pakihi me te Morearea /
Business and Risk Analyst**



[Seen by]

Vipul Mehta

**Te Tumuaki Whakamana Pakihi /
Head of Business Enablement**

Appendix 1: Agreed actions for audit recommendations that have not yet been implemented (in order of audit completion)

Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
Business Continuity Plan (BCP) Audit (December 2018)				
1. That the Master BCP is rewritten so that the most urgent activities and processes of the Council are identified, and a detailed plan is specified to restore these activities or processes after a disruptive event.	Community Services	Moderate	30/08/2024 90%	SLT agrees with the steps to be taken here. There should be one BCP with sections for critical business activities. BCPs were reviewed as part of the Council’s response to COVID-19. A further review will be undertaken to ensure essential services are identified and a detailed plan for restoration is developed. Update: April 2024: Various reviews into Cyclone Gabrielle recommend a complete rewrite of BCP, using an entirely new formula. The work being done by WaiComply will likely provide us with a template that can be used for all BCP. Extend date to 30/08/2024.
2. That all STDC staff are trained on the BCPs and emergency management.	Community Services	Low	30/09/2024 90%	SLT agrees with the recommendation. Once the BCP’s are finalised, training should occur – scenario exercises would be useful in this instance. Training is to be implemented once the plans have been finalised. Update: June 2024: WaiComply is holding workshops with Water staff in mid-June which will likely provide the new template. Extend date to 30/09/2024
Rates audit (Feb 2021)				
1. Change in Rateable Information Database (RID): Each change in the RID is to have a second reviewer before processing into the system.	Corporate Services/ Business Enablement	Moderate	30/06/2024	Agree to review the yearly reconciliation going forward. Update: March 2024: we are still hoping to achieve this by the end of June 2024
2. Confirmation of remission status: Carry on periodic reviews (for example every five years) on the remission status of the property, this can be done by sending confirmation to the owners.	Corporate Services/ Business Enablement	Low	05/07/2024	Properties currently with a remission status will be reviewed on a five yearly basis to confirm the ongoing validity of that status. The mechanism for confirming that status is to be determined. Update: March 2024: We aim to achieve this before the remissions are applied to the new rating cycle.
Procurement (Sep 2021)				

Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
<p>1- Procurement processes in Promapp.</p> <p>1.1- Set up a centre of excellence for major and complex procurement for staff to send through their questions or enquiries. The centre can review tender documents and contracts when needed.</p> <p>1.2- Establish a procurement champion in each Group. Champions to have thorough training and experience. They will cover routine procurements support to staff.</p> <p>1.3- The centre of excellence champion can create and document in Promapp the procurement process in compliance with the Procurement Policy and Manual. These processes should cover all the various Council procurement activities.</p> <p>1.4- Train staff on the procurement process once it is created.</p>	<p>Corporate Services/ Strategy and Governance</p>	<p>High</p>	<p>30/06/2025 70%</p>	<p>Employ a Procurement Officer to undertake these tasks, including reviewing policies and manuals, and mapping procurement processes.</p> <p>Update: June 2024 - Legal and Procurement Manager commences observer position on tender evaluation panel with Capital Projects team, meeting held with TechOne representative last week to organise content of a demonstration of their new Procurement module. Update due date to 30/06/2025.</p>
<p>H&S (Feb 2022)</p>				
<p>1- Contractors' pre-qualification register.</p> <p>Send the expiry email one month before the expiry date of the pre-qualification.</p> <p>Set a time limit for contractors to have a status of "in progress" after a second reminder is sent and finally to be removed from the register.</p>	<p>Office of CE</p>	<p>Moderate</p>	<p>30/08/2024 20%</p>	<p>This will be included in the move to the Vault Contractor Management module. Currently waiting on Damstra to respond re module purchase and roll out.</p> <p>Update: March 2024: Damstra has made the decision to discontinue with the Vault Contractor Management module. The implication of this decision is that STDC will continue in the interim with the existing system. A review of the contractor management system is part of the P&C workplan commencing March 2024. June 2024: No change</p>
<p>2- Vault software.</p> <p>Utilise Vault to its full capabilities.</p> <p>Transfer the administration of Vault to the IS Unit.</p>	<p>Office of CE</p>	<p>Moderate</p>	<p>30/08/2024 0%</p>	<p>The P&C Manager and CIO to discuss ownership and administration of the system.</p> <p>Update: March 2024: HOBE focus on budgets and LTP and delayed this conversation occurring. June 2024: No change</p>

Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
Borrowing (May 2022)				
<p>1. Liability Management Policy: Update the Liability Management Policy to include the following points:</p> <ul style="list-style-type: none"> i. Responsibility section for the Council, CE, and CFO. ii. Definition of the risks and consequences and causes in addition to assessing these risks. iii. Update the procedures manuals to align with these changes. 	Corporate Services/ Business Enablement	High	30/06/2025 90%	<p>To update the Liability Management Policy with the recommendations.</p> <p>Update: March 2024: The LMP was reviewed in November 2023. The changes were discussed with PWC, and this will be included in the next review which will be around June 2025.</p>
LGOIMA (Mar2023)				
<p>1- LGOIMA Request Decision timeframe. Update the process to count the days till the decision is made for any LGOIMA request.</p>	Corporate Services/ Strategy and Governance	High	31/06/2024 80%	<p>Develop Guidelines for processing a LGOIMA. All documentation throughout the request processing to be included under “memos” within P&R and record the date and times in the events tab of P&R, which will count the required 20 days.</p> <p>A Promapp process is to be created from the Guidelines and directing anyone having to process a LGOIMA to the templates for responses.</p> <p>Update: June 2024: No Change, however, the events in P&R have been reviewed and recommendations provided to the IT team who have implemented some of these and making progress on the other events. The Promapp process is still to be updated.</p>
<p>2- LGOIMA Request Records.</p> <ul style="list-style-type: none"> - Look into the recording process and make sure that all correct records are kept. - Include in the LGOIMA Policy threshold for recording a request, for example, request for information already published in other sources, like the Council website, will not be required to be recorded as a request while other will be treated so. - Consider using the digital flow of documents and incorporating in the digital transformation strategy (DTS). 	Corporate Services/ Strategy and Governance	Moderate	30/09/2024 80%	<p>Work to be undertaken with Corporate Planning to review the Council’s Policy on LGOIMAs.</p> <p>Create a document that contains information on what should be recorded throughout the LGOIMA process. Investigate the content of other Council’s LGOIMA policies to gauge a robust process.</p> <p>Update: February 2024: Register for LGOIMAs is completed and ongoing. Separate files are created for each LGOIMA with documents kept throughout the process i.e. Emails with approvals, reviews, information to collate responses - review of policy still to be undertaken</p>

Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
<p>3- LGOIMA Training.</p> <ul style="list-style-type: none"> - Create training programmes and materials for all staff about LGOIMA requirements, with special training for staff dealing with the requests. - Create training records and make sure there is follow up training for staff on a regular basis. 	<p>Corporate Services/ Strategy and Governance</p>	<p>Moderate</p>	<p>30/09/2024 60%</p>	<ul style="list-style-type: none"> • Create a training programme that is delivered to existing and new employees/councillors as part of the induction process. • Work with the Office of the Ombudsman to ensure that there is a training programme created for subject matter experts dealing with LGOIMA requests and those responding to requests. • Ongoing staff training to be undertaken annually on a number of topics, as well as keeping an up-to-date register to record staff training. <p>Update: Feb 2024: Currently creating video clips with animaker for training sessions. Have communicated with the Office of the Ombudsman last year and they have advised that they will be releasing LGOIMA training modules by June 2024. They have sent me a power point. June 2024: amended due date from 30/06/2024 to 30/09/2024</p>
<p>4- LGOIMA policy.</p> <ul style="list-style-type: none"> - Review and update the current policy. - Review and update other policies that deal with customer requests which may be treated as LGOIMA requests. - Create a manual/guide for detailed steps. 	<p>Corporate Services/ Strategy and Governance</p>	<p>Moderate</p>	<p>30/09/2024 50%</p>	<ul style="list-style-type: none"> • As noted in the actions for recommendation 2 above, a detailed manual containing guidance on the LGOIMA process is to be created. In this case one has been started and needs to be updated / continued. • The Council's Policy is to be reviewed and include some of the additional sections suggested above for better control of the LGOIMA process. • Update the Media Policy to include references to the LGOIMA process for responding to media requests. <p>Update: June 2024: LGOIMA Policy has been reviewed and awaiting approval. Delegations being looked at and are to include Group Managers. Amend due date from 30/06/2024 to 30/09/2024</p>

Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
<p>5- LGOIMA performance measure and reporting. Create records, KPI and analysis which to be reported to proper governance level.</p>	<p>Corporate Services/ Strategy and Governance</p>	<p>Low</p>	<p>30/06/2024 80%</p>	<ul style="list-style-type: none"> • Reporting regularly to SLT and the Audit and Risk Assurance Committee. • Reviewing and analysing LGOIMA requests to identify any trends that may need to be published online to our community. • Create a register to assist with the reviewing and analysis reporting, and to assist with the process for record keeping. • Update the process in P&R with a checklist and prompts for recording purposes throughout the LGOIMA process. <p>Update: Feb 2024: A checklist is done, still working on a document to have the changes for the events in P&R.</p>
<p>Insurance Audit (Sept 2023)</p>				
<p>1 - Insurance processes Complete drafted insurance processes in Promapp</p>	<p>Corporate Services/ Business Enablement</p>	<p>Low</p>	<p>30/10/2024</p>	<p>We agree with this recommendation and the process will be mapped in Promapp by 30/06/2024. June 2024 - Finance staff have been focussed on mapping TechOne processes and this due date has been extended from 30/06/2024 to 30/10/2024.</p>
<p>2 - Revaluation process There is currently one revaluation process published in Promapp. This relates solely to Infrastructure Assets. There is no end-to-end process that incorporates all assets and the finance/insurance activities. An end-to-end process would enable asset managers to understand their responsibilities and the impact of financial/insurance activities. Map end-to-end asset revaluation process in Promapp.</p>	<p>Corporate Services/ Business Enablement</p>	<p>Low</p>	<p>30/10/2024</p>	<p>We agree with this recommendation and the process will be mapped in Promapp by 30/06/2024. June 2024 - Finance staff have been focussed on mapping TechOne processes and this due date has been extended from 01/07/2024 to 30/10/2024</p>
<p>4 - Broker Review Conduct review of broker market</p>	<p>Corporate Services/ Business Enablement</p>	<p>Low</p>	<p>30/06/2025</p>	<p>The Council procure insurance through a regional collaboration with other Taranaki councils and due to uncertainty with regards to the three waters reform, the current arrangement with Marsh was extended until June 2025.</p>

Audit Recommendations Dependent on ERP Replacement:

Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
Accounts Payable Audit (August 2020)				
<p>1. Invoice Splitting: Implement appropriate preapproval for invoice splitting by the CFO or GM Corporate Services which is to be attached to the invoice. Include in the future finance system, the ability to have multiple approval from the same level on different components of an invoice.</p>	Corporate Services/ Business Enablement	Moderate	TBC (awaiting TechOne) 25%	Currently, this can only be done manually. It is preferred that this recommendation be carried out once the new financial system is in place.
Rates audit (Feb 2021)				
<p>1. The Finance IT system: Some points are noted to be taken into consideration with the new finance system.</p>	Corporate Services/ Business Enablement	Low	TBC (awaiting TechOne) 15%	These points are noted with a view to incorporating them into any new system development through the Digital Transformation Strategy.
Procurement (Sep 2021)				
<p>1- Project funds. 1.1- Prepare a guide for projects to be carried forward, it can include points like: i- The limit of how much (expressed as a percentage of the project budget) of a project budget that can be carried forward and for how long. ii- Ensure approval to carry forward projects is requested from SLT and the Councillors. iii- Set acceptable criteria and justification of carrying forward projects. 1.2- Ensure the use of contracts as per the Procurement Policy. Centre of excellence and champion can implement these points.</p>	Corporate Services/ Business Enablement	High	TBC (awaiting TechOne) 0%	Procurement officer to work with the finance team and the Group Manager Corporate Services to implement the recommendation.

Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
2- Project document archiving. 2.1- Update the Procurement Manual setting out minimum documents required for each procurement type (project, PO). 2.2- Set up Orion with a structure that can be used across all Council Units, for example, set a separate case (or sub-folder) for correspondence and other supporting documents relating to a project.	Corporate Services/ Business Enablement	High	TBC (awaiting TechOne) 10%	Procurement Officer to work with Audit and Risk Manager and Information Management Team to implement the recommendation.
3- Contract management. 3.1- Create contract management procedures for the whole Council. This could be incorporated with the Digital Transformation Strategy to have a system that supports contract management. 3.2- Set minimum terms and criteria that every contract must include. Develop general terms that should be used for any type of contract with any deviation/cancellation of any of its terms to be approved by the level above the appropriate financial delegate who can sign the contract. 3.3- A copy of all contracts to be submitted to Information Management for archiving. 3.4- Continue updating and training staff on the archiving rules. Continue to train staff on using Orion to file documents.	Corporate Services/ Business Enablement	High	TBC (awaiting TechOne) 5%	Procurement Officer to look at contract and digital transformation roadmap to include contract and project management considerations.
4- Aged open Purchase Order (PO). 4.1- Close all open POs that are no longer needed. 4.2- When staff leave the Council, if there is an open PO under their name, this is to be moved to their manager before the staff member leaves. 4.3- Any open PO over a defined number of years (3 years for example) to be closed by the Finance team. 4.4- Include closing open PO as part of the financial year end process. 4.5- These points can be included as a requirement of the new ERP system.	Corporate Services/ Business Enablement	Moderate	TBC (awaiting TechOne) 5%	Procurement Officer to work with the finance team on closing POs, - Finance team to work on closing off POs older than three years. - Finance team to ask staff to close open POs as part of year end process. - New ERP system research to include this point.

Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
5- Consistency in using PO by all units. 5.1- Investigate the current work scenarios faced by Council and update the Procurement Policy to reflect them. 5.2- Ensure the new ERP system supports the needs of the Procurement process. 5.3- Establish documentation receiving goods or services and introduce a three-way matching system as noted above.	Corporate Services/ Business Enablement	Moderate	TBC (awaiting TechOne) 0%	Procurement Officer to work with finance to investigate and implement the matching system.
6- Project brief information. To include such information in the project brief.	Corporate Services/Business Enablement	Low	TBC (awaiting TechOne) 0%	Procurement Officer to work with the project team to update the template.
Fraud Audit (June 2023)				
1- Fraud controls - Perform credit risk to all staff dealing with assets or funds and finance team upon hiring and throughout their employment (once every three years). - Consider implementing a detection programme to the finance system - Develop a fraud training program for staff.	Corporate Services/ Business Enablement	Moderate	TBC (awaiting TechOne) 30%	1- The Council will check the credit check for key financial roles. 2- This feature will be added to the DTS. 3- Training materials to be prepared. Update: Feb 2024: Fraud training delivered annually to all staff during fraud awareness week, action 2 is awaiting implementation of TechOne.

Appendix 2: Emergency Response Management Audit Recommendation Update

Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
<p>#1/23 There are training gaps in existing function leads and no alternatives appointed for some functions. Address training gaps in existing function leads and no alternatives appointed for some functions.</p>	<p>Community Services</p>	<p>Moderate</p>	<p>30/11/2024</p>	<p>Controllers to complete National Controllers Qualification Alternate response and P&I to complete foundation training. Appoint alternate for welfare manager, safety and iwi representative.</p> <p>June 2024: One Controller has completed the Qualification; the other is partway through the course. All Function Leads have completed, or are booked into, Foundation training. Alternates have been appointed for Welfare, H&S and Iwi. There are now Leads and Alternates for all functions. The majority of Leads and Alternates have done function specific training or are booked in if it hasn't yet been offered. Due date amended from 30/09/2024 to 30/11/2024.</p>
<p>#2/23 Elected members are not currently trained in Emergency Management. Train Elected members in Emergency Management.</p>	<p>Community Services</p>	<p>Low</p>	<p>Completed</p>	<p>Include EM responsibilities in elected members induction materials. Circulate regular EM communications to elected members.</p> <p>June 2024: Regular communication in place via CS Updates. The current Elected Members have all had materials, and we'll ensure it's included in info packs after next elections, plus early induction booked in. Support has that noted.</p>
<p>#3/23 Internal assessments are not aligned with the CDEM capability assessment tool provided by the National Emergency Management Agency (NEMA).</p>	<p>Community Services</p>	<p>Low</p>	<p>30/06/2024</p>	<p>Use CDEM capability assessment tool provided by the National Emergency Management Agency (NEMA) to conduct annual internal assessments.</p>

Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
Align Internal assessments with the CDEM capability assessment tool provided by the National Emergency Management Agency (NEMA)				June 2024: Extend deadline to 30/6 due to Glenn taking extended leave.
#4/23 Tasks in workplan are not specific, alignment with group plan goals unclear and progress is difficult to measure. Include specific tasks with clear due dates and progress	Community Services	Low	Completed	Include additional columns in workplan for plan goal, due date and progress update. Also update to ensure includes clear and specific tasks. June 2024: Action has been completed
#5/23 There is reliance on the Iwi and iwi representative to recognise Māori requirements and provide appropriate service. This approach excludes Māori, not affiliated with an Iwi (e.g., visiting from outer region) who contact the EOC team directly. Address potential shortfalls in supporting needs of Māori during a response	Community Services	Low	29/02/2025	Work towards growing capability across all functions for understanding of Māori/iwi and Pacifica needs. Investigate process for delivering a culturally inclusive service to Māori and Pacifica community members. June 2024: Cath working with Reg and Eileen to deliver information to Functions Leads at the monthly EOC meetings on understands Māori/iwi and Pasifika needs. Has been added to workplan for 2024. Delivery of appropriate service is multi-prong - the Council Iwi Relationship Strategy action plan, the work Zoe Sharman is doing with Marae as detailed elsewhere, as well the community response plans also detailed elsewhere.
#6/23 The risks captured do not include the impact poor relationships/engagement with Iwi and community groups can have on the effective operation of the EOC and the legislative responsibilities council must comply with. Include the impact poor relationships/engagement with Iwi and community groups can have on the effective operation of the EOC and the legislative responsibilities council must comply with in risk register.	Community Services	Low	Completed	Include risk in risk register for poor relationship/engagement in the operation of the EOC and its ability to respond effectively. Include risk in register referencing the legislative requirement of the Act for Local authorities to 'plan and provide for civil defence emergency management within its district'. June 2024: Action completed

Appendix 3:

2024/25 Assurance Plan Detail

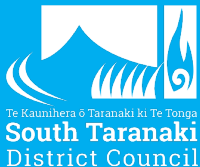
The table below provides more detail of proposed engagements for FY2024/25, including indicative objectives, scope and timing.

The full objective and scope of these engagements will be confirmed during the planning stage and agreed with the relevant Review Sponsor.

#	2024/25 Review	Q1	Q2	Q3	Q4
1	Contract management/Contractor's audit Assess the processes in place in relation to the management of contracts and contractors including control measures, compliance, risk management, reporting and monitoring.	√			
2	Complaint management and response Assess the processes in place in relation to management of complaints including control measures, compliance with SLA's, risk management, reporting and monitoring.		√		
3	Animal control Assess the processes and policies in place in relation to animal control including legislative compliance, control measures, risk management, reporting and monitoring for management of dog registrations, animal control complaints and pound facility/operations.			√	
84	Conflict of interest for elected members and staff Assess the processes and policies in place for managing conflicts of interest in procurement, issuing of consents, grants and council decision making.				√
5	Consultation: Ad-hoc assignments.	√	√	√	√
	Internal Audit Administration This involves managing stakeholder relations, reporting, ad-hoc advice and the follow-up of open audit recommendations.	√	√	√	√

Notations:

√ Review/engagement is scheduled in the period indicated.



Pūrongo-Whakamārama

Information Report

To	Risk and Assurance Committee
From	Kaitātari Pakihi me te Whakararu / Business and Risk Analyst, Anna Officer
Date	3 July 2024
Subject	Risk and Assurance Committee - Workplan

(This report shall not be construed as policy until adopted by full Council)

7

Whakarāpopoto Kāhui Kahika / Executive Summary

1. The Risk and Assurance Committee Workplan (the Workplan) for 2023/24 - 2026/27 includes key reports, policies for review and workshops, for the next three years.

Taunakitanga / Recommendation

THAT the Risk and Assurance Committee receives the Risk and Assurance Committee Workplan for the period 2023/24 – 2026/27.

Whakawhiti Kōrero / Discussion

2. The Workplan includes key policies for review, regular reports and upcoming workshops. The Risk and Assurance Committee (the Committee) may review the Workplan at any stage and add or remove items.

Whakakapia / Conclusion

3. The Workplan for 2023/24 - 2026/27 is attached in [appendix 1](#) and includes key Council work that the Committee will review.

Anna Officer

**Kaitātari Pakihi me te Whakararu /
Business and Risk Analyst**

[Seen by]

Vipul Mehta

**Pouhautū Āheinga Pakihi /
Head of Business Enablement**

Focus Areas	2024			
Meeting dates TBC	July	August	September	November
LTIF	Mercer	Mercer		Mercer
Quarterly Reporting		Quarterly Report Significant Project Progress Report South Taranaki Business Park Report		Quarterly Report Significant Project Progress Report
Annual Report 2023/24		Interim Annual Report 2023/24		Deloitte Audit Management Report
Risk Management	Risk Management Status Report and Emerging Risks South Taranaki Business Park Risk Report	Insurance Renewal 2024-25	Risk Management Status Report and Emerging Risks Strategic Risk deep dive SLT Strategic Risk Review Report	
Internal Audit	Internal Audit Status Report	Privacy Compliance Internal Audit Report	Internal Audit Status Report Property Lease Management Internal Audit Report	
Regular Update Reports	Committee Workplan Health and Safety	Committee Workplan Debtors Report Cyber Security update Report	Committee Workplan Health and Safety	Committee Workplan Debtors report Cybersecurity update Report ERP Update
Additional Committee Sessions	To be confirmed	To be confirmed	To be confirmed	
2024-2034 Long- Term Plan		2024-2034 LTP Update Three Waters Update		

Workshops				SIPO review workshop
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Focus Areas		2025					
Meeting dates TBC	February	March	May	June	August	September	November
LTIF	Mercer & SIPO Adoption		Mercer		Mercer		Mercer
Quarterly Reporting	Quarterly Report Capital Works Project Process Report		Quarterly Report Capital Works Project Process Report		Quarterly Report Capital Works Project Process Report		Quarterly Report Capital Works Project Process Report
Annual Report 2024/25		2024-25 Annual Report Audit Arrangement Report			Interim Annual Report 2024/25		Deloitte Audit Management Report
Risk Management		Risk Management Status Report		Risk Management Status Report	Insurance Renewal 2025-26	Risk Management Status Report	
Internal Audit		Internal Audit Status Report		Internal Audit Status Report		Internal Audit Status Report	
Regular Update Reports	Committee Workplan Debtors report SIPO Report	Committee Workplan Health and Safety Cybersecurity Report ERP Update	Committee Workplan Debtors report	Committee Workplan Health and Safety Cybersecurity Report Privacy Breach Report Insurance Report	Committee Workplan Debtors Report	Committee Workplan Health and Safety Cybersecurity Report ERP Update	Committee Workplan Debtors report
Additional Committee Sessions	To be confirmed	To be confirmed	To be confirmed	To be confirmed	To be confirmed	To be confirmed	
Annual Plan	Annual Plan 2025/26 Update		Annual Plan 2025/26 Update				
Workshops							

FOCUS AREAS		2026					
Meeting dates TBC	February	March	May	July	August	September	November
LTIF	Mercer & SIPO Adoption		Mercer		Mercer		Mercer
Quarterly Reporting	Quarterly Report Capital Works Project Process Report		Quarterly Report Capital Works Project Process Report		Quarterly Report Capital Works Project Process Report		Quarterly Report Capital Works Project Process Report
Annual Report 2025/26		2025-26 Annual Report Audit Arrangement Report			Interim Annual Report 2025/26		Deloitte Audit Management Report
Risk Management		Risk Management Report		Risk Management Report	Insurance Renewal 2026-27	Risk Management Report	
Internal Audit		Internal Audit Report		Internal Audit Report		Internal Audit Report	
Regular Update Reports	Committee Workplan Sipo Report	Committee Workplan Health and Safety Cybersecurity Report	Committee Workplan	Committee Workplan Health and Safety Privacy Breach Report Three Waters Update	Committee Workplan	Committee Workplan Health and Safety Cybersecurity Report	Committee Workplan
Additional Committee Sessions	To be confirmed	To be confirmed	To be confirmed	To be confirmed	To be confirmed	To be confirmed	
LTP 2027-37		LTP 2027/37 Timeline		LTP 2027/37 Pre-consultation timeline		2027/37 LTP Update	
Workshops			Mercer Investment workshop for new committee members				SIPO Review

8. Whakataunga kia noho tūmatanui kore / Resolution to Exclude the Public

THAT the public be excluded from the following parts of the proceedings of this meeting, namely:

The general subject 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(1) for the passing of this resolution
1. Confirmation of minutes held on 15 May 2024 2. Health and Safety Quarterly Report – March 2024 to May 2024 3. South Taranaki Business Park Update Report 4. Mercer – Asset Manager Selection (Item laid on the table from 15 May 2024)	Good reason to withhold exists under Section 7.	That 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 exists. Section 48(1)(a)

This resolution is made in reliance on sections 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 7 of that Act, which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public are as follows:

Item No	Interest
1, 3	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Schedule 7(2)(i)).
1, 2	Maintain the effective conduct of public affairs through the protection of members or officers or employees of the Council, and persons to whom Section 2(5) of the Local Government Official Information and Meetings Act 1987 applies in the course of their duty, from improper pressure or harassment (Schedule 7(2)(f)(ii)).
1	To protect the privacy of natural persons, including that of deceased natural persons (S7(2)(a)).
1, 4	To prevent the disclosure or use of official information for improper gain or advantage (s. 7(2)(j)).



Karakia

8. Karakia

Ruruku Whakakapi – Closing Prayer

Unuhia, unuhia

Unuhia ki te uru tapu nui

Kia wātea, kia māmā te ngākau, te
tinana, te wairua i te ara takatū

Kia wātea, ka wātea, āe rā, kua wātea

Rire rire hau pai marire!

Draw on, draw on,

Draw on the supreme sacredness

*To clear, to free the heart, the body and the
spirit of mankind*

To be clear, will be clear, yes is cleared.

Deeply in peace!