Rārangi Take o te Kōmiti Tūraru me te Taurangi

Risk and Assurance Committee Agenda

Wednesday 25 September 2024, 1.00 pm

Council Chamber, Albion Street, Hāwera

Te Kaunihera ō Taranaki ki Te Tonga
South Taranaki
District Council

![South Taranaki District Council logo — Te Kaunihera ō Taranaki ki Te Tonga, South Taranaki District Council]

Pūrongo Whaitikanga
Governance Information

Ngā Mema o te Komiti / Committee Members

Philip Jones
Chairperson / External Member

Phil Nixon
Mayor

Andy Beccard
Councillor

Celine Filbee
Councillor

Te Aroha Hohaia
Councillor

Racquel Cleaver-Pittams
Councillor

Marie Broughton
Iwi Representatives

Apatono / Delegations

The primary purpose of the Risk and Assurance Committee is to:

• Review the quarterly financial and non-financial reports of the Council;
• Oversee the relationship between the Council and its external auditor;
• Consider the Audit Management Report undertaken for the Annual Report and Long Term Plan and monitor progress against that;
• Receive and consider reports on the Council's internal and external borrowing;
• Provide oversight and monitoring of the Council's risk management framework;
• Provide oversight and monitoring of Council's Long Term Investment Fund; and
• Oversee the relationship with the Council's Investment Advisors and Fund Managers.

The Risk and Assurance Committee is made up of the Mayor, an external member, four councillors and an Iwi representative.

Pūrongo Whaitikanga
Governance Information

Attendance Register

Date	15/02/23	29/03/23	17/05/23	21/06/23	16/08/23	20/09/23	20/11/23	14/02/24	15/05/24	03/07/24	22/07/24	26/08/24
Meeting	O	O	O	O	O	O	O	O	O	O	E	O
Andy Beccard	√	√	√	√	A	√	√	√	√	√	√	A
Celine Filbee	√	√	√	√	√	√	A	√	√	A	√	√
Te Aroha Hohaia	A	√	√	√	√	√	√	√	√	√	√	√
Philip Jones	AO	√	√	√	√	√	√	√	AO	√	-	√
Phil Nixon	√	√	√	√	√	√	√	√	√	√	√	√
Racquel Cleaver-Pittams	-	-	√	√	√	√	√	√	√	√	√	√
Marie Broughton	-	-	√	√	√	√	√	√	√	√	√	X

Key

√	Attended
AO	Attended Online
-	Was not required to attend
A	Apology
Y	Attended but didn't have to attend
X	Did not attend - no apology given

Types of Meetings

O	Ordinary Council Meeting
E	Extraordinary Council Meeting

He Karere Haumaru / Health and Safety Message

In the event of an emergency, please follow the instructions of Council staff.
If there is an earthquake – drop, cover and hold where possible. Please remain where you are until further instruction is given.

He Pānga Whakararu / Conflicts of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected member and any private or other external interest they might have.

Risk and Assurance Committee
Wednesday 25 September 2024 at 1.00 pm

1.   Karakia

2.   Matakore / Apologies

3.   Tauākī Whakarika / Declarations of Interest

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

5.   Whakaaetia ngā Menīti / Confirmation of Minutes

6.   Pūrongo / Report

7.   Pūrongo-Whakamārama / Information Reports

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

9.   Karakia

Next Meeting Date: Monday 11 November 2024 – Council Chamber, Albion Street, Hāwera
Elected Members' Deadline: Tuesday 29 October 2024

Karakia

5

1. Karakia

Ruruku Timata – Opening Prayer

(Kia uruuru mai ā-hauora,	*(Fill me with vitality)*
ā-haukaha, ā-hau māia)	*strength and bravery)*
Ki runga	*Above*
Ki raro	*Below*
Ki roto	*Inwards*
Ki waho	*Outwards*
Rire rire hau	*The winds blow & bind us*
Paimārire	*Peace be with us.*

2

Matakore
Apologies

6

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.*

3

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

4

8

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.

Ngā Menīti Komiti
Committee Minutes

5

To	Risk and Assurance Committee
Date	25 September 2024
Subject	**Risk and Assurance Committee – 26 August 2024**

(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 26 August 2024. The Risk and Assurance Committee are being asked to adopt the minutes from 26 August 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 26 August 2024 as a true and correct record.

1

Menīti
Minutes

5

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

Council Chamber, Albion Street, Hāwera on Monday 26 August 2024 at 10.01 am

Kanohi Kitea / Present:	Philip Jones (Chairperson), Mayor Phil Nixon, Councillors Racquel Cleaver-Pittams, Celine Filbee and Te Aroha Hohaia.
Ngā Taenga-Ā-Tinana / In Attendance:	Fiona Aitken (Chief Executive), Rob Haveswood (Group Manager Community Services), Liam Dagg (Group Manager Environmental Services), Herbert Denton (Group Manager Infrastructure Services), Claire Bourke (Management Accountant), Sam Greenhill (Governance Officer), Vipul Mehta (Head of Business Enablement), Garry Morris (Senior Accountant), Scott Willson (Business Development Manager), Garth Gregory and Priya Patel (Mercer).
Matakore / Apologies:	Councillor Andy Beccard.

RESOLUTION (Mayor Nixon/Cr Filbee)

57/24 AR **THAT** the apology from Councillor Andy Beccard be received.

CARRIED

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

   1.1 Fiona Aitken – Three Waters Update

   A workshop was being held on Wednesday 4 September 2024 to provide an update on three waters. The workshop would include a presentation from GHD Consultants who were engaged as a region to look at financial stability and regional options. Information would then be provided on what had been gathered by Rationale, the independent consultants engaged by the Council. The five options provided by the Government in the next piece of legislation would be covered. It was highlighted that the Council would be scrutinised more if the decision was made to continue with the status quo. The two options for consumer trusts did not seem to be a viable option for most councils in the country. All councils were required to have a water service delivery plan presented to the Government by August 2025. The Council was required to consult with the public on the option to continue with the status quo or to move to the preferred option chosen by the Council.

   In response to a query regarding additional funding it was noted that the first round of better off funding was used by the Council for reforestation however following a recommendation from the Government a portion of the funding was diverted to water

40

infrastructure with a focus on lowering emissions. Under the Labour Government transition funding was provided to all councils however there would be no further transition funding provided going forward.

An Extraordinary Council meeting was being held in October to decide on the Council's preferred option to be presented to the public.

It was highlighted that the Office of the Auditor General's (OAG) annual report highlighted councils' performance for three waters as critical. It was noted that it was difficult when the OAG made generic statements as it was unclear whether this was a failure of local government or the standard settings of the new drinking water standards.

It was highlighted that one of the greatest risks with continuing with the status quo was the ability to attract and retain skilled staff and contractors.

It was noted that the work carried out by Rationale did not include a financial perspective and further work would be carried out by Council officers to further understand their findings before presenting to the Council. In response to a query regarding the possibility of including Whanganui in a combined approach it was noted that the Mayors and Chief Executives of Taranaki had agreed a region wide approach was as big as would be considered at this time. There were representatives from Iwi on the project steering group in terms of governance however any sort of investment from Iwi had not been discussed.

2. Whakaaetia ngā Miniti / Confirmation of Minutes

2.1 Risk and Assurance Committee held on 3 July 2024

RESOLUTION **(Mayor Nixon/Cr Cleaver-Pittams)**

58/24 AR **THAT the Risk and Assurance Committee adopt the minutes of their meeting held on 3 July 2024 as a true and correct record.**

CARRIED

2.2 Extraordinary Risk and Assurance Committee held on 22 July 2024

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

59/24 AR **THAT the Risk and Assurance Committee adopt the minutes of their extraordinary meeting to review the independent member on the Risk and Assurance Committee held on 22 July 2024 as a true and correct record.**

CARRIED

3. Pūrongo-Whakamārama / Information Report

3.1 Quarterly Financial and Non-Financial Performance Report for period ending 30 June 2024.

The report contained the Financial Variance Report and the Performance Measures Report for the fourth quarter of the financial year to 30 June 2024. The report contained Council officers' commentary on variances for the Council's activities and support centres.

In response to a query regarding the financial and development contributions for the South Taranaki Business Park it was noted that five consents had been issued and there was an agreement with the developer to produce invoices for contributions in stage two of the project. Contributions were contingent on when the plan change was notified and could take up to 18 months depending on the plan change process. The new formula for financial contributions needed to be set however it was important to ensure a balance between growth paying for growth and affordability in setting the contributions. There were no provisions to withhold the consent until the invoice was paid however conditions cold be applied.

It was suggested that bringing forward water metering could be a solution for leak detection issues. It was highlighted that water consumption was an area of concern and it was agreed that what had been done previously was not working. It was suggested that this was an area that needed greater investment. It was highlighted that there was capital funding in year seven and eight for water metering however the Council could decide to move this work forward to earlier years. High users such as farms and houses with pools were already on water meters. All new properties had the option for a water meter to be installed.

It was highlighted that the building consents issued within the statutory timeframes were a concern however they were moving in the right direction. In response to a query regarding whether 100% within the statutory timeframe was realistic it was noted that this had been achieved in the past. It was highlighted that inspections were being undertaken however these were not within the timeframe due to a vacancy. The backlog had been cleared to ensure inspections were up to date.

RESOLUTION   **(Mayor Nixon/Cr Filbee)**

60/24 AR **THAT** the Risk and Assurance Committee receives the fourth Quarter Financial and Non-Financial Performance Report for the period ending 30 June 2024.

CARRIED

3.2   Significant Projects Progress Report

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

Large projects had been completed including Nukumaru Station Road and the Waimate West Reservoir with a few other projects nearing completion. At the end of the June 2024 69% of the capital budget had been spent which was an improvement on previous years.

It was highlighted that there were no more delays expected for Te Ramanui o Ruapūtahanga and it was on track to open at the end of November 2024.

In response to a query regarding the pathway along Turuturu Road it was noted that this was not a planned project however it was something the Council had asked officers to

investigate further. It was noted that everyone who submitted to the Long Term Plan would receive a letter regarding the outcome of the Council's decision.

RESOLUTION (Mr Jones/Cr Filbee)

61/24 AR **THAT the Risk and Assurance Committee receives the Significant Projects Progress Report for Quarter Four of the 2023/24 financial year.**

CARRIED

3.3   South Taranaki Business Park Update Report

The report provided an update on project progress and outlined risks, consequences and mitigations.

The process for Little Waihi Road had gone well and work was underway on Kerry Lane. It was going to be a complex few months with the electrical line going underground. It was highlighted that the risk associated with cost escalation had been increased now further information was understood.

In response to a query regarding the extension of Fitzgerald Lane it was noted that this was known about from the beginning however the detail was not known at that time. It was noted that the increased forecast budget might be able to be recovered through contributions however it was important to remain competitive compared to other business parks across the country.

Negotiations with Waka Kotahi regarding the state highway had not advanced since the last meeting. Clarity was still being sought on the speed limits.

RESOLUTION (Mayor Nixon/Mr Jones)

62/24 AR **THAT the Risk and Assurance Committee receives the South Taranaki Business Park Update Report.**

CARRIED

3.4   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.

The key change to the workplan was the addition of the emergency risk review and three waters updates at every meeting. It was suggested that once meeting dates were confirmed for 2025 the workplan be updated to reflect these.

In response to a query regarding the Enterprise Resource Planning update at the November meeting it was noted that this would be an update on the project's timeline.

RESOLUTION (Cr Hohaia/Cr Cleaver-Pittams)

63/24 AR **THAT the Risk and Assurance Committee receives the Risk and Assurance Committee Workplan for the period 2023/24 – 2026/27.**

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3.5 Strategic Risk Review Report

The report presented details of the strategic risk "Failure to Attract and Retain Staff", which covered the Council's ability to attract and retain appropriately skilled staff. The risk had an extreme inherent risk rating and a medium residual risk rating.

One strategic risk was chosen at random to be presented at each meeting. The "Failure to Attract and Retain Staff" was last reviewed in March 2024. It was noted that in the medium term the concern was low however the skill pipeline was less certain in the longer term. It was noted that one thing the Council had previously done well and continued to do well was provide cadetship opportunities.

RESOLUTION   **(Mayor Nixon/Cr Hohaia)**

64/24 AR   **THAT the Risk and Assurance Committee receives the Strategic Risk Review Report.**

                                                          CARRIED

3.6 Privacy Compliance Internal Audit Report

The report provided an outcome of the Privacy Compliance Internal Audit conducted in February 2024, outlining findings and recommended actions.

The Privacy Compliance Internal Audit included 12 recommendations with two being high priority. Three recommendations had been completed and three were partially complete however the two high priority recommendations were still being worked on. It was noted that completed recommendations were reported on as part of the Quarterly Internal Audit Status Report which would be presented at the next meeting.

RESOLUTION   **(Mayor Nixon/Cr Filbee)**

65/24 AR   **THAT the Risk and Assurance Committee receives the Privacy Compliance Internal Audit Report.**

                                                          CARRIED

3.7 Property Lease Management Internal Audit Report

The report provided an outcome of the Property Lease Management Internal Audit conducted in May/June 2024, outlining finding and recommended actions.

As part of the audit 12 properties were chosen at random. Two high priority actions were included within the recommendations which included updating the Housing for the Elderly Policy and removing the lease for the Manaia Sports Complex as it was no longer required.

Of the 12 properties that were selected for the audit, two highlighted concerns. It was queried whether more testing was required more frequently. It was noted that it was an area that had been under resourced for a long period of time however an administrative position had been appointed to tidy up and maintain administration of leases.

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RESOLUTION   (Cr Filbee/Cr Cleaver-Pittams)

66/24 AR   **THAT** the Risk and Assurance Committee receives the Property Lease Management Internal Audit Report.

CARRIED

3.8   Outstanding Debt as at 30 June 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 30 June 2024.

There had been an increase in the rates debt which was indicative of the economy with people finding it difficult to pay their rates. There had been an increase in overdue debtors however the past due debt had decreased.

There were concerns raised regarding the increase in rates debt as the impact of the 11.1% rate increase had not been applied yet. In response to a query regarding more resources for debt collection it was noted that there were enough staff in the team to manage an increase in debt collection. It was highlighted that debt collection was a last resort and it was important to have good communication and work towards setting up payment plans.

It was highlighted that there were risks associated with rating sales and debt collection through the court. It was important to have processes in place to ensure the correct notice was given and all required documentation was retained.

RESOLUTION   (Mayor Nixon/Mr Jones)

67/24 AR   **THAT** the Risk and Assurance Committee receives the outstanding debt report as at 30 June 2024.

CARRIED

3.9   Mercer Quarterly Investment Monitoring Report – June 2024

An update was provided on the market performance for the quarter. Global Equities saw a positive return on the back of the US tech companies outperforming. The Australasian market did not perform as well due to stubborn inflation in Australia and New Zealand. Local bonds ended the quarter slightly up.

The exit from ANZ had commenced with everything being redeemed out of ANZ Cash. The funds withdrawn from ANZ had been split between Harbour and Nikko. Once that transition had settled the new fund managers would be introduced and the fund would be rebalanced for the new objectives that had been set. The transition and rebalancing would be completed within a few weeks.

In response to a query regarding the reduction in the fluctuation reserve it was noted that funds had been withdrawn as part of the project for Te Ramanui o Ruapūtahanga. It was noted that funds had also been withdrawn for town revitalisation expenditure.

RESOLUTION   (Mr Jones/Mayor Nixon)

68/24 AR   <u>THAT</u> **the Risk and Assurance Committee receives the Mercer Quarterly Investment Monitoring Report – June 2024.**

<div align="right"><u>**CARRIED**</u></div>

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The meeting adjourned at 12.10 pm.
The meeting reconvened at 12.46 pm.

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

<u>**RESOLUTION**</u>   **(Cr Hohaia/Mayor Nixon)**

69/24 AR   <u>THAT</u> **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. Risk and Assurance Committee held on 3 July 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 thew disclosure of information for which good reason for withholding exists. Section 48(1)(a)
2. Extraordinary Risk and Assurance Committee held on 22 July 2024		
3. Quarterly Cyber Security Report		
4. Insurance Renewal Programme for 2024/25		
5. Mercer Quarterly Investment Monitoring Report – June 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:

46

5

Item No	Interest
1, 3, 4	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, 5	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, 2	To protect the privacy of natural persons, including that of deceased natural persons (S7(2)(a)).
1, 3	To prevent the disclosure or use of official information for improper gain or advantage (s. 7(2)(j)).

CARRIED

5.   Tuwhera anō te Hui / Resume Open Meeting

RESOLUTION   **(Mayor Nixon/Mr Jones)**

75/24 AR   **THAT** the Risk and Assurance Committee resumes in open meeting.

CARRIED

The meeting concluded at 1.24 pm.

Dated this   day of   2024.

………………………………….
CHAIRPERSON

Pūrongo
Report

To	Risk and Assurance Committee
From	Kaitātari Pakihi me te Morearea / Business and Risk Analyst, Anna Officer
Date	25 September 2024
Subject	**Risk Management Framework Update**

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

Whakarāpopoto Kāhui Kahika / Executive Summary

1. This report outlines proposed changes to the current framework and risk section of the report template outlined in this report. These are to be implemented ahead of its next scheduled review in June 2025. However, the local body elections are in October 2025. Because of this, we recommend undertaking this review once the elections are concluded. The updates are driven by a need to improve user experience, the inclusion of climate change risks into the risk register and the need to include details of how health and safety operational risks and water supply operational risks are managed.

Taunakitanga / Recommendation(s)

THAT the Risk and Assurance Committee recommends the Council approves the amendments to the Risk Management Framework, Policy and Process.

Kupu Whakamārama / Background

Risk Management Framework, Policy and Process

2. The Council's Risk Management Framework was approved by the Risk and Assurance Committee (the Committee) in May 2019. The Risk Management Framework provides the basis for the development and maintenance of a coordinated set of activities to respond to risks that may affect the Council's ability to achieve its mission, vision, and strategic objectives, and/or may impact the Council's reputation.

3. The Framework is based on the International Standard ISO 31000:2018 Risk Management – Guidelines and best practice industry standards. The key elements of the framework are Risk Management Policy, Risk Management Process and the council-wide Risk Register.

4. The Framework is scheduled on a two-yearly review cycle. The framework was last reviewed in June 2023.

5.   This report outlines proposed changes to the current framework to be implemented ahead of its next scheduled review in June 2025. However, the local body elections are in October 2025. Because of this, we recommend undertaking this review once the elections are concluded. These are primarily driven by a need to improve user experience, and the inclusion of climate change risks into the risk register. The proposed changes will provide greater clarity for risk assessment by covering some limitations of the impact and likelihood definitions and some changes to the risk section of the report template.

6.   The Risk Management Framework, Policy and Process draft is attached as Appendix 1

Local Government Purpose

7.   The Risk Management Framework meets the purpose of the Local Government Act (2002) as it enables the Council to promote and protect the social, economic, environmental and cultural well-being of the District and enables democratic local decision-making.

Ngā Kōwhiringa / Options – Identification and analysis

8.   During recent risk reviews, an inconsistency with the selection of impacts has been identified. Upon further investigation, it was determined that these inconsistencies resulted from a lack of clarification. It is proposed that the impact descriptions be amended to provide greater clarity. Specifically, inclusion of internal customer service impacts, community wellbeing/health impacts and information management impacts not related to security breaches. These changes are highlighted red in Appendix 1.

9.   To recognise the difference between health and safety impacts to staff and contractors versus the public, a new impact classification has been added. These changes are highlighted red in Appendix 1.

10.   Additionally, the Council's Environment and Sustainability Strategy requires the Council to capture and manage climate change risks. The assessment of climate change risks differs from business and operational risks. This requires amendments to likelihood descriptors and the inclusion of evaluation and treatment methods into the framework. These changes are highlighted red in Appendix 1.

11.   The Council's critical health and safety risks and operational health and safety risks are currently managed in the health and safety software (Vault). It is proposed that the framework be updated to reflect this. These changes are highlighted red in Appendix 1.

12.   Recently, work has begun to capture asset management risks from the Asset Management Plans into the Council risk register in Promapp. During this work, it has been discovered that water supply operational risks are managed within the plant-specific water safety plans. It is proposed that the framework be updated to reflect this. These changes are highlighted red in Appendix 1.

13.   To support risk identification in decision-making, it is proposed that the risk section of the report template be aligned with the framework to provide consistency and a guideline for staff to assist in risk identification. These will be included as part of the current report template review underway with the Strategy and Governance Team.

2

Risks

14. There are no major risks associated with this decision.

Option(s) available

15. Option 1: Approve the Risk Management Framework with the suggested amendments.

16. Option 2: Approve the Risk Management Framework with additional amendments.

17. Option 3: Not approve the Risk Management Framework amendments.

Whaiwhakaaro me ngā aromatawai / Considerations and Assessments

18. South Taranaki District Council's general approach to determining the level of "significance" will be to consider:

Criteria	Measure	Assessment
Degree	The number of residents and ratepayers affected and the degree to which they are affected by the decision or proposal.	The approval of the Risk Management Framework, Policy and Process will protect the residents and ratepayers within South Taranaki.
LOS	The achievement of, or ability to achieve, the Council's stated levels of service as set out in the Long-Term Plan 2018-2028.	The approval of the Risk Management Framework, Policy and Process will not affect the levels of services set out in the 2021-2031 LTP.
Decision	Whether this type of decision, proposal or issue has a history of generating wide public interest within South Taranaki.	The approval of the Risk Management Framework, Policy and Process has never generated public interest within South Taranaki.
Financial	The impact of the decision or proposal on the Council's overall budget or included in an approved Long Term Plan and its ability to carry out its existing or proposed functions and activities now and in the future.	The approval of the Risk Management Framework, Policy and Process will not impact the Council's budget.
Reversible	The degree to which the decision or proposal is reversible.	The Risk Management Framework, Policy and Process can be reviewed and amended at any time.

3

Criteria	Measure	Assessment
Environment	The degree of impact the decision will have on the environment.	Framework, Policy and Process will not impact the Environment.

6

19. In terms of the Council's Significance and Engagement Policy this matter is of low significance.

Financial/Budget Considerations

20. There are no financial or budget considerations to consider. However, there are risks associated with not having a Risk Management Framework in place.

Environmental Sustainability

21. There are no Environmental considerations to consider.

Consistency with Plans/Policies/Community Outcomes

22. This matter contributes to the following community outcomes as detailed below:

- Mana Mauri - Cultural well-being
- Mana Tangata - Social well-being
- Mana Oranga - Economic well-being
- Mana Taiao - Environmental well-being

Consideration on Iwi/Māori

22. The approval of the Risk Management Framework, Policy and Process will protect the best interests of Māori/Iwi along with the rest of the community.

Whakakapia / Conclusion

23. This report is seeking that the Risk and Assurance Committee approves the proposed changes to the current framework and risk section of the report template outlined in this report. These are to be implemented ahead of its next scheduled review in June 2025. However, the local body elections are in October 2025. Because of this, we recommend undertaking this review once the elections are concluded. The updates are driven by a need to improve user experience, the inclusion of climate change risks into the risk register and the need to include details of how health and safety operational risks and water supply operational risks are managed.

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

[Seen by]
Vipul Mehta
**Te Tumuaki Whakamana Pakihi /
Head of Business Enablement**

4

Appendix 1: [Risk Management Framework DRAFT.docx (sharepoint.com)](sharepoint.com)

6

Risk Management Framework, Policy and Process

Framework, Policy owner	Chief Executive
Approved by	Risk and Assurance Committee
Version history	V1 approved on 1 May 2019
	V2 approved on 17 March 2021
	V2.1 approved on 20 September 2023
Date for review	Every two years
Contact details for further information	Your Unit Manager or Risk and Internal Audit Unit

6

CONTENTS

2

1. RISK MANAGEMENT FRAMEWORK

Local Government provides a wide range of facilities, services, events and opportunities for the community. In providing these items South Taranaki District Council ("STDC" / the "Council") accepts that it will encounter elements of risk that may be potentially either beneficial or detrimental in nature to achieving its objectives.

To structure and formalise the risk management arrangements across all functions, STDC has developed a systematic and logical process of managing risk within a comprehensive Risk Management Framework (see **Figure 1** below). The Risk Management Framework provides the basis for the development and maintenance of a coordinated set of activities to respond to risks that may affect the Council's ability to achieve its Mission, Vision and strategic objectives, and/or may impact the Council's reputation.

Council recognises that the existence of a robust Risk Management Framework improves the stakeholder confidence and trust that Council is operating as an effective and well managed organisation.

The Framework is based on the *International Standard ISO 31000:2018 Risk Management – Guidelines* and best practice industry standards. The key elements of the Framework are Risk Management Policy, Risk Management Process and Council-wide Risk Register.

Figure 1 – South Taranaki District Council's Risk Management Framework

Taranaki ki Te Tonga - Ka Puta, Ka Ora!

South Taranaki - great people, connected communities, where we belong!

3
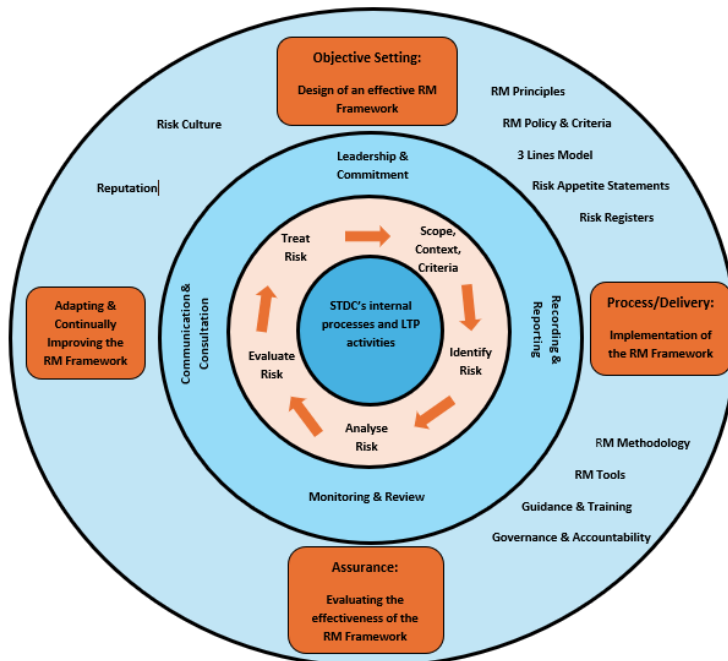
2. RISK MANAGEMENT POLICY

2.1 Introduction

STDC is committed to an integrated approach to risk management to help it set appropriate strategies and priorities, achieve its objectives & Community Outcomes of the Long-Term Plan and make informed decisions, in the best interests of the community.

The risk management process is not an isolated function and can be applied to any activity, including decision-making and interaction with stakeholders. Effective identification, analysis, evaluation and treatment of defined risks, assessment of their impact on Council's reputation and development of a proactive risk culture are critical to Council achieving its objectives and meeting overall community expectations.

The purpose of this Policy is to confirm Council's commitment, Principles and Objectives in relation to risk management.

This Policy extends to all activities of Council and applies to all Council's staff, Elected Members, volunteers and contractors.

2.2 Risk Management Objectives and Principles

Risk is defined as *"the effect of uncertainty on objectives".* The effect can address, create or result in opportunities and/or threats (either positive, negative or both).

The goal is not to eliminate all risks, but rather to proactively assessing and appropriately manage risks involved in Council's functions and services and to create and protect value for our stakeholders and community.

Council's Risk Management Objectives are as follows:
1. To ensure that risk management is integrated into all areas of Council's business operations to support the delivery of the Long-Term Plan's Levels of Service by:
   1.1 Developing and implementing the Risk Management Framework, Risk Appetite Statements, Risk Management Policy and supporting tools and processes;
   1.2 Allocating appropriate resources for risk management; and
   1.3 Assigning roles, delegation authorities, responsibilities and accountabilities with respect to risk management and communicating these at all Council's levels.
2. To consistently evaluate risk across Council to provide a reliable source of information for decision-making and planning.
3. To ensure decisions made are aligned with Council's Risk Appetite, are undertaken within Risk Tolerance levels and are executed with sufficient independent oversight.
4. To develop and embed a risk-aware culture amongst Council staff, where risk management is seen as a positive attribute of decision-making and staff assume responsibility for managing risks.

4

Those Objectives will be achieved through the application of the below eight Risk Management Principles:

1. Integrated	Risk management is an integral part of all organisational activities.
2. Structured and Comprehensive	A structured and comprehensive approach to risk management contributes to consistent and comparable outcomes.
3. Customised	The Risk Management Framework, policy and process are customised and proportionate to the organisation's external and internal context related to its objectives.
4. Transparent and Inclusive	Appropriate and timely involvement of stakeholders enables their knowledge, views and perceptions to be considered. This results in improved awareness and informed risk management.
5. Dynamic	Risks can emerge, change or disappear as an organisation's external and internal context changes. Risk management anticipates, detects, acknowledges and responds to those changes and events in appropriate and timely manner.
6. Best available information	The inputs to risk management are based on historical and current information, as well as on future expectations. Risk management explicitly takes into account any limitations and uncertainties associated with such information and expectations. Information should be timely, clear and available to relevant stakeholders.
7. Human and Cultural factors	Human behaviour and culture significantly influence all aspects of risk management at each level and stage.
8. Continual Improvement	Risk management is continually improved through learning and experience.

2.3 The Three Lines model

The Three Lines Model provides a clear and effective way to strengthen communication on risk management, assurance and control by clarifying essential roles and duties for various parts of Governance, management and day-to-day operations.

Each of the three lines has a distinct role in the Council's governance and oversight.

The First Line – Units/action:
Units have ownership, responsibility and accountability for identifying, assessing, controlling and mitigating risks together with maintaining effective internal controls within their processes. All staff are responsible for identifying risk and escalating them to their direct line manager. The First Line of Defence includes the Unit Managers, Project Owners, Risk Control / Mitigation Action Owners.

The Second Line – Manage/support:
The responsibilities of the Second Line is facilitating and monitoring the implementation of effective risk management practices in the Units: reviewing risk management reports, checking compliance with the Risk Management Framework and ensuring that the risks are actively and appropriately managed.

5

This also includes drafting Risk Management Policy and Criteria, aligning the Policy with the Risk Management, setting direction, introducing best industry practice, assisting the Risk Owners in defining the target risk exposure and reporting adequate risk related information through the organisation. The Second Line function includes Chief Executive, Group Managers, Senior Leadership Team (the "SLT") and Unit Managers.

The Third Line – Internal Audit:
The role of the Business and Risk Analyst or similar role is to provide independent and objective assurance and feedback to the Council's SLT and Risk and Assurance Committee (RAC) on how the organisation effectively assesses and manages its risks, including the manner in which the First and Second Lines operate.

Governing Body:
The Councillors's role is to set policy/ies to govern risk management with the RAC maintaining oversight and monitoring the effectiveness of the risk management process and the Internal Audit activities.

Others:
The External Audit, regulators and other independent assurance providers.

Figure 2 – South Taranaki District Council's Three Lines Model
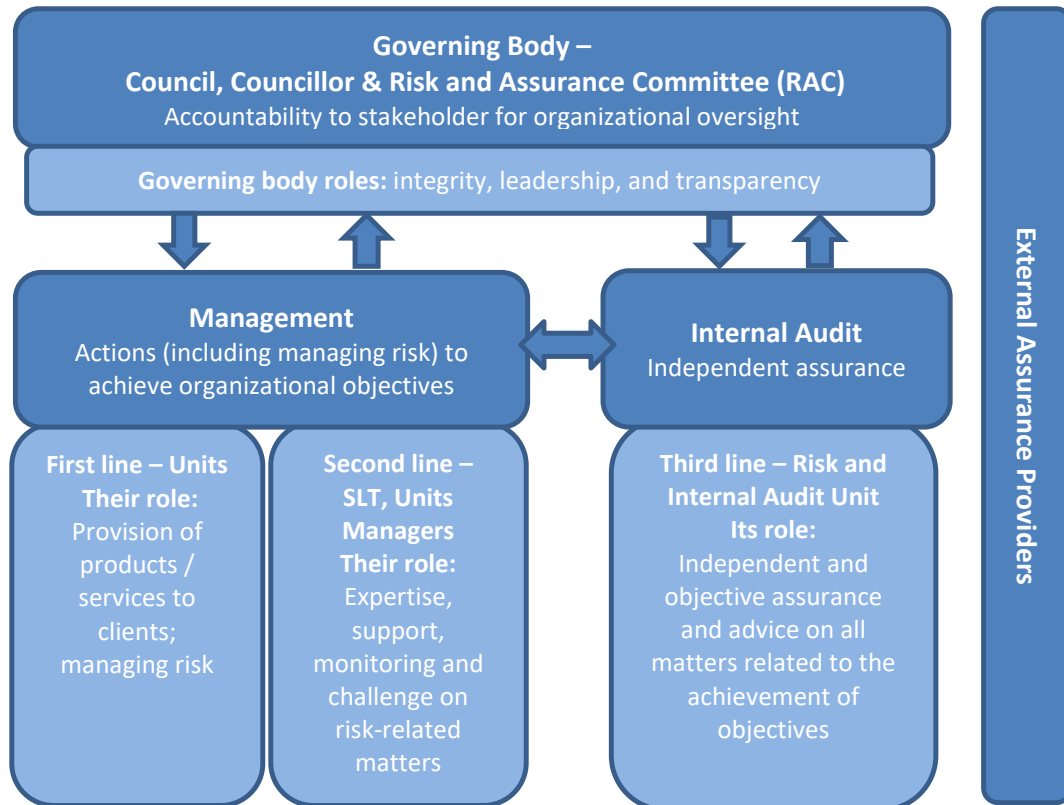
2.4   **Risk Appetite**

Risk Appetite is the amount of risk that Council will tolerate in the pursuit of its objectives. Risk Appetite reflects the culture and philosophy of Council's approach to taking risks. It also takes into consideration Risk Tolerance and Risk Capacity.

Taking on risk in order to achieve Council objectives is recognised as necessary, and some of these risks will be significant.

The risk appetite statements when applied to the various categories of risk in our business, we build the profile for accepting risk appetite and tolerance across the Council. This shapes our risk management culture, planning, operations, decision making, process and guidance.

Council expects that identified risks across the various categories are assessed, treated, and managed within these appetite levels.

The Council has extended this risk appetite statements into a risk assessment definitions (Appendix 1). This facilitates a practical and consistent application to derive risk rating, and prescribe minimum risk escalation, ownership and reporting requirement.

Risk Appetite visual guide

Risk Appetite	Risk Tolerance Approach	Description
No	Avoid	Council is not willing to accept risk as these risks are highly significant. As a priority Council applies all practical measure to prevent/ avoid the risk
Low	Cautious	Council expects significant impact to Council's viability, reputation and/or service should the risk eventuate Council has appropriate control measures in place to mitigate/ monitor the risk
Moderate	Open	Council expects moderate impact to Council's viability, reputation and/or service should the risk eventuate. Council has appropriate ('moderate level') control measures in place to mitigate/monitor the risk
High	Risk Positive (Monitored)	Council expects minor impact to Council's viability, reputation and/or service should the risk eventuate. Council has appropriate ('lower level') control measures in place to mitigate/monitor the risk

7

Risk Appetite Statements

1- Infrastructure / Operations. Customers / Service Delivery.

We have **Moderate** Appetite for risks that will impact our capability to deliver our major projects and programmes.

We accept a **Low** level of risk to ensure efficient delivery of asset planning and maintenance activities that underpin agreed levels of service.

Council has a **Low** Appetite for disruptions to its operations and processes. These disruptions will only be accepted if they were unavoidable as part of a transformational change or strategic initiatives and will not impact service delivery to our customers and communities.

2- Legislative

We have **No** Appetite for deliberate or purposeful violations of legislative or regulatory requirements, and any identified breaches of legislative compliance will be remedied as soon as practicable.

We accept a **Low** level of risk as a cost trade-off to ensure efficient delivery of the regulatory and legislative function to meet the agreed levels of service.

3- Financial

We have **Low** Appetite for risks that negatively impact on Council's core financial business and accept a **Moderate** risk for commercial opportunities.

Council has **No** Appetite for internal fraud, corruption, collusion and theft perpetrated by its staff.

4- Health, Safety and Wellbeing

We have **No** appetite for practices or behaviours by staff, contractors, or members of the public whether at Council properties or using Council's own assets that could be expected to harm staff or contractors.

5- We have **Low** appetite for practices or behaviours that could be expected to lead to the negative wellbeing of staff.**Reputation / Stakeholder**

We accept a **Moderate** risk level, as we recognise there are inherent risks in any relationship that are outside the Council's control.

We will undertake further community development, accepting a **Moderate** level of risk, to ensure that communities are well informed, resourceful, connected, trusting, respectful and participatory.

6- Staff Recruitment and Retention

We have a low appetite for risks associated with the recruitment, upskilling and retention of staff, maintaining resource capability within the Organisation. By accepting a **Low** level of risk, we recognise that positive, engaged and capable people are central to the Council's ability to meet its strategic objectives.

7- Information Management

We recognise and accept a **Moderate** level of risk associated with applications, systems and processes that may provide innovative solutions to Council's operations (*Ongoing Development*). We have **No** Appetite for threats to our assets arising from external malicious / cyber-attacks (*Security*). We have **No** Appetite for risks to the availability of systems which support our critical business functions (*Processing*).

We have **No** Appetite for the deliberate misuse of our information and **Low** Appetite for the compromise of processes governing the use of information, its management and publication.

8- Environmental

8

We have **No** Appetite for the risks that result in the significant and irreparable damage to the environment and **Low** Appetite for decisions that do not support ecologically sustainable development and strengthen our ability to deal with the impacts of Climate change.

9- Public Health and Safety
We have a **low** appetite for practices or behaviours of staff or contractor that may cause harm to member's of the public.

6

2.5 Risk Culture

Risk Culture is the system of values, beliefs, knowledge and understanding about risk present in an organisation that shapes risk decisions of management and employees. The Risk Culture influences the *Organisational Culture*, which arises from the repeated *Behaviours* of its members. These Behaviours are shaped by the underlying *Attitudes (Personal Ethics and Predisposition to risk)* of individuals, which are also influenced by the prevailing Organisational Culture.

STDC's Risk Culture is influenced by the "tone at the top", its Vision, Long-Term Plan and examples demonstrated by the Council's SLT and Elected Members.
Figure 3 – Institute of Risk Management (IRM) Risk Culture Framework

A positive and effective Risk Culture is an environment where risk and issues are discussed openly, the importance of risk management is understood, and it is incorporated into all business operations.

To promote a positive Risk Culture, Council is committed to a risk culture where:
1. All staff can openly talk about bad news without fear or blame;
2. Appropriate risk taking behaviours are rewarded, and inappropriate behaviours are challenged / sanctioned;
3. Staff recognise that although they may have a differing opinion, risks identified by Council are to be managed accordingly
4. Risk event reporting is encouraged;
5. Issues are identified for leaning purposes and continuous improvement;
6. All staff understand the specific risks and risk areas they are accountable for and are given appropriate training to manage them; and
7. Risk management skills and knowledge are valued, encouraged and developed.

9

2.6 **Governance and Accountabilities**

| Role / Function	Risk Management Roles and Responsibilities
Council	• Ensures that an appropiate Risk Management Governance structure, Policy and accountabilities are in place. • Regularly reviews the appropriateness of the Risk Management Framework and risks that may impact on the delivery of the Long-Term Plan and other strategies.
Elected and appointed Members	• Apply the Risk Management Policy to all decision-making to ensure alignment with Council's Risk Appetite Statements.
Risk and Assurance Committee	• Under its Terms of Reference monitors, identifies, assesses and oversees management of risks faced by Council, including any assurances sought or initiated by Management and other relevant authorities (auditors) on the efficiency of Risk Management Policy and practices.Annually reviews and endorses the Risk Management Framework and Policy. • Recommend and endorses Risk Appetite. • Provides objective advice and recommendation to the Council.

Chief Executive (CE)	• Ensures that a Council-wide Risk Management System is established, implemented and maintained in accordance with Council's Risk Management Framework, Policy and Processes.
	• Closely monitors Extreme and High risks and reviews Council Top Strategic Risks.
	• Provides oversight of risk management process and reports on a regular basis to Council.
	• Promotes a strong Risk Culture by providing support for risk management and ensuring that:
	   o Adequate resources are made available for the planning and implementation of an effective Risk Management Framework applied across all Council's functions;
	   o Group Managers / 3rd Tier Managers have necessary knowledge and skills to effectively fulfil their risk management responsibilities and are accountable for risks arising from the activities of their Groups / Units; and
	• Annual risk management planning is undertaken.

Senior Leadership Team (SLT)	• Overall responsible for the monitoring and management of risk (at Strategic, Business, Operational and Project levels) relating to Council activities. • Apply Risk Appetite and Risk Tolerance levels and ensures risks are managed in accordance with that Appetite. • Ensures an appropriate level of staff training, awareness and competence in relation to risk management requirements and practices. • Develops a proactive Risk Culture to support the achievement of strategic objectives and facilitate continuous improvement. • Demonstrates leadership in risk management matters and integrates risk management with Council's policies, processes and practices.
Group Managers or	• Promote a Risk Culture that encourages the open and transparent discussion of risks. Communicate and raise awareness of risk management to 3rd Tier Managers and staff.

6

10

6

Role / Function	Risk Management Roles and Responsibilities
equivalent (Risk Owners)	• Be accountable for risks in their Groups (identify, assess, manage, monitor and report risks). • Assign responsibilities to the Mitigation Action Owners. • Participate in risk management reviews, workshops and training.
Unit Managers / Team Leaders (Risk Owners)	• Ensure all risks associated with Activity / Asset / Project are identified, assessed and recorded; develop Treatment Plans. • Communicate key risk issues to Group Managers. Continually identify, assess and report all new and emerging risks to Group Managers. • Provide information, training and supervision to allow staff to carry out risk Mitigation Actions adequately and effectively. Encourage staff to report risk.
Business and Risk Analyst *or equivalent*	• Management of the risk management process and maintenance of the Council-wide Risk register. • Monitors all risks and Key Controls through the Risk Register review process, • Reviews the effectiveness and adequacy of the Risk Management Policy and Framework. Quarterly reports to the SLT on findings and options for continuous improvement. • Quarterly reports Extreme and High risks and how they are being managed to the SLT. • Prepares report to the Risk and Assurance Committee no less than 6 monthly. • Ad hoc reporting to Council as required • Gathers risk information from the Risk Owners. Receives information on emerging risks. • Provides risk related advice, ongoing support, guidance and training to Management, Risk Owners and staff.
Assigned Mitigation Action Owners	• Ensure the Mitigation Actions are completed as planned (in terms of scope, time, cost and outcomes).
All staff	• Awareness of the Risk Management Framework, Policy and Guidelines. • Understanding and implementing the risk management and escalation process. • Managing risks in their area of control as part of their daily activity. • Proactive identification, monitoring and reporting of potential risks to their Manager as soon as practicable.

11

3. RISK MANAGEMENT PROCESS

Good risk management practices ensure Council can undertake activities knowing that measures are in place to maximise the benefits and minimise the negative effect of uncertainties.

Risk management involves both the management of potentially adverse effects as well as the fulfilment of potential opportunities.

6

Figure 4 – ISO 31000:2018 Risk Management Process
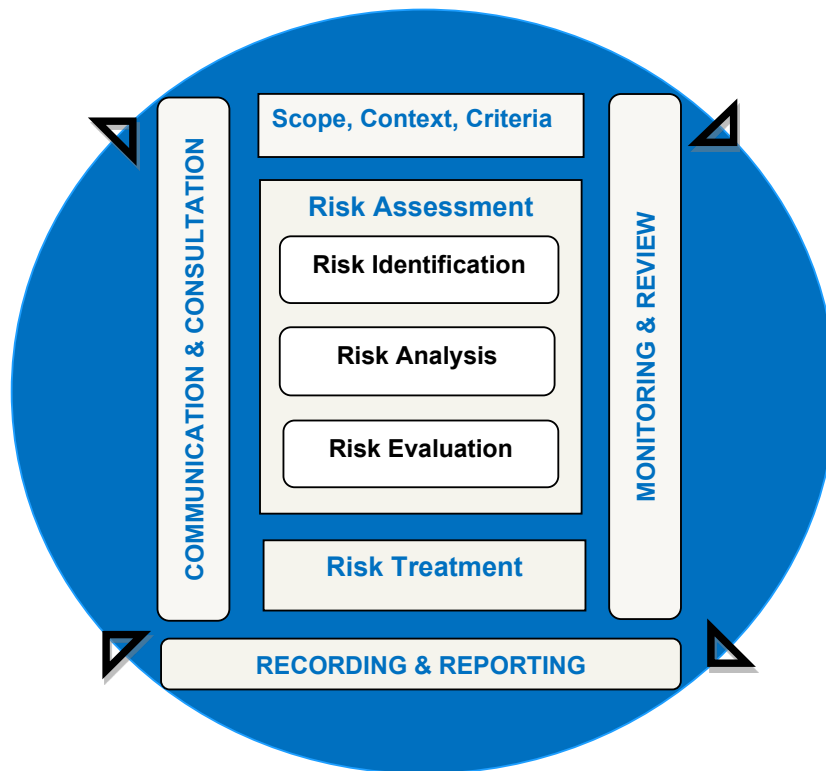
3.1 Establishing The Scope, Context And Risk Criteria

The Scope includes the definition of basic assumptions for Council's external and internal environment and the overall objectives of the risk management process and activities.

The internal and external Context is the environment, in which Council seeks to define and achieve its objectives. Establishing the context means understanding Council's:

- Long-Term Plan, objectives, policies, Vision, Mission and Values;
- Relationships with key stakeholders, contractual relationships and commitments;
- Governance structure, decision-making process, Organisational Culture and Risk Culture;
- Internal capabilities and business core processes that are in place; and
- Internal and external factors that influence the risks (political / economic / financial / social / technological / legal / regulatory / environmental, whether international, national, regional or local).

The Risk Criteria, by which risks will be analysed and evaluated, includes development of *the Likelihood of Occurrence, Consequence Rating, Risk Assessment Matrix and Comparative Risk Levels*. The categories for which risks will be assessed shall be defined in *the Consequence Rating*. While Risk Criteria are established at the beginning of the risk management process, they are dynamic and should be continually reviewed and amended, if necessary.

12

3.2   Risk Assessment

Risk Assessment is the overall process of Risk Identification, Risk Analysis and Risk Evaluation.

a)   Risk Identification

The aim of Risk Identification is to identify a comprehensive list of events that may occur and, if they do, are likely to have an impact on the achievement of Council's objectives. Risks should be identified and assessed on an ongoing basis, as changes in the internal and external environment take place.

Risk Identification naturally flows on from the Context discussion and is a process of formally documenting the effects of uncertainty on objectives.

During the identification process, there are a number of questions that need to be asked to capture the information required, For example:

1. Where have we previously had most issues with reliability, performance or disruption?
2. Where have other Councils had material issues, and where do we face similar risks?
3. Which processes or issues are of greatest concern at the moment?
4. What might happen / what could go wrong?
5. What is the cause?
6. How does this affect the objective?
7. How does this affect Council's reputation?

Risks can be categorised into 3 basic categories: Strategic, Business, Operational and Project.
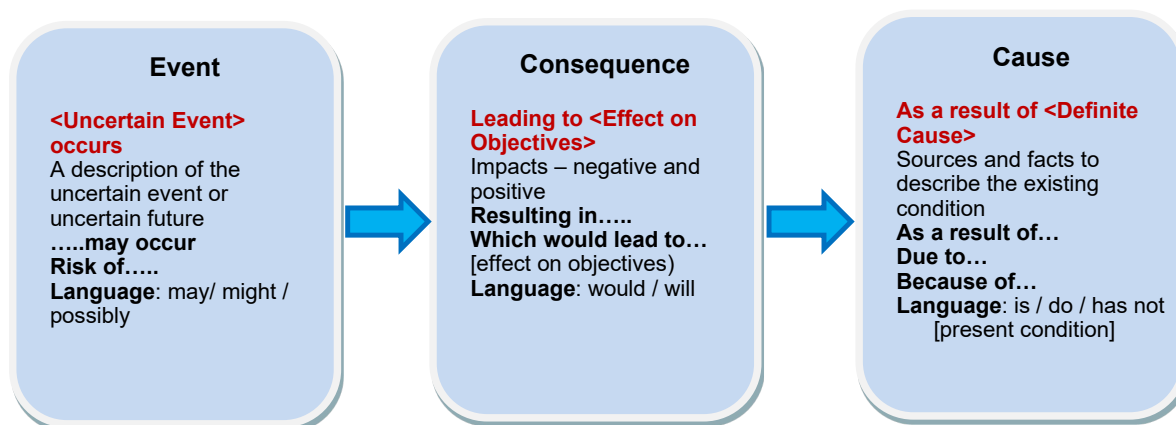
I.   At **Strategic** level, the focus is on identifying the key risks affecting the successful achievement of Council's strategic objectives. These are the risks (or opportunities) that are most likely to affect the performance and delivery of Council's strategic priorities, levels of service and projects. The risks may prevent Council from meeting statutory obligations or present a serious risk to completion of major projects. Including climate change risks.

II. At **Business** level, the focus is on the risks (or opportunities) that occur in the delivery of the Unit's objectives. This includes Health and Safety activities and issues arising from external reports, complaints, audit reports etc. Including climate change risks.

III. At **Operational** level, the focus is on the risks (or opportunities) that occur in the delivery of day-to-day operations and continuity of service. This includes Health and Safety activities (which are consequences for many operational risks) and issues arising from external reports, complaints, audit reports etc. Including climate change risks.

IV. At **Project** level, the focus is on the risks associated with project management that may affect milestones connected to delivering a specific project. Including climate change risks.

Identified risk is then captured in the **Risk Register** to support the following processes. The Risk Register is used to record, categorise and analyse risks and identify a Risk Owner and a Person Responsible. It should be kept current, as risks change. The Council uses Promapp system to record its risk register.

b)   Describing the Risk

The way a risk a described is important to ensure that risks are clear, unambiguous and fully understood. Risk Owners are required to write a Risk Statement, which fully describes the risk.

13

The Risk description should tell a story and use the following structure (or a variation of, providing that the three elements are included):

Event	Consequence	Cause
<Uncertain Event> occurs A description of the uncertain event or uncertain future **…..may occur Risk of…..** **Language**: may/ might / possibly	**Leading to <Effect on Objectives>** Impacts – negative and positive **Resulting in….. Which would lead to…** [effect on objectives) **Language**: would / will	**As a result of <Definite Cause>** Sources and facts to describe the existing condition **As a result of… Due to… Because of… Language**: is / do / has not [present condition]

6

c) **Risk Analysis**

The risks should be analysed to understand their nature and scope, including assessment of the consequences, likelihood, events, scenarios and uncertainties. Analysis techniques can be qualitative, quantitative or a combination of these.

The Likelihood of Occurrence identifies how likely, or often, a particular event is expected to occur. Likelihood is determined by Council using the Table in Appendix 1.A.

The Impact Rating indicates the level of possible consequences for a risk. Consequence is determined using the Table in Appendix 1.B.
At this stage, the Risk Analysis occurs on an "**inherent**" basis (what is the risk in the absence of any controls?)

The Risk Analysis also includes identification of the current **Treatment** in place (to mitigate the extent of potential losses) and assessment of their effectiveness. Treatment are systems, processes and policies that are implemented to reduce risk levels. A decision is required as to whether the existing treatment are sufficient or whether additional treatment are required.

Risk Analysis provides an input to Risk Evaluation, to decisions on whether and how risk needs to be treated.

d) **Risk Evaluation**
Risk Evaluation involves assessing the risks and determining which risks are the priorities for treatment. The prioritisation is based on the **Risk Rating**, which enables definition between those risks that are more significant (Key / Top risks) and those that are of a lesser nature. The Risk Rating is determined using the *Risk Assessment Matrix* in Appendix 1.C.

At this stage, Council determines the **Inherent** Risk Rating. Then the Inherent risk is **Ranked** in accordance with the *Comparative Levels of Risk* in Appendix 1.C.

At the next stage, the same process of determining the Likelihood and Consequence/impact of the same risk applies, but this time the Risk Analysis occurs on a "residual" basis – what is the risk, taking into account the identified existing treatment? Council determines the **Residual** Risk Rating. Then the Residual risk is **Ranked** in accordance with the *Comparative Levels of Risk* in Appendix 1.C.

14

The evaluation of risks can lead to a decision to maintain existing controls or consider Risk Mitigation / Treatment plans.

Exceptions to this are:

Climate Change Risks
For Climate change risk assessments various criteria need to be analysed to gain an overall evaluation of the risk. For this to happen, the following information need to be gathered:
- What level of exposure does the risk element have to the forecasted change
- How sensitive is the element to the forecasted change
- How adaptable is the element if the forecasted change must occur

The sensitivity is then measured against the adaptive capacity of the element, which will then inform the overall vulnerability the element has to the risk

Once the vulnerability is identified, this is measured against the exposure, which will then inform the overall risk that the element faces. In order to better align with Council risk processes, the vulnerability will be informed by the risk rating within the various risk categories and the exposure will be identified through the likelihood of the occurrence at the specific period. This process will also allow for an easier understanding of the processes by Council staff who will be conducting the risk assessments.

Water Supply Operational Risks

Water supply plant specific operational risks are recorded and managed in the Water Safety Plans for each water treatment plant. The risk assessment for these is based off national and international guidelines for water safety plans.

Risk assessment of each hazard and hazardous event identified requires consideration of likelihood of the hazardous event occurring in a specified timeframe, combined with the severity of the consequences the hazard may cause.

A decision on risk acceptability has also been include. Where a 'Remaining Risk level' is greater than 'Medium', the Water supplier has given a statement on whether that risk level is acceptable or not. This is assessed by considering the certainty of the risk and whether an improvement is required.

3.3   Risk Treatment

Risk Treatment / Mitigation is the process of selecting and implementing measures to address risks.

Selection of risk treatment options depends on the Risk Criteria and the cost / resources required.

For each risk, consideration is to either:
- **Tolerate** (accept the current level of risk); or
- **Terminate** (remove the source of risk or avoid the risk, by deciding not to start / continue the activity that gives rise to the risk); or**Treat** (introduce the additional controls to reduce the Consequence and/or Likelihood); and/or
- **Transfer** (transfer risk to a third party / share, e.g. insurance).

15

Climate Change Risk treatments follow different criteria, focused on the following options:
- Avoid
- Accommodate,
- Protect, or
- Retreat.

Adaptation pathways may be designed within each of the treatments with triggers as to when the adaptation should be started.

Refer to the Environment and Sustainability Strategy for more information.

Treatment Plans (a set of Mitigation Actions) should specify how the chosen risk treatment will be implemented, so that arrangements are understood by those involved and, and progress against the Treatment Plans can be monitored. The Treatment Plans should clearly identify the order in which risk treatment should be implemented.

Treatment Plans should be integrated into the management plans and process of Council, in consultation with the appropriate stakeholders.

For all Health and Safety (H&S) risks, treatment of these risks cannot be transferred or tolerate as per the H&S Act, which requires all reasonably practical controls / treatments to be implemented.

3.4   Recording in the Risk Register

The Risk Management process and its outcomes should be documented through appropriate mechanisms, the Council uses the Promapp system to record its register of business risks. Exceptions to this are:

Health and Safety Risks
Health and Safety Operational risks where the Health and Safety Act is the primary legislative consideration/cover are recorded and managed through Council's health and safety management system Vault. Health and Safety Business risks will be managed in the Promapp risk register. Health and Safety Operational risks where this act do not apply will be included in the Promapp risk register.

Water Supply Risks

Water supply plant specific operational risks are recorded and managed in the Water Safety Plans for each water treatment plant. Water Supply business risks and general operational risks are included in the Promapp risk register.

The following information will be documented in all Risk Registers:

- Category and description of the risk;
- Effect on Council's reputation (if any);
- Risk Owner and Person Responsible;
- Inherent and Residual Likelihood, Consequence, Risk Ratings and Ranking;
- Key Controls in place; Treatment Plans (Mitigation Actions) and who is responsible.

16

3.5   Monitoring, Reviewing and Reporting

Ongoing monitoring, periodic review and regular reporting of the risks and Risk Management process is required to ensure that the risks remain relevant and that the effectiveness and cost of the associated Key Controls and Treatment Plans are aligned with Risk Criteria, Strategy, Policy and stakeholder requirements.

The frequency of review and level of oversight required is determined by the Residual Risk Rating (refer to Appendix 1.D for *Comparative Levels of Risk / Escalation,* which explains what action a Risk Owner needs to take in response to the Residual Rating).

Who	What	When
Unit Managers	Discuss the relevant Unit's risks with the Group Manager	At least once a quarter
Risk Owners	Following the discussions, review the Units' risks (existing and new)	Not less than monthly (although emerging risks assessed as High or Extreme are to be escalated)
	Update the Group's Risk Register	Quarterly
Business and Risk Analyst or equivalent	Review of changes to the Risk Registers, ensuring escalations have happened when needed	Monthly
	Produce the reports on: - Top Strategic Risk Register; - Extreme and High Risks; and - Council-wide Risk Register	As required SLT quarterly RAC biannually
	Reporting to the SLT and RAC	As required
	Report to the RAC on significant increase in the residual rating of the strategic risks	As required
Senior Leadership Team	Receive Reports from the Business and Risk Analyst on the Top Strategic Risks and Extreme and High risks	Quarterly, or as new High or Extreme risks are identified
Risk and Assurance Committee	Review of Top Strategic Risks	Quarterly
	Review of Critical Health and Safety Risks	Quarterly
	Review of Extreme and High risks	Biannually
	Review of the Council-wide Risk Register	Annually
Groups	Each Group will present to the Risk and Assurance Committee on their risks and their current risk management activities as required	Quarterly

3.6   Communication and Consultation

Communication and consultation with the internal and external stakeholders are an important consideration at each step of the risk management process.

17

External stakeholders should be informed of Council's approach to risk management and the effectiveness of that approach. Gathering their feedback, when necessary, can improve Council's risk management process.

Internal stakeholders should be communicated Council's risk management process and their role and responsibilities in it.

There must be a two-way dialogue between the stakeholders with the focus on consultation, rather than a one-way information flow. Effective communication between stakeholders is essential to ensure that risks are understood and decisions about risk response selection are appropriate.

6

18

4   Appendices

Appendix 1: Risk Assessment Definitions

A- Likelihood of Occurrence

Likelihood	Strategic risks	Business / Operational risks	Project risks
Almost certain	Event is expected to occur more than once in the next year	Virtually guaranteed to occur. Occurs as a matter of course in this type of assignment or situation.	Virtually guaranteed to occur in this type of projects.
	Climate change forecasts indicate certain risk of element that will cause an inability to perform functions and meet obligations.	Climate change forecasts indicate certain risk of inability to perform objectives and failure to deliver day-to-day functions.	Climate change forecasts indicate certain delay of service delivery or project completion.
Likely	Event is expected to occur once in the next year	Will probably occurs in most circumstances. Happens Commonly in this type of assignment or situation	Will probably occurs in most circumstances. Common occurrence in similar projects.
	Climate change forecasts indicate high likelihood of risk to element and cause inability to perform functions and meet obligations.	Climate change forecasts indicate high likelihood to affect performance and achievement of objectives or the delivery day-to-day functions.	Climate change forecasts indicate likelihood to delay service delivery or project completion.
Possible	Event could occur at least once in the next two years	Could occur at some stage. Has happened in this type of assignment or situation before	Could occur at some stage. Some history of occurrence in similar projects.
	Climate change forecasts indicate a moderate likelihood of risk	Climate change forecasts indicate a moderate likelihood of performance and	Climate change forecasts indicate a moderate likelihood to delay service delivery or project completion.

19

	and may hinder the ability to perform functions and meet obligations.	achievement of objectives or the delivery of day-to-day functions.	
Unlikely	Event could occur at least once in the next 3 to 5 years	Chance of occurring but little history. Not known to have happened in this type of assignment or situation	Could occur. Little history but a chance of occurring in similar projects.
	Climate change forecasts indicate a low likelihood to affect performance and ability to meet obligations.	Climate change forecasts indicate a low likelihood to affect performance and achievement of objectives or delivery of day-to-day functions.	Climate change forecasts indicate a low likelihood of delaying service delivery or project completion.
Very unlikely	Event is unlikely to occur in the next 5 years	May occur in exceptional circumstances, remote chance of occurring. Not Known to happen in this type of assignment or situation	May occur only in exceptional circumstances. No history but a remote chance of occurring in similar projects.
	Climate change forecasts indicate no likelihood to affect performance and functions to meet obligations.	Climate change forecasts indicate no likelihood to affect performance and achievement of objectives or delivery of day-to-day functions.	Climate change forecasts indicate no likelihood of delaying service delivery or project completion.

6

20

B- Impact Rating

Factor / Risk Category	Insignificant	Minor	Moderate	Major	Catastrophic
Management involvement	Managed as a day-to-day event, not requiring management attention / involvement	Managed by team leader with Unit Manager (or equivalent) oversight, under normal operating conditions.	Managed by Unit Manager, with Group Manager (or equivalent) oversight.	Active management by Group Manager (or equivalent), with CE oversight.	Significant Executive Management involvement / managed by CE and / or Council oversight / involvement.
Financial	Operational funding loss or cost overrun up to $100,000	Operational funding loss or cost overrun of between $100,000 and $1M	Operational funding loss or cost overrun of between $1M and $5M	Operational funding loss or cost overrun of between $5M and $10M	Operational funding loss or cost overrun greater than $10M.
	Capital underspend or overspend of up to 1% of annual and/or total programme budget.	Capital underspend or overspend of between 1% and 10% of annual and/or total programme budget.	Capital underspend or overspend of between 10% and 25% of annual and/or total programme budget.	Capital underspend or overspend of between 25% and 50% of annual and/or total programme budget.	Capital underspend or overspend of greater than 50% of annual and/or total programme budget.
			Except-for audit opinion, relating to natural disaster event or equivalent	Qualified audit opinion, relating to uncontrollable events (earthquake)	Qualified audit opinion, relating to system or management control failure.
			Isolated, small employee fraud (less than $10,000).	Serious extended or complex fraud of up to $100,000, some potential for others to exploit control weakness.	Major fraud with potentially more than one person exploiting control weakness and exceeding $1M
			Approach or potential breach of lending covenants	Clear breach of lending covenants	
Health, Safety and Wellbeing	No injury or minor injury requiring first aid treatment only.	Injury requiring one off medical treatment. Restricted work injury that	Serious injury requiring multiple medical treatment or admission to hospital. Lost time off work more	Injury requiring ongoing medical treatment or permanent disability.	Actual or potential fatality or fatalities.

6

21

Factor / Risk Category	Insignificant	Minor	Moderate	Major	Catastrophic
	No medical treatment required.	requires less than 1 week off work.	than 1 week. Potentially notifiable to WorkSafe		
	Minor symptoms only – no further treatment required.	One off medical treatment with no ongoing symptoms. May require less than 1 week off work.	Illness requiring multiple treatment and/or medication. Effects on health for more than 1 week.	Illness of severity requiring ongoing medical treatment or permanent disability.	Life threatening illness or illness causing death.
	Disturbing situation that does not cause prolonged reaction or have effect on mental health	Stress reaction that requires input from external medical services e.g. EAP/GP to manage mental health Impact. Less than 1 week off work.	Stress reaction that requires support from specialist mental health services. Over 1 week off work.	Long term, severe mental health issues requiring ongoing treatment or permanent disability.	
Public Health and Safety	No impact or effect does not impair health and safety of facility users, no complaints received	Small number of users (less than 10%) may be impacted but no medical treatment required, some complaints received	Moderate number of users (less than 50%) may be impacted including medical treatment or complaints made.	Large number of users (greater than 50%) may be impacted including medical treatment or complaints made.	All Users impacted, risk of life threatening illness or injury. Numerous complaints received.
Staff Recruitment and Retention	Minor staffing issues dealt with through normal HR processes	Disengagement across small groups of staff, resulting in some impact on business operations.	Disengagement across groups of staff disrupting business operations and having some impact on service delivery performance.	Staff disengagement with disruption to business operations impacting on ability to deliver service.	Significant disengagement with ongoing widespread operational disruption having significant impact on ability to delivery service.
		Loss of or inability to recruit a key person, or a number of team-members in short succession with some resulting (efficiency)	Loss of or inability to recruit a number of key persons, impacting on re-training with short to medium term impact on businesses	Loss of or inability to recruit two or more key persons or a critical staff member with unique and valuable experience / knowledge	Loss of or inability to recruit multiple critical staff with unique and valuable experience / knowledge or large

6

22

44

Factor / Risk Category	Insignificant	Minor	Moderate	Major	Catastrophic
		impact on business operations.	operations. Some impact to service delivery.	having extended impact on business operations affecting service delivery.	groups/teams of key persons. Extended adverse impact to operations and service delivery.
				Short term impact on our CDEM response capability	Extended impact to our CDEM response capability.
Legislative		Minor non-compliance with legal / regulatory requirements.	Non-compliance with legal / regulatory requirements, resulting in possible investigation or comment / censure by legal or government authority.	Crown advisory intervention, or other direct intervention or supervision by a regulator.	Crown managerial intervention, or loss of license to operate service. Criminal prosecution of an officer punishable by imprisonment.
			Civil action or attempt at civil prosecution with potential damages/fine of <$100,000	Civil or criminal prosecution with damages/fine of <$500,000	Class-action, Criminal or civil prosecution with damages/fine > $500,000
				Internal non-compliance (i.e where Council is regulator)	
Reputational / Stakeholder	No significant adverse comment or media coverage. Letter(s) to STDC.	Negative comment in local media (not front page). Letter(s) to CE. Complaints to Councillors.	Negative media coverage with broader audience (regional and/or some national coverage) and involving more than one media agent. Short term focus (<5days).	Negative regional or national media coverage with extended coverage (>5days) involving multiple news and media agents.	Sustained negative national and/or international media coverage, with focus investigative segments, re-occurring coverage and involving multiple news and media agents.

6

Factor / Risk Category	Insignificant	Minor	Moderate	Major	Catastrophic
	Negative feedback from individuals or small groups in the community.	Minor short-term impact on stakeholder confidence.	Negative short-term impact on stakeholder confidence	Adverse impact on stakeholder confidence with some long-term effect.	Sustained adverse impact on stakeholder confidence with extended effect.
	No impact or negligible impact on stakeholder confidence	Loss of confidence among sections of the community / single stakeholder sector dissatisfaction.	Manageable loss in community confidence / 2-3 stakeholders' sectors dissatisfaction.	Large loss in community confidence that will take significant time to remedy.	
Infrastructure / Operations. Customers / Service Delivery	No measurable disruption to service delivery. Negligible performance impact	Isolated (street/ suburb/ town) impact on infrastructure, affecting operations and non-essential service delivery capability	Adverse impact on wide-spread or multi-town infrastructure, affecting operations and non-essential service delivery capability.	Adverse impact on district-wide infrastructure, impacting on multiple operations capability and non-essential service delivery	Sustained failure of district-wide infrastructure, impacting on operational capability and service delivery
	Negligible/isolated impact to customer(s) with no increase to normal levels of complaints (No public impact on public health)	Widespread but momentary (<1hr) impact/outage to essential service delivery capability. (Public health - isolated cases of a minor nature)	Isolated or widespread short-term (<1day) impact to essential service delivery capability (some impact on public health).	Isolated or widespread impact to essential service delivery that is extended over 1 day (Major impact on public health, multiple cases).	Core service delivery failure for extended and/or re-occurring periods.(Catastrophic effect on public health , potential fatalities)
	No noticeable impact on food/water security, housing, employment or societal wellbeing	Short term in availability of food/water, housing, employment or societal wellbeing affecting a number of people in a community.	Noticeable reduction in availability of food/water, housing, employment or societal wellbeing affecting a large number of people in the community.	Complete loss of food/water security, housing, employment or societal wellbeing (e.g. social isolation) affecting an entire community	Permanent/ irreversible loss of food/water security, housing, employment or societal wellbeing (e.g. social isolation) affecting an entire community.
	No impact to internal customers	Impact to individual staff - up to 1 day delay	Impact to business unit - up to 3 day delay	Impact to Group- up to 5 day delay	Impact to wider Council - greater than 5 day delay

6

24

Factor / Risk Category	Insignificant	Minor	Moderate	Major	Catastrophic
		Impact to small groups of customers with some notable trend/similarity in complaints.	Impact to an entire community with formal/ justifiable complaints lodged or complaints in relation to public health.	A number of communite's affected (e.g. with some protest action)	Widespread impact to district population.
Environmental	Very slight change from existing baseline ecological conditions of an ecosystem.	Minor shift away from existing baseline ecological conditions of an ecosystem that has limited ecological value, other than as a local habitat for tolerant native species.	Serious environmental effects such as displacement of species and partial impairment of ecosystem.	Major loss or major alteration to key elements/features of the existing baseline condition of an ecosystem that is likely to be regionally important and recognised as such.	Total loss of, or very major alteration to, key elements/features of the existing baseline condition of an ecosystem that is likely to be nationally important and recognised as such.
	Ecosystem change barely distinguishable, approximating to a 'no change' situation.	Ecosystem changes arising from the incident will be discernible, but underlying character, composition and/or attributes of the existing baseline ecosystem condition will be similar to pre-incident circumstances or patterns. Ecosystem will be able to return to normal very quickly.	The post-incident character, composition and/or attributes of the ecosystem will be partially changed or impaired.	The post-incident character, composition and/or attributes of the ecosystem will be fundamentally changed or impaired.	The post-incident character, composition and/or attributes of the ecosystem will be fundamentally changed and may be lost from the site altogether.
	Having negligible or no observable effect on a known population or species.	Having a minor effect on a known population of nationally or locally	Loss or displacement of a moderate proportion of the known population of any species listed as any category of At Risk or Locally	Loss or displacement of a high proportion of the known population of a species listed as At Risk – Declining, either	Total loss or displacement, or loss of a very high proportion, of the known population of a species listed as Nationally

25

Factor / Risk Category	Insignificant	Minor	Moderate	Major	Catastrophic
		common indigenous or exotic species.	Uncommon, either permanently or seasonally resident, or any locally distinctive or important species.	permanently or seasonally resident, or any locally distinctive or important species.	Threatened, either permanently or seasonally resident, or any locally distinctive or important species.
Information Management	Isolated internal breach of IT security, affecting a single IT application / system. No loss of data and/or key information. Isolated IT equipment failure.	Repeated internal security breaches, affecting a single IT application / system. Temporary (up to 1 day) loss of data and/or key information. Technical performance issues impacting a key service. Failure across one Unit.	Multiple internal security breaches, affecting a single IT application / system. Prolonged (more than 1 day) loss of data and/or key information. Technical performance issues impacting a key service. Failure across more than one Unit.	Security breach(es), affecting more than one IT application / system. Permanent loss of data and/or key information. Technical performance issues impacting a key service for an extended period. Failure across more than one Group.	Security breach(es) by external parties, affecting multiple IT applications / systems. Permanent loss of data and/or key information; theft of data by unauthorised parties. Loss of IT infrastructure for an extended period.
	No loss of information	Non-critical information difficult to find	Non-critical information incorrect or missing	Critical information incorrect or difficult to find	Loss of critical information/protected records

6

C- Risk Assessment Matrix

		Likelihood				
		Very unlikely	Unlikely	Possible	Likely	Almost Certain
Impact	**Catastrophic**	Medium	High	High	Extreme	Extreme
	Major	Medium	Medium	High	High	Extreme
	Moderate	Low	Medium	Medium	High	High
	Minor	Low	Low	Medium	Medium	Medium
	Insignificant	Low	Low	Low	Medium	Medium

D- Risk Rating

Comparative Levels of Risk	Action needed for residual risk rating (Escalation)
Extreme	The Risk Owner immediately escalates the risk to the Senior Leadership Team, who considers escalating it to RAC. Report Monthly to SLT. Strategic risks to be escalated to RAC
High	The Risk Owner immediately escalates the risk to the Business and Risk Analyst or equivalent, and to the Senior Leadership Team as applicable. Risk review due 3 monthly.
Medium	Monthly, the Risk Owner monitors and reviews the effectiveness of treatments and whether the risk rating has changed. Risk review due 6 monthly.
Low	No actions are required for risks with a combined score of 1-5 but keep the risks on the Risk Register and review annually.

27

Appendix 2 - Risk Management Glossary

Assessing risks	The approach and process used to prioritise and determine the likelihood of risks occurring and their potential impact on the achievement of the Council's objectives.
Consequence	The outcome of a risk event.
Contingency	An action or arrangement that can be put in place to minimise the impact or a risk, it if should occur.
Control (control measures)	Any action, procedure or operation undertaken to either contain a risk to an acceptable level, or to reduce the likelihood.
Departmental risk	Significant operational risks which affect the day-to-day activities of Council.
Hazard	A hazard is an object or situation that could cause a risk. Applying risk management methodology/process (where relevant) would consider the impact/risk that could occur, and the likelihood of occurrence.
Identifying risks	The process by which events, that could affect the achievement of the Council's objectives, are drawn out and listed.
Impact	The effect that risk would have, if it occurs.
Inherent risk	The expression to describe un-managed risk
Issue	An issue is a risk that has or is occurring. There may be risk or uncertainty associated with the extent of damage/impact that the issue causes, and the actions/costs/timeframes to resolve. Risk Management discipline can and should be applied to these avenues of uncertainty.
Likelihood	The probability that an identified risk event will occur.
Managing and controlling risks	Developing and putting in place actions and control measures to treat or manage a risk.
Operational risks	Risks arising from the day-to-day issues that Council might face as it delivers its services.
Overall risk score	The score used to prioritise risks – consequence multiplied by likelihood.
Residual risk	The expression to describe managed risks (after factoring in existing treatments).
Risk	Risk is the effect of uncertainty on objectives. A future event which, if it happens, will have an impact on one or more of STDC's objectives. This could be an opportunity as well as a threat.
Risk Appetite	The level of risk Council is willing to accept, tolerate or be exposed to at any given time, in the pursuit of its objectives.
Risk Assessment	The overall process of Risk Identification, Risk Analysis, Risk Evaluation and identification of Controls needed to mitigate the risk, and who is responsible for this.
Risk Averse	Avoidance of risk.

Risk Aware	Having a process in place that allows management to know which risks are being taken, what controls are in place to manage them and what is the level of risk vs Risk Appetite.
Risk Management	Coordinated activities to direct and control an organisation with regard to risk.
Risk Management Process	Systematic application of risk management policies, process and practices to establish risk scope, context and criteria; identify, analyse, evaluate risks and controls; treat, monitor, review, record and report risks.
Risk Owner	The person who has overall responsibility for ensuring that the strategy for addressing risk is appropriate and effective, and who has the authority to ensure that the right actions are being taken.
Risk Register	The record of information about identified risks and how they are being managed.
Strategic risks	Risks that would significantly impact on the delivery of STDC's strategic priorities.
Treatment	Activities that reduces risk by lowering the likelihood of a risk event occurring or reducing the impact of the risk should it occur.

6

29

Pūrongo-Whakamārama
Information Report

7

To	Risk and Assurance Committee
From	Kaitātari Pakihi me te Morearea / Business and Risk Analyst, Anna Officer
Date	25 September 2024
Subject	**Quarterly Risk Management Status Report**

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

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 4 September 2024. There are 13 Strategic Risks, 11 of which have a medium residual risk rating and two with a high rating.

Business risks

4.   The Council has 197 business risks as of 4 September 2024. There are ten high business risks presented in Attachment A. Seven of these have been migrated from the Asset Management Plans and require review to ensure alignment with related strategic, business and operational risks.

1

Emerging/Evolving Risks

Building Consent Processing Risk

5.   The risk below has been reviewed with the risk owner and remains escalated from July to reflect changes in the environment with significant resourcing issues. Details of the scoring changes made in July 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** |

7

Water Supply Risks

6.   Earlier in the year there were concerns raised regarding Taranaki being over-consented for the taking of water from rivers. It was expected that these consents would need to be reduced. The water supply business risks are currently being reviewed and will be considered in light of the current situation. Scoring will be escalated if required.

Update on Risk Management Activity

7.   Quarterly meetings with Unit Managers for Quarter Three were held in July/August. The focus of these meetings was overdue notifications, reviewing and identifying business and operational risks, and identifying related processes.

8.   We have been working closely with the Health and Safety Advisor, Environment and Sustainability Manager and Works Delivery Manager to review the risk framework to ensure it is fit for purpose.

9.   We have been working with Asset Managers to capture asset risks from Asset Management Plans into the Risk register and assess the scoring of these for discrepancies with associated business and strategic risks.
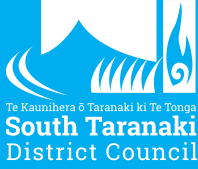
Anna Officer
**Kaitātari Pakihi me te Morearea /
Business and Risk Analyst**

[Seen by]
Vipul Mehta
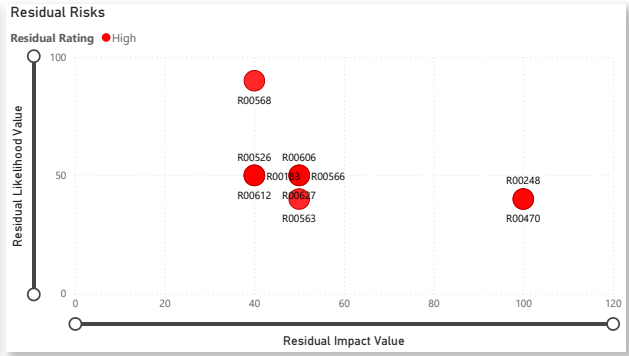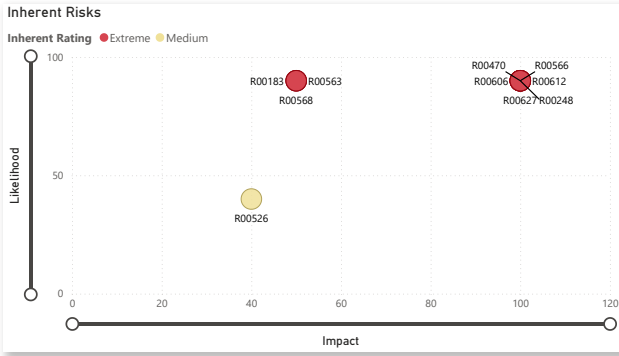**Te Tumuaki Whakamana Pakihi /
Head of Business Enablement**

Attachment A: RAC RM Report - Risk Report Dashboard - 2024-09-05 - Att A.pdf

3

Risk Report Dashboard
Scatter Plot Graphs

High Business Risks

Inherent Risks — Inherent Rating ● Extreme ● Medium

Residual Risks — Residual Rating ● High

Key	Title	Inherent Rating	Residual Rating	Inherent Score	Residual Score	Residual Likelihood Value	Likelihood Value	Residual Impact Value	Impact Value
R00248	Compromised Data Integrity	Extreme	High	90	40	40	90	100	100
R00568	Damage to Water Supply Assets due to Moderate Natural Hazards - (minor earthquake/landslips/ major storm event)	Extreme	High	45	36	90	90	40	50
R00563	Inadequate 3 waters contract management (network maintenance and operations)	Extreme	High	45	20	40	90	50	50
R00183	Non compliance to processing of Building Consents within 20 working days	Extreme	High	45	20	50	90	40	50
R00566	Non-compliance of Water Supply with legislation and legal requirements	Extreme	High	90	25	50	90	50	100
R00627	Non-compliance with legislation and legal requirements	Extreme	High	90	25	50	90	50	100
R00606	Non-compliance with Wastewater Legislation and Legal Requirements	Extreme	High	90	25	50	90	50	100
R00612	Odours from Wastewater System	Extreme	High	90	20	50	90	40	100
R00470	Outdated Technology	Extreme	High	90	40	40	90	100	100
R00526	Vesting Faulty or Inadequate Assets	Medium	High	16	20	50	40	40	40

Strategic Risks
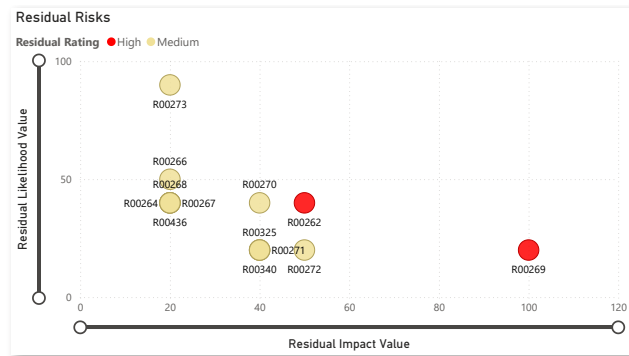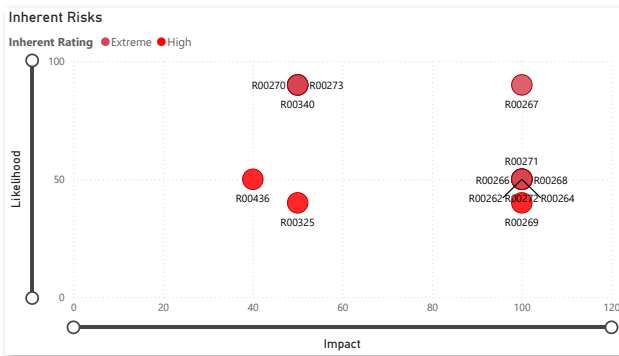
Inherent Risks — Inherent Rating ● Extreme ● High

Residual Risks — Residual Rating ● High ● Medium

Key	Title	Inherent Rating	Residual Rating	Inherent Score	Residual Score	Residual Likelihood Value	Residual Likelihood	Likelihood Value	Residual Impact Value	Impact Value
R00262	Failure to manage and protect Council information	Extreme	High	50	20	40	Possible	50	50	100
R00264	Fraud & Unethical Business Practices	Extreme	Medium	50	8	40	Possible	50	20	100
R00266	Failure to deliver on key projects and programmes	Extreme	Medium	50	10	50	Likely	50	20	100
R00267	Legislative non-compliance	Extreme	Medium	90	8	40	Possible	90	20	100
R00268	Failure to meet financial obligations	Extreme	Medium	50	8	40	Possible	50	20	100
R00269	Non-Compliant Health & Safety Policy and Procedures	High	High	40	20	20	Unlikely	40	100	100
R00270	Ineffective Partnership relationships / Stakeholder engagement	Extreme	Medium	45	16	40	Possible	90	40	50
R00271	Failure to manage critical / strategic assets	Extreme	Medium	50	8	20	Unlikely	50	40	100
R00272	Significant disruption to Council's Business Continuity and/or Lifeline Utilities disruptions	Extreme	Medium	50	10	20	Unlikely	50	50	100
R00273	Failure to attract and retain staff.	Extreme	Medium	45	18	90	Almost certain	90	20	50
R00325	Environmental Damage (including Climate Change)	High	Medium	20	8	20	Unlikely	40	40	50
R00340	Government reform programmes adversely impacts service delivery	Extreme	Medium	45	8	20	Unlikely	90	40	50
R00436	Political changes impact strategic direction	High	Medium	20	8	40	Possible	50	20	40

Pūrongo-Whakamārama
Information Report

To	Risk and Assurance Committee
From	Kaitātari Pakihi me te Morearea / Business and Risk Analyst, Anna Officer
Date	25 September 2024
Subject	**Leadership Team Risk Review**

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

Kupu Whakamārama / Background

1. Currently the Council has 13 strategic risks. Under the risk framework, these are reviewed by the Leadership Team on a quarterly basis, or as new High or Extreme risks are identified.

2. The Leadership Team undertook a review of the Strategic risks on 11 June 2024 and the resulting actions are detailed below.

3. This review included:

    (a) Deep dive review of one strategic risk; including:
        *   A review of risk title and description to ensure they adequately reflect the risk;
        *   A review of identified risk treatments to ensure these are still relevant;
        *   A discussion of any further treatments that require capturing; and
        *   A review of the inherent and residual scoring.

4. The quarterly strategic risk review by the Leadership Team resulted in the following changes:

    a) Name of strategic risk R00269 amended from 'Major failure of Health & Safety Policy' to 'Non-compliant Health and Safety Policy and Procedures';

    b) An amendment to the description, scoring and treatments for R00269.

    c) An increase in the residual score of R00269 from Moderate to High.

    d) Prompted a further review of health and safety business and operational risks to ensure the risk of staff, and contractors not following procedures and processes was adequately covered.

Taunakitanga / Recommendation

THAT the Risk and Assurance Committee receives the Leadership Team Risk Review report and reviews recent changes made.

1

Whakawhiti Kōrero/Aromātai / Discussion/Evaluation

5. The Leadership Team met to review the strategic risks on 11 June 2024. At this meeting, the Leadership Team undertook a deep dive review of R00269 Major failure of Health and Safety Policy and Procedures in the workplace. A discussion on the causes and impacts of this risk led to an amendment to the scope of the risk to focus on Health and Safety Policies and Procedures being legally compliant and fit for purpose. This involved considerable changes to the risk and removed the impacts and causes of the failure of staff/contractors to follow existing processes and policies. As a result, it was necessary to review all business and operational health and safety risks to ensure the risk of staff and contractors not following procedures and processes are adequately covered.

Strategic Risk Changes

R00269 Major failure of Health and Safety Policy and Procedures in the workplace

6. The strategic risk R00269 Major failure of Health and Safety Policy and Procedures in the workplace was reviewed by the Leadership Team, during this review it was determined the scope of the risk should focus on compliance of the Health and Safety Policies and Processes rather than the failure of staff/contractors to follow these. As a result, the following changes were made:

(1) Name amended from 'Major failure of Health and Safety Policy' to 'Non-compliant Health & Safety Policy and Procedures'.

(2) Updated description to focus on the non-compliance of policies and procedures.

Previous Description	New Description
Non-compliance with the Health and Safety legislative requirements (Health and Safety at work Act) for employees, contractors, volunteers and public in the workplace, public places owned by the Council. Resulting in: - injury and/or illness or permanent disability, - fatalities, - penalties, - prosecution, - jail term(s) and reputational damage. - Work and programs not being done due to staff losses. - Cost/pay-outs compensation. - Time and cost losses due to legal action Caused by: - unsafe work environment.	There is a risk of Council's health and safety policies and procedures not being compliant with Health and Safety legislative requirements and duties (Health and Safety at Work Act) to protect employees, contractors, volunteers and public in workplaces and public places owned by the Council. Resulting in: An unsafe working environment that may lead to injury and/or illness, permanent disability or fatalities. Legal penalties/prosecution. Reputational damage, and/or difficulty retaining staff. Caused by: Policies and procedures not being reviewed and updated regularly, lack of awareness of Council's responsibilities under legislation and legislative changes.

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- unhealthy work environment and facilities. - not following the Health and 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 reviewed and updated regularly. - Lack of risk assessment of new tasks or roles. - Lack of time to plan due to urgency or competing priorities. - Lack of training or onboarding.	

(3) Health and safety impact residual and inherent score changed from Moderate to Catastrophic

(4) Additional impacts added and scored (both inherent and residual):
- Legal – Major
- Reputational – moderate
- Staff – minor (difficulty retaining)
- Financial loss – Minor

(5) Additional treatments added.

  (i) Treatment MC00580: Ensure policies are reviewed and updated regularly. To assist with this, policy review dates are recorded centrally in the master policy register.

  (ii) Treatment MC00947: People and Capability Staff stay up to date with legislative changes via membership to relevant groups and email subscriptions to legal firms for updates.

(6) Removed treatments that were no longer relevant were re-assigned to applicable business risks.

7.   These changes have resulted in an increase in residual score rating from Moderate to High.

3

8. Please see related business risks below.

Strategic Risk			Business Risks			Operational Risks (In Promapp)		
R00269	Non-Compliant Health and Safety Policy and Procedures	High	R00322	Council Vehicles Safety	Low	R00593	Failure of Health and Safety Software	Low
			R00596	Failure to Identify and Control Health and Safety Hazards and Risks	Medium	R00235	A tree on Council property causes damage or injury	Medium
			R00594	Lack of Due Diligence by Elected Members and Leadership Team	Medium	R00195	Incomplete Health & Safety Training Matrix	Medium
			R00592	Mismanagement of Contractors' Health and Safety	Medium	R00435	Change fatigue	Medium
			R00595	Failure to Comply with Health and Safety Legal Responsibilities and Duties	Medium			

7

9. The risk of contractors and/or staff not following procedures and/or processes is represented in the Health and Safety Operational Risks. A project is underway with the Health and Safety Advisor to review all health and Safety operational Risks and Treatments in the Risk Register and migrate these into the critical risk register in Vault. Once this work is complete these risks will be removed from the Promapp risk register. Going forward, only Health and Safety Operational risks where the Health and Safety Act is not the primary legislative cover/consideration, will be included in the Promapp risk register.

7

Whakakapia / Conclusion

10. The Leadership Team conducted their quarterly risk review, assessing strategic risk R00269: Major Failure of Health and Safety Policy. This report summarises the review and highlights the key changes made.

Anna Officer
Kaitātari Pakihi me te Morearea / Business and Risk Analyst

[Seen by]
Vipul Mehta
Te Tumuaki Whakamana Pakihi / Head of Business Enablement

1

Pūrongo-Whakamārama
Information Report

7

To	Risk and Assurance Committee
From	Kaitātari Pakihi me te Morearea / Business and Risk Analyst, Anna Officer
Date	25 September 2024
Subject	**Quarterly Internal Audit Status Report**

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

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 3 July 2024.

Whakawhiti Kōrero / Discussion

Current Audit Assignment

3. The Contract and Contractor Management Internal Audit assignment is currently in progress, as of 4 September 2024.

Management of Audit Recommendations

4. Internal audit recommendations are now managed within the Promapp Improvements module. This solution enables automated alerts and reminders to action assignees, the ability to link recommendations to processes and risks and improved reporting functionality. A reporting dashboard for these is currently in development.
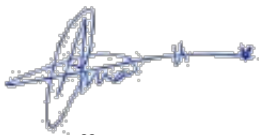
1

Open Audit Recommendation Actions

5.   The total number of open recommendations as of September 2024 is 41, five recommendations were closed since the last report. Nine 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	Closed	Total Open
Office of Chief Executive	-	2	-	0	**2**
Environmental Services Group	1	-	-	0	**1**
Community Services Group	1	2	2	3	**5**
Corporate Service Group – Business Enablement	4	7	6	2	**17**
Corporate Service Group – Strategy and Governance	2	11	2	0	**15**
Total	**8**	**22**	**10**	**5**	**40**

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 4 August 2024.

7.   An update on audit recommendations related to Emergency Response Management is included in Appendix 2. To date, 70% 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)				
2. That all STDC staff are trained on the BCPs and emergency management.	Community Services	Low	30/06/2025	Senior Leadership Team (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:** **August 2024**: BCP review is being undertaken with discussions with external agencies. Due date to be extended to June 2025
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	30/12/2024	Agree to review the yearly reconciliation going forward. **Update:** **August 2024:** Should have resourcing available to explore this at end of year – have extended date from June to December
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	31/10/2024	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:** **September 2024**: Finance unit was asked to come with a plan to do this. Will provide update on this at the next meeting. Due date extended to October 2024
Procurement (Sep 2021)				
1- Procurement processes in Promapp. 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. 1.2- Establish a procurement champion in each Group. Champions to have thorough training and experience. They will cover routine procurements support to staff. 1.3- The centre of excellence champion can create and document in Promapp the procurement process in	Corporate Services/ Strategy and Governance	High	30/06/2025	Employ a Procurement Officer to undertake these tasks, including reviewing policies and manuals, and mapping procurement processes. **Update:** **August 2024** – No change - 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.

7

Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
compliance with the Procurement Policy and Manual. These processes should cover all the various Council procurement activities. 1.4- Train staff on the procurement process once it is created.				
H&S (Feb 2022)				
1- Contractors' pre-qualification register. Send the expiry email one month before the expiry date of the pre-qualification. 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.	Office of CE	Moderate	20/12/2024	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. **Update:** **August 2024:** Contract management Manual has been completed and are considered aligning with NPDC and moving to EcoPortal. Due date to be extended to December as Eco Portal are presenting to regional H&S teams at their next meeting.
2- Vault software. Utilise Vault to its full capabilities. Transfer the administration of Vault to the IS Unit.	Office of CE	Moderate	20/12/2024	The P&C Manager and CIO to discuss ownership and administration of the system. **Update:** **August 2024:** STDC considering move to EcoPortal and this discussion will take place in October and subsequently. Discussion regarding administration responsibilities will depend on outcome of these. Due date extended from August to December
Borrowing (May 2022)				
1. Liability Management Policy: Update the Liability Management Policy to include the following points: 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	To update the Liability Management Policy with the recommendations. **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.
LGOIMA (Mar2023)				

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Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
1- LGOIMA Request Decision timeframe. Update the process to count the days till the decision is made for any LGOIMA request.	Corporate Services/ Strategy and Governance	High	29/11/2024	Develop Guidelines for processing 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. A Promapp process is to be created from the Guidelines and directing anyone having to process a LGOIMA to the templates for responses. **Update:** **August 2024:** Due date extended to end of November when BI Team has availability to complete changes
2- LGOIMA Request Records. - 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	Work to be undertaken with Corporate Planning to review the Council's Policy on LGOIMAs. 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. **Update:** **August 2024:** Need to create guidelines
3- LGOIMA Training. - 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.	Corporate Services/ Strategy and Governance	Moderate	30/09/2024	• 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. **Update:** **August 2024:** No change

7

Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
4- LGOIMA policy. - 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.	Corporate Services/ Strategy and Governance	Moderate	30/09/2024	• 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. **Update:** **August 2024:** LGOIMA Policy and delegations have been reviewed and awaiting approval.
5- LGOIMA performance measure and reporting. Create records, KPI and analysis which to be reported to proper governance level.	Corporate Services/ Strategy and Governance	Low	29/11/2024	• 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. **Update:** **August 2024:** Extended due date from June to end of November when BI Team has availability to make changes
Insurance Audit (Sept 2023)				
1 - Insurance processes Complete drafted insurance processes in Promapp	Corporate Services/ Business Enablement	Low	30/10/2024	We agree with this recommendation and the process will be mapped in Promapp by 30/06/2024. **June 2024** - Fnance staff have been focussed on mapping TechOne processes and this due date has been extended from 30/06/2024 to 30/10/2024.
2 - Revaluation process There is currently one revaluation process published in Promapp. This relates solely to Infrastructure Assets. There	Corporate Services/ Business Enablement	Low	30/10/2024	We agree with this recommendation and the process will be mapped in Promapp by 30/06/2024.

7

Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
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.**				**June 2024** - Fnance staff have been focussed on mapping TechOne processes and this due date has been extended from 01/07/2024 to 30/10/2024
4 - Broker Review Conduct review of broker market	Corporate Services/ Business Enablement	Low	30/06/2025	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.
Privacy Compliance Audit (Jan 2024)				
Staff Training A formalised privacy training programme be developed for all staff.	Corporate Services/ Strategy and Governance	Moderate	30/12/2024	A formalised training programme be developed for all staff -Include privacy training in onboarding for new staff -Provide refresher/specialised training for key areas of council
Privacy Disclaimer Privacy Officer to be involved in new software and forms collecting personal information to review and include an appropriate privacy disclaimer where appropriate. Include process as treatment for privacy breach risk.	Corporate Services/ Strategy and Governance	Moderate	30/09/2024	**August 2024** - Privacy officer included as stakeholder on IS project proposal document. Need to link process to risk as treatment.
Rating Notice Disclaimer Include a disclaimer on Rating notices stating that under the Local Government (Rating) Act 2002 ratepayer information may be publicly available upon request unless a request for suppression is received.	Corporate Services/ Business Enablement	Moderate	30/12/2024	Senior Finance Officer and Rates Officer to research appropriate statements used by other councils and amend current statement to include recommended content
Disposal of personal Information Implement process for disposal of personal information across all systems where possible. Include process as treatment for privacy breach risk	Corporate Services/ Business Enablement	Moderate	30/06/2025	IM Team leader to look into key systems. •TechOne – look at functionality for CiA to delete/archive personal information.- **underway** •Obtain report from BI of names in TechOne with no active associations. – **completed** •Ensure all new systems are capable of archiving/disposal as required and follow up to ensure these processes are out in place in future – add as part of IS project process.

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Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
		Moderate		• Discuss with stakeholders to determine reason for collection of information. Obtain list of systems from IT Operations Team Leader
Privacy Request Process Amendment Either include Privacy Act requests in the current LGOIMA process or map a new process. Include verification of identity in both the Privacy Act and CCTV footage request process. Include a column for identity verification in the CCTV register and the LGOIMA register.	Corporate Services/ Strategy and Governance	Moderate	02/06/2025	**August 2024** - There are 3 parts to this Recommendation and 2 parts have already been completed. The last one requires more time please as the promapp cannot be completed until TechOne is updated by IT with the recommended changes of events for each LGOIMA Request or Privacy item.
Information Clause in Contracts Include clause in contracts for the transfer of all Council records to Council upon completion of contract and to inform contractors of their legal obligations.	Corporate Services/ Strategy and Governance	Moderate	30/09/2024	**July 2024 -** Keep the due date for completion. I have met with Jose and we have worked out where a clause needs to go in the contracts he uses (his team use the bulk of such contracts, and roading also use them). Next step is for me and Dar to work out the exact wording before approaching those teams to incorporate them into the contract.
LIM Privacy Disclaimer Include privacy disclaimer in LIM explaining that some personal information has been redacted under Privacy Act 2020. •Update LIM process to include inclusion of disclaimer if information has been redacted. •Include process as treatment for Privacy breach risk.	Corporate Services/ Strategy and Governance	Moderate	30/12/2024	**July 2024** - LIM Privacy Disclaimers and sent to Quality Assurance Manager on 18 June 2024. Awaiting process changes to be applied.
LIM Process Amendments Request IT to amend LIM report bookmarks to not populate ratepayer/owner names. Arrange for Privacy Officer to train staff on privacy considerations. Include LIM event for review by Privacy Officer and redaction of personal information as required. Update process to reflect this.	Environmental Services	High	30/09/2024	**July 2024** – Training has been arranged and process amended to include review by Privacy Officer

7

Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
Property Lease Management Audit (May 2024)				
Update Housing for the Elderly Policy The current application form was created in 2021 and include a declaration of criminal history. Previously this was not included on the application form. Whilst criminal history may be covered under the condition above or eligibility v this has not been consistently applied across the existing waiting list. Additionally, staff do not undertake a criminal history check to verify the information provided.	Community Services	High	30/06/2025	Staff to look into legality of criminal checks and how to incorporate this into the process. Policy to be reviewed and updated to support.
Renew pensioner Housing Applications To ensure consistency across all applicants, it is recommended that process be amended to require applicants on the waiting list to renew their applications annually using the current form. This will account for any changes in their circumstances and/or gather any additional required information.	Community Services	Moderate	30/12/2024	Staff to look into legality of criminal checks and how to incorporate this into the process. Policy to be reviewed and updated to support.
Lease Management Policy There is currently no policy to guide property lease management. Policies serve as an essential guide, ensuring compliance with legislation of which to base processes from and consistency across the management of leases. It is recommended Council create a policy to guide the property lease management activity.	Corporate Services/ Strategy and Governance	Moderate	30/12/2025	SLT comment - Lease Policy to be developed
Lease Records in TechOne There are plans to enter all leases into TechOne, ensuring all relevant fields are populated. This will provide one register to be the 'source of truth' and allow for triggering of rent review, expiry and renewal. It is recommended this work be undertaken.	Corporate Services/ Strategy and Governance	Moderate	30/12/2025	Additional resource engaged to capture all lease information into Techone. Would like to also explore capturing the wider property register in TechOne also.

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Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
Centralised Storage of Lease Records in Orion It is recommended that lease documents are saved in a central location and tagged to property file where appropriate.	Corporate Services/ Strategy and Governance	Moderate	30/12/2024	Process to be implemented to ensure documents are saved in centralised location (property file)

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Audit Recommendations Dependent on ERP Replacement:

Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
Accounts Payable Audit (August 2020)				
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.	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)				
1. The Finance IT system: Some points are noted to be taken into consideration with the new finance system.	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)				
1- Project funds. 1.1- Prepare a guide for projects to be carried forward, it can include points like:	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
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.				
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/cancelation 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.

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Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
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.
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.
Property Lease Management Audit (May 2024)				

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Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
Cleanse Financial Lease information Work with Finance Team to cleanse data as part of chart of accounts review during Techone implementation	Corporate Services/ Strategy and Governance	Low	30/06/2025	

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Appendix 2: Emergency Response Management Audit Recommendation Update

Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
#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.	Community Services	Moderate	30/11/2024	Controllers to complete National Controllers Qualification Alternate response and P&I to complete foundation training. Appoint alternate for welfare manager, safety and iwi representative. **August 2024:** On track for training to be completed 30/11/2024.
#2/23 Elected members are not currently trained in Emergency Management. Train Elected members in Emergency Management.	Community Services	Low	Completed	Include EM responsibilities in elected members induction materials. Circulate regular EM communications to elected members. **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.
#3/23 Internal assessments are not aligned with the CDEM capability assessment tool provided by the National Emergency Management Agency (NEMA). Align Internal assessments with the CDEM capability assessment tool provided by the National Emergency Management Agency (NEMA)	Community Services	Low	Completed	Use CDEM capability assessment tool provided by the National Emergency Management Agency (NEMA) to conduct annual internal assessments. **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

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Recommendation	Responsible Group	Rating	Estimated completion date	Management action plan / comments
#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

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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.

7

#	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	25 September 2024
Subject	**Risk and Assurance Committee - Workplan**

7

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

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**

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Appendix 1.

Risk and Assurance Committee Work plan 2023-2026 2023-06-12.docx

7

Focus Areas	2024	
Meeting dates TBC	**25 September**	**11 November**
LTIF		Mercer
Quarterly Reporting		Quarterly Report Significant Project Progress Report
Annual Report 2023/24		Deloitte Audit Management Report
Risk Management	Risk Management Status Report and Emerging Risks SLT Strategic Risk Review Report Risk Framework review	Emerging Risks
Internal Audit	Internal Audit Status Report	
Regular Update Reports	Committee Workplan Health and Safety	Committee Workplan Debtors report Cybersecurity update Report ERP Update
Additional Committee Sessions	To be confirmed	
2024-2034 Long- Term Plan	Three Waters Update	Three Waters Update
Workshops		SIPO review workshop

7

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	Emerging Risks	Risk Management Status Report and Emerging Risks	Emerging Risks	Risk Management Status Report	Insurance Renewal 2025-26	Risk Management Status Report	
Internal Audit	Contract and Contractor Management Internal Audit Report	Internal Audit Status Report Complaint Management and Response Internal Audit 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		Insurance Frame Work (Self-insurance)					

7

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

7

Pūrongo-Whakamārama
Information Report

7
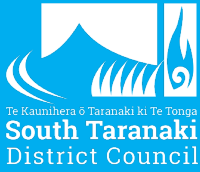
To	Risk and Assurance Committee
From	Tumu Whakahaere / Chief Executive, Fiona Aitken
Date	25 September 2024
Subject	**Water Services Delivery Project Update**

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

Whakarāpopoto Kāhui Kahika / Executive Summary

1. The new government has repealed the previous Affordable Waters legislation and has commenced its own water reform programme known as Local Water Done Well (LWDW). The first two pieces of new legislation have now been enacted, which requires councils to develop, and submit for approval, Water Services Delivery Plans by 3 September 2025.

2. In March 2024, the Mayoral Forum approved the next step in the "Water Services Delivery for Taranaki – Project Mandate", which was to develop an Indicative Business Case exploring all options for water services delivery and recommending a preferred option.

3. An external resource undertook this work with costs being met from previous Support Package funding and proportioned between councils based on their size. To ensure impartiality, Council officers also sought an independent view on the options for South Taranaki District Council. This work was undertaken by Rationale.

4. The work to date has been presented to the Council with a further workshop planned for the same day as this Risk and Assurance Committee meeting. Following this workshop there will be an Extraordinary Council meeting for the Council to decide on whether to further investigate a regional Council-Controlled Organisation (CCO) model or to only proceed to develop a Water Services Delivery Plan (WSDP) based on a standalone South Taranaki CCO or 'in-house business unit' model.

5. It should be noted that any decision the Council makes at this stage to continue investigating a regional model does not preclude the Council from 'opting out' at a later date. The Council could also choose to continue investigating more than one method of service delivery. However, this would result in greater workload for officers, could present increased risk of central government enactment of step-in powers and could extend consultation and/or Council decision-making into Local Body election timeframes.

Taunakitanga / Recommendation

THAT the Risk and Assurance Committee receives the Water Services Delivery Project Update Report.

1

Kupu Whakamārama / Background

6. The previous government embarked on a programme of water reforms, latterly known as Affordable Waters, led by the Department for Internal Affairs (DIA) - National Transition Unit. The Council interacted fully in this process, providing large quantities of data and engaging as required. This process would have seen the Council's water services becoming part of a new asset owning entity along with New Plymouth District Council and Stratford District Council.

7. In November 2023, off the back of the national election, a 'stop work' notice was issued to the DIA around Affordable Waters and a new direction for water services delivery was announced. The new direction included repealing the previous government's water services legislation and restoring local ownership and control of water infrastructure and services through a three-stage legislative approach.

8. The first and second Bills have now been enacted which include repealing the previous government's water services legislation and introducing the Local Government (Water Services Preliminary Arrangements) Act 2024 with the key components being:

   a. Councils are required to develop Water Services Delivery Plans;
   b. Steps towards future economic regulation;
   c. Streamlined consultation and decision-making processes for establishing water services Council-Controlled Organisations (CCOs) and other local government arrangements; and
   d. Changes to applying Te Mana o te Wai hierarchy of obligations to wastewater standards.

9. The third Bill, due to be introduced to Parliament before the end of 2024 will provide for:

   a. New delivery models for water services;
   b. Minimum requirements for water service providers;
   c. Confirming the new economic regulation regime to be implemented by the Commerce Commission;
   d. New planning and accountability framework for local government water services, including a Water Services Strategy;
   e. New financing options for councils e.g. Water CCOs (WCCO) can borrow up to 500% of operating revenue;
   f. Councils retain legal responsibility and control of Stormwater services;
   g. Councils can contract a new WCCO to deliver aspects of a Stormwater Service.

Existing Council Policy

10. The three Taranaki local authorities had previously commenced a study in 2021 looking at the "Options for 3 Waters Delivery for the Taranaki Region". This was not progressed from the draft stage as it was overtaken by the Labour government reforms. The Indicative Business Case builds on this work incorporating learnings and improved data from the previous government's reform process.

11. Whether the Council proceeds with a regional CCO, standalone CCO or continues delivering the service in-house will be a policy decision for the Council to make within the next six to 12 months.

2

Legislative Considerations

12. The Council is required to consult the community on a minimum of the 'status quo' and their preferred option for delivery going forward. However, given the significance of the decision, the Council may choose to consult the community on more than just these two options.

13. Ultimately the Council is required to make a decision on the model for water service delivery and develop a WSDP which must be presented to the government by 3 September 2025 for their approval. The WSDP must show how water service delivery will be financially sustainable by 30 June 2028.

14. There are minimum requirements which are likely to be set out in the third proposed Bill which will include that all water services providers are subject to:

   * economic, environmental and water quality regulation
   * new planning and accountability framework for water services including the need to produce standalone financial statements for water supply, wastewater and stormwater
   * must be financially sustainable, including a requirement for the ringfencing of water services, an expectation of revenue sufficiency and accommodating for maintenance, renewals and growth
   * must act consistently with statutory objectives (there will be additional statutory objectives that apply to water organisations)
   * restrictions against privatisation (prohibitions on losing control, selling or disposing of significant infrastructure)

Whakawhiti Kōrero/Aromātai / Discussion/Evaluation

15. While Taranaki waited on the new legislative framework, the Mayoral Forum endorsed proceeding with a multi-stage project with work up to completing stage 2: Options Analysis (and Indicative Business Case). The intention of stage 2 was to test a variety of options from do nothing, enhanced status quo, shared services, single CCO and a regional CCO and confirm a preferred way forward.

16. The remaining Transition Support Funding from the DIA was utilised to jointly fund the options analysis and Indicative Business Case (IBC). The portion of costs met by each council for the IBC was based on the total size/allocation of Transition Support Funding for each council, being New Plymouth 53%, South Taranaki 32% and Stratford 15%.

17. Any further investigation on water service delivery models, development of the WSDP and implementation of the WSDP must all be funded from the Council's budgets. The government has been clear that no further central government funding will be available to councils.

18. The Council will need to decide whether to continue progressing analysis at a regional level noting that there remains the ability to 'get off the bus' at future crossroads should a joint proposal not be compelling to Elected Members, or outright rejected by our communities.

3

Risks

19. The first Council workshop looked at the three main models (in-house business unit, standalone CCO and multi-council CCO) and considered the pros and cons of these models. At this stage the key risks associated with Local Water Done Well for this Council are:

   a) **Inability to comply with regulations.**
   The entity delivering water services for the Council will be required to comply with all regulation including water quality, wastewater discharge standards (which are unknown at present) and economic regulation. There is a risk that the model the Council decides on is unable to meet these regulations.

   b) **Potential loss of control over delivery of service (including capital programme, priorities)**
   If a larger entity (e.g. regional CCO) is the future service delivery method, there is a risk that the higher growth, or larger council/s will have greater control over what the priorities are. This risk could be mitigated through the Statement of Expectations that must be developed by the shareholding councils.

   c) **Inability to attract and retain skilled staff**
   There is a risk, no matter which delivery method is agreed on, that existing staff may not wish to remain in their roles and prefer to seek work elsewhere. There is also the risk of losing staff due to uncertainty around which model of delivery will be chosen and the fear of job losses in a larger regional entity. A smaller entity may also struggle to attract skilled staff if they cannot offer attractive salary packages or conditions of employment.

   d) **Iwi partnership**
   There is a risk that our Iwi partners are not supportive of the direction the Council determines is the most appropriate for South Taranaki and disengage from the process. There is also a risk that Iwi are not well represented in the governance structure of whichever method of delivery is ultimately decided on. This risk is being mitigated by involving our Iwi partners in all levels of the project structure – there are two representatives on the regional Steering Group, Taiao staff from Iwi Post-Settlement Governance Entities (PSGEs) have been part of the project working group and Council's Te Kāhui Matauraura members were invited to the first Council workshop on the IBC.

   e) **Short term decision-making vs long term potential benefits**
   There is a risk that the Council (and the region) base a decision on the relatively short-term data (10 years) and therefore the financial viability of an entity without considering the longer term potential benefits (30-50 years). The current data may be relatively accurate and information on asset quality and renewals is likely to be more accurate than the information for future years. This risk is being mitigated by working on improving asset information as much as possible. However, considerable time may be needed to improve all asset data quality.

7

4

f) **Political pressure (national, regional, local) driving decision-making**
There is a risk that there will be pressure for the Council to make a decision to join a regional entity based on politics rather than our communities' feedback and financial viability as a standalone entity. This is being mitigated by providing the Council with as much information and independent advice as possible.

g) **Long-term affordability**
The risk that costs for both a standalone service delivery model and rates (paid to the Council) will become more expensive for the community. This risk can be mitigated to some degree by utilising existing Council resources to deliver some services for a standalone entity (e.g. finance, billing, customer contact etc).

h) **Insufficient time and resources to complete the Water Services Delivery Plan by 3 September 2025.**
If the WSDP is not completed by the deadline there is a risk that the government will use the powers within the legislation to step in and appoint a crown facilitator and/or a crown water services specialist.

This risk is being mitigated by the establishment of an in-house project team with the project sponsor being the Chief Executive. This team is developing a timeline for development of the WSDP, liaising with the DIA for advice and support and ensuring the work required for the WSDP is undertaken in a timely manner. It is also possible to request an extension, however there is a risk that an extension is not given.

20. The project team will update the project risk register, maintain oversight of the risks and implement mitigations where possible.

Whakakapia / Conclusion

21. A second workshop with the Council is being held on Wednesday 25 September and this will be followed by an Extraordinary Council meeting on Monday 14 October when the Council will decide whether to proceed with contributing to a Detailed Business Case for a regional water services organisation. They could choose to also continue investigating a standalone model.

22. It should be noted that a directional decision at this stage does not preclude any council from 'opting out' at a later date and te Council could choose to continue investigating more than one method of service delivery. However, this does present increased risk of central government enactment of step-in powers and could extend consultation and/or the Council decision-making into Local Body election timeframes.

Fiona Aitken
Tumu Whakahaere /
Chief Executive

Karakia

9. Karakia

Ruruku Whakakapi – Closing Prayer

Unuhia, unuhia	*Draw on, draw on,*
Unuhia ki te uru tapu nui	*Draw on the supreme sacredness*
Kia wātea, kia māmā te ngākau, te tinana, te wairua i te ara takatū	*To clear, to free the heart, the body and the spirit of mankind*
Kia wātea, ka wātea, āe rā, kua wātea	*To be clear, will be clear, yes is cleared.*
Rire rire hau pai marire!	*Deeply in peace!*

9