

Rārangi Take o te Kōmiti  
Tūraru me te Taurangi

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# Risk and Assurance Committee Agenda

Wednesday 29 March 2023, 1.00pm  
Council Chamber, Albion Street, Hāwera



### 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*



Vacant  
*Councillor*



Vacant  
*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.

### Attendance Register

| Date            | 30/11/22 | 15/02/23 | 29/03/23 | 17/05/23 | 21/06/23 | 16/08/23 | 20/09/23 | 20/11/23 |
|-----------------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Meeting</b>  | O        | O        | O        | O        | O        | O        | O        | O        |
| Andy Beccard    | √        | √        |          |          |          |          |          |          |
| Celine Filbee   | √        | √        |          |          |          |          |          |          |
| Te Aroha Hohaia | √        | A        |          |          |          |          |          |          |
| Philip Jones    | AO       | AO       |          |          |          |          |          |          |
| Phil Nixon      | √        | √        |          |          |          |          |          |          |

### 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 Haumaruru / 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.

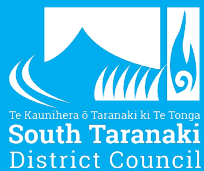


# Rārangi Agenda

## Risk and Assurance Committee Wednesday 29 March 2023 at 1.00pm

1. **Karakia**
2. **Matakore / Apologies**
3. **Whakatakoto Kaupapa Whānui, Whakaaturanga hoki / Open Forum and Presentations**
4. **Whakaaetia ngā Menīti / Confirmation of Minutes**
  - 4.1 [Risk and Assurance Committee held on 15 February 2023](#)..... Page 8
5. **Pūrongo / Reports**
  - 5.1 [Terms of Reference](#) ..... Page 15
6. **Ngā Take Kawea / Items for Action**
  - 6.1 [List printed on 22 March 2023](#) ..... Page 23
7. **Pūrongo-Whakamārama / Information Reports**
  - 7.1 [Risk and Assurance Committee Workplan](#)..... Page 24
  - 7.2 [2024-2034 Long Term Plan Update](#) ..... Page 26
  - 7.3 [Internal Audit Charter review report](#) ..... Page 29
  - 7.4 [Privacy and Official Information Requests Update \(September-December 2022\)](#).....Page 32
8. **[Ngā take kia noho tūmatanui kore / Resolution to Exclude the Public](#)**
  - 8.1 [Confirmation of Minutes](#) ..... Page 38
  - 8.2 [Quarterly Risk Management Status Report](#) .....Page 42
  - 8.3 [Quarterly Internal Audit Status Report](#).....Page 48
  - 8.4 [Health and Safety Quarterly Report period 1 September 2022 to 28 February 2023](#).....Page 96
  - 8.5 [Quarterly Cyber Security Report](#) .....Page 106
  - 8.6 [South Taranaki Business Park Update](#) .....Page 112
  - 8.7 [Committee Discussion \(without Council officers\)](#)
9. **Karakia**

**Next Meeting Date:** Wednesday 17 May 2023 – Council Chamber, Albion Street, Hāwera  
**Elected Members’ Deadline:** Wednesday 3 May 2023



# Karakia

## 1. Karakia

Ruruku Timata – Opening Prayer

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

Ki runga

Ki raro

Ki roto

Ki waho

Rire rire hau

Paimārire

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

*Above*

*Below*

*Inwards*

*Outwards*

*The winds blow & bind us*

*Peace be with us.*



# Matakore Apologies

## 2. Matakore / Apologies

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**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.*



# Whakatakoto Kaupapa Whānui, Whakaaturanga hoki Open Forum and Presentations

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

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*The Council 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

|         |  |
|---------|--|
| To      | Risk and Assurance Committee                           |
| Date    | 29 March 2023  |
| Subject | <b>Risk and Assurance Committee – 15 February 2023</b> |

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

### **Whakarāpopoto Kāhui Kahika / Executive Summary**

1. The Risk and Assurance Committee met on 15 February 2023. The Risk and Assurance Committee are being asked to adopt the minutes from 15 February 2023 as a true and correct record.
2. There were no recommendations within the minutes for the Council to consider.

### **Taunakitanga / Recommendation(s)**

THAT the Risk and Assurance Committee adopt the minutes of their meeting held on 15 February 2023 as a true and correct record.





# Menīti Minutes

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

Council Chamber, Albion Street, Hāwera on Wednesday 15 February 2023 at 11.01 am

**Kanohi Kitea / Present:** Mayor Phil Nixon (Chairperson), Philip Jones *online* and Councillors Andy Beccard and Celine Filbee.

**Ngā Taenga-Ā-Tinana  
/ In Attendance:**

Fiona Aitken (Chief Executive), Liam Dagg (Group Manager Environmental Services), Herbert Denton (Group Manger Infrastructure Services), Cath Sheard (Acting Group Manager Community Services), Claire Bourke (Assistant Accountant), Sam Greenhill (Governance and Support Officer), Vipul Mehta (Chief Financial Officer), Ahmed Mohamed (Risk and Internal Audit Manager), Garry Morris *online* (Senior Accountant), , Garth Gregory, Priya Patel and James Wilson (Mercer).

**Matakore / Apologies:** Councillor Te Aroha Hohaia

### RESOLUTION

(Cr Filbee/Cr Beccard)

01/23 AR **THAT** the apology from Councillor Te Aroha Hohaia be received.

CARRIED

## 1. Whakaaetia ngā Miniti / Confirmation of Minutes

1.1 Audit and Risk Committee minutes held on 30 November 2022

In response to a query regarding concerns around traffic management it was noted that there needed to be certain traffic management in place. There needed to be practical measures in place with roads remaining open where possible. Traffic management plans were required to be submitted to the road controlling authority for approval. It was noted that a workshop with the Councillors would be held to gain a better understanding of what rules were in place for traffic management.

It was requested that an annual external report from the Chair remain on the table.

### RESOLUTION

(Cr Beccard/Cr Filbee)

02/23 AR **THAT** the Risk and Assurance Committee adopt the minutes of their meeting held on 30 November 2022 as a true and correct record.

CARRIED

## 2. Pūrongo / Reports

### 2.1 Quarterly Financial and Non-Financial Performance Report for period ending 31 December 2022

It was expected that overspends would reduce by year end. Income was down mainly due to the poor performance of the Long Term Investment Fund however that was going up again. It was clarified that depreciation was included in the \$4.26m.

In response to a query regarding sufficient reserves to fund increased interest it was noted that interest on targeted rates would be covered with reserves however the general rate would need to be looked at.

In response to a query regarding the impact of underspending CAPEX it was noted that it would be covered by reserves and external funding.

It was noted that depreciation had increased significantly. As part of the 2023/24 annual plan it would be considered how much depreciation the Councillors would want to fund.

Borrowing was getting closer to the Long Term Investment Fund balance and it was queried what the risk was. It was noted that even if borrowing exceeded the balance there would be no affect on the credit rating as net debt was looked at as well.

Overspends would come down by year end and it was queried what other things were being proposed to reduce the overspend. It was noted that some income had already offset the overspend and there was income expected from Mayors' Task Force for Jobs. Outstanding debts did not contribute to the loss and sat outside this figure.

Cemeteries was over budget due to increased contract costs. In response to a query regarding how higher costs happened it was noted that this was due to the budget being set in the last financial year and the new contractor appointed in this financial year. It was also noted that there had been more burials.

It was suggested that the toilet pods needed to be looked at to potentially become more permanent which would remove the need for them to be emptied. It was noted that there was no wastewater or water connection available at some of these locations.

Licensing was over budget due to asbestos removal after a house fire. The Council had to do the clean up however costs were being recovered through income.

There were concerns raised regarding the number of unique visitors being significantly lower than the target for the Digital Business Hub. The target was set before the set up and the Business Hub was driving business queries with not as many unique visits as thought. The target would need to be reviewed as part of the Long Term Plan.

There had been issues with the greenwaste contractors with vehicle breakdowns and drivers not being available. These issues had also effected general waste and recycling. Due to these issues there had been conversations with the contractor and a report was being provided each day to monitor the situation. The tender document was being prepared for the waste services. Collections had been good however of late these had been inconsistent.

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

**03/23 AR THAT the Risk and Assurance Committee receives the First Quarter Financial and Non-Financial Performance Report for the period ending 31 December 2022.**

**CARRIED**

## 2.2 Mercer Quarterly Investment Monitoring Report – December 2022

An update was provided on the Long Term Investment Fund (the Fund) for the period ending 31 December 2022. The Fund had returns that were 0.3% above the benchmark. Fund managers Mercer and ANZ global equities both performed above the benchmark for the quarter. It was noted it was likely that the inflation hikes were nearing an end. There were multiple geopolitical factors contributing to the economy including the Ukraine war. In response to a query regarding preparing for effects caused by geopolitical issues it was noted that the Fund was long term and would not be adjusted for specific events. The Committee were informed that they could reconsider how conservative they wanted to be during the next review of the Fund.

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

**04/23 AR THAT the Risk and Assurance Committee receives the Mercer Quarterly Investment Monitoring Report – December 2022.**

**CARRIED****3. Pūrongo-Whakamārama / Information Reports**

## 3.1 Risk and Assurance Committee Workplan

It was requested that a workplan for the remainder of the year along with the rest of the triennium be provided for the Committee. It was noted that there would be a workshop regarding insurance coming up. In response to a question regarding an update on the Long Term Plan it was noted that there would be at least one workshop held with Councillors before the update was provided. The retreat being called off had no effect on the issues papers as these were from a Council Officer perspective. It was suggested that a report to cover Local Government reforms be included in the workplan. The Committee would have a workshop to consider insurance options before making a recommendation to the Council.

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

**05/23 AR THAT the Risk and Assurance Committee receives the workplan for the period 2022/23.**

**CARRIED**

## 3.2 Capital Projects Progress Report

Looking at the total capital projects it was estimated that roughly half of the budget would be spent. Nukumarū Station Road was progressing well with the bulk of the work expected

to be completed by the middle of the year. The legal designation needed to be in place before the road could open and the work for this was underway. The Council needed to follow up with Whanganui District Council in regards to the name of the road.

In response to a query regarding the progress of Te Ramanui o Ruapūtahanga it was noted that the project was on schedule in regards to the workplan. There had been a lot of comment from the public and it was queried if there had been any updates provided to the community.

An update on roading delays due to Waka Kotahi for the Business Park was requested. The project team had a discussion around the upgrades on the State Highway and were meeting with Waka Kotahi directly. An interim measure with a workable intersection, including speed reduction would allow the project to continue without delays. It was suggested that the final solution should be looked at sooner rather than later as all interim measures would create further costs.

It was requested that an update on the Digital Transformation be included in the public excluded section of the meeting as two of the three risks had been identified as high risks. The implementation of Tech1 would be a minimum of two years with the financials moving first followed by property and rating.

**RESOLUTION**

**(Cr Filbee/Mayor Nixon)**

**06/23 AR** **THAT the Risk and Assurance Committee receives the Capital Projects Progress Report for Quarter Two of the 2022/23 financial year.**

**CARRIED**

3.3 Outstanding Debt as at 31 December 2022.

It was noted that the high level of outstanding water payments was due to timing of reporting. There was a process in place for recovering long overdue debt. The mortgagee was typically used for long and outstanding debts where payment plans had not been put in place. A proper structure was being put in place for recovering overdue debt including reminder letters, approaching the mortgagee and contacting the lawyers for a rating sale.

**RESOLUTION**

**(Mayor Nixon/Cr Beccard)**

**07/23 AR** **THAT the Risk and Assurance Committee receives the outstanding debt report as at 31 December 2022.**

**CARRIED**

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

**RESOLUTION**

**(Cr Filbee/Cr Beccard)**

**08/23 AR** **THAT the public be excluded from the following parts of the proceedings of this meeting, namely:**

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

| General subject of each matter to be considered                  | Reason for passing this resolution in relation to each matter | Ground(s) under section 48(1) for the passing of this resolution   |
|--|---|--|
| 1. Presentation  | Good reason to withhold exists under Section 7.               | That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a) |
| 2. Confirmation of Minutes 30 November 2022                      |   |  |
| 3. Mercer Quarterly Investment Monitoring Report – December 2022 |   |  |
| 4. Committee Discussion  |   |  |

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

| Item No | Interest  |
|---------|---|
| 2       | 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, 3    | 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)). |
| 4       | Is to protect the privacy of natural persons, including that of the deceased natural persons (Schedule 7(2)(a)).  |

**CARRIED**

## 5. Tuwhera anō te Hui / Resume Open Meeting

### **RESOLUTION**

(Mayor Nixon/Cr Beccard)

11/23 AR **THAT** the Risk and Assurance Committee resumes in open meeting.

**CARRIED**

The meeting concluded at 2.25 pm

Dated this            day of            2023

.....  
CHAIRPERSON



# Pūrongo Report

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|         |  |
|---------|--|
| To      | Risk and Assurance Committee   |
| From    | Kaihautū Kaupapa Here me te Whaitikanga / Policy and Governance Manager, Becky Wolland |
| Date    | 29 March 2023  |
| Subject | <b>Terms of Reference</b>  |

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

## Whakarāpopoto Kāhui Kahika / Executive Summary

1. The Audit and Risk Committee terms of reference were first adopted in 2018 and reviewed in 2020. The local body elections were held in 2022 and the new Committee requested the terms of reference are reviewed for the 2022-2025 triennium. Officers have reviewed the terms of reference and recommended changes are included in this report and in [Appendix 1](#).
2. The Risk and Assurance Committee may also wish to discuss and recommend changes to the Council for approval.

## Taunakitanga / Recommendation(s)

THAT the Risk and Assurance Committee recommends the Council approves the Risk and Assurance Committee's terms of reference with the changes suggested by the Committee.

## Kupu Whakamārama / Background

3. The Audit and Risk Committee first adopted the terms of reference in August 2018. The terms of reference were reviewed in May 2020 following the local body elections in 2019. Changes to the terms of reference included updating the Committee's representation, the frequency of meetings from quarterly to six weekly and the tenure of the external member.
4. The local body elections were held in 2022 and the new Committee requested the terms of reference are reviewed for the 2022-2025 triennium. The changes recommended are outlined below:
  - a) Update the Committee name to Risk and Assurance.
  - b) Add "financial management" to the activities reviewed by the Committee.
  - c) Include a statement to tenure to allow the Mayor discretion to appoint a councillor who has served two terms on the Committee "to retain experience and knowledge".
  - d) Reword "Forward Work Programme" to reflect the annual work programme more appropriately.

- e) Update the membership.
5. Officers have also identified questions for the Committee to consider:
- a) Internal audit – bullet point three highlights that the Committee will review the co-ordination between risk and internal audit functions. This has not occurred to date. Is this something that should occur? Should this statement be removed?
  - b) External audit – the terms of reference note that the Committee discusses the scope of the audit prior to the auditing taking place. This has not occurred to date. Is this something that should occur? Should this statement be removed?
  - c) Annual report on the work of the Committee – the terms of reference note that an annual report on the Committee’s performance is prepared for the chief executive. This has not occurred to date. Is this something that should occur? Should this statement be removed?
6. The Committee may also wish to discuss and make changes to the terms of reference.

### Local Government Purpose

- 7. The purpose of local government is to enable local decision-making and action by, and on behalf of communities; and to promote the social, economic, environmental and cultural well-being of communities in the present and for the future.
- 8. The Risk and Assurance Committee monitor governance, risk management and internal control activities to ensure the Council are meeting the purpose of the Local Government Act.

### Ngā Kōwhiringa / Options – Identification and analysis

#### Option(s) available

- 9. Option One: The Risk and Assurance Committee recommends to the Council to approve the changes to the terms of reference suggested by the Committee. This is the preferred option.
- 10. Option Two: The terms of reference remain unchanged.

### Whaiwhakaaro me ngā aromatawai / Considerations and Assessments

#### Assessment of Significance and Engagement

- 11. 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 degree of impact on residents and ratepayers is minimal. |



| Criteria    | Measure  | Assessment  |
|-------------|--|---|
| LOS         | The achievement of, or ability to achieve, the Council's stated levels of service as set out in the Long Term Plan.  | This decision will not affect the Council's stated levels of service. However it will allow the Risk and Assurance Committee to monitor Council activities. |
| Decision    | Whether this type of decision, proposal or issue has a history of generating wide public interest within South Taranaki.   | A decision of this type has never had a history of generating wide public interest.   |
| 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. | Costs associated with this decision will be minimal and absorbed within current budgets.  |
| Reversible  | The degree to which the decision or proposal is reversible.  | The Committee can review their terms of reference at any stage.   |
| Environment | The degree of impact the decision will have on the environment.  | There will be no impact on the environment as a result of this decision.  |

12. In terms of the Council's Significance and Engagement Policy this matter is of low significance.
13. The level to which the Council will engage will align with the significance of the decision to be made and will be to inform the public through Committee minutes and agenda.

#### **Legislative Considerations**

14. There are no legislative considerations, however Schedule 7 s32 of the Local Government Act allows a local authority to delegate some of its responsibilities, duties and powers except for those listed in (a) to (h). It is considered good business practice to outline the purpose and delegations of a committees in a terms of reference.

#### **Financial/Budget Considerations**

15. There are no financial or budget considerations. Any costs associated with the review of the terms of reference will be absorbed within current budgets.

#### **Environmental Sustainability**

16. There will be no impact on the environment as a result of this decision.

#### **Consistency with Plans/Policies/Community Outcomes**

17. Nothing in this report is inconsistent with any Council policy, plan or strategy.
18. This matter contributes to the following community outcomes as detailed below:

- Vibrant South Taranaki – *Cultural well-being*
- Together South Taranaki – *Social well-being*
- Prosperous South Taranaki – *Economic well-being*
- Sustainable South Taranaki – *Environmental well-being*

### Impact on Māori/Iwi

19. Terms of reference ensure there is transparency around the responsibilities and delegations for Council committees. All committee meetings include an open section of the meeting where members of the public can listen and/or speak in open forum. This enables a democratic process which has a positive impact on Māori/Iwi.
20. The Council's political structure includes an Iwi appointment to the Risk and Assurance and Environment and Hearings committees. Appointments are recommended and endorsed by Te Kāhui Matauraura.

### Whakakapia / Conclusion

21. The Risk and Assurance Committee requested the terms of reference are reviewed for the 2022-2025 triennium. This report provides officers' recommended changes and an opportunity for the Committee to discuss and recommend additional changes. The preferred option is to recommend to Council to approve the Committee's suggested changes.

Becky Wolland

**Kaihautu Kaupapa Here me te Whaktikanga /  
Policy and Governance Manager**

[Seen by]

Marianne Archibald

**Kaiarataki Topuranga /  
Group Manager Corporate Services**

### Attachments:

Appendix 1 – Risk and Assurance Terms of Reference

## **AUDIT AND RISK and ASSURANCE COMMITTEE**

### **Terms of Reference (Delegations)**

#### **Purpose**

The purpose of the ~~Audit and Risk~~ and Assurance Committee (the Committee) is to assist and advise the Council in discharging its responsibility ~~and ownership~~ of governance, risk management, and internal control.

The Committee will review the effectiveness of the following aspects of governance, risk management and internal control:

- financial management
- risk management
- internal and external audit and assurance
- integrity and investigations
- monitoring of compliance with laws and regulations
- significant projects and programmes of work focussing on the appropriate management of risk
- oversight of preparation of the LTP, Annual Report, and other external financial reports required by statute-
- monitoring and oversight of the Long Term Investment Fund

To perform their role effectively, each committee member must develop and maintain their skills and knowledge, including an understanding of the Committee's responsibilities, and of the Council's business, operations and risks.

#### **Decision-Making Powers**

The Committee has no decision making powers other than those outlined in these Terms of Reference. The Committee may request expert advice through the Chief Executive where necessary. The Committee may make recommendations to the Council and/or Chief Executive.

#### **Tenure**

External members will be appointed for an initial period not exceeding five years, after which they will be eligible for extension or re-appointment, after a formal review of their performance, ~~and if~~ they have not already served two terms on the Committee.

Councillors appointed to the Committee may be eligible for re-appointment post ~~these local body~~ elections if they are returned to office and have not already served two terms on the Committee. At the Mayor's discretion councillors can remain on the Committee to retain experience and knowledge.

The External member's representation on the Committee is to be reviewed 18 months after the Local Body Elections in October to ensure consistency during the three year term of Council.

The Chief Executive and the Senior Leadership Team members are not members of the Committee.

The members, taken collectively, will have a broad range of skills and experience relevant to the operations of the Council. At least one member of the Committee should have accounting or related financial management experience, with an understanding of accounting and auditing standards in a public sector environment.

#### **Committee's Responsibilities**

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**Forward Work Programme**

The Committee will agree and approve ~~an annually a forward~~ work programme – which will consist of ~~reporting on the Council’s internal audit programme, risk register, cyber security and privacy breaches, investment monitoring, financial performance and non-financial performance, in depth briefings and reviews of specific significant risks and assurance strategies, as contained in the Environmental Resource Management (ERM) “Top Risks” or Council’s work plan.~~

**Risk Management**

- Review, approve and monitor the implementation of the Risk Management Framework, Policy, and Process.
- Review and approve the Council’s “risk appetite” statement.
- Review the effectiveness of risk management and internal control systems including all material financial, operational, compliance and other material controls. This includes legislative compliance (including Health and Safety), significant projects and programmes of work, and significant procurement.
- Review risk management reports identifying new and/or emerging risks, and any subsequent changes to the ~~“Top Risk”~~ Strategic risks register.

**Monitoring and Oversight of the Long Term Investment Fund (the Fund)**

- Meet with Mercer on a quarterly basis to discuss the management and investment of the Fund including quarterly results.
- Meet one Fund manager per quarter.
- Review the performance of Fund managers in conjunction with Mercer.
- Recommend changes to the Statement Investment Policies and Objectives (SIPO).

**Internal Audit**

- Review the Internal Audit Charter within six-months of the new triennium – which confirms the authority, independence and scope of the function.
- Review and approve ~~the Internal Audit Plan which covers 3 years. The Committee will review and approve the annually and monitor the implementation of the 12 month~~ detailed Internal Audit Plan ~~covering 12 months.~~
- Review the co-ordination between the risk and internal audit functions – including the integration of the Council’s risk profile with the Internal Audit programmePlan. This includes assurance over all material financial, operational, compliance and other material controls. This includes legislative compliance (including Health and Safety), significant projects and programmes of work, and significant procurement.
- Review the ~~Internal Audit report on the audit assignments as per the Internal Audit annual plan, reports of the Internal Audit functions dealing with findings, conclusions and recommendations.~~
- Review and monitor management’s responsiveness to the ~~findings and~~ recommendations – enquiring into the reasons that any recommendation is not acted upon.

**Fraud and Integrity**

- Review ~~and approve annually,~~ and monitor the implementation of, the Fraud Policy, including detailed work programme.
- Review annually the whistleblowing procedures and ensure that arrangements are in place by which staff, may, in confidence, raise concerns about possible improprieties in matters of

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financial reporting, financial control or any other matters, and that there is proportionate and independent investigation of such matters and appropriate follow-up action.

- Review the procedures in relation to the prevention, detection, reporting and investigation of bribery and fraud.
- Review and monitor policy and process to manage conflicts of interest amongst elected members, local board members, management, staff, consultants and contractors.
- Review reports from ~~the Risk and Internal Audit Manager, and Chief Executive Integrity and Investigations, External Audit and Management~~ related to whistle blower, ethics, bribery and fraud related incidents.

#### Statutory Reporting

Review and monitor the integrity of the Annual Report including statutory financial statements and any other formal announcements relating to the Council's financial performance, focussing particularly on:

- compliance with, and the appropriate application of, relevant accounting policies, practices and accounting standards
- compliance with applicable legal requirements relevant to statutory reporting
- the consistency of application of accounting policies, across reporting periods
- changes to accounting policies and practices that may affect the way that accounts are presented
- any decisions involving significant judgement, estimation or uncertainty
- the extent to which financial statements are affected by any unusual transactions and the manner in which they are disclosed
- the disclosure of contingent liabilities and contingent assets
- the clarity of disclosures generally
- the basis for the adoption of the going concern assumption
- significant adjustments resulting from the audit.

#### External Audit

- Discuss with the external auditor before the audit commences:
  - the nature, scope and fees of the external audit
  - areas of audit focus
  - error and materiality levels.
- Review with the external auditors, representations required by elected members and senior management, including representations as to the fraud and integrity control environment.
- Review the external auditor's management letter and management responses, and inquire into reasons for any recommendations not acted upon.
- Where required, the Chair may ask a senior representative of the Office of the Auditor General to attend the Committee meetings to discuss the office's plans, findings and other matters of mutual interest.

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#### Annual Report on the work of the Committee

The Chair of the Committee will submit a written review of the performance of the Committee to the Chief Executive on an annual basis. The review will summarise the activities of the Committee and how it has contributed to the Council's governance and strategic objectives. The Chief Executive will place the report on the next available agenda of the Council.

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#### Membership:

**Chairperson (Independent):** ~~Ian Armstrong~~ Philip Jones

**Committee Members (4):** Cr ~~Gary Brown~~ Te Aroha Hohaia  
Cr ~~Jack Rangiwhia~~ Celine Filbee  
~~Cr Chris Young~~  
Cr Andy Beccard  
Cr Racquel Cleaver-Pittams *(to be confirmed)*

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Iwi Representation (1):          Vacant

**Ex Officio:** Mayor Phil Nixon

**Quorum:** Three (3)

**Frequency of Meetings:** 6-weekly



# Ngā Take Kawea

## Items for Action

| Reference/Source<br>Committee/Meeting<br>Date | Matters Arising | Group<br>Responsible | Department<br>(Team) | Update | Project Deadline |
|---|-----------------|----------------------|----------------------|--------|------------------|
|---|-----------------|----------------------|----------------------|--------|------------------|



# Pūrongo-Whakamārama Information Report

|         |  |
|---------|--|
| To      | Risk and Assurance Committee   |
| From    | Kaihautū Haumarū me te Arotake-o roto / Risk and Internal Audit Manager, Ahmed Mohamed |
| Date    | 29 March 2023  |
| Subject | <b>Risk and Assurance Committee - Workplan</b>   |

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

## Whakarāpopoto Kāhui Kahika / Executive Summary

1. The Risk and Assurance Committee's workplan for 2022/23 is attached for the Committee to review.

## Taunakitanga / Recommendation

THAT the Risk and Assurance Committee receives the workplan for the period 2022/23.



| RISK AND ASSURANCE COMMITTEE WORKPLAN |   |  |   |  |  |  |  |
|---------------------------------------|---|--|---|--|--|--|--|
| FOCUS AREAS                           | 2022  |  |   | 2023   |  |  |  |
|                                       | 22 August   | 21 September   | 30 November   | 15 February  | 29 March   | 17 May   | 21 June  |
| LTIF                                  | • Mercers   |  | • Mercers   | • Mercers  |  | • Mercers  |  |
| Quarterly Reporting                   | • Quarterly Report<br>• Capital Works Project Progress Report   |  | • Quarterly Report<br>• Capital Work Project Progress Report                        | • Quarterly Report<br>• Capital Work Project Progress Report |  | • Quarterly Report<br>• Capital Work Project Progress Report |  |
| Insurance                             |   |  |   |  |  |  |  |
| Annual Report 2021-22                 | • Interim, Annual Report 2021/22<br>• Audit Arrangements Letter |  |   |  |  |  |  |
| Risk Management                       |   | • Risk Management Report<br>○ Strategic Risks<br>○ Business Risks                                |   |  | • Risk Management Report<br>○ Strategic Risks  |  | • Risk Management Report<br>○ Strategic Risks<br>○ Business Top Risks                            |
| Internal Audit                        |   | Internal Audit Report  |   |  | Internal Audit Report  |  | Internal Audit Report  |
| Regular Update Reports                | • Committee Workplan<br>• Debtors Report                        | • Committee Workplan<br>• Health and Safety<br>• Privacy Breach Update<br>• Cybersecurity Update | • Committee Workplan<br>• Debtors Report<br>• Proposed/Draft 2024-2034 LTP Timeline | • Committee Workplan<br>• Debtors Report                     | • Committee Workplan<br>• Health and Safety<br>• Privacy Breach Update<br>• Cybersecurity update | • Committee Workplan<br>• Debtors Report                     | • Committee Workplan<br>• Health and Safety<br>• Privacy Breach Update<br>• Cybersecurity update |
| Additional Committee Sessions         |   |  |   | To be confirmed  | To be confirmed  | To be confirmed  | To be confirmed  |
| 2024-2034 Long Term Plan              |   |  | • Draft 2024-2034 LTP Timeline  |  | • 2024-2034 LTP Update   |  | • 2024-2034 LTP Update   |
| Workshops                             |   |  |   |  |  |  |  |



# Pūrongo-Whakamārama Information Report

|         |   |
|---------|---|
| To      | Risk and Assurance Committee  |
| From    | Kaihautū Kaupapa Here me te Whaitikanga / Policy and Governance Manager,<br>Becky Wolland |
| Date    | 29 March 2023   |
| Subject | <b>2024-2034 Long Term Plan Update</b>  |

(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 the Risk and Assurance Committee (the Committee) with an update on the development of the 2024-2034 Long Term Plan (LTP) and ask the Committee to consider the risks associated with delivering the LTP on time.

## Taunakitanga / Recommendation

THAT the Risk and Assurance Committee;

- a) Receives the 2024-2034 Long Term Plan Update Report; and
- b) Considers the risks associated with the delivering the 2024-2034 Long Term Plan by 30 June 2024.

## Kupu Whakamārama / Background

2. Section 10 of the Local Government Act (LGA) 2002 sets out the information to be included in the Council's LTP. A timeline for the LTP project has been developed and signed off by the Senior Leadership Team.
3. The first workshop was held with the Council in February 2023. The Council were presented with six papers discussing the major issues/projects facing the Council over the next ten years. The papers included:
  - Reform: The paper updated the Council on the three streams of reform – three waters, resource management and the review into the future of local government;
  - Funding: The paper updated the Council with the current economic conditions, community's ability to pay, potential impacts of changes to legislation and transfer of three waters;
  - Levels of service: The paper provided a general overview of the issues and services that residents have told us they would like to see improvements on;

- Environmental Sustainability: The paper provided an overview of the major legislative changes relating to climate change, biodiversity, waste minimisation and environmental sustainability;
- Urupā: The paper outlined discussions held with Te Kāhui Matauraura on how Council could support Iwi with the maintenance and funding of urupā.
- Community infrastructure: The paper provided information on the community infrastructure that will need consideration for the next ten years (Housing for the Elderly, Hāwera Town Centre Strategy, Eltham Town Hall, surplus facilities in Hāwera, and community CCTV).

4. The Council requested further information on the following activities:

- Options on increased funding for roading;
- Options on increased funding for beautification and maintenance of towns;
- Options on how Council could support the maintenance and funding of urupā;
- Options on funding for Union Street, Hāwera development;
- Options on surplus facilities in Hāwera;
- Agreed to include a budget to develop a feasibility study on options for Housing for the Elderly;
- Agreed to provide options to the community to consider earthquake strengthening the Eltham Town Hall.

### Risks

5. The Office of the Auditor General recommends that likely risks associated with the adoption of the long term plan are identified early on in the project. This report highlights the risks identified by officers and asks the Committee to consider any other risks.
- a) Capability of officers and resources available within the Council to undertake the work required to produce a long term plan, alongside business as usual.
  - b) Capability of officers and resources available within the Council to undertake the work required to produce a long term plan, alongside a civil defence emergency or severe weather event.
  - c) The work required (budgeting, policy and strategy reviews) if the removal of three waters is delayed.
  - d) The capacity and availability of auditors to complete the audit review, hot review, and audit report.
6. The next update report will include the risks identified by the Committee and officers, treatments on how the risks can be reduced and the likelihood of the risk occurring.

### Legislative Considerations

7. Section 10 of the Local Government Act (LGA) 2002 sets out the information to be included in the Council's Long Term Plan.



Becky Wolland

**Kaihautū Kaupapa Here me te Whaitikanga /  
Policy and Governance Manager**

7



[Seen by]

Marianne Archibald

**Kaiarataki Tōpūranga /  
Group Manager Corporate Services**



# Pūrongo Report

|         |  |
|---------|--|
| To      | Risk and Assurance Committee   |
| From    | Kaihautū Haumarū me te Arotake-o roto / Risk and Internal Audit Manager, Ahmed Mohamed |
| Date    | 29 March 2023  |
| Subject | <b>Internal Audit Charter review report</b>  |

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

## Whakarāpopoto Kāhui Kahika / Executive Summary

1. The Risk and Assurance Committee Terms of Reference require the new Committee to review the Internal Audit Charter. The Risk and Assurance Committee (the Committee) is being asked to review and approve the amendments to the Internal Audit Charter suggested in this report.

## Taunakitanga / Recommendation(s)

THAT the Risk and Assurance Committee approves the amendments to the Internal Audit Charter.

## Kupu Whakamārama / Background

### Internal Audit Charter

2. The Committee Terms of Reference stipulate that the Charter to be reviewed within six months from the new Committee term.
3. The Internal Audit Charter was approved by the Committee in August 2018. The Charter was reviewed and approved by the Committee on 17 March 2021.
4. The Risk and Internal Audit Manager amended the new name of the Committee in the Charter.

### Local Government Purpose

5. The Internal Audit Charter 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

### Risks

6. There are no major risks associated with these decisions or matters.

### Option(s) available

7. Approve the Internal Audit Charter with the suggested amendments.
8. Approve the Internal Audit Charter with additional amendments.
9. Not approve the Internal Audit Charter amendments.

## Whaiwhakaaro me ngā aromatawai / Considerations and Assessments

10. 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 Internal Audit 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.  | The approval of the Internal Audit Charter will not affect the levels of services set out in the 2018-2028 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 Internal Audit Charter 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 Internal Audit Charter will not impact the Council's budget.                                |
| Reversible  | The degree to which the decision or proposal is reversible.  | The Internal Audit Charter can be reviewed and amended at any time.   |
| Environment | The degree of impact the decision will have on the environment.  | There is no impact on the environment.  |

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

### Legislative Considerations

12. The Charter is a requirement of the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

### Financial/Budget Considerations

13. There are no financial or budget considerations to consider. However, there are risks associated with not having an Internal Audit Charter in place.

### Consistency with Plans/Policies/Community Outcomes

14. This matter contributes to the Together, Prosperous and Sustainable South Taranaki community outcomes.

### Impact on Māori/Iwi

15. The approval of the Internal Audit Charter will protect the best interests of Māori/Iwi along with the rest of the community.

### Whakakapia / Conclusion

16. This report is seeking that the Committee review and approves the suggested amendments to the Internal Audit Charter and any other amendments the Committee wishes to make.



Ahmed Mohamad

**Kaihautū Haumarū me te Arotake-o roto /  
Risk and Internal Audit Manager**



[Seen by]

Marianne Archibald

**Kaiarataki Tōpūranga /  
Group Manager Corporate Services**



# Pūrongo-Whakamārama Information Report

|         |   |
|---------|---|
| To      | Risk and Assurance Committee  |
| From    | Kaitātari Matatapu me te Hoko / Privacy and Purchasing Advisor, Darleena Christie   |
| Date    | 29 March 2023   |
| Subject | <b>Privacy and Official Information Requests Update (September – December 2022)</b> |

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## Whakarāpopoto Kāhui Kahika / Executive Summary

1. This report provides an update to the Risk and Assurance Committee (the Committee) regarding the Council's response under the Privacy Act 2020 (the Act) and the Local Government Official Information and Meetings Act 1987 (LGOIMA).
2. This report provides the Committee with a list of breaches (the privacy breach log) that have occurred between September to December 2022 and have been reported to the Council's Privacy and Purchasing Advisor. For this period, one breach was reported which was non-notifiable. The reasons for recording this information are to use the data to identify areas in the Council which have a higher risk of a significant (notifiable) breach occurring, where the Council can target privacy training and to document the Council's response to any privacy breaches.

## Taunakitanga / Recommendation

THAT the Risk and Assurance Committee receives the Privacy and Official Information Requests Update (September-December 2022) Information Report.

## Kupu Whakamārama / Background

3. This Privacy and Official Information Requests Update report is a standing quarterly agenda item as per the Committee Workplan.

## Whakawhiti Kōrero / Discussion

### Privacy Breach identifications

4. The following information is a summary of the reported breach for the period September to December 2022:
  - a) Invoice sent to wrong customer



Council Officer emailed an invoice to the wrong customer. Officer contacted customer to request the email be deleted and the email was then resent to the correct person. It was determined that this was not a notifiable breach because the factors in assessing this breach under the privacy breach guidelines meant that it did not meet the threshold of a notifiable breach under the Act.

**Privacy Act requests**

5. The Council has not received any requests under Information Privacy Principle 6 (IPP6) or Information Privacy Principle 7 (IPP7) within this reporting period. Note that IPP6 relates to an individual who may request access to their personal information that the Council holds about them and IPP7 is to request correction of that personal information.

**LGOIMA Internal Audit**

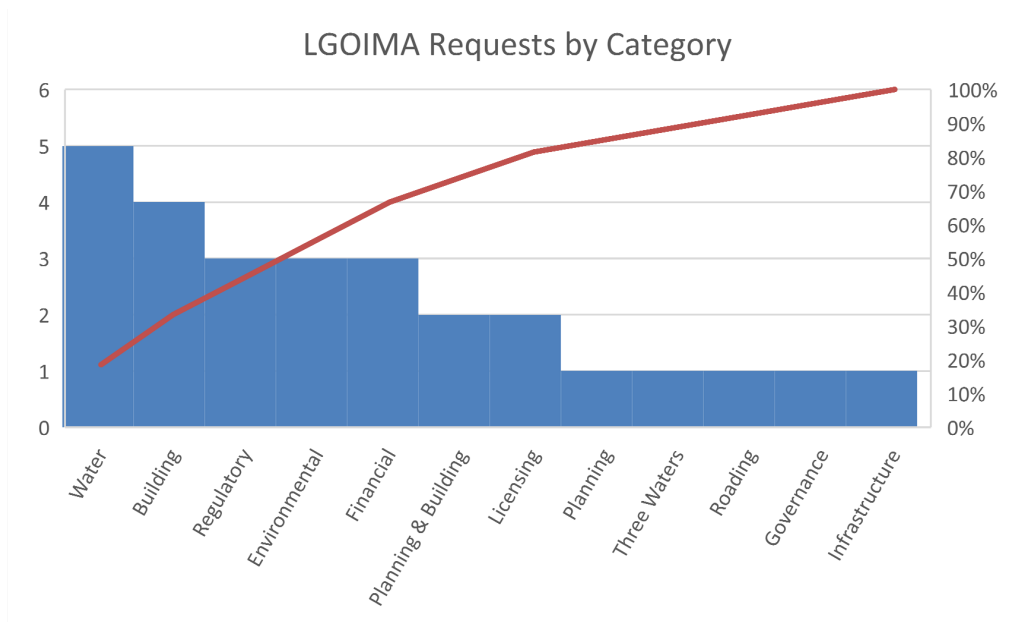
6. An internal audit was undertaken on the LGOIMA process by the Risk and Internal Audit Manager. The objective was to assess the process and key controls for issuing and billing of LGOIMA requests and included the system of internal controls.
7. The audit excluded any IT Cyber Security Assessment or testing and was concluded in January 2023. From the findings of the audit there were six recommendations and agreed actions, two of the findings were rated high, three moderate and one low. The Audit will be presented to the Committee in more detail by the Risk and Internal Audit Manager.

**LGOIMA Requests**

8. The Council received 27 LGOIMA requests between September and December 2022. The Council is required to communicate a decision within 20 working days to any request and then release the information without undue delay. Of the 27 requests received, two of the decisions were communicated outside of the 20 working days, 25 were communicated within the 20 working days and duly responded to.
9. Below is a table showing the number of LGOIMA requests received by the Council since 2020 and of those requests the number that were refused, withdrawn (withdrawn by the requester for one reason or another) or cancelled.

| Year           | LGOIMA Requests Received | Refused/Declined | Withdrawn/Cancelled |
|----------------|--------------------------|------------------|---------------------|
| 2020           | 92                       | 0                | 1                   |
| 2021           | 93                       | 0                | 4                   |
| 2022           | 89                       | 1                | 1                   |
| 2023 (3months) | 24                       | 0                | 0                   |

10. The requests received for the period covered a variety of categories within Council as shown in the graph below:



**Training for staff and Elected Members**

11. Training for staff and Elected Members is being developed and will ensure that staff and Elected Members are up to date with the recent changes under the Act. It is proposed that ongoing training is required, to remind staff and Elected Members of their obligations under the Act.
12. The Internal Audit identified LGOIMA training as one of the findings (rated medium). To ensure consistency in delivery of service across the organisation there are three types of training to be developed and delivered:
  - a) Cross Council training on LGOIMA,
  - b) Subject expert training for staff dealing with LGOIMA; and
  - c) Ongoing training for staff.

**Land Information Memorandum (LIM) Requests**

13. The Council received 54 LIM requests for the period September to December 2022 and is required to respond within ten working days for a Standard LIM request and five working days for an Urgent LIM request.
14. Of the 54 requests for this reporting period, 37 were for Standard LIMs processed within ten days and 17 were for Urgent LIMs processed within five days. All LIMs during this period were processed within the required timeframes.
15. The average processing days to complete LIMs was 6.31 days, and fees charged amounted to \$15,183.
16. Following the internal LIM Audit the time to complete LIMs by staff was tracked for six months, to assist with the review of fees charged for processing a LIM. The fees will be amended through the 2023/24 Annual Plan process.

## Whakakapia / Conclusion

17. This report provides an update to the Committee regarding the reported breach which occurred between September to December 2022 and any requests for IPP6, IPP7, LGOIMA and LIMs.



Darleena Christie

**Kaitātari Matatapu me te Hoko /  
Privacy and Purchasing Advisor**



[Seen by]

Becky Wolland

**Kaihautū Kaupapa Here me te Whaitikanga /  
Policy and Governance Manager**

Risk and Assurance Committee - Information Reports

| Date advised of breach | Time advised of breach | Mechanism of breach | Description                                      | Immediate action when breach was identified  | Remedial action/resolution                                     |                                | Department | Assessment criteria   | Notifiable breach? | Did officer advise Manager? | Date       | Advised GM       | Date       |
|------------------------|------------------------|---------------------|--|--|--|--------------------------------|------------|---|--------------------|-----------------------------|------------|------------------|------------|
| 09/12/2022             | 4.46PM                 | Email               | Officer emailed an invoice to the wrong customer | Officer resent information to correct customer. Officer advised Privacy and Purchasing Advisor of the breach and attached email chain. | Emailed customer and requested that original email is deleted. | No response from the customer. | Finance    | There was no personal information involved and the cause was identified and the Officer now has multiple screens to mitigate any future occurrence. | No                 | Yes                         | 12/12/2022 | Yes – advised CE | 12/12/2022 |

## 8. Resolution to Exclude the Public

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

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

| General subject of each matter to be considered                                   | Reason for passing this resolution in relation to each matter | Ground(s) under section 48(1) for the passing of this resolution  |
|---|---|---|
| 1. Confirmation of Minutes 15 February 2023                                       | Good reason to withhold exists under Section 7.               | That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.<br>Section 48(1)(a) |
| 2. Quarterly Risk Management Status Report  |   |   |
| 3. Quarterly Internal Audit Status Report   |   |   |
| 4. Health and Safety Quarterly Report period 1 September 2022 to 28 February 2023 |   |   |
| 5. Quarterly Cyber Security Report  |   |   |
| 6. South Taranaki Business Park Update  |   |   |
| 7. Committee Discussion   |   |   |

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

| Item No  | Interest  |
|----------|---|
| 1,6      | Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Schedule 7(2)(i)).  |
| 2,3,4,5, | 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)). |
| 7        | Is to protect the privacy of natural persons, including that of deceased natural persons (Schedule 7(2)(a))   |



# Karakia

## 9. Karakia

### Ruruku Whakakapi – Closing Prayer

Unuhia, unuhia

Unuhia ki te uru tapu nui

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

Kia wātea, ka wātea, āe rā, kua wātea

Rire rire hau pai marire!

*Draw on, draw on,*

*Draw on the supreme sacredness*

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

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

*Deeply in peace!*