



RANGITIKEI
DISTRICT COUNCIL
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ORDER PAPER

RISK AND ASSURANCE COMMITTEE MEETING

Date: Wednesday, 18 September 2024

Time: 9.00am

Venue: Council Chamber
Rangitikei District Council
46 High Street
Marton

Chair: Mr Philip Jones

Membership: Cr Fi Dalgety
Cr Simon Loudon
Cr Piki Te Ora Hiroa
Cr Dave Wilson
HWTM Andy Watson

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Notice is hereby given that an Risk and Assurance Committee Meeting of the Rangitīkei District Council will be held in the Council Chamber, Rangitīkei District Council, 46 High Street, Marton on Wednesday, 18 September 2024 at 9.00am.

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AGENDA

1 Welcome / Prayer

2 Apologies

3 Public Forum

4 Conflict of Interest Declarations

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of items on this agenda.

5 Confirmation of Order of Business

That, taking into account the explanation provided why the item is not on the meeting agenda and why the discussion of the item cannot be delayed until a subsequent meeting, [enter item number](#) be dealt as a late item at this meeting.

6 Confirmation of Minutes

6.1 Confirmation of Minutes

Author: Kezia Spence, Governance Advisor

1. Reason for Report

- 1.1 The minutes from **Risk and Assurance Committee Meeting held on 20 June 2024** are attached.

Attachments

1. **Risk and Assurance Committee Meeting - 20 June 2024**

Recommendation

That the minutes of Risk and Assurance Committee Meeting held on 20 June 2024 [**as amended/without amendment**] be taken as read and verified as an accurate and correct record of the meeting, and that the electronic signature of the Chair of this Committee be added to the official minutes document as a formal record.

MINUTES



UNCONFIRMED: RISK AND ASSURANCE COMMITTEE MEETING

Date: Thursday, 20 June 2024
Time: 9.30am
Venue: Council Chamber
 Rangitikei District Council
 46 High Street
 Marton

Present Mr Philip Jones
 Cr Dave Wilson
 Cr Fi Dalgety
 Cr Piki Te Ora Hiroa
 Cr Simon Loudon
 HWTM Andy Watson

In attendance Mr Kevin Ross, Chief Executive
 Mr Arno Benadie, Chief Operating Officer
 Mrs Carol Gordon, Group Manager- Democracy and Planning
 Mr Dave Tombs, Group Manager- Corporate Services
 Ms Sharon Bennett, Group Manager- People and Performance

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1 Welcome / Prayer

Mr Jones opened the meeting at 9.00am and read the council prayer.

2 Apologies

No apologies received.

3 Public Forum

There was no public forum.

4 Conflict of Interest Declarations

There were no conflicts of interest declared.

5 Confirmation of Order of Business

There was no change to the order of business.

6 Confirmation of Minutes

Amendment- 9.13 Marton Rail Hub that Cr Loudon was not conflicted due to it being a report for information.

Resolved minute number 24/ARK/019

That the minutes of Risk and Assurance Committee Meeting held on 20 March 2024 **as amended** be taken as read and verified as an accurate and correct record of the meeting, and that the electronic signature of the Chair of this Committee be added to the official minutes document as a formal record.

Cr D Wilson/Cr P Hiroa. Carried

7 Follow-up Action Items

7.1 Follow-up Action Items from Risk and Assurance Meetings

Item 6- Shared Services

This has been in the open agenda and was considered closed.

Resolved minute number 24/ARK/020

That the report 'Follow-up Action Items from Risk and Assurance Meetings' be received and that the committee note the closed items.

Mr Jones/Cr F Dalgety. Carried

8 Chair's Report

8.1 Chair's Report - June 2024

Mr Jones requested the committee consider their top ten risks for Council.

Resolved minute number 24/ARK/021

That the Chair's Report –June 2024 be received.

HWTM A Watson/Cr F Dalgety. Carried

9 Reports for Information

9.1 Health, Safety and Wellbeing Update

Ms Bennett responded to concerns that the monitoring of contractors for complying with Health and Safety, that a new process is being introduced.

Resolved minute number 24/ARK/022

That the Health, Safety and Wellbeing Report be received.

HWTM A Watson/Cr S Loudon. Carried

9.2 Protected Disclosures Update

The report was taken as read.

Resolved minute number 24/ARK/023

That the report 'Protected Disclosures Update' report be received.

HWTM A Watson/Cr S Loudon. Carried

9.3 Privacy Update

The report was taken as read.

Resolved minute number 24/ARK/024

That the report 'Privacy Update' be received.

Cr F Dalgety/Cr P Hiroa. Carried

9.4 Risk and Assurance Committee Work Programme

His Worship the Mayor noted that the legislation from central government is changing and therefore the work programme should consider this.

Mrs Gordon noted that staff capture all Bylaws which is report to the Policy and Planning committee and that any submissions from central government are noted through the CE report to Council.

The committee discussed the risks associated with Three Waters and His Worship the Mayor highlighted the recent tranche 2 of legislation. There were concerns about the funding through the Long-Term Plan is sufficient for the funding for the setup of a new entity.

Mr Ross will report back on Three Waters to the committee and noting the risks of this item.

Resolved minute number 24/ARK/025

That the report 'Risk and Assurance Committee Work Programme' be received.

Cr D Wilson/Cr F Dalgety. Carried

9.5 Insurance Update

Mr Tombs responded to questions that some policies, such as cyber are softening while other insurance policies have an increase in premiums.

Resolved minute number 24/ARK/026

That the report 'Insurance Update' be received.

Cr D Wilson/Cr P Hiroa. Carried

9.6 Internal Audit Programme

Mr Jones noted that there is a benefit that the reporting back on the progress gives assurance on the outcome and that there has been a process in place.

Resolved minute number 24/ARK/027

That the report 'Internal Audit Programme' be received.

Mr Jones/HWTM A Watson. Carried

9.7 Audit NZ Management Letter Points

Mrs Gordon highlighted that strategic direction will be part of reporting to councillors as from July.

The committee discussed their top risks and it was highlighted by the committee the risk of rates affordability.

Resolved minute number 24/ARK/032

That the report 'Risk Management' is received.

Cr D Wilson/Cr P Hiroa. Carried

10 Public Excluded

The meeting went into public excluded session 11.29am.

Resolution to Exclude the Public

Resolved minute number 24/ARK/033

That the public be excluded from the following parts of the proceedings of this meeting.

- 1 Risk and Assurance Committee Meeting - 20 March 2024

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
9.1 - Risk and Assurance Committee Meeting - 20 March 2024	To consider the minutes relating to matters that were the subject of discussion at the 20 March meeting.	S48(1)(a)

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interests protected by Section 6 or Section 7 of the Act which would be prejudiced by the holding or the whole or the relevant part of the proceedings of the meeting in public as specified above.

Cr S Loudon/Cr P Hiroa. Carried

8 Open Meeting

The meeting went into open session 11.31am.

ITEM 7.1
7 Follow-up Action Items from Previous Meetings**7.1 Follow-up Action Items from Risk and Assurance Meetings****Author:** Kezia Spence, Governance Advisor**1. Reason for Report**

- 1.1 On the list attached are items raised at previous Audit and Risk meetings. Items indicate who is responsible for each follow up, and a brief status comment.

2. Decision Making Process

- 2.1 Staff have assessed the requirements of the Local Government Act 2002 in relation to this item and have concluded that, as this report is for information only, the decision-making provisions do not apply.

Attachments:

1. **Follow-Up Actions Register** [↓](#)

Recommendation

That the report 'Follow-up Action Items from Risk and Assurance Meetings' be received.

Current Follow-up Actions

Item	From Meeting Date	Details	Person Assigned	Status Comments	Status
1	19-Jun	More detailed information on what doing in the internal audit work programme (with timeframes, how, what, when being done)	Carol G	This is included in the order paper	Completed.
2	21-Sep-23	Dry weather sewerage overflows (pg 57 of the agenda)	Arno Benadie	This is has been discussed with auditors and will continue to be measured.	Completed.

ITEM 8.1

8 Chair's Report

8.1 Chair's Report - September 2024

Author: Philip Jones, Chair

1. The Chair's report will be tabled at the meeting.

Recommendation

That the Chair's Report – September 2024 be received.

9 Reports for Decision

9.1 Protected Disclosures Update

Author: Sharon Bennett, Group Manager - People & Performance

Authoriser: Kevin Ross, Chief Executive

1. Reason for Report

- 1.1 This report provides an update on protected disclosures for the reporting period, this update being that there are no protected disclosures to report. This report also outlines the review process for the Protected Disclosures Policy and Procedures and presents the revised Protected Disclosures Policy and Procedure for members consideration and endorsement.

2. Context

- 2.1 The Protected Disclosures Act 2022 (Act) came into force on 1 July 2022 and replaced the Protected Disclosures Act 2000. The purpose of the Act is to facilitate the disclosure and timely investigation of serious wrongdoing in or by an organisation and protect people who make a disclosure under the Act.
- 2.2 Under the Act a disclosure can be made by an employee. The definition of employee under the Act is wider than other legislation and includes employees, secondees, contractors, volunteers and boards / governing bodies.
- 2.3 Employees who make a disclosure under the Act are not liable to any civil or criminal proceedings, or to disciplinary proceedings by the employer, for reasons of that disclosure.
- 2.4 Rangitīkei District Council (RDC) maintains an internal Protected Disclosures Policy and Procedure which is aligned to the requirements of the 2022 Act. That policy was due for review by September 2024, and that review has been undertaken.
- 2.5 Internal policies are available on the staff intranet (Kapua). Policies are communicated to staff at regular intervals including when the policy is introduced, when changes are made, as part of the orientation process for new staff and when it is timely to do so. Training on the Protected Disclosures Policy and Procedure has been provided to staff.

3. Discussion and Options Considered

- 3.1 There are no protected disclosures to report for this period.
- 3.2 Council's internal Protected Disclosure's Policy and Procedure (Policy and Procedure) was re-written in July 2022 in accordance with the provisions of the new Act. The new Policy and Procedure was reviewed, and endorsed, by an external legal firm.
- 3.3 The 2022 Policy and Procedure has recently been reviewed by Councils Executive Leadership Team in accordance with Councils Policy Review Schedule and Risk and Assurance Committee Work Programme. As part of this review, the 2022 Policy and Procedure was also peer reviewed by a different legal consultancy. No changes to the Policy and Procedure were recommended as a result of the review.

ITEM 9.1

3.4 The Policy and Procedure has been updated with the current date, and a new review date (September 2026). The revised Policy and Procedure is attached for members consideration and endorsement.

4. Financial Implications

4.1 There are no financial implications associated with this report.

5. Impact on Strategic Risks

5.1 There are no impacts on Council's strategic risks.

6. Strategic Alignment

6.1 There are no matters that impact on Council's Strategic Framework associated with this report.

7. Mana Whenua Implications

7.1 Officers are not aware of mana whenua implications associated with this report.

8. Climate Change Impacts and Consideration

8.1 There are no climate change impacts associated with this report.

9. Statutory Implications

9.1 The Protected Disclosures Policy was developed, and reviewed, in accordance with the Protected Disclosures Act 2022.

10. Conclusion

10.1 This report has provided an update on protected disclosures for the reporting period, this update being that there are no protected disclosures to report. The report has also outlined the review process for the Protected Disclosures Policy and procedure and has provided the revised Policy and Procedure for members comment and endorsement.

11. Decision Making Process

11.1 This decision is considered to have low significance.

Attachments:

1. **Protected Disclosures Policy and Procedure, August 2024** [↓](#)

Recommendation

That the report 'Protected Disclosures Update' be received.

Recommendation

That the revised Protected Disclosures Policy and Procedure be endorsed with/without amendment.

RANGITĪKEI DISTRICT COUNCIL

PROTECTED DISCLOSURES POLICY AND PROCEDURE

This policy provides information on the Protected Disclosures (Protection of Whistleblowers) Act 2022 (Act). It also outlines how you may make a disclosure under the Act.

Approved:	August 2024
Approved by:	Executive Leadership Team*
Next review:	August 2026
Version number:	2.0
Who is responsible:	Group Manager People and Performance

** Published subject to review by Risk and Assurance Committee.*



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UNCONTROLLED IF PRINTED

Protected Disclosures (Protection of Whistleblowers) Act 2022

INTRODUCTION

The purpose of the Protected Disclosures (Protection of Whistleblowers) Act 2022 (Act) is to facilitate the disclosure and timely investigation of serious wrongdoing in or by an organisation and protect people who disclose in accordance with the Act.

This Policy sets out RDC's commitment to these purposes.

WHAT IS SERIOUS WRONGDOING?

A protected disclosure may be made in respect of acts, omissions or courses of conduct in or by RDC that amount to serious wrongdoing. Under the Act, the following matters are considered serious wrongdoing:

- An unlawful, corrupt, or irregular use of public funds or resources; or
- A serious risk to public health, safety, the health or safety of any individual, or the environment; or
- A serious risk to the maintenance of the law; or
- An offence; or
- Oppressive, unlawfully discriminatory, or grossly negligent acts, omissions or courses of conduct or gross mismanagement by public sector employees and persons performing (or purporting to perform) a function or duty or exercising (or purporting to exercise) a power on behalf of a public sector organisation or the Government.

The Act does not cover employment issues that are more properly covered by the Employment Relations Act 2000 (ERA).

WHO CAN MAKE A DISCLOSURE?

To make a disclosure, you need to be a discloser within the meaning of the Act. The definition of discloser, in relation to Rangitikei District Council (RDC), includes an individual who is or was formerly:

- an employee;
- a secondee;
- engaged or contracted as a contractor;
- concerned in the management of the organisation (for example, as a member of the board or governing body i.e. elected members); or
- a volunteer.

WHEN WILL MY DISCLOSURE BE PROTECTED?

Your disclosure will be protected if:

- The information is about serious wrongdoing in or by RDC; and
- You believe on reasonable grounds that the information is true; and
- You disclose the information in accordance with the Act; and
- You do not disclose the information in bad faith.

Your disclosure won't be protected if:

- You know the allegations are false or your disclosure is made in bad faith;
- The information you are disclosing is protected by legal professional privilege;
- You have made the disclosure to a person not identified in this Policy or an appropriate authority, unless it is on a confidential basis and for the purposes of seeking advice about whether or how to make a protected disclosure in accordance with the Act; or
- The disclosure is made to a journalist or other media source.

WHAT PROTECTIONS DO I HAVE?

The Act provides legal protection to employees who disclose (blow the whistle) on serious wrongdoing within their workplace. Employees who make a protected disclosure in accordance with the Act benefit from the following protections:

- confidentiality;
- against retaliation or being treated less favourably;
- against victimisation; and
- immunity for the disclosure in civil, criminal and disciplinary proceedings.

Appendix 1 is a flowchart which you may use to determine if you have protection under the Act for making a protected disclosure.

Confidentiality

When you make a protected disclosure, the person you make it to will use their best endeavours to keep confidential any information that might identify you. The exceptions are if you consent to the release of the identifying information, or if there are reasonable grounds to believe that the release of the identifying information is essential:

- a) to the effective investigation of the disclosure; or
- b) to prevent a serious risk to public health or safety, or the health or safety of any individual, or the environment; or
- c) to comply with the principles of natural justice (natural justice is a duty to act fairly; for example, if the alleged wrongdoer needs to be provided with more information about the allegations in order to respond); or
- d) to an investigation by a law enforcement or regulatory agency for the purpose of law enforcement.

Before releasing identifying information for reasons relating to (a) or (c), RDC will consult with you about the release and inform you once the identifying information has been released.

Before releasing identifying information for reasons relating to (b) or (d), RDC will, if practicable, consult with you about the release and inform you once the identifying information has been released.

Retaliation

RDC must not retaliate, or threaten to retaliate, against an employee because the employee intends to make or has made a protected disclosure. Retaliation means doing or organising to do any of the following:

- dismissing the employee;
- refusing or omitting to offer or afford the same terms of employment, conditions of work, fringe benefits, or opportunities for training, promotion and transfer as are made available to other employees of the same or substantially similar qualifications, experience or skills employed in the same or substantially similar circumstances;
- detriment or disadvantage (including any detrimental or disadvantageous effect on the employee’s employment, job performance or job satisfaction) in circumstances in which other employees employed by the employer in work of that description are not or would not be subjected to such detriment or disadvantage; and
- retiring the employee or causing the employee to retire or resign.

If you consider that RDC has not upheld this requirement, you may bring a personal grievance under section 103(1)(k) of the ERA.

Victimisation

RDC must not treat, or threaten to treat, a person less favourably than any other person in the same or substantially similar circumstances because they (or a relative or associate):

- intends to make, or has made a protected disclosure under the Act; or
- has encouraged another person to make a protected disclosure; or
- has given information in support of, or relating to, a protected disclosure; or
- RDC believes or suspects that they (or a relative or associate) intends to or has done any of the above.

HOW DO I MAKE A PROTECTED DISCLOSURE?

If you wish to make a protected disclosure under the Act then, unless there is a reason not to, you may make the disclosure to RDC or to an appropriate authority at any time. Your disclosure should include details of the alleged serious wrongdoing and any evidence you have to support the allegation(s).

Disclosure to RDC

The appropriate contacts at RDC are the holders of the following internal roles:

- Group Manager People and Performance; or
- Senior People and Performance Advisor

If you are considering making a protected disclosure but would like more information, then the holders of the above roles are also available to provide you with information about making the disclosure and the protections available.

The Group Manager People and Performance and/or Senior People and Performance Advisor can, where appropriate, act as the communication channel between you and the Chief Executive in respect to the disclosure investigation and resolution of the disclosure you have made.

If you believe that there is a conflict of interest preventing you from making the disclosure to the Group Manager People and Performance and/or the Senior People and Performance Advisor, or the disclosure is about them, then you may make the disclosure directly to the Chief Executive.

If you believe that the Chief Executive is implicated in the serious wrongdoing, or where the matter has been raised with the Chief Executive but has not been satisfactorily resolved, then you may make the disclosure to another appropriate authority.

Disclosure to appropriate authority

You may also choose to make a disclosure to an appropriate authority. The appropriate authority will likely depend on the nature of the serious wrongdoing to be disclosed. Appropriate authority includes (but is not limited to):

- The Mayor of Rangitikei District Council
- The Chairperson of the Audit and Risk Committee
- Commissioner of Police
- Controller and Auditor General
- Director of the Serious Fraud Office
- Inspector-General of Intelligence and Security
- Office of the Ombudsman
- Ministry for the Environment
- Solicitor-General
- Public Service Commission

WHAT WILL HAPPEN AFTER I MAKE A DISCLOSURE?

Within 20 working days of receiving a protected disclosure, RDC will endeavour to:

- acknowledge receipt of the disclosure on the date the disclosure is received and (if made orally, summarise its understanding of the disclosure);
- consider the disclosure and whether it warrants investigation;
- check with you whether the disclosure has been made elsewhere (and any outcome);
- deal with the matter by doing one or more of the following:
 - investigating the disclosure;
 - addressing any serious wrongdoing by acting or recommending action;
 - referring the disclosure to an (or another) appropriate authority; or
 - deciding that no action is required; and
- inform you (with reasons) about what RDC has done or is doing to deal with the matter.

If it is impracticable for RDC to complete these actions within 20 working days, you will be informed of how long the process is expected to take together with updates on progress as appropriate.

If it is determined that the protected disclosure is within the scope of this Policy and warrants an investigation, RDC will appoint an appropriate investigator. At RDC's discretion, the investigator may be internal or external to RDC. Any investigation process will vary depending on the nature of the serious wrongdoing that has been disclosed.

If RDC considers that the protected disclosure should be referred to an (or another) appropriate authority, it will consult with you and the intended recipient of the referral. This may be, for example, if RDC considers that the protected disclosure can be more suitably and conveniently investigated by the other authority.

Every endeavour will be made to keep you as informed as possible throughout the investigation process.

DELIBERATELY MAKING FALSE DISCLOSURES

When making a protected disclosure about serious wrongdoing, you must have reasonable grounds to believe that the information is true. In these circumstances, you will not be penalised if the information is found to be mistaken or incorrect.

However, deliberately making a disclosure that is false, trivial, malicious, fraudulent, or in bad faith will be treated as serious disciplinary matter and you will not benefit from the protections referred to in this Policy.

WHERE CAN I GET MORE INFORMATION?

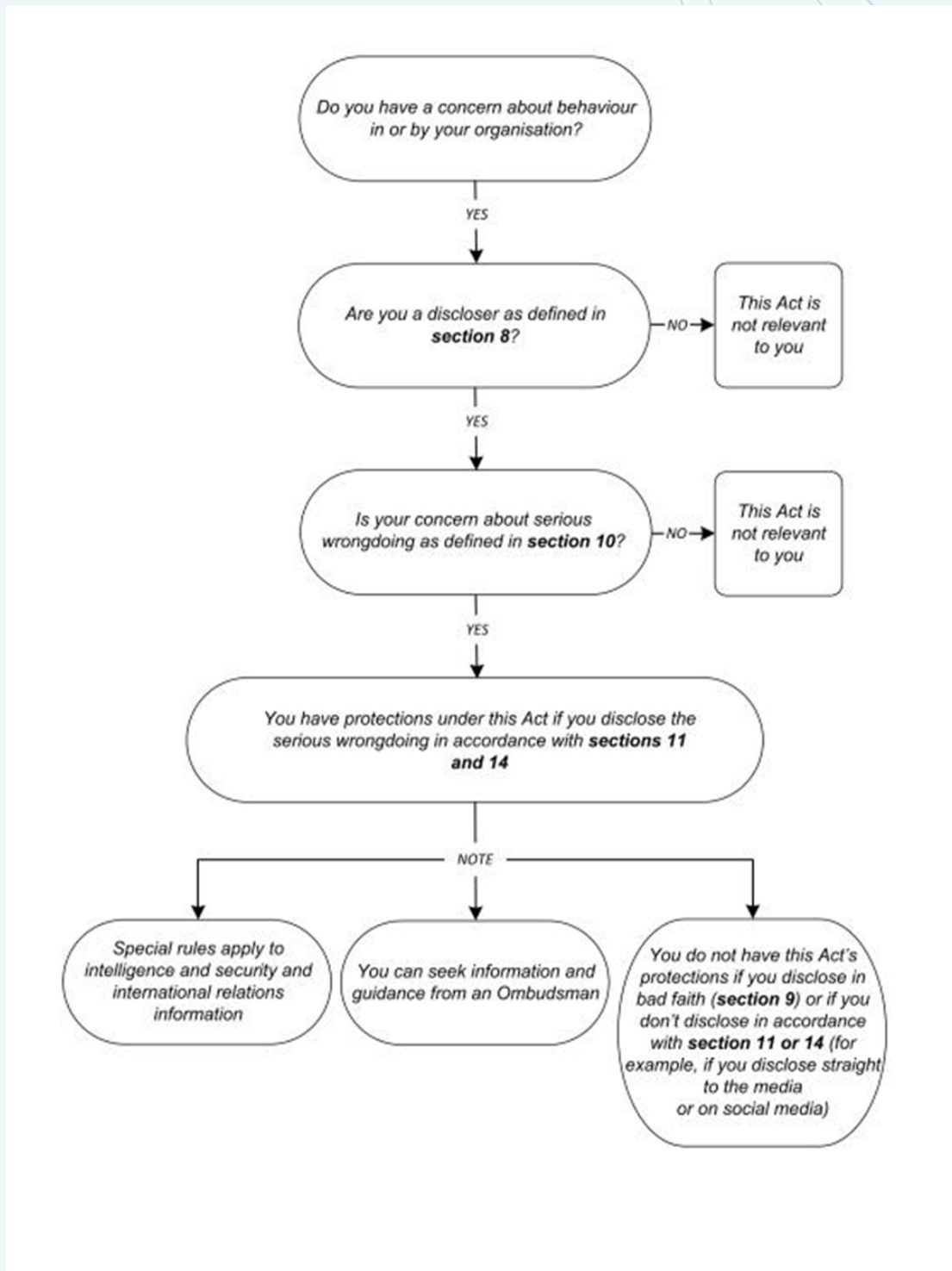
For additional independent information on how to make a protected disclosure, please view the Public Service Commission guidance available through the following link:

[Protected Disclosures Act 2022 | Te Kawa Mataaho Public Service Commission](#)

If you would like to view the Act, please visit www.legislation.govt.nz

APPENDIX 1

Do I have protection under the Act for making a protected disclosure?



10 Reports for Information

10.1 Health, Safety and Wellbeing Update

Author: Sharon Bennett, Group Manager - People & Performance

Authoriser: Kevin Ross, Chief Executive

1. Reason for Report

1.1 This report provides an update on health, safety and wellbeing matters. The report includes the Health, Safety and Wellbeing Dashboards for the current reporting period, an update on due diligence activities and highlights from the Health, Safety and Wellbeing Work Programme.

2. Context

2.1 Elected Representatives are considered Officers under the Health and Safety at Work Act 2015 (Act). This means they have an obligation to exercise due diligence in relation to health and safety matters. Due diligence is defined in section 44(4) of the Act as taking reasonable steps to:

2.1.1 Acquire and update knowledge of health and safety matters; and

2.1.2 Gain an understanding of the operations carried out by the organisation, and the hazards and risks generally associated with those operations; and

2.1.3 Ensure the person conducting business or undertaking (PCBU) has appropriate resources and processes to eliminate or minimise those risks; and

2.1.4 Ensure the PCBU has appropriate processes for receiving and considering information about incidents, hazards and risks, and for responding to that information in a timely way; and

2.1.5 Ensure there are processes for complying with any duty, and that these are implemented; and

2.1.6 Verify that these resources and processes are in place and being used.

2.2 Council's Health, Safety and Wellbeing Dashboards (Dashboards) provide monthly incident data and year-to-date trends. The Dashboards support Elected Members to exercise due diligence obligations by providing up-to-date information on incidents, hazards and risks, together with current activities and wellbeing initiatives.

2.3 Council is committed to continuous improvement across all aspects of workplace health, safety and wellbeing. Continuous improvement is achieved through actions identified in the Health, Safety and Wellbeing Due Diligence Plan and the Health, Safety and Wellbeing Work Programme.

3. Discussion and Options Considered

3.1 Health, Safety and Wellbeing Dashboards

3.1.1 The Dashboards for June to August 2024 are attached to this report.

- 3.1.2 The June 2024 Dashboard shows four events, which included the categories of security (2) motor vehicle and behaviour. The Dashboard for June 2024 concludes the 2023/24 reporting year and includes 12-months' worth of data. The most commonly reported event categories for 2023/24 were abusive behaviour, motor vehicle and slip-trip-fall.
- 3.1.3 Minor amendments have been made to the Dashboard template from July 2024 to provide more accurate location reporting and more concise event categories.
- 3.1.4 The July 2024 Dashboard shows seven events, two near misses and two new hazards. The events related to the categories of physical harm / injury (4), abusive behaviour, small appliances, and vandalism. The two near misses related to the motor vehicle incidents. The new hazards related to security matters.
- 3.1.5 The August 2024 Dashboard shows one event and one near miss, both of which related to the category of motor vehicles.
- 3.1.6 There were no serious harm (notifiable) incidents during the reporting period.
- 3.1.7 All reported events, near misses and hazards have been appropriately investigated and corrective actions taken where required.

3.2 Health, Safety and Wellbeing Due Diligence Plan

- 3.2.1 The Health, Safety and Wellbeing Due Diligence Plan (Due Diligence Plan) supports Elected Members to meet due diligence requirements by providing opportunities for enhanced understanding of RDC's critical health, safety and wellbeing risks and the controls for these risks. The Risk and Assurance Committee endorsed a revised Due Diligence Plan at its March 2023 meeting (attached for information).
- 3.2.2 Progress with Due Diligence Plan activities is on-track. Upcoming activities will include a Work as Done Session (practical learning experience) for Elected Members, plus a review of Health, Safety and Wellbeing reporting metrics.

3.3 Health, Safety and Wellbeing Work Programme

- 3.3.1 The health, safety and wellbeing work programme includes new initiatives and opportunities, together with the ongoing review and continuous improvement of existing health, safety and wellbeing frameworks and practices.
- 3.3.2 Health, safety and wellbeing work programme highlights achieved since the last report include:
- Implementation of improved health, safety and wellbeing process for contractors and contract managers.
 - Commencement of the annual review cycle for the Health, Safety and Wellbeing Risk Register.
- 3.3.3 Health, safety and wellbeing activities currently underway:
- Review and development of HSW reporting metrics, including but not limited to Contractor site inspections, verification of risk register controls and critical risks.
 - Review of RDC's HSW Representation (Employee Participation Framework).
 - Contribution to MW LASS submission to MBIE regarding NZ's Workplace Health and Safety Regulatory System.

3.3.4 Health, safety and wellbeing activities coming soon:

- Design of a health, safety and wellbeing operating system showing how RDC's health, safety and wellbeing frameworks integrate.

4. Financial Implications

4.1 There are no financial implications associated with this report.

5. Impact on Strategic Risks

5.1 Council's Strategic Risk Register includes the strategic risk titled 'obligations with health, safety and wellbeing are not met'. The health, safety and wellbeing activities and frameworks outlined in this report contribute to the mitigation and management of this strategic risk.

6. Strategic Alignment

6.1 There are no matters the impact on Council's Strategic Framework associated with this report.

7. Mana Whenua Implications

7.1 Officers are not aware of mana whenua implications associated with this report.

8. Climate Change Impacts and Consideration

8.1 There are no climate change impacts associated with this report.

9. Statutory Implications

9.1 Councils Health, Safety and Wellbeing policies, procedures and frameworks are written and enacted in accordance with the Health and Safety at Work Act 2015.

10. Conclusion

10.1 This report has provided an update on health, safety and wellbeing matters for the reporting period.

11. Decision Making Process

11.1 This decision is considered to have low significance.

Attachments:

1. **Health, Safety and Wellbeing Dashboard, June 2024** [↓](#)
2. **Health, Safety and Wellbeing Dashboard, July 2024** [↓](#)
3. **Health, Safety and Wellbeing Dashboard, August 2024** [↓](#)
4. **Health, Safety and Wellbeing Due Diligence Plan** [↓](#)

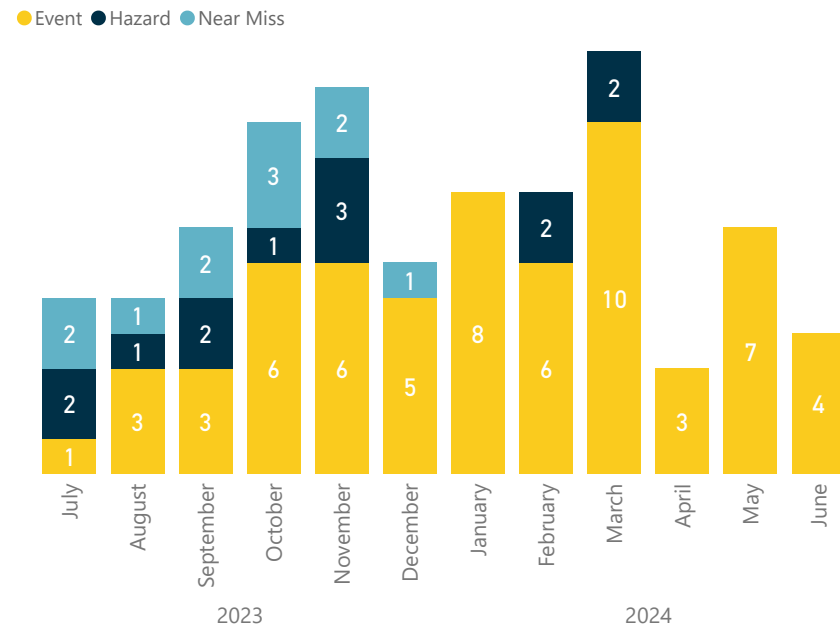
Recommendation

That the report 'Health, Safety and Wellbeing Update' be received.

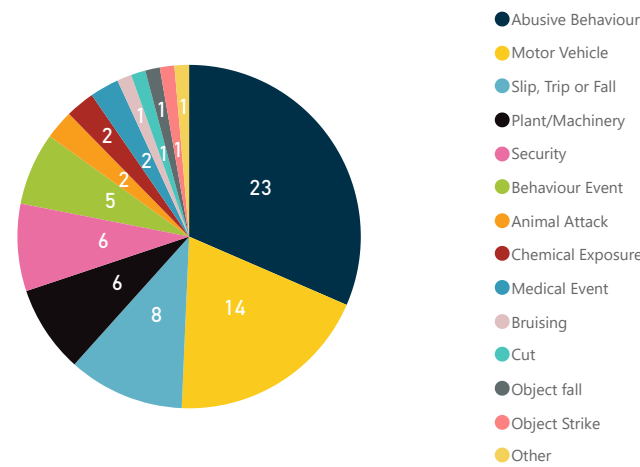


RDC Health and Safety Dashboard June 2024

Events, Hazards and Near Misses 01 July 2023 to date



Event/Near Miss Category 01 July 2023 to date



Wellbeing News

Accident / Incident / Near Miss & Hazard Reporting

The on-line HSW incident reporting form can be found on the main page of Kapua. All HSW incidents must be reported, and we encourage you to use the on-line form to do so.

If you are unsure whether you should report an incident, please contact Matt Gordon.

"Stop Take 5" Risk Assessment Tool

The "Stop Take 5" Risk assessment tool has been devised to allow staff to make a quick risk assessment of any workplace. The tool allows staff to identify any possible hazards or risks which could endanger staff conducting BAU. You can find the tool on Kapua / Safety and Wellbeing / Critical Risk page. Please contact Matt Gordon if you have any questions about Stop Take 5.

Buccaline Tablets

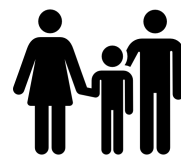
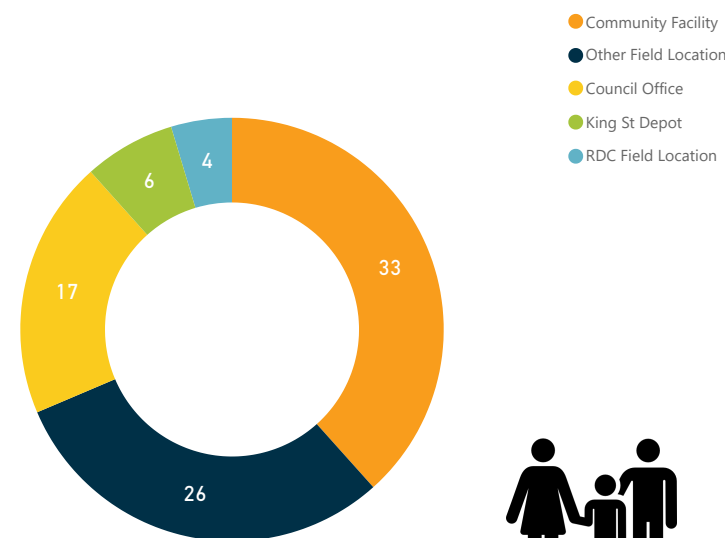
You can still access Buccaline tablets from the local pharmacies in Bulls, Marton and Taihape. Our Wellbeing Programme provides for staff to access up to two Buccaline courses per year.

Summary of Month

4 Events
0 Notifiable Incidents
0 Notifiable Illness/Injuries

0 Near Misses
0 Hazards

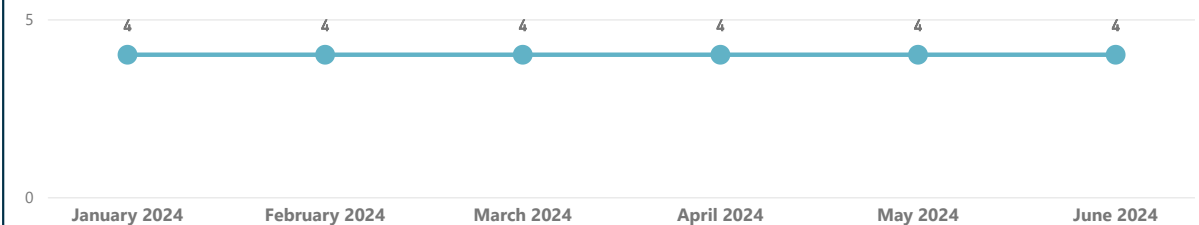
Location Events, Hazards and Near Misses



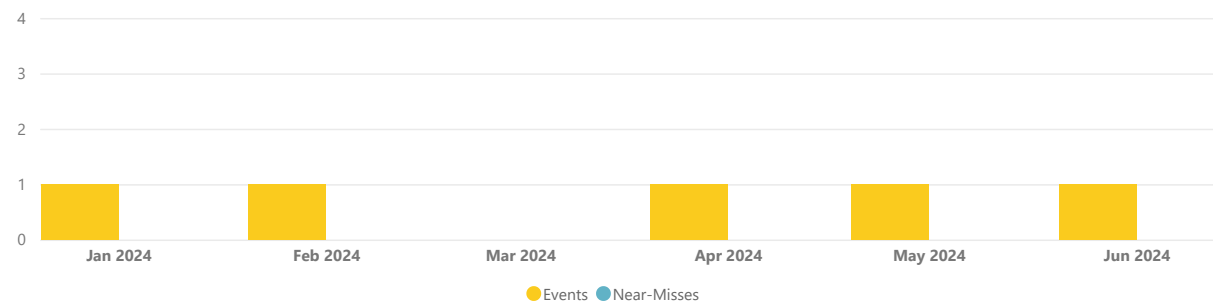
Average Driver Ratings

56% Completed Driver Safety Training

Ratings from E-Road Dashboard (Overspeed / Harsh Braking & Harsh Acceleration Events)



Vehicle Incidents

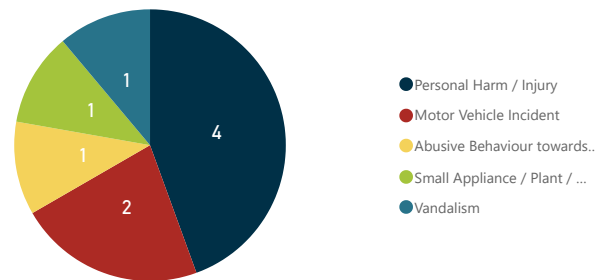


RDC Health and Safety Dashboard July 2024

Events, Hazards and Near Misses 01 July 2024 to date



Event/Near Miss Category 01 July 2024 to date

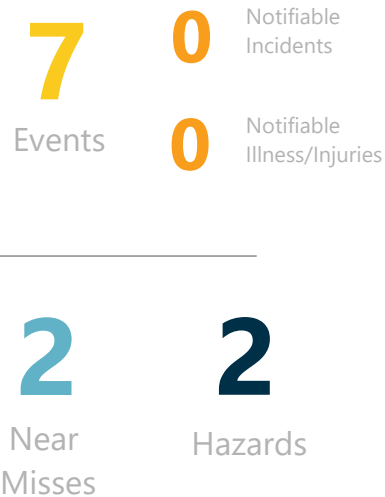


Wellbeing News

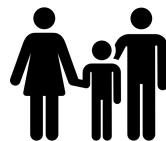
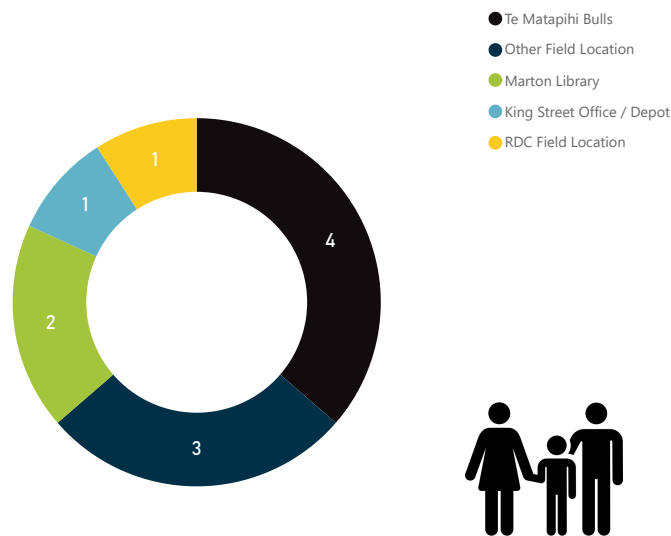
July Wellbeing News
 Accident / Incident / Near Miss & Hazard Reporting
 The on-line HSW incident reporting form can be found on the main page of Kapua. All HSW incidents must be reported, and we encourage you to use the on-line form to do so.
 If you are unsure whether you should report an incident, please contact Matt Gordon.

Mole Maps
 It is coming up 12 months since we offered staff the opportunity to have a free molemap or recheck as part of our My Choice Wellbeing Programme. We are in the process of arranging with Molemaps for a Melanographer to be onsite to do follow-up molemap rechecks, for those staff who would like to have a follow-up check, and full molemaps for those of you who haven't previously had a molemap and would like to take up this offer.
 So that we can work out how many appointments we need to cater for could you please let us know, either by email, or phone call, if you would like an appointment.
 Matt Gordon or Marcelle Williams are the best POC for these bookings.

Summary of Month



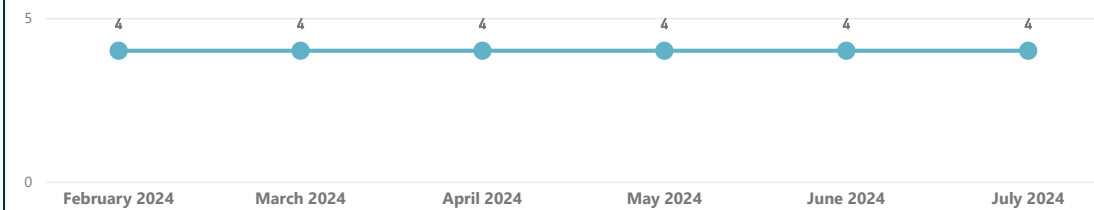
Location Events, Hazards and Near Misses



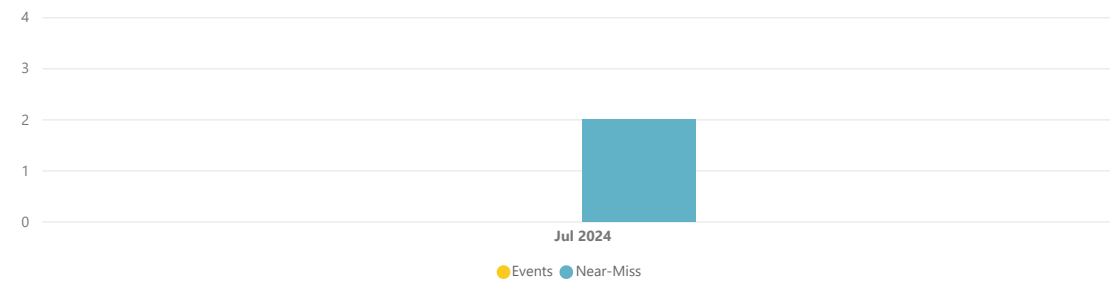
Average Driver Ratings

Ratings from E-Road Dashboard (Overspeed / Harsh Braking & Harsh Acceleration Events)

56% Completed Driver Safety Training



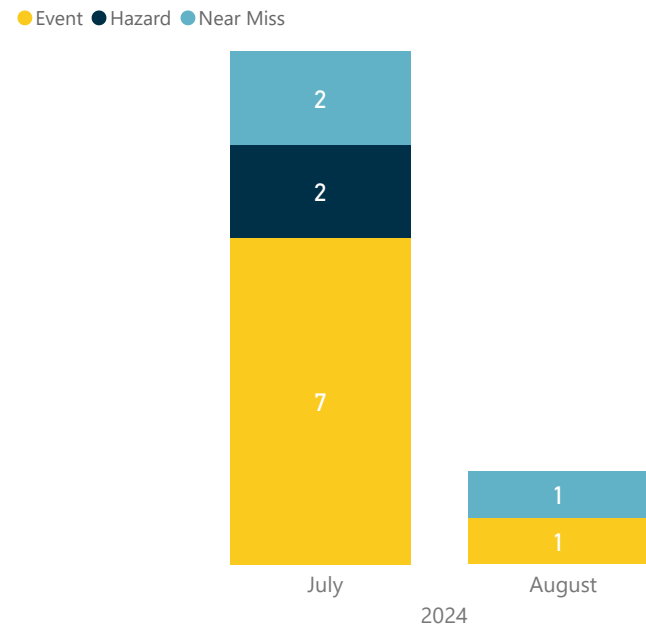
Vehicle Incidents



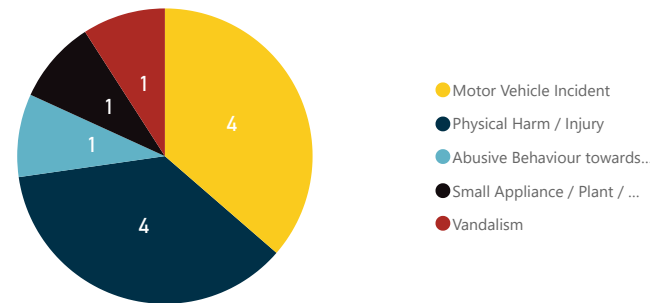


RDC Health and Safety Dashboard August 2024

Events, Hazards and Near Misses 01 July 2024 to date



Event/Near Miss Category 01 July 2024 to date



Wellbeing News

Mole Maps

We are booking two days in October / November and December for staff to have a Mole Map or recheck as part of our Wellbeing Programme - Hauora Ake. Thank you to those staff members who have confirmed interest, we will be contacting you soon to talk about days and locations for these checks, for those that haven't replied please contact Matt Gordon by email or phone to reserve a spot.

Daylight Savings 29th September 2024

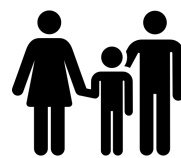
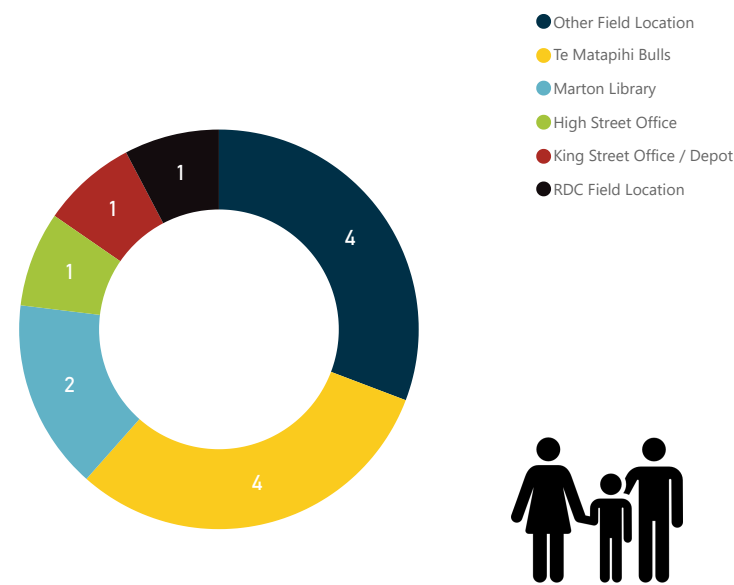
Daylight savings starts on Sunday 29th September, this is the recommended time to test and replace batteries in your home smoke detectors. Fire and Emergency NZ recommends the placement of smoke detectors in all bedrooms, hallways and living areas. Having working smoke detectors makes you 4 x more likely to survive a house fire.

Summary of Month

1 Events
0 Notifiable Incidents
0 Notifiable Illness/Injuries

1 Near Misses
0 Hazards

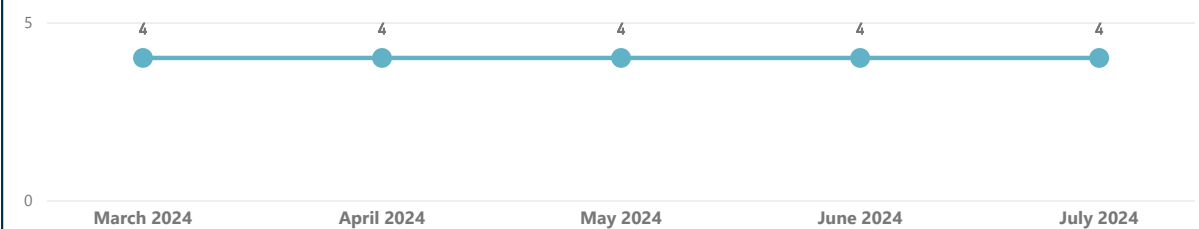
Location Events, Hazards and Near Misses



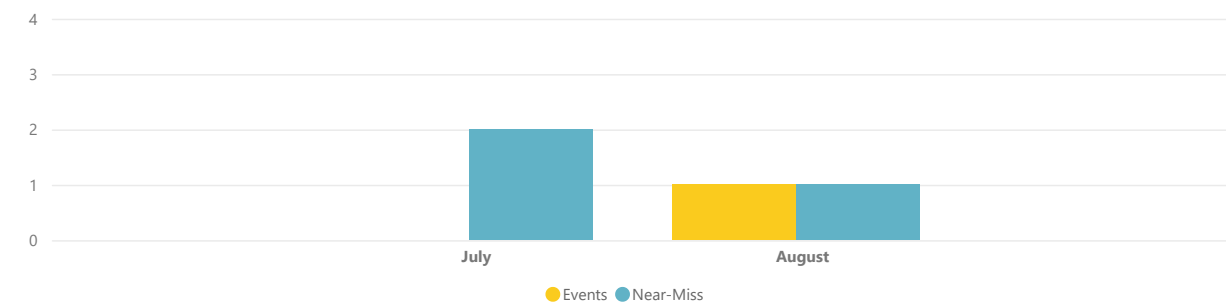
Average Driver Ratings

56% Completed Driver Safety Training

Ratings from E-Road Dashboard (Overspeed / Harsh Braking & Harsh Acceleration Events)



Vehicle Incidents



Health, Safety and Wellbeing Due Diligence Plan 2023 - 2025

This Due Diligence Plan is aligned to the Institute of Directors Health and Safety Guide: Good Governance for Directors (March 2016) and aims to enhance due diligence in health, safety and wellbeing (HS&W) leadership at Rangitikei District Council (RDC).

A positive and robust HS&W culture begins at the Council table and spreads throughout the organisation. The Health and Safety at Work Act places a duty on elected members – as Officers – to exercise due diligence to ensure that RDC complies with its health and safety duties and obligations.

Due diligence requires Officers to take reasonable steps to understand RDC’s operations and HS&W risks, and to ensure that they are managed so that everyone is safe. Due diligence is defined in the Health and Safety at Work Act as taking reasonable steps to:

- Acquire and update knowledge of health and safety matters
- Gain an understanding of the operations carried out by the organisation and the hazards and risks generally associated with those operations
- Ensure the organisation has, and uses, appropriate resources and processes to eliminate or minimise those risks
- Ensure the organisation has appropriate processes for receiving and considering information about incidents, hazards and risks, and for responding to that information in a timely way
- Ensure there are processes for complying with any duty, and that these are implemented
- Verify that these resources and processes are in place and being used.

This due diligence plan outlines the activities that will be undertaken to enhance elected member knowledge and understanding of HS&W matters. The plan is aligned to the elements of policy and planning, delivery, monitoring and review.

A key part of this plan is the ‘Work as Done’ sessions. The intent of these sessions is for the key staff responsible for each area to demonstrate the nature of their operations, the hazards and risks associated with those operations, and their HS&W approach and processes to eliminate or minimise those risks. Where appropriate, a site visit will be scheduled as part of this process.

Scheduled activities		Due diligence element				When
What	Who	Policy & planning	Delivery	Monitoring	Review	
Workshop on HS&W governance for new Elected Members	Council		*			TBC
Appoint / re-confirm Governance HS&W Champion	Council	*				TBC if required
Endorse HSW Due Diligence Plan, including HSW Reporting Structure	Risk and Assurance Committee	*				March 2023 (Complete)
Review and endorse HSW Governance Charter Endorsed HSW Charter to full Council for adoption.	Risk and Assurance Committee Council	*			*	May 2023 (Complete)
Institute of Directors Advanced H&S Governance Training (on-line)	Governance HSW Champion (if new person appointed)		*			As required
Review and Endorse HS&W in the Workplace Policy	Audit and Risk Committee	*				May 2023 (Complete)
SafePlus Assessment	Whole organisation	*			*	Nov 2023 (Complete)
Review and endorse HSW Strategy	Risk and Assurance Committee	*			*	2024

Regular activities and reporting structure		Due diligence element				When
What	Who	Policy & planning	Delivery	Monitoring	Review	
Monthly HS&W Report (Dashboard)	Full Council CE and Executive Leadership Team			*		Monthly
Quarterly HS&W Report (full report), including update of HS&W incidents, innovations and other matters.	Risk and Assurance Committee			*		Quarterly
Full report of notifiable incidents or accidents	Risk and Assurance Committee			*		As needed
Work as Done Sessions (on-site experiences)	Elected Members Chief Executive, ELT, Officers.		*	*		Annually / as required
HS&W Committee Meetings	GM People and Performance Second ELT representative		*	*		Bimonthly
Review of HS&W Committee Meeting minutes and matters arising	CE and Executive Leadership Team		*	*	*	Bimonthly
Departmental HS&W Toolbox Meetings	Departmental GM's		*	*	*	Monthly
Updates / training on HS&W Matters	As appropriate		*			As needed

10.2 Privacy Update

Author: Sharon Bennett, Group Manager - People & Performance

Authoriser: Kevin Ross, Chief Executive

1. Reason for Report

- 1.1 This report provides an update on privacy breaches for the reporting period. There are no known privacy breaches to report.

2. Context

- 2.1 The Privacy Act 2020 (Act) governs how agencies may collect, store, use and share private information about individuals. The Act also provides for an individual's right to access information held about them and ask for it to be corrected.
- 2.2 The Office of the Privacy Commissioner receives and considers privacy complaints. Agencies must notify the Privacy Commissioner if a notifiable privacy breach has occurred. A notifiable privacy breach is one which has caused, or is likely to cause, serious harm to the affected individual(s).
- 2.3 Rangitīkei District Council (RDC) has an internal Privacy Policy and Procedure (last reviewed in February 2023). The Privacy Policy and Procedure outlines how RDC manages private information related to individuals who work for Council. It also outlines RDC's procedure for responding to actual or potential privacy breaches related to private information held about all individuals, including employees and the public.
- 2.4 RDC also has an external Customer Privacy Statement which details how RDC will protect private information held about customers. The Customer Privacy Statement is published on RDC's website and is accessible through the following link: [Privacy Statement](#).
- 2.5 In RDC's context, *private information* includes information collected or held by Council about identifiable individuals, such as information about employees, rate payers and members of the public who interact with Council.
- 2.6 RDC has a Privacy Officer as required under the Act. RDC's Privacy Officer is the Group Manager People and Performance.
- 2.7 The internal Privacy Policy and Procedure is available on the staff Intranet (Kapua). Policies are communicated to staff at regular intervals including when the policy is introduced, when changes are made, as part of the orientation process for new staff and when it is timely to do so. Training on the Privacy Act and Privacy Policy and Procedure has recently been provided to Elected Members and RDC staff.

3. Discussion and Options Considered

- 3.1 There are no known minor privacy breaches to report.
- 3.2 There are no known serious (notifiable) privacy breaches to report.

4. Financial Implications

- 4.1 There are no financial implications associated with this report.

5. Impact on Strategic Risks

5.1 There are no impacts on Council's strategic risks.

6. Strategic Alignment

6.1 There are no matters the impact on Council's Strategic Framework associated with this report.

7. Mana Whenua Implications

7.1 Officers are not aware of any mana whenua implications associated with this report.

8. Climate Change Impacts and Consideration

8.1 There are no climate change impacts associated with this report.

9. Statutory Implications

9.1 Councils Privacy Policy and Procedures are written and enacted in accordance with the Privacy Act 2020.

10. Conclusion

10.1 This report has provided an update on privacy breaches for the reporting period, with the update being that there are no privacy breaches to report.

11. Decision Making Process

11.1 This decision is considered to have low significance.

Recommendation

That the report 'Privacy Update' be received.

10.3 Detailed Internal Audit Programme**Author:** Carol Gordon, Group Manager - Democracy & Planning**Authoriser:** Kevin Ross, Chief Executive**1. Reason for Report**

1.1 At the Risk and Assurance Committee meeting in June the Committee asked for further detail on Council's Internal Audit Programme. This report outlines these details. Note the programme may be amended following review by the newly recruited Group Manager Corporate Services.

2. Internal Audit Programme

Topic	How / What	When
Community Engagement (includes working with iwi/other partnerships: communication with community)	Through targeted LTP engagement. Very successful, which was evidenced through the number of people attending events and making submissions.	Early 2024
Ethics	Scope to be advised by the Committee	
Consenting Applications	Building Consents IANZ review scheduled for Feb 2025; internal review scheduled for Dec/Jan.	2 nd half of 2024/25
Peer Review/CouncilMark	Suggest CouncilMark is removed.	NA
Procurement & Contract Management	Procurement Policy has been reviewed. Contract & Lease Registers are being established.	2 nd half of 2024
Accounts Payable	Consider the worth of trialling the use of purchasing/credit cards for some (lower value) procurement. Assess AP integrated scanned invoicing options.	March 2025
Treasury Management	Develop approach with external Treasury specialists – update Policy as necessary.	September to December 2024
Known/arising material risks	Ongoing focus by ELT.	Ongoing
Fleet management	Fleet utilisation to be considered by ELT	March 2025

ITEM 10.3

Topic	How / What	When
Cyber security/IT Recovery	Ongoing monthly meetings with IT cyber security/IT recovery experts include review of current 'affordable best practice' and system improvements required. Recommendations from external formal review conducted in May 2024 being implemented.	Ongoing
Cash Handling	Continue assessing areas with the highest risk of loss, fraud, or error and review	March 2025
Complaints Handling	Established a process in 2023; will be reviewed as part of our organisational focus on ensuring processes are documented and reviewed.	Ongoing
Capital Programme (including PMO, department set up)	Monthly reviews undertaken by Finance / Performance and Assets / Infrastructure Committee; Council.	Monthly
Antifraud Assessment	Complete assessment to identify fraud risks, evaluate existing controls and develop mitigation strategies.	Early 2025
Statement of Service Performance (SSP)	A more robust process was implemented in early 2024 to ensure RFS data was captured accurately and more timely.	Ongoing

3. Discussion and Options Considered

3.1 There are no options for the Risk and Assurance Committee to consider.

4. Financial Implications

4.1 There are no financial implications. The internal audit programme will be conducted within existing budgets.

5. Impact on Strategic Risks

5.1 Capital programme falters.

5.1.1 Monthly reviews undertaken by Finance/Performance, Assets/Infrastructure and Council to understand and mitigate risk.

6. Strategic Alignment

6.1 There are no matters that impact on Council’s Strategic Framework associated with this report.

7. Mana Whenua Implications

7.1 One of the topics on the internal audit programme is community engagement which includes iwi partnerships.

8. Climate Change Impacts and Consideration

8.1 Fleet utilisation is a relevant climate consideration.

9. Statutory Implications

9.1 There are no statutory implications.

10. Decision Making Process

10.1 There are no decisions for the Risk and Assurance Committee to make.

Recommendation

That the Detailed Internal Audit Programme report be received.

10.4 Risk and Assurance Committee Work Programme**Author:** Dave Tombs, Group Manager - Corporate Services**Authoriser:** Dave Tombs, Group Manager - Corporate Services**1. Reason for Report**

- 1.1 To provide, for reference, the Committee with the current Risk and Assurance Committee Work Programme.
- 1.2 The current Work Programme was reviewed at a previous Committee meeting and is intended to be presented at each subsequent Committee meeting to provide members with an opportunity to review/amend the proposed Work Programme in light of potential recent/current factors.

2. Discussion

- 2.1 This Programme has been drafted on the assumption that the Risk and Assurance Committee will hold quarterly meetings in March, June, September and December each year (with additional meetings scheduled as required).
- 2.2 Current Risk and Assurance Committee Work Programme (June 2023 note: Council's Revenue and Finance Policy has been added to the *Policies* subsection as per below):

Item	Audit and Risk Committee Meeting
Governance	
Risk and Assurance Committee Terms of Reference	March 2021; at least once every 3 years Currently being reviewed
Latest Management Accounts - Overview	Each meeting
Latest Health and Safety reporting	Each meeting
Compliance with Treasury Management Policy	Each meeting
Fraud Reporting	Each meeting
Protected Disclosure Reporting	Each meeting
Outstanding AuditNZ management letter points	Each meeting
Insurance Update	Each meeting
Current Areas of Concern	Each meeting – see below.
Internal Audit	

Outstanding internal audit recommendations	Each meeting (none currently exist)
Annual Internal Audit workplan	Discuss March, confirm June each year (this was discussed at November 2022 meeting)
Internal Audit Workplan Updates	Each meeting
Statutory Policies etc	
Revenue and Finance Policy	Every 3 years (March preceding new LTP) Reviewed Jan to April 2024 Next Review : By March 2027
Rates Postponement Policy	Required by S102 LGA; S110 LGA requires Policy to be reviewed every 6 years. Next Review : By June 2026.
Rate Remission Policy	Required by S102 LGA; S109 LGA requires Policy to be reviewed every 6 years. Reviewed Jan to April 2024 Next Review : by May 2027
Rates Remission for Maori Freehold Land Policy	Required by S102 & S108 LGA: Next Review : By 2028.
Significance and Engagement Policy	Required by S76 LGA; Reviewed Jan to April 2024 Next Review : 2027 (LTP)
Treasury Management Policy	Adopted by Council September 2023 Reviewed May 2024 Next Review : September 2026
Accounting Policies	Annually as part of annual financial statements preparation
Finance and Infrastructure Policies	Every three years (part of LTP) Reviewed Jan to June 2024 Next Review : 2027 (LTP)
Protected Disclosure “Whistle Blower” Policy	Required by Protected Disclosures Act Review every two years Next review by September 2024 – currently being finalised
Privacy Policy	Required by Privacy Act Review every 2 years Next review February 2025
Delegations Register	Last updated January 2018: review currently being finalised.
Policy on Development Contributions	Required by S102 LGA; S106 LGA requires Policy to be reviewed every 3 years. Current version adopted 9 June 2021. Reviewed May 2024 Next Review: June 2027

ITEM 10.4

Other Policies etc	Not specifically required by statute but considered 'critical'
Gifts and Hospitality Policy	Review every 2 years: last reviewed September 2022 Next Review : By September 2024
Sensitive Expenditure Policy	Review every 2 years: reviewed October 2023 Next Review : By October 2025
Fraud, Bribery and Corruption Policy	Review every 2 years: reviewed June 2023 Next Review : By June 2025
Procurement and Contracts Management Policy	Approved at August 2024 Council meeting. Then review every 3 years.
Staff Standards of Integrity and Conduct	Review every 2 years: Next review September 2025
Health, Safety and Wellbeing Policy	Review every 2 years Next September 2025
Risk	
Risk Management Policy	Review every 3 years – next review 2025
Strategic Risk Register	Reviewed in full during 2022; currently subject to a 'rolling review'

Current Policy Reviews

- 2.3 In accordance with the Table in S2.2, proposed amendments to the Committee's current Terms of Reference and Council's Gifts and Hospitality Policy have been drafted.
- 2.4 Officers are considering engaging an external professional-services firm to assist with its Debt Management strategies. This may result in a review of Council's Treasury Management Policy.

Current Areas of Concern

- 2.5 The proposed Three Waters reforms have created a significant level of uncertainty around many aspects of Council's operations. The impact of these reforms continues to be carefully monitored and assessed at all senior levels of Councils. The potential financial impacts of these reforms continue to be reported to Finance/Performance Committee and Risk/Assurance Committee as they become clearer.
- 2.6 Officers have included current known Areas of Concern within reports submitted to this meeting but welcome discussion regarding any other topics that the Committee would like included.

Recommendation

That the report 'Risk and Assurance Committee Work Programme' be received.

10.5 Council Debt**Author:** Dave Tombs, Group Manager - Corporate Services**Authoriser:** Dave Tombs, Group Manager - Corporate Services**1. Reason for Report**

- 1.1 To provide the Risk and Assurance Committee with information regarding Council's Debt position and outlook.

2. Context

- 2.1 At its meeting in March 2024, the Committee requested Officers to provide a 12 month forecast of its debt position.

3. Analysis

- 3.1 Council's current debt position, which is also its debt position at the end of the 2023/24 financial year, is:

Amount	Settled Date	Maturity Date	Fixed Rate of Interest	Annual Interest Cost
\$3 million	10/05/2019	15/04/2029	3.12%	\$94k
\$5 million	08/02/2022	14/04/2033	3.68%	\$184k
\$11 million	14/04/2022	15/04/2027	4.17%	\$459k
\$5 million	27/04/2023	15/05/2028	5.10%	\$255k
\$7 million	12/06/2023	15/05/2028	5.30%	\$371k
\$9 million	15/04/2023	15/06/2026	5.62%	\$506k
\$4 million	12/06/2023	20/04/2029	5.55%	\$222k
\$44 million				\$2.09m

- 3.2 This \$44m of debt has a weighted average cost of funds of 4.75%. However these costs are partially offset by the borrowed money earning interest income before it is used. In 2023/24 this interest income was \$600k (2023/24 interest expense was \$1.5m).
- 3.3 Officers are currently exploring the benefit of engaging a specialist Treasury Advisory consultant to assist with Council's debt management strategies.

4. Commentary – Future Treasury Position: General

- 4.1 Council has recently finalised its Long Term Plan 2024 to 2034 ('LTP'). Future Debt levels are a key part of the LTP.
- 4.2 Council's LTP shows that its Debt is budgeted to remain within its Debt Ceiling and Debt Limit throughout the term of the LTP (the Debt Ceiling is Council's maximum debt it can access from LGFA; the Debt Limit is a self imposed amount, at least \$4m to 5m lower than the Debt Ceiling, to allow for unforeseen costs).

- 4.3 The main factors that could change the position outlined in S4.2 are:
- 4.3.1 Changes in the level of Council's future expenditure levels resulting in increased levels of Debt
 - 4.3.2 Changes in the timing of Council's expenditure could potentially 'bring forward' (or defer) increases to Debt - which could potentially put pressure on Council's ability to meet LGFA Borrowing Covenants
 - 4.3.3 Future reduction in Council's budgeted levels of rates income and other income, resulting in increased Debt and potentially impacting Council's ability to comply with LGFA Borrowing Covenants (which may result in a reduced Debt Ceiling)
 - 4.3.4 Council not maintaining sufficient liquid funds to enable compliance with LGFA Borrowing Covenants (which may result in a reduced Debt Ceiling)
 - 4.3.5 Combination of the above (noting that Council would be, to varying extents, be able to introduce mitigating strategies should the above points become apparent).
- 4.4 In the absence of the matters listed in S4.3, Council is expected to remain within its Debt Limits through the period covered by the LTP (subject to the impact of S4.5 below).
- 4.5 The transfer of Water Assets, Debt, Revenues and Costs that are scheduled to occur during the LTP will obviously impact the budgets included in the LTP. However, the timing and extent of these impacts are currently unknown.

5. Commentary – Future Treasury Position: 12 Month Position

- 5.1 Should Council's 2024/25 budgets be realised, Council is budgeted to have around \$30m surplus debt capacity at June 2025:
- 5.1.1 Budgeted Debt at 30 June 2025 being \$73m;
 - 5.1.2 Debt Limit being \$102m.

Recommendation

That the report 'Council Debt' be received.

10.6 Insurance Update

Author: Lorraine Bergen, Manager Financial Services

Authoriser: Dave Tombs, Group Manager - Corporate Services

1. Reason for Report

- 1.1 To provide the Risk and Assurance Committee with an update on current Insurance related matters.

2. Insurance Claims

- 2.1 Council has had the following Insurance Claims approved this financial year (vehicle excess is \$500):
 - 2.1.1 Minor damage to motor vehicle (cause unknown : discovered during routine vehicle inspection) – no personal injury involved
 - 2.1.2 Damage to the Marton Swim Centre roof : an Assessor has been appointed – Council is waiting on a cost assessment before a decision around progressing to an insurance claim.
 - 2.1.3 Discussions have started with insurance broker regarding lodgement of claim/dispute received for Potaka Street, Marton property (due before the Disputes Tribunal in October 2024).

3. Insurance Renewal

- 3.1 Officers have provided the information required for the November Insurance renewal.

Recommendation

That the report 'Insurance Update' be received.

10.7 Fraud Reporting**Author:** Dave Tombs, Group Manager - Corporate Services**Authoriser:** Dave Tombs, Group Manager - Corporate Services**ITEM 10.7****1. Reason for Report**

- 1.1 To provide the Risk and Assurance Committee with an update on Fraud related matters. Such incidents are listed on Council's Fraud Register as appropriate.

2. Commentary – Fraud Allegations

- 2.1 Since the last Risk and Assurance Committee Meeting, no fraud related incidents have been reported or investigated.

3. Commentary – Fraud Awareness

- 3.1 Fraud Awareness communication was circulated to all staff in February 2022, June 2022, October 2022, February 2023, October 2023, February 2024 and June 2024. Regular updates regarding this will continue to be sent out.

Recommendation

That the report 'Fraud Reporting' be received.

10.8 Strategic Risk Review - Financial Stability**Author:** Dave Tombs, Group Manager - Corporate Services**Authoriser:** Dave Tombs, Group Manager - Corporate Services**1. Reason for Report**

- 1.1 This report provides the Risk and Assurance Committee with an update on the request to review each strategic risk.

2. Context

- 2.1 Council's Strategic Risk Register includes the risk that *Financial Stability is Lost* (attached).

- 2.2 Having reviewed the attached, Officers note that:

What is The Risk (And its Consequences)

This section should be expanded to include reference to:

- future external decisions being made that impact Council's current financial position/direction (obvious example is *Local Water Done Well*); and
 - Council's future Capital Program not being fully understood with the result the future capital obligations may not be identified/included in current finance-related decisions; and
 - significant external event(s) occur that have significant impact on Council's current financial position/direction (obvious example is *Significant Weather/Earthquake Event*)
- 2.3 Regarding the first bullet point in Section 2.2 above, Officers note that the Local Water Done Well reforms:
- Are sufficiently advanced to be considered 'almost certain'; and
 - Will have a significant impact on Council's immediate and ongoing financial position.
- 2.4 Although Officers can conduct levels of modelling etc, the exact nature of the reforms may not be properly understood for some time. Accordingly Officers recommend:
- 2.4.1 Changing the Inherent Risk in the attached from *Significant/Possible* to *Significant/Almost Certain*; and
- 2.4.2 Changing the Moderated Risk in the attached from *Moderate/Unlikely* to *Major/Almost Certain*.
- 2.5 The rationale behind S2.4.2 above is that appropriate levels of planning etc should enable Council to take appropriate steps to reduce some of the financial risk associated with the proposed reforms via making 'fully informed decisions'.

- 2.6 Other narrative amendments:**

How to Address the Risk

This section should be amended to:

- update reference to LTP 2021, Three Waters Reforms and Audit/Risk Committee (as these 'terms' have all been replaced)
- change the point relating to the Three Water Reforms to refer to '*ensuring that the potential impacts relating to the Local Water Done Well reforms are fully understood and properly modelled and that the necessary changes to financial strategies are identified and implemented*'

Risk Matrix Tables

The Risk Matrix Tables should be amended to reflect the above suggestions.

Attachments:

1. **RDC Strategic Risk - Financial Stability is Lost** [↓](#)

Recommendation 1

That the report on Strategic Risk – Financial Stability be received.

Recommendation 2

That the Strategic Risk Register be updated for the suggestions made in the Report with the following additional changes.....

FINANCIAL STABILITY IS LOST

Risk Oversight Officer: Group Manager, Corporate Services



WHAT IS THE RISK (AND ITS CONSEQUENCES)?

The risks are either:

- a) Council's financial projections, in terms of operating expenditure and revenue, prove substantially incorrect or insufficient; or
- b) Council's projections highlight financial problems that are not properly addressed.

This could require a substantial increase in rates and increase the level of borrowing.

HOW TO ADDRESS THE RISK?

The following initiatives are in place:

- The Long Term Plan 2021-2031 and subsequent Annual Plans demonstrate Council will achieve a sustainable balanced budget.
- Ongoing financial management and oversight is a critical responsibility of the ELT.
- Cost centre managers proactively take responsibility for continually managing their respective budgets and provide forecast information for a mid year budget review.
- Maintain external stakeholder relationships with key funding partners.
- Maintain resilience with all financial systems, processes and controls.
- Current and accurate asset and infrastructure management information is maintained.
- Requests for significant unbudgeted expenditure are thoroughly scrutinised and considered by ELT.
- Rates modelling is effective and well informed.
- Ensure the impact of Three Waters Reforms is maintained and fully understood.
- Ensure appropriate insurance cover is maintained.
- Ensure appropriate skills exist on Audit/Risk Committee.

Likelihood / Frequency	Consequence to Council				
	Insignificant	Minor	Moderate	Major	Significant
Almost Certain	Low	Moderate	High	Extreme	Extreme
Likely / Probable	Low	Moderate	Moderate	High	Extreme
Possible	Low	Low	Moderate	Moderate	High
Unlikely	Minimal	Low	Low	Moderate	Moderate
Highly Unlikely	Minimal	Minimal	Low	Low	Low

Inherent Risk : High	Current Mitigated Risk : Low
Likelihood – Possible	Likelihood – Unlikely
Consequence – Significant	Consequence – Moderate
Proposed Risk Treatment: (bold those that apply)	Planned Future Additional Risk Treatments: (bold those that apply)
<ul style="list-style-type: none"> • Avoid • Reduce • Transfer • Accept 	<ul style="list-style-type: none"> • Avoid • Reduce • Transfer • Accept

10.9 2024 Audit NZ - Audit Plan

Author: Lorraine Bergen, Manager Financial Services

Authoriser: Dave Tombs, Group Manager - Corporate Services

1. Reason for Report

- 1.1 To provide the Risk and Assurance Committee with a copy of the Audit New Zealand RDC Audit Plan for year ended 30 June 2024 for information and noting.

Attachments:

- 1. **Audit NZ Audit Plan RDC Y/e 30 June 2024** [↓](#)

Recommendation

That 2024 Audit Plan be received.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Audit plan

Rangitikei District Council

For the year ended 30 June 2024

ITEM 10.9 ATTACHMENT 1

Audit plan

I am pleased to present our audit plan for the audit of Rangitikei District Council (the District Council) for the year ending 30 June 2024. The purpose of this audit plan is to discuss:

Audit risks and issues.....	2
Our audit process.....	6
Reporting protocols	11
Audit logistics	12
Expectations.....	13

The contents of this plan should provide a good basis for discussion when we meet with you.

We will be happy to elaborate further on the matters raised in this plan.

Our work improves the performance of, and the public’s trust in, the public sector. Our role as your auditor is to give an independent opinion on the financial statements and performance information. We also recommend improvements to the internal controls relevant to the audit.

If there are additional matters that you think we should include, or any matters requiring clarification, please discuss these with me.

Nāku noa, nā



Fiona Elkington
Appointed Auditor
13 August 2024

Audit risks and issues

Focus areas



Based on the planning work and discussions that we have completed to date, we set out in the table below the main audit risks and issues. These will be the main focus areas during the audit.

Audit risk/issue	Our audit response
Fair value assessment of property, plant and equipment (non-revaluation year)	
<p>For those assets that the District Council is not planning to revalue, the District Council should perform a fair value movement assessment (assessment) to determine whether there is a significant difference between the fair value and the carrying value. Where the estimated difference is significant a revaluation may be necessary.</p> <p>An assessment should:</p> <ul style="list-style-type: none"> factor in local cost information; utilise relevant and reliable price movement indicators; and involve consulting with valuers, if necessary. <p>Alternatively, the District Council could engage valuers to assist in preparing a fair value assessment.</p>	<p>We will review the reasonableness of the District Council's fair value assessments including the appropriateness of the data, assumptions and judgements used in the assessment.</p> <p>If the movement of the assets individually or in combination with other asset classes is significant the District Council may need to complete a revaluation. In certain circumstances it may be acceptable to make an adjustment based on the desktop revaluation.</p>
Impairment of Property plant and equipment	
<p>In accordance with PBE IPSAS 21, <i>Impairment of Non-Cash-Generating Assets</i> and PBE IPSAS 26 <i>Impairment of Cash-Generating Assets</i>, at each reporting date management must assess whether there is any indication that an asset may be impaired. If management identifies any indication of an impairment, then they must estimate the recoverable service amount of the asset.</p> <p>Assets are required to be assessed for indicators of impairment on an annual basis.</p> <p>Due to the judgemental nature of the valuations used in assessing impairment there is a risk of bias or error in the assumptions and inputs used. Any bias or errors in the inputs used or calculations performed could result in a material misstatement in the carrying value</p>	<p>We will:</p> <ul style="list-style-type: none"> review the impairment assessment; evaluate the reasonableness of the significant assumptions; evaluate how management has addressed estimation uncertainty; and reperform calculations made by management.

Audit risk/issue	Our audit response
of property plant and equipment/ Intangible asset and the related impairment expense.	
Capital Projects	
<p>The District Council is undertaking a significant capital program under the 2024-2034 LTP and some of these projects have already commenced or are in the design phase in 2023/24.</p> <p>The District Council have already incurred costs in relation to some of these projects. For costs which are being accounted for as capital work-in-progress, the District Council needs to ensure these costs are appropriately classified as capital and any costs that are not should be expensed. The value of work-in-progress on capital projects should also be regularly assessed for impairment over the life of the project.</p> <p>The District Council will also need to ensure any grants related to these projects are properly accounting for and fairly reflected in the financial statements.</p>	<p>We will:</p> <ul style="list-style-type: none"> review any work-in progress costs capitalised for 2023/24 and management’s impairment assessment completed over the work-in-progress, and review the accounting of any related grants revenue to ensure it is in accordance with the obligations of the contract and accounting standards.
“Local Water Done Well” programme	
<p>In February 2024, the Government passed legislation that repealed the affordable waters reform legislation passed into law by the previous Government.</p> <p>The Government intends implementing its Local Water Done Well” through the passing of two further bills through Parliament.</p> <p>The first bill will set out provisions relating to council service delivery plans, transitional economic regulation and provide for streamlining the establishment of CCOs to deliver water should councils desire to do so.</p> <p>A second bill will set out provisions relating to long-term requirements for financial sustainability, provide for a complete economic regulation regime, and a new range of structural and financing tools, including a new type of financially independent council-controlled organisation.</p> <p>The first and second bills are expected to be passed in the middle of 2024 and the middle of 2025 respectively.</p> <p>The timing of legislation through Parliament may result in some impact on the 30 June 2024</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> reviewing the Council’s assessment of the impact of the legislative change on the Annual Report to ensure any accounting or disclosure implications are considered; and considering whether, we may include information in our audit report to draw a reader’s attention to Council’s disclosure about the programme.

Audit risk/issue	Our audit response
<p>Annual Report. Until the content of the bills is known the impact is unclear.</p> <p>The Council should ensure that sufficient disclosure about impact of the programme (to the extent that the impact is known) is included in the Annual Report.</p>	
The risk of management override of internal controls	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls.</p> <p>Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Auditing standards require us to treat this as a risk on every audit.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • testing the appropriateness of selected journal entries; • reviewing accounting estimates for indications of bias; and • evaluating any unusual or one-off transactions, including those with related parties.

Please tell us about any additional matters we should consider, or any specific risks that we have not covered. Additional risks may also emerge during the audit. These risks will be factored into our audit response and our reporting to you.

Fraud risk

Misstatements in the financial statements and performance information can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional. In considering fraud risk, two types of intentional misstatements are relevant - misstatements resulting from fraudulent reporting, and misstatements resulting from misappropriation of assets.

The primary responsibility for the prevention and detection of fraud and error rests with the Council, with assistance from management. In this regard, we will discuss the following questions with you:

- What role does Council play in relation to fraud? How do you monitor management's exercise of its responsibilities?
- Has a robust fraud risk assessment been completed? If so, is the Council satisfied that it had appropriate input into this process?
- How does management provide assurance that appropriate internal controls to address fraud risks are in place and operating?
- What protocols/procedures have been established between the Council and management to keep you informed of instances of fraud, either actual, suspected, or alleged?
- Are you aware of any actual, suspected, or alleged fraud? If so, have the results of management's investigation been reported to Council? Has appropriate action been taken on any lessons learned?

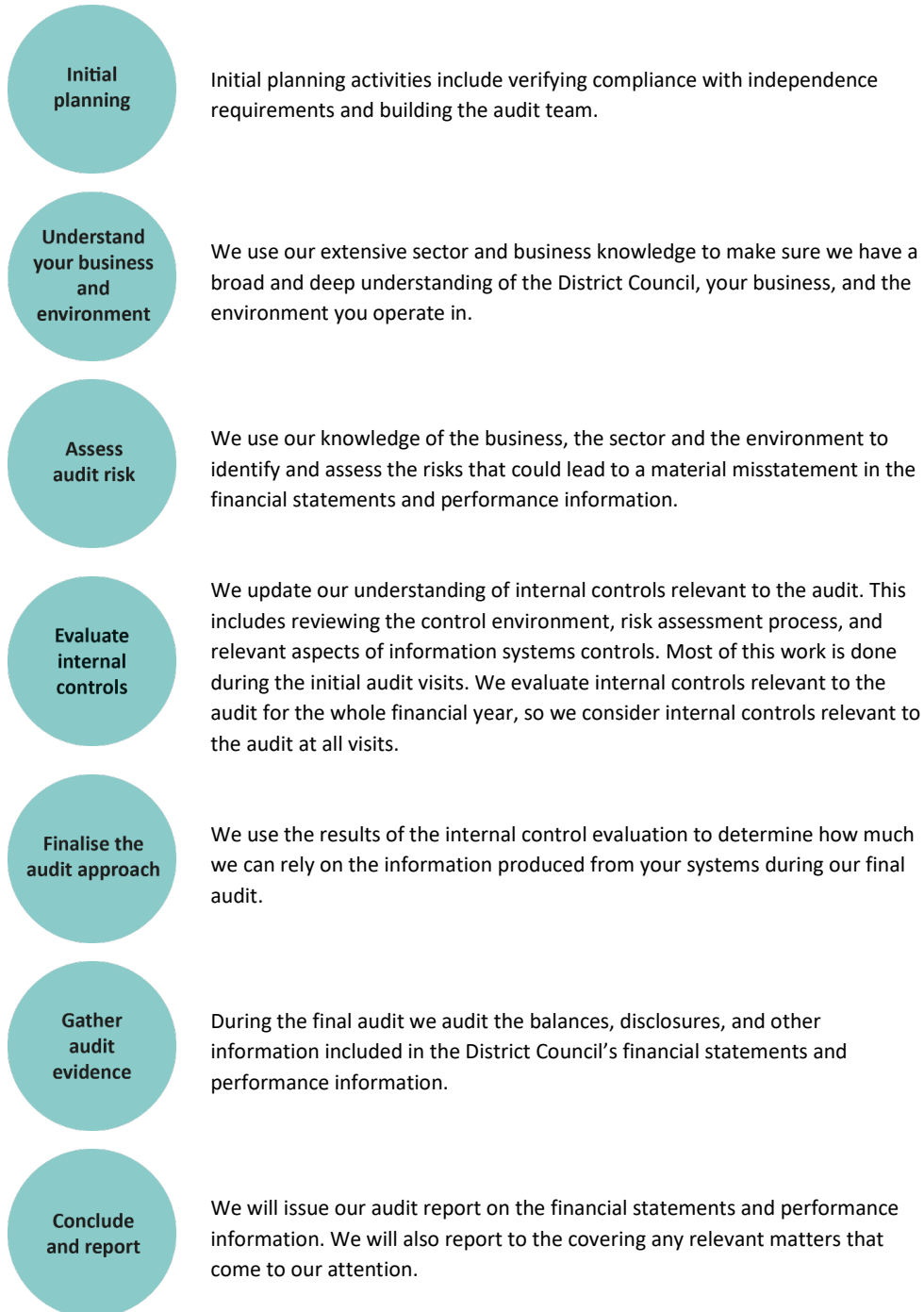
Our responsibility

Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and performance information are free from material misstatement resulting from fraud. Our approach to obtaining this assurance is to:

- identify fraud risk factors and evaluate areas of potential risk of material misstatement;
- evaluate the effectiveness of internal controls in mitigating the risks;
- perform substantive audit procedures; and
- remain alert for indications of potential fraud in evaluating audit evidence.

The Auditor-General has published useful information on fraud that can be found at oag.parliament.nz/reports/fraud-reports.

Our audit process



Prioritising higher risk work to ensure an efficient year-end processes

To ensure the year-end Annual Report and audit thereof are efficient, the District Council should prioritise their work to ensure higher risk areas and those that involve significant management judgment are planned to be ready for auditing as soon as possible. Timelines for this information should be agreed with us early. Delays in providing this information to us could impact our ability to resolve technical issues late in the audit process.

Examples of areas that typically involve management and auditor judgment include, and should be resolved early include:

- fair value assessments and revaluations of property, plant and equipment held at fair value;
- impairment assessments for property, plant and equipment; and
- provision estimates.

Materiality

In performing our audit, we apply materiality. In the public sector, materiality refers to information that if omitted, misstated, or obscured could reasonably be expected to:

- influence readers' overall understanding of the financial statements and service performance information; and
- influence readers in making decisions about the stewardship and allocation of resources, or assessing your performance.

This definition of materiality is broader than the one used in the private sector.

It is a matter of judgement whether information is material. We consider the nature (qualitative) and amount (quantitative) of each item judged in the surrounding circumstances and its impact. In the public sector qualitative considerations are of equal significance as quantitative considerations. Qualitative considerations are of primary importance in our assessment of materiality in the context of disclosures for transparency and accountability reasons, and in evaluating any non-compliance with laws and regulations.

The District Council and management need to consider materiality in preparing the financial statements and service performance information and make their own assessment of materiality from a preparer's perspective. IFRS Practice Statement 2, *Making Materiality Judgements*, provides guidance on how to make materiality judgements from a financial statements preparer's perspective. Although this guidance is primarily aimed at for-profit entities, the same principles can be applied by public benefit entities. Management and the Council should not rely on our materiality assessment as a basis for owning and making judgements about the integrity of the financial statements and service performance information.

Financial statements materiality

For planning purposes, we have set **overall materiality** for the financial statements at \$66,400,000 based on budgeted property, plant and equipment. This is subject to change once the actual results for the current year are available. For this audit we are only applying this overall materiality to the fair value of property, plant and equipment.

Overall materiality	\$66,400,000
Specific materiality	\$1,500,000
Clearly trivial threshold	\$ 75,000

For this audit we have set a lower, **specific materiality** of \$1,500,000 for all items not related to the fair value of property, plant and equipment.

We design our audit procedures to detect misstatements at a lower level than overall materiality. This takes account of the risk of cumulative misstatements and provides a safety net against the risk of undetected misstatements.

We will report all uncorrected misstatements to the other than those that are **clearly trivial**. We consider misstatements of less than \$75,000 to be clearly trivial for the financial statements unless there are qualitative considerations that heighten its significance. We will ask for each misstatement to be corrected, other than those that are clearly trivial. Where management does not wish to correct a misstatement, we will seek written representations from management and the on the reasons why the corrections will not be made.

<p>Misstatements</p> <p>Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader’s overall understanding of your financial statements and service performance information. The effects of any detected and uncorrected misstatements, individually and in aggregate, are assessed against overall materiality and qualitative considerations.</p>

Overall financial statement materiality does not apply to any matters of effectiveness and efficiency, waste, or a lack of probity or financial prudence.

Materiality for service performance information

At an overall level, we assess whether the service performance information is suitable, given your purpose and the nature of your activities, and whether the reporting allows for an informed assessment of the District Council’s performance. In doing this we consider whether the information is relevant, complete, reliable, neutral, and understandable.

We set materiality for service performance information at an individual measure level based on what we expect would influence readers’ overall understanding, decision making, or assessment of the District Council’s performance. We consider a variety of factors including the level of public interest and potential public risk. Because of the variety of measurement bases applied, we normally express this materiality as a percentage of the reported result.

We have identified the following measures as material and assessed materiality for planning purposes. We will reassess this during the audit.

Material measure	Materiality % of the reported result
<p>Safety of Drinking Water (Water Supply)</p> <p>The extent to which the local authority’s drinking water supply complies with:</p> <ul style="list-style-type: none"> (a) part 4 of the drinking-water standards (bacteria compliance criteria); and (b) part 5 of the drinking-water standards (protozoa compliance criteria). 	0% of result
<p>Customer Satisfaction (Water Supply)</p> <p>The total number of complaints (expressed per 1000 connections to the reticulated networks) received by the Council about:</p> <ul style="list-style-type: none"> (a) drinking water clarity; (b) drinking water taste; (c) drinking water pressure or flow; (d) continuity of supply; and (e) the Council’s response to any of these issues. 	8% of result
<p>System and Adequacy (Sewerage)</p> <p>The number of dry weather sewerage overflows from the Council’s sewerage system, expressed per 1000 sewerage connections to that sewerage system.</p>	5% of result
<p>Discharge Compliance (Sewerage)</p> <p>Compliance with the Council’s resource consents for discharge from its sewerage system measured by the number of:</p> <ul style="list-style-type: none"> (a) abatement notices; (b) infringement notices; (c) enforcement orders; and (d) convictions received by the Council in relation to those resource consents. 	5% of result
<p>System adequacy (Stormwater)</p> <p>The number of flooding events¹ that occurred in the district. For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the Council’s stormwater system).</p>	5% of result
<p>Road Maintenance</p> <p>The percentage of the sealed local road network that is resurfaced.</p>	8% of result
<p>Road Condition</p> <p>The average quality of ride on a sealed local road network, measured by smooth travel exposure.</p>	8% of result

Professional judgement and professional scepticism

Many of the issues that arise in an audit, particularly those involving valuations or assumptions about the future, involve estimates. Estimates are inevitably based on imperfect knowledge or dependent on future events. Many financial statement items involve subjective decisions or a degree of uncertainty. There is an inherent level of uncertainty which cannot be eliminated. These are areas where we must use our experience and skill to reach an opinion on the financial statements and performance information.

The term “opinion” reflects the fact that professional judgement is involved. Our audit report is not a guarantee but rather reflects our professional judgement based on work performed in accordance with established standards.

Auditing standards require us to maintain professional scepticism throughout the audit. Professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. Professional scepticism is fundamentally a mind-set. A sceptical mind-set drives us to adopt a questioning approach when considering information and in forming conclusions.

Exercising professional scepticism means that we will not accept everything we are told at face value. We will ask you and management to provide evidence to support what you tell us. We will also challenge your judgements and assumptions and weigh them against alternative possibilities.

How we consider compliance with laws and regulations

As part of the Auditor-General’s mandate, we consider compliance with laws and regulations that directly affect your financial statements or general accountability. Our audit does not cover all of your requirements to comply with laws and regulations.

Our approach involves first assessing the systems and procedures that you have in place to monitor and manage compliance with laws and regulations relevant to the audit. We may also complete our own checklists. In addition, we will ask you about any non-compliance with laws and regulations that you are aware of. We will evaluate the effect of any such non-compliance on our audit.

Wider public sector considerations

A public sector audit also examines whether:

- the District Council carries out its activities effectively and efficiently;
- waste is occurring or likely to occur as a result of any act or failure to act by the District Council;
- there is any sign or appearance of a lack of probity as a result of any act or omission by the District Council or by one or more of its members, office holders, or employees; and
- there is any sign or appearance of a lack of financial prudence as a result of any act or omission by the Council or by one or more of its members, office holders, or employees.

Reporting protocols

Communication with management and the Council



We will meet with management and the District Council’s audit committee throughout the audit. We will maintain ongoing, proactive discussion of issues as and when they arise to ensure there are “no surprises”.

Reports to the Council



We will provide a draft of all reports to management for discussion/clearance purposes. Once management comments are received the report will be finalised and provided to the District Council.

We will also follow up on your progress in responding to our previous recommendations.

Audit logistics

Our team



Our engagement team is selected to ensure that we have the right subject matter expertise and sector knowledge. Each member of the audit team has received tailored training to develop their expertise.

Our senior audit team members are:

Fiona Elkington	Appointed Auditor
Mandla Tanali	Audit Manager

Timetable



We completed our interim audit in May 2024. Our proposed timetable for the final audit is:

Fair value assessment of infrastructure /land and building assets in a non-revaluation year	02 September 2024 or earlier
Draft financial statements available for audit (including notes to the financial statements) with actual year-end figures	09 September 2024
Final audit begins	16 September 2024
Annual Report available, including any Chair and Chief Executive’s overview or reports	23 September 2024
Final financial statements available, incorporating all the amendments agreed to between us	21 October 2024
Audit opinion issued	31 October 2024
Draft report to the issued	14 November 2024

AuditDashboard

In 2023, we used AuditDashboard, our online portal, to transfer files between your employees and Audit New Zealand . Overall, the use of AuditDashboard made it easy to fulfill requests. Real-time status updates provided greater visibility to everyone and helped to keep everyone organised and on the same page.

We will again use AuditDashboard for transferring audits as part of the audit.

Expectations



For the audit process to go smoothly for both you and us, there are expectations that each of us need to meet.

Our respective responsibilities are set out in our audit engagement letter.

We expect that:

- you will provide us with access to all relevant records and provide information in a timely manner;
- staff will provide an appropriate level of assistance;
- the draft financial statements, including all relevant disclosures, will be available in accordance with the agreed timetable;
- management will make available a detailed workpaper file supporting the information in the financial statements; and
- the Annual Report, financial statements and performance information will be subjected to appropriate levels of quality review before being provided to us.

To help you prepare for the audit, we will liaise with management and provide them with a detailed list of the information we will need for the audit.

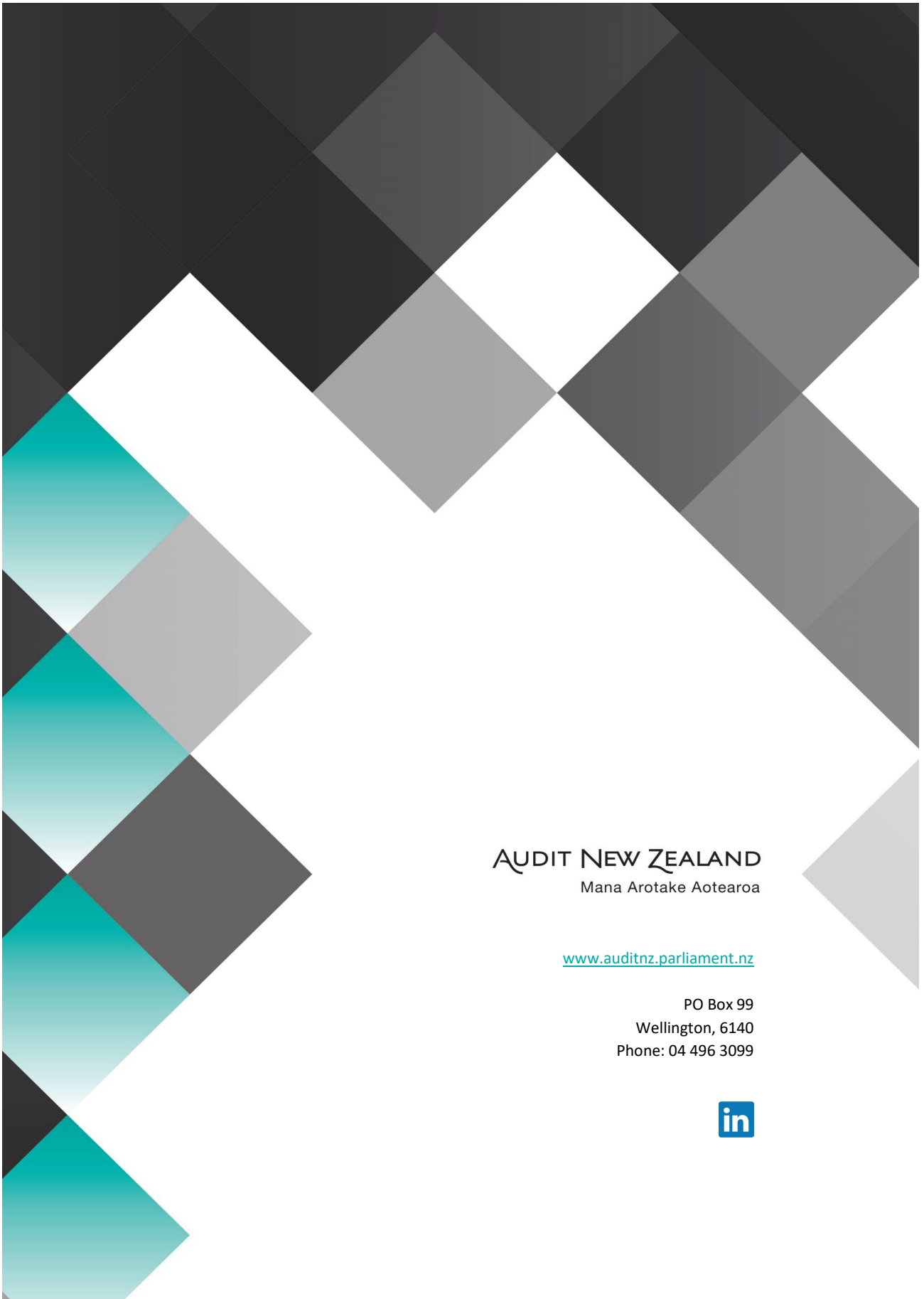
Health and safety



The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff.

Under the Health and Safety at Work Act 2015, we need to make arrangements with management to keep our audit staff safe while they are working at your premises.

We expect you to provide a work environment for our audit staff that minimises or, where possible, eliminates risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment where required. We also expect management to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

www.auditnz.parliament.nz

PO Box 99
Wellington, 6140
Phone: 04 496 3099



**10.10 Audit NZ Management Letter Points****Author:** Warren Pedley, Management and Systems Accountant**Authoriser:** Dave Tombs, Group Manager - Corporate Services

ITEM 10.10

1 Reason for Report

- 1.1 To provide Risk and Assurance Committee with a summary of Council's current Audit New Zealand outstanding Management Letter points.

2 Context

- 2.1 Audit New Zealand typically provide Council with a Management Letter after each audit (interim and final) that contains various suggested improvements to Council's controls/systems/processes.
- 2.2 The intent of including the Management Letter Register on this agenda is to demonstrate that Officers are 'keeping these matters alive' as opposed to inviting a detailed review of these items.
- 2.3 Once reported to Risk and Assurance Committee and confirmed by Audit NZ as being 'resolved', the item will be removed from this register.

Attachments:

1. **September 2024 Outstanding Audit Management Letter Points** [↓](#)

Recommendation

That the report Audit NZ Management Letter Points be received.

Issue raised in:	Recommendation	Managed	Audit NZ Priority	September Update 2023	February 2024 Update	June 2024 Update	September 2024 Update	Expected due date	Officer's assessment
19/20 Also reported on 21/22 Interim And June 2023 final	Identification of earthquake prone buildings Update the earthquake prone listing spreadsheet and take into account allowances for any works required to the earthquake prone buildings as part of the next valuation. May impact impairment of assets due to correction or preventative maintenance costs. June 2023: The Council has identified the earthquake prone buildings after the audit commenced but hasn't accounted for this when operational and restricted assets were revalued. Refer to section 3.	GM Corp Services	Necessary	Feb 2023 comment: The spreadsheet has been updated. (The seismic assessments have been completed but the upgrades to the buildings to get them up to code has not yet been completed: the seismic assessments and the wider RDC owned buildings condition assessment that will be completed early in the new financial year will identify a prioritised list of upgrades to our buildings that will be included in the new LTP.) For these purposes this item can be closed.	Initial point has been addressed. Finance staff are considering the accounting treatment of such buildings	Council has actioned the Audit recommendation and written off these buildings	No further Action on this item required	May-24	Ready to Close
18/19	Condition and performance data for Infrastructure Assets Continue to implement a program to collect condition and performance data.	GM Assets & IS	Necessary	On going	Ongoing	Ongoing	Ongoing		
18/19	Changes to financial delegations The District Council review all financial delegations set up within the system to ensure these are correct. Going forward each quarter there is an independent review of any changes made to the financial delegations with the District Council's FMS.	Manager Financial Services	Necessary	In progress	Current delegations being reviewed by new financial Services Manager. Quarterly report back (commencing March 2024) to be provided to GM – Corporate Services, confirming correctness of set-up in Magiq System and any recommendation for delegation process improvements	Review of Financial delegations in course of completion in conjunction with move to systems upgrade to Magiq Cloud. Revisit of process for CEO approval of all new/increased delegations complete	Review of Financial delegations completed in conjunction with upgrade to Magiq Cloud. Process review for CEO approvals for new/increased delegations is complete.	Sep-24	Ready to Close
Jun-23	No Regular Testing of Business Continuity and IT Disaster Recovery Plans We continue to recommend that Business Continuity and IT Disaster Recovery plans be finalised. As part of the project to implement new IT infrastructure we recommend that testing of failover to the new secondary datacentre be performed and the IT DR plan be finalised. June 2023 Update: Partially resolved with the final check of the failover firewall remains to be completed and full DR test is scheduled for October 2023.	Mgr Info Services	Necessary	As part of our DR and BCP planning we have been implementing a reconfiguration of the Disaster Recovery Platform, which is hosted in Palmerston North, to streamline and simplify that process when initiating a fail-over & fail-back during a DR event. This process is almost complete with the final server duplication being completed on the 12/09/2023. The DR SAN storage is permanently addressable storage, but is connected via secured separate storage VLAN's & not accessible by users. Both the onsite and DR storage SAN's are protected by storage based Snapshot's that run every hour and daily (2 days for on premise & 7 days for DR). The DR SAN snapshot's cannot be altered/deleted by RDC users. There is a six monthly test of these systems to confirm the viability of these back up systems. A final check of the failover firewall remains to be completed and full DR test is scheduled for October 23.	We continue to test DR plans of single servers monthly. We completed a full fail-over test end November 2023 and successfully failed over to the DR site in Palmerston North. Full fail-over testing is planned annually.	Continue monthly DR tests and next annual test planned for Oct/Nov 2024.		Dec-23	Ready to close
Prior to 17J	Performance measure rules Continue to review the effectiveness of the collection and reporting of data.	GM Democracy & Planning	Necessary					NA	Ready to close
17/18	Service Performance Information Implement a regular review of information entered to ensure that the correct data is being captured for attendance times. Continue to reinforce training on requirements to ensure staff are aware of the correct processes to follow and understand the information being captured.	GM Democracy & Planning	Necessary					Jun-23	Ready to Close
Prior to 18J	Review of Procurement Practice As part of our 2016 audit we completed a review of the joint procurement process undertaken by Manawatu District Council, Horowhenua District Council, and the Council. Our summarised recommendations are detailed below: Conflict of interest declarations to be signed off by the appropriate authority at the time that they are signed off by the person completing the declaration. Declarations to be regularly updated, both actively and at key stages of the procurement process. Declarations to be completed by those with the ability to influence the decision of the evaluation team, regardless of whether or not these individuals have decision making power. A business case be prepared for all procurements of significant value and risk A procurement strategy or plan should specify the roles and responsibilities of those involved in the process. This includes those sitting on the evaluation team and any advisors to the process. Consider risks during the procurement planning stage. These risks relate to the procurement process rather than the contract. While the procurement strategy identified the broad scope of the procurement, we would expect to see more specificity around timing and quality of what was being procured.	GM Corporate Services	Necessary	Proposed new Policy being reviewed by PMO	Proposed new Policy being reviewed/finalised	Matters covered by new Procurement and Contract Management Policy that is being finalised	Updated Procurement and Contract Management Policy tabled to full Council - August 2024	Aug-24	Ready to Close
Prior to 17J	Contract management Endorse an integrated policy for organisation-wide use and review the Councils current contract management system for appropriateness. Monitor service contracts between contractors and the Council against the Key Performance Indicator's (KPI's), to confirm the work performed is completed to a satisfactory standard.	GM Corporate Services	Necessary	Work is continuing, the consultant has shared a first draft and we are expecting conclusion by the end of Dec 2023	New contract management system being scoped	Matters covered by new Procurement and Contract Management Policy that is being finalised	Updated Procurement and Contract Management Policy tabled to full Council - August 2024	Aug-24	Ready to Close
20/21	Fraud Risk Assessment Council undertakes a formal fraud assessment to assess: a) transactions, activities, or locations that may be susceptible to fraud; and controls/processes the Council has in place to mitigate those risks	GM Corporate Services	Beneficial	Ongoing formal fraud awareness program (February, June and October) established. Fraud assessment to be conducted once other current priorities have been addressed.	Fraud awareness now scheduled for twice a year. Fraud assessment to be conducted once other current priorities have been addressed.	Complete assessment to identify fraud risks, evaluate existing controls and develop mitigation strategies.	As per the Internal Audit Work Program, complete assessment to identify fraud risks, evaluate existing controls and develop mitigation strategies.	Early 2025	Beneficial

<http://intranet/RDCDoc/Corporate-Management/EX/Inaud/September 2024 Outstanding Audit Management Letter Points>

Issue raised in:	Recommendation	Managed	Audit NZ Priority	September Update 2023	February 2024 Update	June 2024 Update	September 2024 Update	Expected due date	Officer's assessment
18/19	<p>Assets with no construction date Implement a process to improve the asset data on road assets with no construction date.</p> <p>Audit 2021 Update: In progress. The District Council continues to look at processes that will improve the integrity of asset data. Analysis and implementation of possible measures will require a multiple-year timeframe</p>	GM Assets & IS	Beneficial	Ongoing	Ongoing	Ongoing	Ongoing	TBA	Beneficial

<http://intranet/RDCDoc/Corporate-Management/EX/Inaud/September 2024 Outstanding Audit Management Letter Points>

11 Public Excluded

Resolution to Exclude the Public

The meeting went into public excluded session [enter time](#)

Recommendation

That the public be excluded from the following parts of the proceedings of this meeting.

- 1 Risk and Assurance Committee Meeting - 20 June 2024
2. Cybersecurity

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
11.1 - Risk and Assurance Committee Meeting - 20 June 2024	To consider the minutes relating to matters that were the subject of discussion at the 20 June meeting.	S48(1)(a)
11.2 - Cybersecurity	To receive information on council's cybersecurity. s7(2)(j) - Improper Gain or Improper Advantage	s48(1)(a)(i)

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interests protected by Section 6 or Section 7 of the Act which would be prejudiced by the holding or the whole or the relevant part of the proceedings of the meeting in public as specified above.

12 Open Meeting