



**RANGITIKEI**  
DISTRICT COUNCIL  
*Making this place home.*

# ORDER PAPER

## RISK AND ASSURANCE COMMITTEE MEETING

**Date:** Wednesday, 19 March 2025

**Time:** 9.30am

**Venue:** Council Chamber  
Rangitikei District Council  
46 High Street  
Marton

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**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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<b>Locations:</b>	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; border: none; vertical-align: top;"> <u>Marton</u>            Head Office            46 High Street            Marton         </td> <td style="width: 33%; border: none; vertical-align: top;"> <u>Bulls</u>            Bulls Information Centre            Te Matapihi            4 Criterion Street            Bulls         </td> <td style="width: 33%; border: none; vertical-align: top;"> <u>Taihape</u>            Taihape Information Centre            102 Hautapu Street (SH1)            Taihape         </td> </tr> </table>	<u>Marton</u> Head Office 46 High Street Marton	<u>Bulls</u> Bulls Information Centre Te Matapihi 4 Criterion Street Bulls	<u>Taihape</u> Taihape Information Centre 102 Hautapu Street (SH1) Taihape
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**Notice is hereby given that an Risk and Assurance Committee Meeting of the Rangitikei District Council will be held in the Council Chamber, Rangitikei District Council, 46 High Street, Marton on Wednesday, 19 March 2025 at 9.30am.**

## **Order Of Business**

<b>1</b>	<b>Welcome / Prayer .....</b>	<b>4</b>
<b>2</b>	<b>Apologies .....</b>	<b>4</b>
<b>3</b>	<b>Public Forum .....</b>	<b>4</b>
<b>4</b>	<b>Conflict of Interest Declarations.....</b>	<b>4</b>
<b>5</b>	<b>Confirmation of Order of Business .....</b>	<b>4</b>
<b>6</b>	<b>Confirmation of Minutes .....</b>	<b>5</b>
	6.1 Confirmation of Minutes .....	5
<b>7</b>	<b>Follow-up Action Items from Previous Meetings .....</b>	<b>13</b>
	7.1 Follow-up Action Items from Risk and Assurance Meetings.....	13
<b>8</b>	<b>Chair's Report .....</b>	<b>15</b>
	8.1 Chair's Report- March 2025 .....	15
<b>9</b>	<b>Reports for Decision .....</b>	<b>16</b>
	9.1 Privacy Update .....	16
<b>10</b>	<b>Reports for Information.....</b>	<b>36</b>
	10.1 Audit NZ Management Letter Points .....	36
	10.2 Insurance Update .....	87
	10.3 Council Debt .....	88
	10.4 Risk and Assurance Committee Work Programme .....	90
	10.5 Internal Audit Programme .....	145
	10.6 Health, Safety and Wellbeing Update .....	149
	10.7 Protected Disclosures Update .....	160
<b>11</b>	<b>Discussion Items.....</b>	<b>162</b>
	11.1 RDC ALGIM Awards for Rangitikei District Council .....	162
<b>12</b>	<b>Public Excluded .....</b>	<b>163</b>
	12.1 Public Excluded Risk and Assurance - 5 December 2024 .....	163
	12.2 Fraud Reporting.....	163
<b>13</b>	<b>Open Meeting .....</b>	<b>164</b>

## **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 5 December 2024** are attached.

#### Attachments

1. **Risk and Assurance Committee Meeting - 5 December 2024**

#### Recommendation

That the minutes of Risk and Assurance Committee Meeting held on 5 December 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

ITEM 6.1

ATTACHMENT 1

## **UNCONFIRMED: RISK AND ASSURANCE COMMITTEE MEETING**

**Date:** Thursday, 5 December 2024  
**Time:** 9.30am  
**Venue:** Council Chamber  
Rangitikei District Council  
46 High Street  
Marton

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**Present** Cr Dave Wilson  
Cr Simon Loudon  
Cr Fi Dalgety (Zoom)  
Cr Piki Te Ora Hiroa  
Mr Philip Jones

**In attendance** Mr Kevin Ross, Chief Executive  
Mrs Carol Gordon, Deputy Chief Executive  
Mr Arno Benadie, Chief Operating Officer  
Ms Leanne Macdonald, Group Manager- Corporate Services  
Ms Sharon Bennett, Group Manager- People and Performance  
Ms Lorraine Bergen, Manager- Financial Services  
Mr Matt Gordon, Health, Safety and Wellbeing Advisor  
Ms Kezia Spence, Governance Advisor

**Order of Business**

<b>1</b>	<b>Welcome / Prayer</b> .....	<b>3</b>
<b>2</b>	<b>Apologies</b> .....	<b>3</b>
<b>3</b>	<b>Public Forum</b> .....	<b>3</b>
<b>4</b>	<b>Conflict of Interest Declarations</b> .....	<b>3</b>
<b>5</b>	<b>Confirmation of Order of Business</b> .....	<b>3</b>
<b>6</b>	<b>Confirmation of Minutes</b> .....	<b>3</b>
	7.1 Follow-up Action Items from Risk and Assurance Meetings.....	3
<b>7</b>	<b>Chair’s Report</b> .....	<b>4</b>
	8.1 Chair's Report - December 2024 .....	4
<b>8</b>	<b>Reports for Information</b> .....	<b>4</b>
	9.1 Health, Safety and Wellbeing Update .....	4
	9.2 Privacy Update .....	4
	9.3 Protected Disclosures Update.....	4
	9.4 Risk and Assurance Committee Work Programme.....	5
	9.5 Insurance Update .....	5
	9.6 Fraud Reporting.....	5
	9.7 Council Debt .....	5
	9.8 Risk Management.....	6
	9.9 Audit NZ Management Letter Points .....	6
<b>9</b>	<b>Public Excluded</b> .....	<b>6</b>
	9.1 Public Excluded Risk and Assurance - 18 September 2024.....	6
<b>10</b>	<b>Open Meeting</b> .....	<b>7</b>

**ITEM 6.1  
ATTACHMENT 1**

Unconfirmed

## 1 Welcome / Prayer

Mr Jones opened the meeting at 9.32am and read the council prayer.

## 2 Apologies

Resolved minute number **24/ARK/053**

That the apologies be received from His Worship the Mayor Andy Watson.

Cr P Hiroa/Cr D Wilson. Carried

## 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

Resolved minute number **24/ARK/054**

That the minutes of Risk and Assurance Committee Meeting held on 18 September 2024 **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.

Cr D Wilson/Cr S Loudon. Carried

## 7 Follow-up Actions

### 7.1 Follow-up Action Items from Risk and Assurance Meetings

#### Item 1 – Ethics Committee

Mr Ross, Ms Macdonald, and Mr Jones will meet before the next meeting to discuss this item.



**Resolved minute number 24/ARK/055**

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

Cr P Hiroa/Cr D Wilson. Carried

## 8 Chair's Report

### 8.1 Chair's Report - December 2024

Mr Jones respond to questions on his comment on the lack of responsibility from the community in the report. Mr Jones clarified that there is a risk that the community receives the information but do not engage or understand the issues with an open mind.

Mrs Gordon responded to questions that adding information to the rates bill is expensive and the comms team have greater reach to the community through other areas.

**Resolved minute number 24/ARK/056**

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

Mr Jones/Cr F Dalgety. Carried

## 9 Reports for Information

### 9.1 Health, Safety and Wellbeing Update

This item is frequently reported to council and through ELT monthly meetings that the Mayor and Deputy Mayor and Cr Dalgety as healthy and safety representative attend.

Mr Jones noted his brief discussion with Mr Benadie regarding contractor monitoring of their health and safety. Mr Jones reiterated the need for assurance as a committee that the monitoring is happening. Ms Bennett responded that there are improvements in this space and the data already exists for this.

**Resolved minute number 24/ARK/057**

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

Cr F Dalgety/Cr S Loudon. Carried

### 9.2 Privacy Update

The report was taken as read.

**Resolved minute number 24/ARK/058**

That the report 'Privacy Update' be received.

Cr P Hiroa/Mr Jones. Carried

### 9.3 Protected Disclosures Update

The report was taken as read.

**Resolved minute number 24/ARK/059**

That the report 'Protected Disclosures Update' be received

Cr D Wilson/Cr S Loudon. Carried

### 9.4 Risk and Assurance Committee Work Programme

Ms Macdonald and Mr Jones had a pre-discussion on the committee work programme and discussed the risk framework and to understand councils risk appetite especially before the next election. Mr Jones noted that it would be beneficial to have a list of key activities for some risk appetite for activities and a zero-risk appetite for others. This will be part of the risk policy, and support informing the insurance of the council. This will come to the committee after March.

Officers highlighted that Bancorp has been engaged for treasury management, this was a key item for this committee at the last meeting.

**Resolved minute number 24/ARK/060**

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

Cr S Loudon/Cr P Hiroa. Carried

### 9.5 Insurance Update

Ms Macdonald noted that the current list of insurance was circulated earlier highlighting that this cost is within budget. Ms Macdonald noted that there is an understanding from AON that there is a signal for an easing period, however this always has potential to change.

**Resolved minute number 24/ARK/061**

That the report 'Insurance Update' be received.

Cr D Wilson/Cr F Dalgety. Carried

### 9.6 Fraud Reporting

The report was taken as read.

**Resolved minute number 24/ARK/062**

That the report 'Fraud Reporting' be received.

Cr D Wilson/Cr P Hiroa. Carried

**9.7 Council Debt**

The debt position has not changed since the last report but there are significant draw downs in the next period.

Ms Macdonald has met with Miles from Bancorp reviewing the Treasury Management Policy and they are undertaking a 10-year plan for the debt strategy for council.

**Resolved minute number 24/ARK/063**

That the report 'Council Debt' be received.

Cr F Dalgety/Cr D Wilson. Carried

**9.8 Risk Management**

The report was taken as read.

**Resolved minute number 24/ARK/064**

That the report 'Risk Management' is received.

Cr S Loudon/Cr D Wilson. Carried

**9.9 Audit NZ Management Letter Points**

Officers expect to receive the Audit NZ Management letter soon for the Long-Term Plan.

**Resolved minute number 24/ARK/065**

That the report Audit NZ Management Letter Points be received.

Cr D Wilson/Cr P Hiroa. Carried

**10 Public Excluded**

The meeting went into public excluded session 10.35am.

**Resolution to Exclude the Public****Resolved minute number 24/ARK/066**

ITEM 6.1  
ATTACHMENT 1

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

1 Risk and Assurance Committee Meeting - 18 September 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 - 18 September 2024	To consider the minutes relating to matters that were the subject of discussion at the 18 September 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 D Wilson/Cr P Hiroa. Carried

## 11 Open Meeting

The meeting went into open session 10.37am.

**Resolved minute number 24/ARK/068**

That the public excluded meeting move into an open meeting, and the below recommendations be confirmed in the open meeting:

24/ARK/67

Mr Jones/Cr D Wilson. Carried

**The meeting closed at 10.37am.**

**The minutes of this meeting were confirmed at the Risk and Assurance held on .**

.....

**Chairperson**

## 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	5-Dec-24	Improvements made since 2018/19 on condition and performance data for Infrastructure Assets Continue to implement a program to collect condition and performance data.	Arno	To provide an update for next meeting.	In progress
2	5-Dec-24	Appetite for risk discussion	Leanne	A verbal update will be provided at the meeting.	In progress
3	5-Dec-24	De-escalation training, opportunities for discussion from Elected Members to discuss how they are going, if they are receiving abuse, negative feedback etc	Carol / Mayor	Will be noted here, but will be continuous discussion.	In progress
4	18-Sep-24	Internal Audit Programme - Ethics - scope etc - Leanne to give some guidance on this area to the committee	Leanne	The ethics is being completed next Risk and Assurance meeting June.	In progress
5	18-Sep-24	Treasury Management Policy - Report on the engagement of external expertise - pros / cons etc	Leanne / Carol	Treasury Management Policy has been agreed by Finance and Performance committee and will be adopted by Council at the next meeting.	Closed.
6	18-Sep-24	Strategic Risk register - high level review for December and full review by March 2025	ELT	This will come to the committee in March 2025.	In progress

## 8 Chair's Report

### 8.1 Chair's Report- March 2025

**Author:** Philip Jones, Chair

In my previous reports I commented that the local authorities have the following emerging risks which I will specifically comment on below.

#### **Financial sustainability**

The continuing constricting economy will put pressure on Councils' ability to increase future rates which will put pressure on ongoing financial sustainability of most Councils. This is currently being played out as Councils develop their Annual plans, with most councils reducing their rate requirements to be less than year 2 of the LTP. These reductions could have an impact on level of services in the future.

#### **Inability to deliver key services**

With the increasing pressure to respond to the "Local Water Done Well", the process continues to consume resources of most territorial local authorities which does impact business as usual.

While a number of councils have selected their preferred options, even after a council has adopted its preferred option, they will still need develop their Water Services Plan which will require significant resources. Even once the WSP has been developed, these will require the Minister of Local Government's approval and there is a risk that a number of WSPs will not be approved by the Minister.

#### **Internal conflict over different priorities, roles and responsibilities**

This risk has not significantly changed.

#### **Lack of community responsibility**

This risk has not significantly changed.

#### **Increasing compliance**

While there is has not significantly change in this risk, the current Government direction will likely increase this risk.

#### **The emerging impact of AI**

With the significant increase in the development of AI, this will have many impacts both positive and negative. Therefore, it will important that Council develop a watching brief, otherwise it will be fail to so, it risks of not making the most of this important tool.

#### **Recommendation**

That the Chair's Report – March 2025 be received.

## 9 Reports for Decision

### 9.1 Privacy Update

**Author:** Sharon Bennett, Group Manager - People & Performance

**Authoriser:** Carol Gordon, Chief Executive

#### 1. Reason for Report

- 1.1 This report provides an update on privacy breaches for the reporting period, this update being that there are no known privacy breaches to report. It also presents the revised Privacy Policy and Procedure, and Privacy Statement, for consideration and endorsement by the Committee.

#### 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 Rangitikei District Council (RDC) has an internal Privacy Policy and Procedure (last approved 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. The Privacy Policy and Procedure has recently been reviewed in accordance with RDC's internal policy review schedule, and the Risk and Assurance Committee Work Programme.
- 2.4 RDC also has an external Privacy Statement which details how RDC will protect private information held about its customers. The Privacy Statement is published on RDC's website and is accessible through the following link: [Privacy Statement](#). The Privacy Statement has recently been reviewed in accordance with RDC's internal policy review schedule, and the Risk and Assurance Committee Work Programme.
- 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. Privacy Act refresher training is being arranged for staff to



coincide with the release of the revised Privacy Policy and Procedure and Privacy Statement.

### **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.
- 3.3 Council's internal Privacy Policy and Procedure was recently reviewed, and the revised document is attached for the Committees consideration. Nothing of substance was deleted from the Policy, however some additions were made. Key additions include detailing how electronic and cloud-based information will be stored; and emphasising that Officers may only access personal information which is necessary for them to complete their duties.
- 3.4 Council's external Privacy Statement was also recently reviewed alongside the Privacy Policy and Procedures. The revised document is attached for the Committee's consideration. Nothing of substance was deleted from the Privacy Statement. Some minor additions were made, including reference to information collected through social media platforms.
- 3.5 Both the Privacy Policy and Procedure, and Privacy Statement received a legal check as part of the review to ensure accuracy and legal robustness.

### **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 Procedure, and Privacy Statement 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. It also presented Council's revised Privacy Policy and Procedure and Privacy Statement for members consideration and endorsement.

**11. Decision Making Process**

11.1 This decision is considered to have low significance.

**Attachments:**

1. **RDC Privacy Policy and Procedure** [↓](#)
2. **RDC Privacy Statement** [↓](#)

**Recommendation 1**

That the report 'Privacy Update' be received.

**Recommendation 2**

That the report Risk and Assurance Committee endorses the revised Privacy Policy and Procedure and Privacy Statement with / without amendment.

RANGITĪKEI DISTRICT COUNCIL

# PRIVACY POLICY AND PROCEDURE

This policy sets out how Rangitikei District Council will approach the collection, use, retention, disclosure, access to and correction of personal information, in particular, personal information related to individuals who work for Council. It also outlines Rangitikei District Council’s internal procedure for responding to actual or potential privacy breaches related to all information held about identifiable individuals.

A Privacy Statement relating to private information about members of the public is available on Rangitikei District Council’s website.

Approved:	February 2025*
Approved by:	Executive Leadership Team
Next review:	February 2027
Version number:	2.0
Who is responsible:	Group Manager People and Performance

*\* Approved subject to endorsement by the Risk and Assurance Committee*



*Making this place home*

UNCONTROLLED IF PRINTED

## Policy

### PURPOSE

Rangitikei District Council (we / us / our / Council) is committed to managing personal information in a way that follows best practice and respects the privacy rights of individuals.

To achieve this we have established a Privacy Policy and Procedure, the objectives of which can be summarised as:

- Maintaining a positive privacy culture in which individuals are supported and encouraged to adopt good privacy practices.
- Building trust and confidence with people who work for us by ensuring:
  - there are clear purposes for collecting personal information;
  - good data collection processes;
  - transparency in how we handle personal information;
  - risk avoidance – minimising the potential for security or data breaches;
  - accuracy of personal information;
  - proper use and disclosure of personal information; and
  - respect for people as individuals.
- Providing an internal process for responding to privacy breaches whether these relate to information about employees or members of the public.
- Confirming the role and responsibilities of Council's Privacy Officer.
- Ensuring legal compliance.

### SCOPE

This policy applies to all Rangitikei District Council employees, potential employees (job applicants), seconded personnel, elected members, volunteers and contractors (those who do work for Council).

The internal procedure for responding to privacy breaches (or potential breaches) relates to all private information we hold and relates to both people who do work for us and members of the public (including our rate payers).

This policy is subject to the legislative requirements as specified in the Privacy Act 2020 (Act, or the Privacy Act) and any amendments. We also note that other privacy obligations and requirements can be found in Individual Employment Agreements and other policies (including but not limited our Information Security Policy, Remote and Flexible Working Policy). This policy is consistent with those documents, however, it will not replicate those other obligations and requirements.

Personal Information held by Council may also be subject to the Local Government Official Information and Meetings Act 1987, the Official Information Act 1982, and the Public Records Act 2005.

The requirements regarding privacy of members of the public, including rate payer information, are covered by the Privacy Statement on Council's website, noting that the requirements and principles are the same as those that apply to the information of Council employees.

## PRIVACY ACT 2020 – RIGHTS AND OBLIGATIONS

We will always treat your personal information in accordance with the Act. The Act has 13 information privacy principles that stipulate how information can be collected and used, and people's rights to gain access to that information and ask for it to be corrected. Appendix 1 to this policy sets out the information privacy principles and how we will apply them.

You are also required to maintain the privacy and confidentiality of all personal information, in accordance with the Privacy Act and this policy. Privacy breaches are taken seriously by Council and could result in disciplinary action, up to and including dismissal.

## COLLECTING PERSONAL INFORMATION

We may collect your personal information for all matters relating to the administration and management of your employment, potential employment, or engagement with us.

Generally, we will collect personal information directly from you, unless you consent to the collection of information from someone else, or if an exception under the Act applies (e.g. the information is publicly available) or if we are permitted or required to by applicable law or regulation.

## PURPOSES FOR COLLECTING PERSONAL INFORMATION

Your personal information may be used for circumstances relating to your employment, potential employment or engagement, including:

- the recruitment process;
- administering our various business processes, such as payroll functions;
- to fulfil our obligations as employer or principal;
- contact details and establishing an emergency contact;
- processing work-related claims (e.g. ACC);
- professional qualifications and study records;
- communicating with you electronically
- complying with applicable employment laws;
- preventing, detecting and investigating crime, and analysing and managing other commercial risks;
- conducting performance reviews;
- reward and recognition programmes such as Council's Matariki Stars staff awards
- gathering evidence for employment investigations or disciplinary action;
- health and safety compliance and risk management; and
- internal reporting processes.

We will only use your personal information for purposes related to your employment or engagement, unless you agree or authorise otherwise. If your personal information is to be used or disclosed for any additional purposes, we will first advise you and, when required by law, obtain your consent. We may use your personal information without your knowledge where it is permitted or required by law to do so.

## PERSONAL CONTACT DETAILS

We need to hold your personal contact details (such as name, address, email address and phone number, and next of kin details) so that we can communicate with you when we need to, for example in case of emergency. To keep all employee records current, we ask that you notify the Senior People and Performance Advisor in writing of any changes to your personal information. These include changes to name, address, email address, telephone number and emergency contact information (next of kin) as well as updating any expired identification.

Personal contact details will be held by your direct manager, Group Manager (if applicable), and the Group Manager People and Performance or their nominee.

Personal information will not be released to anyone unless the person holding it is satisfied that this is necessary for the purpose for which it was collected. In the event of a request for a staff member's address or phone number being made, (which includes any request from an outside source) we will record the contact details from the caller and pass the message on to the staff member concerned.

A master list of the names, addresses and phone numbers of staff involved in emergency response will be prepared by the Group Manager People and Performance, or their nominee, who will issue the full list only to the designated Emergency Management Officer(s), Response Managers, Local Controllers and Executive Leadership Team with a note that it is personal information to be used for emergency management purposes only. The Group Manager People and Performance, or their nominee, is responsible for updating the list and reissuing it from time to time. Old lists will be securely destroyed.

## STORAGE OF PERSONAL INFORMATION

We will ensure that information stored it is kept secure by using reasonable steps to prevent loss, unauthorised access, use, modification, disclosure, or other misuse. In particular:

- Council will keep physical documents secure when there is a business need to take them outside of Council premises, and no technical solution is applicable
- Council will keep electronic personal information secure by ensuring its data storage is protected from external sources, maintaining regular back up of data to secure storage and applying good practice for information security management.
- Council may use cloud computing services to manage and store information. Where used, Council will ensure that cloud computing services meet all applicable government security requirements.

Personal information about employees will be held securely on file by the People and Performance Group.

Most personnel information is held electronically and is securely recorded in personnel information systems such as 'MagiQ' and Share Point (or any replacement system). That system is accessed via secure logins and passwords, where access restrictions are based on the role of the employee.

In cases where information is received and retained in hard copy, it will be stored in secure lockable filing cabinets, drawers or cupboards.

## ACCESSING PERSONAL INFORMATION

You may only access personal information which is necessary for you to complete your duties for Council. In other words, only read what you need. Unauthorised access (including access with no reasonable explanation relating to your duties for Council) to personal information will be considered a breach of this policy. This provision applies whether the personal information relates to an RDC employee or a member of the public.

Likewise, you must not remove any files containing personal information about staff or members of the public from the physical location they are held unless you are authorised to do so. Any physical files removed must be kept secure at all times.

## DISCLOSURE OF PERSONAL INFORMATION

We may disclose (or transfer) your personal information to third parties, including:

- agents, contractors or third-party service providers (which have undertaken to keep such information confidential) who provide us operational services such as telecommunications, information technology systems, consulting, training, storage, archival or other services; and
- during the recruitment process, for example for 'Police Vetting'
- professional advisors such as auditors, consultants or lawyers; and
- external providers or third parties engaged to manage processes related to employees' employment (e.g. ACC); and Government agencies and departments for the purpose of meeting their requirements
- Anyone authorised by you to receive the information

We may also disclose your personal employment information (including your duties, remuneration and terms of employment) to third parties for the purpose of undertaking a job sizing analysis, and for any other purposes as notified to you.

## REQUESTS FOR PERSONAL INFORMATION

You are entitled to request access to any personal information that we hold about you. You are also entitled to request the correction of your personal information. You may not remove any information, or alter any part of, the information we hold, without our consent.

Requests for personal information will be processed promptly and responded to within a maximum of 20 working days (unless extended under the Privacy Act)

We may decline your request (or part of your request) for personal information if a good reason exists for withholding that information. A good reason could include the need to protect the privacy of other identifiable individuals.

If we decline your request, we will communicate clearly with you regarding our decision and the reasons that the request has been declined.

If you request the correction of your personal information, and we do not agree to the correction, we will inform you of the reasons for this. If this happens, you may request us to record your request for correction of information and the reason it was declined.

You may seek advice from the Privacy Commission / Privacy Commissioner if you disagree with our decision.

If you receive a request for access to personal information, from any person (inside or outside Council) you should, without delay, forward the request to Council's Privacy Officer (Group Manager People and Performance).

You must not disclose any personal information to any person, unless you are authorised to by your manager or the Privacy Officer, and it is permitted by the Privacy Act.

## DESTRUCTION OF PERSONAL INFORMATION

Any personal information held by Council that is no longer required for the purpose it was intended, will be archived, deleted, or destructed from use, unless prevented to do so, due to legislative requirements.

## REFEREE CHECKS BY PROSPECTIVE EMPLOYERS

Prospective employers often contact referees as part of a recruitment process to obtain information about a job applicant's experience, job performance and disposition.

You may only provide a reference on behalf of Council if you are a member of the Executive or Senior Leadership Team, and you are able to objectively and factually comment on the person's job performance and character (for example of the person reports directly to you). If you are not a member of the Executive or Senior Leadership Team, and you are asked to provide a reference, please seek advice from the People and Performance Team prior to agreeing to undertake the reference.

If you meet the conditions above, then the following applies if you are requested to act as a referee by a prospective employer in relation to a current or former Council employee:

- It is important to identify the person requesting the information and confirm that written consent has been given for them to request the information.
- You will also need the express consent of the person concerned to give a reference about them. Otherwise, your actions will be in breach of the Privacy Act 2020.
- In most cases, you will have agreed in advance to be a referee for that person and may have received notification of incoming contact by the prospective employer. If you are unaware that you are a referee for the person, make another time for the reference check so that you can first confirm with the person that they have consented to you acting as a referee for them and to the prospective employer seeking the information from you.
- There is no obligation to provide a reference. If you are asked to be a referee, and do not feel comfortable, it is best to politely decline.
- Typically, you will be asked to verify the person's period of employment, position, responsibilities and relationship to you as referee. You will likely also be asked about the person's job performance. Only provide the information requested and ensure that any information you provide is honest, factual and objective.
- Documents such as performance reviews or letters to the employee are personal information and, if requested, should only be given directly to the person concerned.

If you are asked to give a reference for a person who has never worked for the Council, you must make it clear that you are providing the information in your personal capacity and not as a representative of Council.

If you have any questions or concerns about privacy obligations in relation to reference checks, please seek advice from the Privacy Officer prior to providing the information.

An individual has the right to request to see the information you provide to the prospective employer.



## Internal procedure to respond to a potential privacy breach

Inadvertent privacy breaches may happen despite good processes and the best of intentions. Where a potential breach is identified it is important to act quickly.

A privacy incident includes an actual privacy breach, a potential privacy breach, or a near miss.

A privacy breach occurs when there is an unauthorised or accidental access to, or disclosure, alteration, loss or destruction of personal information. A privacy breach can also include an action that prevents the agency from accessing the information on either a temporary or permanent basis.

A potential privacy breach occurs where a privacy breach may have occurred, but it is not known if an actual breach occurred.

A near miss is where an action could have resulted in a breach but ultimately the breach does not occur.

If you discover a privacy incident you are required to advise your manager and notify the Privacy Officer as soon as possible. This requirement applies for all individual personal information held by Council including information about people who work for us, rate payers and members of the public.

The Privacy Officer will work with staff to address any privacy concerns, following the Privacy Commissioner's guidelines for dealing with privacy breaches.

### PRIVACY OFFICER

Council's Privacy Officer is the Group Manager People and Performance or their nominee.

The Privacy Officer is responsible for:

- assisting Council and staff in managing personal information requests;
- managing breaches of privacy and notifiable breaches of privacy;
- complaints made about Council's actions or procedures under this policy; and answering any questions about this policy or personal information collected about you.

### PROCEDURE IF A PRIVACY INCIDENT HAS OCCURRED (OR MAY HAVE OCCURRED)

If it is believed that a privacy incident has occurred, Council will, through the Privacy Officer, take all practicable steps to ensure that the privacy incident is contained; that the risks following the incident are assessed; that relevant parties are notified if required; and, that steps are taken to prevent further incidents. The Privacy Officer will also consider whether the privacy incident is notifiable.

### NOTIFIABLE PRIVACY BREACHES

A privacy breach will be notifiable if it is likely to cause serious harm. In assessing whether a privacy breach is likely to cause serious harm, the Privacy Officer must consider:

- any action taken by the Council to reduce the risk of harm following the breach;
- whether the personal information is sensitive in nature;
- the nature of the harm that may be caused to affected individuals;
- the person or body that has obtained or may obtain personal information as a result of the breach (if known);
- whether the personal information is protected by a security measure; and
- any other relevant matters.

## IF A NOTIFIABLE PRIVACY BREACH HAS OCCURRED

As soon as practicable after becoming aware that a notifiable privacy breach has occurred, the Privacy Officer must notify:

- Privacy Commissioner (in accordance with section 117 of the Privacy Act)
- Council's Chief Executive
- Chair of the Risk and Assurance Committee
- The affected individual(s) (in accordance with section 115 of the Privacy Act).

If it is not reasonably practicable to notify an affected individual or each member of a group of affected individuals, the Privacy Officer must instead give public notice of the privacy breach unless an exception applies or delay is permitted under section 116 of the Privacy Act.

Notifiable privacy breaches will be reported to the Risk and Assurance Committee at the next available meeting.

## PRIVACY COMPLAINTS

Complaints need to be made to the Privacy Officer for resolution in the first instance. If individuals are unable to resolve a privacy dispute, they can make a complaint to the Privacy Commissioner, using their online complaint form <https://www.privacy.org.nz/your-rights/making-a-complaint/complaint-form/>.

## FURTHER INFORMATION AND EDUCATION

The Office of the Privacy Commissioner provides a good source of advice and information. The Privacy Commissioner's toll-free hotline number is 0800 803 909 and the official Privacy Commission website is [www.privacy.org.nz](http://www.privacy.org.nz)

All Council employees whose work involves the personal information of others are strongly encouraged to complete the free on-line training modules offered by the Office of the Privacy Commissioner and available through the following link: [Office of the Privacy Commissioner | E-learning](#)

In particular, the following modules are recommended:

- Privacy ABC (30 minutes introduction using scenario-based units)
- Privacy 101 (more in-depth than Privacy ABC. 2 – 3 hours but does not have to be completed in one session)
- Privacy Act 2020 (an overview of what changed when the new Privacy Act was released in 2020).

Once you have completed an on-line training module, please download your completion certificate and forward to the People and Performance Team so that it can be added to your personal file.

## Appendix 1: Information Privacy Principles

### Principle 1: Purpose of collection of personal information

We will only collect personal information where it is needed to perform a function or activity of the Council. Council may use your personal information for the purposes described in this policy (refer to the "Purposes for collecting personal information" section). If your personal information is to be used or disclosed for any additional purposes, Council will first advise you and, when required by law, obtain your consent. Council may use your personal information without your knowledge or consent where it is permitted or required by law to do so.

### Principle 2: Source of personal information

We will collect the information directly from the person concerned. There are some exceptions to Principle 2, such as where the person agrees otherwise, where the information is collected by an agency on our behalf, or where the information is publicly available.

### Principle 3: Collection of information from subject

We will take all reasonable efforts to ensure the person is aware that the personal information is being collected, what it will be used for, the recipients of the information, whether the supply of the information is voluntary or mandatory, the consequences of not providing the information and the person's rights of access to and correction of the information.

### Principle 4: Manner of collection of personal information

We will ensure personal information is not collected in an unlawful, unfair or intrusive fashion.

### Principle 5: Storage and security of personal information

We will take all reasonable efforts to ensure the information is protected against loss, unauthorised access, use, modification, disclosure or other misuse. We will ensure that personal information is securely stored to prevent unauthorised access.

### Principle 6: Access to personal information

We will, when asked by an individual, provide access to personal information as required by the Privacy Act 2020. Where the information can be readily retrieved, the individual is entitled to confirmation of whether the information is held, and to have access to it.

### Principle 7: Correction of personal information

Individuals may request correction of personal information held. Where this is not agreed to by Council, the individual may request that a statement is attached to the information that the correction was sought and was refused. We will make every effort to ensure that any personal information held by us is accurate, up to date, complete, and relevant. If individuals consider any personal information we hold about them is incorrect, they can ask us to change it.

### Principle 8: Accuracy of personal information to be checked before use or disclosure

We will not use or disclose information without taking reasonable steps to ensure it is accurate, up to date, complete, relevant and not misleading.

### Principle 9: Agency not to keep personal information for longer than necessary

We will not hold information for any longer than it is needed for the purposes for which it was collected and/or may lawfully be used. After this time, the information will be securely destroyed.

**Principle 10: Limits on use of personal information**

Information collected for one purpose must not be used for any other purpose. There are some exceptions to Principle 10, for example, where Council reasonably believes the individual has authorised the further use, or when the information was from a publicly available publication.

**Principle 11: Limits on disclosure of personal information**

The information provided will not be disclosed to any other agency or person except in certain situations. Situations where information may be disclosed include where the disclosure is directly related to the purpose for which the information was collected, where the source of the information is from a publicly available publication, and where the disclosure is authorised by the individual concerned. We will only use and disclose personal information in accordance with the Privacy Act 2020.

**Principle 12: Disclosure of personal information outside New Zealand**

We will take reasonable steps to ensure that personal information sent overseas is protected by comparable privacy standards. If we need to engage with an overseas service provider, we will comply with New Zealand privacy laws. We may disclose personal information overseas if the individual authorises the disclosure.

**Principle 13: Unique identifiers**

We will not assign a unique identifier to an individual unless doing so is necessary for the Council to carry out its functions efficiently. Where doing so is necessary, Council must not use a unique identifier that has been assigned to that individual by another agency (the only exception is for certain taxation purposes). We will take all reasonable steps to protect unique identifiers from being misused.

## Customer Privacy Statement: Rangitikei District Council

Your privacy is important to Rangitikei District Council.

This privacy statement covers our collection, storage use, and disclosure of your personal information. It has been prepared in accordance with our obligations and your rights, as set out in the Privacy Act 2020 (**Act**)

At times we may amend the statement in response to developments in our services or privacy best practice. Changes to this statement will take effect immediately once published on this website.

### Who you contact for further information

If you have any queries or concerns about this Privacy Statement, our privacy practices or personal information Rangitikei District Council has collected, we are happy to respond or investigate. Please contact us using one of the methods below:

Attention to: Rangitikei District Council Privacy Officer

- Email: [info@rangitikei.govt.nz](mailto:info@rangitikei.govt.nz)
- Phone: 0800 442 522 or 06 327 0099
- Postal Address: Private Bag 1102, Marton, 4741

For more detailed information about our obligations and your rights under the Act, you can refer to the [Privacy Commissioner's Website](#) or call the Privacy Commissioner's enquiry line: 0800 803 909.

If you believe there is a privacy dispute we cannot resolve, you can make a complaint to the Privacy Commissioner by:

- Phone: 0800 803 909 (Monday to Friday, 10:00am to 3:00pm)
- Email: [enquiries@privacy.org.nz](mailto:enquiries@privacy.org.nz)
- By Post: Office of the Privacy Commissioner, PO Box 10094, Wellington 6143.

### What kind of personal information we collect

The personal information we collect may include your name, date of birth, physical address, postal address, email address, telephone numbers and gender. It may also include information on your use of our services or facilities (including this website), such as financial details and transaction details, and any other information provided by you through your communications with us.

### When we collect your information

We may collect personal information about you when you or someone acting on your behalf provides information to us directly. For example when you:

- Apply for employment with us
- Correspond with us in person, by letter, phone, text, email, instant message, or other means of electronic communication
- Complete and submit forms or applications for consents, licences, housing, approvals, permits, funding or other authorisations

- Use any of our services or facilities or attend our events including signing up for and using our online services and apps, such as online payment services, or newsletters (including our e-newsletter), or service updates
- Prepare and submit a written submission, request, or other feedback in relation to consents, licenses, approvals, permits, funding, other authorisations, or in relation to any form of draft or proposed plan, policy, bylaw or other document
- Engage with us on social media (for example by following or posting comments or reactions)

We may monitor and record phone calls made to us or by us for quality control and/or staff training purposes. If a call is to be monitored and recorded, you will be informed at the time of the call.

We may collect person all information about you from other organisations, entities or persons, such as:

- Our suppliers which include organisations such as Land Information New Zealand, QV, solicitors / conveyancers, the NZ Police, credit reporting agencies, the Electoral Commission and an organisation who undertakes an election or by-election on our behalf, and entities and persons where you have expressly authorised them to provide us with information.

#### **CCTV, body-worn cameras, static cameras, drones and livestream of Council meetings**

##### 1. CCTV

Where council is using CCTV & IP Video Individual cameras, recording devices, the following types of cameras could be used:

- Standard cameras - For most camera locations, a standard camera should be capable of at least 2-megapixel imagery, include Pan, Tilt and Zoom capability ("PTZ"), and have infrared capability (for night-time surveillance).
- ANPR (Automatic number-plate recognition) cameras - ANPR may be used in addition to, or instead of, a standard camera in any location, provided installation and ongoing operational costs can be met. ANPR cameras would usually be utilised for areas of high traffic inflow. Areas such as, entrances and exits into suburbs/towns, could be prioritised for ANPR cameras.

Information collected could include the following:

- Video and still footage
- Number plates (from Automatic Number Plate Recognition cameras)
- Time and date
- A catalogue of notable events in recorded footage (summary of event, location, date, and time)

Signs will clearly display a message to indicate that surveillance cameras are in operation (or a similar message) and be of a size and style that makes them readily visible to people entering the area. Cameras will not be used or cover private areas within public spaces and facilities (e.g., changing rooms) and coverage will not be directed at private property except where it cannot be avoided as part of a wide-angle or long shot while panning past.

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## 2. Body-worn Cameras

Wearable cameras will be worn by authorised staff members exercising their powers under legislation and/or Council bylaws and may be used in public places and on private property.

- The authorised staff member will set the device to record whenever s/he exercises those powers
- Where practicable the authorised staff member will advise prior to activating the camera, that the camera is being activated, or as soon as possible after activating it.
- The authorised staff member must keep the camera on his/her person so it records only what s/he can hear and/or see
- An authorised staff member may turn off the wearable camera if s/he considers this will reduce the risk of a conflict that may result in physical or emotional harm to the staff member.

Council will ensure that the operation of Security and Body Worn Cameras does not unreasonably intrude on the privacy of individuals. Camera footage will only be held for the reasons identified above, in line with relevant legislation including the NZ Privacy Act 1993.

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## 3. Drones

Drones will be used in accordance with Civil Aviation Authority's rules and guidance, and data is processed in accordance with the Council's Surveillance Camera Management Policy. Drone operations will be advertised where practicable and signage placed at the site being captured.

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## 4. Live streaming of Council meetings

In the interest of making our decision-making process transparent and accessible, most public Council meetings are broadcast live online (via our Facebook page) and also made available on our website. You will know which meetings are being filmed as there will be a sign clearly stating this on Facebook. Most of the filming will cover elected members as they speak and debate at the meeting, however, the filming may also include shots of the public in the background and of anyone speaking at a public forum.

### **Online**

In some instances, your personal information may be transferred, and held, by service providers in New Zealand and overseas (for example, where it is stored using a cloud-based service).

#### Responses to online forms

When you respond to an online form on our site, we hold any information you have entered into these forms. This information is used to respond to issues you raise, correct information we hold, provide a service to you, or to inform

decision making and is shared with Rangitikei District Council officers and any third parties needed to provide a service to you.

Online submission forms for consultations

All submissions (including name, but not contact details) may be provided in their entirety to elected members and made available to the public at our office and on our website. Personal information (including contact details) will also be used for the administration of the consultation process including informing you of the outcome of the consultation. All information collected will be held by Rangitikei District Council, with submitters having the right to access and correct personal information.

#### **Rating Information Database (RID)**

In accordance with the Local Government Rating Act (2020), if you own or purchase property within the Rangitikei District, your personal information including your name and postal address will be included in Council's Rating Information Database (RID).

A full version of the RID, including personal details of property owners\*, is available for inspection at the Offices of Rangitikei District Council located at 46 High Street Marton. The online (website) version of the RID includes property details (such as valuation number, location and annual rates) but does not include the personal information of property owners.

*\*If you do not want your personal details (name and postal address) to be included in the full public version of the RID available for inspection, you may request that your personal information is withheld by emailing [rates@rangitikei.govt.nz](mailto:rates@rangitikei.govt.nz) or phoning 06 327 0099. You will have the opportunity to opt out when your first annual rates instalment is issued or when you purchase a property. You may also make this request at any time, even if your details are already included in the public RID.*

#### **Website cookies, analytics and advertising**

Information collected

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If you visit our website, we may collect information about your visit to help us improve this website. This information is aggregated and doesn't identify you personally. It includes:

- your IP address
- the search terms you used
- the pages you accessed on our site and the links you clicked on
- the date and time you visited the site
- the referring site (if any) through which you clicked through to this site
- your operating system (e.g. Windows 10, Mac Mojave)
- the type of web browser you use (e.g. Internet Explorer, Chrome, Safari)
- other things like your screen resolution and the language setting of your browser.

Use of statistical information

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The information referred to above will be viewable by website administrators and certain other Rangitikei District Council staff. It may also be shared with other councils.

Tools and cookies on our website

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We use technologies, such as cookies, to customise content and advertising, to provide social media features and to analyse traffic to the site. We also share information about your use of our site with our trusted social media, advertising and analytics partners.

#### Google Tag Manager

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We use Google Tag Manager to manage tags on this website. Google Tag Manager is a service provided by Google and itself includes a cookie. You can view Google's [privacy policy](#).

#### Google Analytics

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[www.rangitikei.govt.nz](http://www.rangitikei.govt.nz) uses Google Analytics to measure which pages on our site attract the most interest and to inform our overall communications and engagement strategy to ensure we are engaging with a variety of different users. Google may use the data collected to contextualise and personalise the ads of its own advertising network.

If you would like to opt-out of any of Google Analytics function visit these [currently available opt-outs](#) for the web.

#### How we use your information

The personal information we collect from you, or someone acting on your behalf, may be used for any of the following purposes:

- To provide you with services or facilities.
- To confirm your identity – this is to avoid inappropriate release or use of your information.
- To respond to correspondence or provide you with information you have requested.
- To process any consent, licence, approval, permit, or other authorisation for which you have applied.
- To process your application to use or register for any of our services or facilities, including our online services and to process payments received or made by the Council.
- To respond to your requests, enquiries, feedback, or for customer care related activities.
- To provide you with information about our events, news, services, or facilities we consider may be of interest to you.
- To comply with relevant laws and regulations.
- To carry out activities connected with the running of our business or operations such as personnel training or testing and maintenance of computer and other systems.
- For any specific purpose that we notify you of at the time your personal information is collected.
- For general administrative and business purposes.
- Through participation assist us in analysing, and further developing and improving our products and services.

**Keeping your information secure and accurate**

We take reasonable steps to make sure personal information is:

- Protected against loss, damage, misuse and unauthorised access – we give restricted access to individuals who need personal information to help us perform our duties and obligations
- Accurate, up to date, complete, relevant and not misleading.

**Sharing your information**

We may disclose personal information about you to:

- any person engaged by the Council to provide products or services to you on our behalf, where your personal information is necessary for the provision of those products or services
- a third party, if we are required to do so under laws or regulations, or in the course of legal proceedings or other investigations. This may include sharing CCTV footage with the New Zealand Police or other public sector agencies where criminal activity is reported or suspected. The New Zealand Police may also access live feeds from certain CCTV cameras from time to time for law enforcement, investigation, and emergency response purposes
- any person you authorise us to disclose your personal information to
- any person, if that information is publicly available, e.g. information held on property files or the rating information database
- Councillors and the public when you make a submission in relation to bylaws, annual plans, district or regional plans, or draft or proposed policies. Submissions are made available in full (including the submitter's name and contact details) on our website and at our main office.

**What if you do not provide us with the personal information requested**

If you do not provide us with all of the personal information about you that we request from you, we may not be able to adequately respond to your correspondence, process any applications you have submitted, provide the services or facilities you have requested, process payments, or otherwise deal with any requests or enquiries you have submitted.

**How long we hold personal information**

We may retain all personal information we collect (on both our active systems and our archive systems) for as long as administratively necessary, in accordance with the Council's information and disposal schedule.

The Public Records Act 2005 requires us to retain "protected records" indefinitely. In some circumstances, your personal information may be included within a protected record, including submissions you make in relation to bylaws, annual plans, and district or regional planning instruments.

**Accessing and correcting your personal information**

You may request confirmation of whether or not we hold any personal information about you, and you may request access to your personal information that we hold by emailing us at [info@rangitikei.govt.nz](mailto:info@rangitikei.govt.nz) or via the Privacy Commissioner's ['About Me' tool](#). Once we

have verified your identity, we will provide you with confirmation and access, unless one of the grounds for refusal set out in the Privacy Act applies.

You may request that the personal information we hold about you be corrected by emailing us at [info@rangitikei.govt.nz](mailto:info@rangitikei.govt.nz). If we agree that your personal information is to be corrected, we will do so and we will also provide you with an amended record, if requested.

Your rights of access to and correction of any personal information we hold about you are subject to the procedures set out in the Privacy Act.

## 10 Reports for Information

### 10.1 Audit NZ Management Letter Points

**Author:** Lorraine Bergen, Manager Financial Services

**Authoriser:** Leanne Macdonald, Group Manager - Corporate Services

#### 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 Management Letters after each audit (interim and final) that contains various suggested improvements to Council's controls/systems/processes.
- 2.2 Two Management Letters are provided in this report, separately covering the 2024-2034 LTP audit and the 2023-2024 Annual Report audit. Recommended actions have been added to Management Letter Register.
- 2.3 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.
- 2.4 In relation to the 2024 Annual Report Management Letter (total 23 items), nine (9) previous items have been closed with three (3) new items added, one has been completed and two remain WIP. Eight (8) items have since been actioned are now considered ready to close, while six (6) remain in progress with work underway to address.
- 2.5 2024-2034 LTP Management Letter raised five (5) items, of which three (3) were for information only and two (2) noted as ongoing.
- 2.6 Once reported to Risk and Assurance Committee and confirmed by Audit NZ as being 'resolved', the item will be removed from this register.

#### 3 Recommendation

- 3.1 That the report 'Audit New Zealand Management Letter Points' be received.

#### 1. Attachments:

1. **AuditNZ 2024 Annual Report to Council** [↓](#)
2. **AuditNZ 2024 LTP Report to Council** [↓](#)
3. **March 2025 Outstanding AuditNZ Management Letter Points** [↓](#)

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

# Report to the Council on the audit of

Rangitikei District Council

For the year ended 30 June 2024

ITEM 10.1 ATTACHMENT 1

## Contents

Key messages .....	3
1 Recommendations .....	4
2 Our audit report.....	6
3 Matters raised in the Audit Plan .....	8
4 Other audit findings.....	12
5 Public sector audit.....	13
6 Useful publications.....	14
Appendix 1: Status of previous recommendations .....	17
Appendix 2: Corrected Disclosures Deficiencies .....	26
Detail of disclosure deficiency.....	26
Appendix 3: Disclosures .....	27

## Key messages

We have completed the audit for the year ended 30 June 2024. This report sets out our findings from the audit and draws attention to areas where the Rangitikei District Council (District Council) is doing well and where we have made recommendations for improvement.

### Audit opinion

We have issued an unmodified audit opinion dated 31 October 2024.

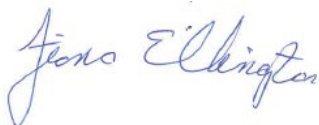
### Matters identified during the audit

We considered the following areas as our key focus areas for the 2023/24 audit cycle:

- **Fair value assessment of infrastructural assets: Three waters and roading** – We reviewed the independent valuer’s report and assessment which management have accepted and were satisfied that the carrying value of these assets materially reflects the fair value of assets at 30 June 2024.
- **Impairment of Property plant and equipment** – We are satisfied with management’s impairment assessment for the 30 June 2024 year end, and the assets carrying values are fairly reflected.
- **Capital Projects** – The District Council is undertaking a significant capital program under the 2024-2034 LTP. We have reviewed the work-in progress, and we are satisfied with the accounting of related costs and revenue recognition arising from meeting the objectives of conditional grants.
- **“Local Water Done Well” programme** – In February 2024, the Government passed legislation that repealed the affordable waters reform legislation passed into law by the previous Government. We are satisfied with the District Council’s disclosure in the Annual Report.
- **The risk of management override of internal controls** – We did not identify any issues indicating management override of internal controls.

### Thank you

We would like to thank the management and staff for their commitment to the success of the audit.



Fiona Elkington  
Appointed Auditor  
27 January 2025

## 1 Recommendations



Our recommendations for improvement and their priority are based on our assessment of how far short current practice is from a standard that is appropriate for the size, nature, and complexity of your business. We use the following priority ratings for our recommendations.

Priority	Explanation
Urgent	<b>Needs to be addressed <i>urgently</i></b> These recommendations relate to a significant deficiency that exposes the District Council to significant risk or for any other reason need to be addressed without delay.
Necessary	<b>Address at the earliest reasonable opportunity, <i>generally within six months</i></b> These recommendations relate to deficiencies that need to be addressed to meet expected standards of best practice. These include any control weakness that could undermine the system of internal control.
Beneficial	<b>Address, <i>generally within six to 12 months</i></b> These recommendations relate to areas where the District Council is falling short of best practice. In our view it is beneficial for management to address these, provided the benefits outweigh the costs.

### 1.1 New recommendations

The following table summarises our recommendations and their priority.

Recommendation	Reference	Priority
<b>One up approval of CE expenditure</b> Implement a one-up retrospective review of the credit card expenditure incurred on behalf of the CE and/or mayor.	4.1	Necessary
<b>Review of bank reconciliations</b> Implement a timely and effective review process of reconciliations.	4.2	Necessary



### 1.2 Status of previous recommendations

Set out below is a summary of the action taken against previous years' recommendations. Appendix 2 sets out the status of previous year's recommendations in detail.

Priority	Priority			
	Urgent	Necessary	Beneficial	Total
Open	-	3	2	5
In progress	-	4	2	6
Implemented or closed	-	12	-	12
<b>Total</b>	-	<b>19</b>	<b>4</b>	<b>23</b>

## 2 Our audit report

### 2.1 We issued an unmodified audit report



We issued an unmodified audit report on 31 October 2024. This means we were satisfied that the financial statements and statement of service performance present fairly the District Council’s activity for the year and its financial position at the end of the year.

In forming our audit opinion, we considered the following matters. Refer to section 3 for further detail on these matters.

### 2.2 Uncorrected misstatements

The financial statements are free from material misstatements, including omissions. During the audit, we have discussed with management any misstatements that we found, other than those which were clearly trivial. All significant misstatements identified during the audit have been corrected.

### 2.3 Uncorrected disclosure deficiencies

All disclosure misstatements were corrected during the audit.

### 2.4 Uncorrected performance reporting misstatements

All performance reporting misstatements were corrected during the audit.

### 2.5 Corrected misstatements

We also identified misstatements that were corrected by management during the audit. The most significant correction was for the recognition of the impairment on Marton Pool. This misstatement had the net effect of decreasing Plant property and equipment by \$1.9m and to decreasing the equity and the asset revaluation reserve by the same amount compared to the draft financial statements.

Current year corrected misstatements	Reference	Assets	Liabilities	Equity	Financial performance
		Dr (Cr)	Dr (Cr)	Dr (Cr)	Dr (Cr)
Property, plant and equipment	1	(1,920,000)			
Asset revaluation reserve	1			1,920,000	
<b>Total parent</b>		<b>(1,920,000)</b>		<b>1,920,000</b>	

**2.6 Corrected disclosure deficiencies**

Corrected disclosure deficiencies are included in Appendix 2.

**2.7 Corrected performance reporting misstatements**

Along with disclosure improvements to the variances to reported results, there were corrections to the results for drinking water quality and the stormwater overflow where draft results were not consistent with the supporting documentation. These were subsequently corrected.

**2.8 Quality and timeliness of information provided for audit**

Management needs to provide information for audit relating to the Annual Report of the District Council. This includes the draft Annual Report with supporting working papers. We provided a listing of information we required to management on the AuditDashboard. This included the dates we required the information to be provided to us.

There were some delays on turnaround times for our requests which impacted the start of the audit. There were a number of errors in the first draft of the Annual Report with disclosures not updated or relating to prior year information. There were a number of issues with reconciling and obtaining listings for the PPE area in particular. We also note that for most of the District Council finance team this was their first audit, so they had to familiarise themselves with audit dashboard and requests and Annual Report process. We would not expect the same issues to arise for 2025 now the finance team have some experience.

We have also already commenced liaising with District Council finance team around areas where the Annual Report process could be improved for 2024/25 the audit and where work can be brought forward.

### 3 Matters raised in the Audit Plan



In our Audit Plan of , we identified the following matters as the main audit risks and issues:

Audit risk/issue	Outcome
<b>Fair value assessment of property, plant and equipment (non-revaluation year)</b>	
<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"> <li>• factor in local cost information;</li> <li>• utilise relevant and reliable price movement indicators; and</li> <li>• involve consulting with valuers, if necessary.</li> </ul> <p>Alternatively, the District Council could engage valuers to assist in preparing a fair value assessment.</p>	<p>We have reviewed 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>We can confirm that movement of the assets individually or in combination with other asset classes was not significant, therefore, the District Council did not need to complete a revaluation.</p>
<b>Impairment of Property plant and equipment</b>	
<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>Irrespective of whether there are any</p>	<p>We have:</p> <ul style="list-style-type: none"> <li>• reviewed the impairment assessment;</li> <li>• evaluated the reasonableness of the significant assumptions;</li> <li>• evaluated how management has addressed estimation uncertainty; and</li> <li>• reperformed calculations made by management.</li> </ul> <p>We can conclude that the impairment was fairly accounted for.</p>

Audit risk/issue	Outcome
<p>indications of impairment, intangible assets not yet available for use (i.e. work in progress) and intangible assets with indefinite useful lives must be tested for impairment at least annually.</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 of property plant and equipment/ Intangible asset and the related impairment expense.</p>	
<b>Capital Projects</b>	
<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 have:</p> <ul style="list-style-type: none"> <li>reviewed work-in progress costs capitalised for 2023/24, and management’s impairment assessment completed over the work-in-progress, and</li> <li>reviewed the accounting of the related grants revenue to ensure it is in accordance with the obligations of the contract and accounting standards.</li> </ul> <p>We can conclude that capital projects work in progress, expenditure and related revenue recognition were fairly stated.</p>
<b>“Local Water Done Well” programme</b>	
<p>In February 2024, the Government passed legislation that repealed the affordable waters reform legislation passed into law by the previous Government.</p>	<p>We reviewed:</p> <ul style="list-style-type: none"> <li>the Council’s assessment of the impact of the legislative change on the Annual Report to ensure any accounting or disclosure implications were considered; and</li> </ul>

Audit risk/issue	Outcome
<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 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>	<ul style="list-style-type: none"> <li>the Council’s disclosure related to “Local Water Done Well”.</li> </ul> <p>We can conclude that the District Council properly disclosed the implications of the programme. There are no significant matters to report to the council and no impact on the audit report for 2024.</p>
<p><b>The risk of management override of internal controls</b></p>	
<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>Our audit response to this risk included:</p> <ul style="list-style-type: none"> <li>testing the appropriateness of selected journal entries;</li> <li>reviewing accounting estimates for indications of bias; and</li> <li>evaluating any unusual or one-off transactions, including those with related parties.</li> </ul>

Audit risk/issue	Outcome
Auditing standards require us to treat this as a risk on every audit.	We did not identify any instances of management override of controls that we need to bring to your attention.

## 4 Other audit findings



We noted the following matters during the audit:

### 4.1 Approval of Credit Card Expenditure

During our review of credit card expenditure, we noted that the CE's Executive Assistant will incur expenditure on the CE and/or Mayor's behalf and this expenditure is approved by the CE. While there are no concerns around with the expenditure incurred there should be a review process in place where this credit card expenditure is retrospectively reviewed on a one- up basis by Mayor/and or audit and risk chair.

We **recommend** implementing a one-up retrospective review of the credit card expenditure incurred on behalf of the CE and/or mayor.

#### Management comment

*Noted; the GM Corporate Services plans to implement a process to reflect Audit NZ's recommendation moving forward.*

### 4.2 Review of bank reconciliations

During our review of bank reconciliations, we found some reconciliations were not reviewed in a timely manner. We also noted that there were some non-significant reconciliation errors in some reconciliations reviewed.

We **recommend** implementing a timely and effective review process of bank reconciliations.

#### Management comment

*Noted; We are looking to move from excel spreadsheet-based bank reconciliations to reconciling within our online platform (MagiqCloud) early 2025. Monthly manual reconciliations to continue in the meantime, with second person review and email sign-off within a timely manner.*



## 5 Public sector audit



The District Council is accountable to their local community and to the public for its use of public resources. Everyone who pays taxes or rates has a right to know that the money is being spent wisely and in the way the District Council said it would be spent.

As such, public sector audits have a broader scope than private sector audits. As part of our audit, we have considered if the District Council has fairly reflected the results of its activities in its financial statements and non-financial information.

We also consider if there is any indication of issues relevant to the audit with:

- compliance with its statutory obligations that are relevant to the Annual Report;
- the District Council carrying out its activities effectively and efficiently;
- waste being incurred as a result of any act or failure to act by the District Council;
- any sign or appearance of a lack of probity as a result of any act or omission, either by the District Council or by one or more of its members, office holders, or employees; and
- any sign or appearance of a lack of financial prudence as a result of any act or omission by the District Council or by one or more of its members, office holders, or employees.

We have no significant matters to bring to your attention.

## 6 Useful publications



Based on our knowledge of the District Council, we have included some publications that the Council and management may find useful.

Description	Where to find it
<b>Performance reporting</b>	
Performance reporting is an essential part of the public sector’s accountability to New Zealanders. Performance reporting is important, but it can also be difficult. This guide is to help those in the public sector who are responsible for preparing performance reports to find and use the many resources the OAG have made available.	On the Office of the Auditor-General’s website under publications. Link: <a href="#">A guide to our resources to support better performance reporting</a>
Public organisations are responsible for reporting their performance to Parliament and the public in a way that meaningfully reflects their organisation’s aspirations and achievements. The Auditor-General published a discussion paper that explores five areas for improvement in performance reporting.	On the Office of the Auditor-General’s website under publications. Link: <a href="#">The problems, progress, and potential of performance reporting</a>
The Office of the Auditor-General, the Treasury and Audit New Zealand have jointly prepared good practice guidance on reporting about performance. The guidance provides good practice examples from public organisations in central government. Those working in other sectors may also find this useful.	On Audit New Zealand’s website under good practice. Link: <a href="#">Good practice in reporting about performance — Office of the Auditor-General New Zealand (oag.parliament.nz)</a>
<b>Local government risk management practices</b>	
The Covid-19 pandemic is a stark reminder for all organisations about the need for appropriate risk management practices. In our audit work, we often see instances where councils do not have effective risk management. This report discusses the current state of local government risk management practices and what councils should be doing to improve their risk management.	On the Office of the Auditor-General’s website under publications. Link: <a href="#">Observations on local government risk management practices</a>
<b>Public accountability</b>	
Public accountability is about public organisations demonstrating to Parliament and the public their competence, reliability, and honesty in their use of public money and other public resources. This discussion paper explores how well New Zealand’s	On the Office of the Auditor-General’s website under publications. Link: <a href="#">Building a stronger public accountability system for New Zealanders</a>

Description	Where to find it
public accountability system is working in practice.	
<b>Setting and administering fees and levies for cost recovery</b>	
This good practice guide provides guidance on settings fees and levies to recover costs. It covers the principles that public organisations should consider when making any decisions on setting and administering fees and levies. It also sets out the matters public organisations should consider when calculating the costs of producing goods or providing services and setting charges to recover those costs.	On the Office of the Auditor-General's website under publications.  Link: <a href="#">Setting and administering fees and levies for cost recovery: Good practice guide</a>
<b>Managing conflicts of interest involving council employees</b>	
This article discusses findings across four councils on how conflicts of interest of council employees, including the chief executive and staff, are managed.	On the Office of the Auditor-General's website under publications.  Link: <a href="#">Getting it right: Managing conflicts of interest involving council employees</a>
<b>Model financial statements</b>	
Our model financial statements reflect best practice. They are a resource to assist in improving financial reporting. This includes: <ul style="list-style-type: none"> <li>• significant accounting policies are alongside the notes to which they relate;</li> <li>• simplifying accounting policy language;</li> <li>• enhancing estimates and judgement disclosures; and</li> <li>• including colour, contents pages and subheadings to assist the reader in navigating the financial statements.</li> </ul>	Link: <a href="#">Model Financial Statements</a>
<b>Tax matters</b>	
As the leading provider of audit services to the public sector, we have an extensive knowledge of sector tax issues. These documents provide guidance and information on selected tax matters.	On our website under good practice.  Link: <a href="#">Tax Matters</a>
<b>Client substantiation file</b>	
When you are fully prepared for an audit, it helps to minimise the disruption for your staff and make sure that we can complete the audit efficiently and effectively. We have put together a collection	On our website under good practice.  Link: <a href="#">Client Substantiation File</a>

Description	Where to find it
<p>of resources called the Client Substantiation File to help you prepare the information you will need to provide to us so we can complete the audit work that needs to be done. This is essentially a toolbox to help you collate documentation that the auditor will ask for.</p>	
<p><b>The Auditor-General’s report on the results of recent audits</b></p>	
<p>The OAG publishes a report on the results of each cycle of annual audits for the sector.</p>	<p>On the OAG’s website under publications.                      Links: <a href="#">Observations from our central government work in 2022/23</a>  <a href="#">Tertiary education institutions: 2022 audit results and what we saw in 2023</a>  <a href="#">Insights into local government: 2023</a>  <a href="https://oag.parliament.nz/reports">https://oag.parliament.nz/reports</a></p>
<p><b>Good practice</b></p>	
<p>The OAG’s website contains a range of good practice guidance. This includes resources on:</p> <ul style="list-style-type: none"> <li>• audit committees;</li> <li>• conflicts of interest;</li> <li>• discouraging fraud;</li> <li>• good governance;</li> <li>• procurement;</li> <li>• sensitive expenditure; and</li> <li>• severance payments.</li> </ul>	<p>On the OAG’s website under good practice.                      Link: <a href="#">Good practice</a></p>

## Appendix 1: Status of previous recommendations

### Open recommendations

Recommendation	First raised	Status
Necessary		
<p><b>Fixed Asset Register (FAR) issues</b></p> <p>Implement a process to clean up the FAR to ensure that it reconciles to the general ledger.</p> <p>Reviews and checks in place to ensure that all asset additions, deletions, and any other adjustments relating to fixed assets are timely processed in FAR.</p>	2022/23	<p><b>In Progress</b></p> <p>During the 2023/24 audit, there were reconciling issues with the GL. Audit will review as part of the next interim.</p> <p><b>Client update</b></p> <p><i>Following the completion of the 2024 Annual Accounts and the significant reconciliation challenges, an external contractor has been retained to correct all of the historical anomalies that existed between the Fixed Asset Register and the General Ledger. This has included correcting the historical imbalance between the FAR and the GL which has existed for several years. Rectifying these issues has also resulted in being able to automate the monthly depreciation routines instead of relying on a manual process for infrastructure depreciation.</i></p>
<p><b>Capital commitments schedule</b></p> <p>Prepare the capital commitments schedule prior to the start of the audit which captures all capital commitments along with the appropriate supporting documentation.</p>	2022/23	<p><b>Open</b></p> <p>We noted issues with the preparation of capital commitments as part of the final audit for 2023/24. Audit will review as part of the next final audit.</p> <p><b>Client update</b></p> <p><i>Management will ensure that Council's capital commitments are captured prior to the start of the audit, with full supporting documentation as appropriate.</i></p>

Recommendation	First raised	Status
<p><b>Condition and performance data for Infrastructure assets</b></p> <p>Continue to implement a program to collect condition and performance data.</p>	<p><b>2018/19</b></p>	<p><b>Open</b></p> <p><i>Client update</i></p> <p>Management is working on implementing this program. This will be considered as part of the capital investments.</p>
<p><b>Changes to financial delegations</b></p> <p>The District Council review all financial delegations set up within the system to ensure these are correct.</p> <p>Going forward each quarter there should be an independent review of any changes made to the financial delegations with the District Council’s FMIS.</p>	<p><b>2018/19</b></p>	<p><b>Open</b></p> <p><i>Client update</i></p> <p>The review has been rescheduled due to Annual Report commitments. Subsequently, the GM Corporate Services will be provided with a system-generated report showing all changes made each quarter.</p>
<p><b>Review of procurement practice</b></p> <p>As part of our 2016 audit, we completed a review of the joint procurement process undertaken by the District Council, Manawatu District Council, and Horowhenua District Council. Our summarised recommendations are detailed below:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Declarations to be regularly updated, both actively and at key stages of the procurement process.</li> <li>• Declarations to be completed by those with the ability to influence the decision of the evaluation team, regardless of whether these individuals have decision-making power.</li> <li>• A business case be prepared for all procurements of significant value and risk.</li> <li>• A procurement strategy or plan</li> </ul>	<p><b>Prior to 2017/18</b></p>	<p><b>In Progress</b></p> <p>Audit will review as part of the 2025 Audit.</p> <p><i>Client update</i></p> <p>A new Procurement Policy was finalised Aug 2024. Pending Audit NZ’s review, officers consider the matter closed.</p>

Recommendation	First raised	Status
<p>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.</p> <ul style="list-style-type: none"> <li>Consider risks during the procurement planning stage. These risks relate to the procurement process rather than the contract.</li> <li>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.</li> </ul>		
<p><b>Contract Management</b></p> <p>Endorse an integrated policy for organisation-wide use and review the current contract management system for appropriateness.</p> <p>Monitor service contracts between contractors and the District Council against the Key Performance Indicators to confirm the work performed is completed to a satisfactory standard.</p>	<p><b>Prior to 2016/17</b></p>	<p><b>In Progress</b></p> <p>Audit will review as part of the 2025 Audit.</p> <p><b>Client update</b></p> <p><i>A new Procurement and Contract Management Policy finalised August 2024 - includes contract and risk management, HSW, record keeping, contracts process and monitoring. A dedicated contracts portal established in SharePoint September 2024 for recording past and present contracts, documents, monitoring, and general administration.</i></p>
<p><b>Review of Magiq users access levels</b></p> <p>We continue to recommend that regular reviews of users of the District Council’s Magiq system be completed to ensure access remains appropriate.</p>	<p><b>Prior to 2017/18</b></p>	<p><b>In Progress</b></p> <p>Audit will review as part of the 2025 Audit.</p> <p><b>Client update</b></p> <p><i>A regular review of dormant accounts is now in place.</i></p>
<p><b>Beneficial</b></p>		
<p><b>Recommendations made by valuers</b></p> <p>The infrastructure asset valuers and peer reviewer made recommendations to the District Council for improvement.</p>	<p><b>2021/22</b></p>	<p><b>Open</b></p> <p>Audit will review improvements to the revaluations as part of the next revaluation cycle.</p>

Recommendation	First raised	Status
<p><b>Sensitive Expenditure</b></p> <p>We reviewed the District Council’s sensitive expenditure policies for alignment with the Office of the Auditor-General’s good practice guide Controlling sensitive expenditure: Guide for public organisations.</p> <p>The good practice guide on sensitive expenditure provides practical guidance on specific types of sensitive expenditure, outlines the principles for making decisions about sensitive expenditure, and emphasises the importance of senior leaders “setting the tone from the top”. It also describes how organisations can take a good-practice approach to policies and procedures for managing sensitive expenditure.</p> <p>We identified the following clauses in the good practice guide that are not currently included in the District Council’s policies:</p> <ul style="list-style-type: none"> <li>• approval of sensitive expenditure should be given by a person senior to the person who will benefit or who might be perceived to benefit from the sensitive expenditure;</li> <li>• approval of sensitive expenditure of the Chief Executive should be given by the mayor. Where this is not possible, this fact should be recorded, and the Chief Executive's expenditure should be subject to some form of monitoring by those charged with governance;</li> <li>• claims relating to sensitive expenditure need to clearly state the business purpose of the expenditure;</li> <li>• claims relating to sensitive expenditure need to: <ul style="list-style-type: none"> <li>○ be accompanied by adequate original supporting documentation;</li> <li>○ document the date, amount,</li> </ul> </li> </ul>	<p><b>2021/22</b></p>	<p><b>In progress</b></p> <p>Audit will review as part of the next interim.</p> <p>An updated sensitive expenditure policy was adopted just before the audit opinion date. As part of the 2024/25 audit, we will review the policy and clear off the issue if our recommendations are addressed.</p>



Recommendation	First raised	Status
<p>description, and purpose of minor expenditure when receipts are unavailable;</p> <ul style="list-style-type: none"> <li>○ be separate claims for each person whenever possible; and</li> <li>○ be in English or Te Reo Māori.</li> </ul> <ul style="list-style-type: none"> <li>• policies should require initial consideration of technology-enabled solutions as opposed to travel in person;</li> <li>• policies should cover the use of telecommunication equipment including what costs are reimbursable for telephone calls and Wi-Fi usage while travelling;</li> <li>• policies and procedures should outline the costs that may be paid when staff members stay with a friend or relative rather than in commercial accommodation;</li> <li>• policies should discuss the use of assets and supplies, particularly regarding:                             <ul style="list-style-type: none"> <li>○ staff purchasing directly from a supplier for personal use, and how purchasing privileges cannot be used to benefit others;</li> <li>○ an explicit policy that staff cannot use purchasing privileges on behalf of any third party, such as family members or friends, and that staff should pay in full and must not use the organisation as a source of credit;</li> <li>○ staff purchasing District Council assets identified for sale; and</li> <li>○ policies should specifically</li> </ul> </li> </ul>		

Recommendation	First raised	Status
state that receiving cash gifts is unacceptable in any circumstances.		
<p><b>Fraud risk assessment</b></p> <p>We recommend that the District Council undertakes a formal fraud assessment to assess:</p> <ul style="list-style-type: none"> <li>• transactions, activities, or locations that may be susceptible to fraud; and</li> <li>• controls/processes the District Council has in place to mitigate those risks.</li> </ul>	<b>2020/21</b>	<p><b>In progress</b></p> <p>Audit will review as part of the next interim.</p> <p><b>Client update</b></p> <p><i>Ongoing formal fraud awareness program (February, June, and October) established. GM Corporate Services will also implement a programme of checks and balances for Finance to follow to help reduce any risk of fraud.</i></p>
<p><b>Assets with no construction dates</b></p> <p>Implement a process to improve the asset data on road assets with no construction date.</p>	<b>2018/19</b>	<p><b>Open</b></p> <p>Remains open, affected by the issues on assets above.</p>

#### Implemented or closed recommendations

Recommendation	First raised	Status
<b>Necessary</b>		
<p><b>Earthquake prone buildings (valuation)</b></p> <p>Costs to repair earthquake prone buildings are considered as part of the valuation or impairment assessment.</p>	<b>2022/23</b>	<p><b>Closed</b></p> <p>The expected costs were considered on the fair valuation assessment, these costs were also accounted for in the current year.</p>
<p><b>Marston Rail hub</b></p> <p>Implement a system where costs relating to the Marston Rail Hub are appropriately assessed whether they are operational or capital expenditure.</p>	<b>2022/23</b>	<p><b>Closed</b></p> <p>The council has adequately accounted for expenditure between operational and capital expenditure.</p>
<p><b>Lack of supporting documentation for asset additions</b></p> <p>Supporting documentation to be maintained for all journals.</p>	<b>2022/23</b>	<p><b>Closed</b></p> <p>Management ensured all journals, including those related to capital projects had adequate supporting documentation.</p>

Recommendation	First raised	Status
<p><b>Service Performance Reporting: Classification of Request for Service (RFS)</b></p> <p>Customer service centre staff be further trained to help identify and categorize RFS into appropriate classes and implement a review process for all RFS to ensure that classification is appropriate.</p>	2022/23	<p><b>Closed</b></p> <p>Council has implemented a knowledge base system to better guide customer service staff in correctly and consistently classifying RFS/job types, also providing more support to the assigned officers regarding the reclassifying of RFS/job types where necessary, as well as implementing a monthly report to audit and identify any RFSs/jobs that have been incorrectly classified.</p> <p>No issues were identified in the 2023/24 audit. Issue Closed.</p>
<p><b>Overpayment of mileage</b></p> <p>Use the correct Local Government Members Determination for all mileage claims.</p>	2022/23	<p><b>Closed</b></p> <p>The District Council's payroll has amended its process to ensure that the reimbursement of mileage reflects the correct rate for the period that the mileage was claimed for, as per the determination, regardless of when the claim is submitted.</p> <p>There were no issues identified in the current year.</p>
<p><b>Identification of earthquake prone buildings</b></p> <p>Update the earthquake prone listing spreadsheet and consider allowances for any works required to the earthquake prone buildings as part of the next valuation.</p>	2019/20	<p><b>Closed</b></p> <p>The council identified the building, assessed their value and expected costs for improvement.</p> <p>These were adequately accounted for in the 2023/24 financial year.</p>
<p><b>Improving creditor Masterfile review process</b></p> <p>The District Council phone to confirm new creditors or changes to a creditor's bank account number to ensure they are valid.</p>	2017/18	<p><b>Closed</b></p> <p>The District Council has added a creditor process to its systems. This was confirmed during the 2024 audit cycle.</p>
<p><b>Capital work-in-progress</b></p> <p>Review the capital WIP balance to:</p> <ul style="list-style-type: none"> <li>clearly identify projects included in</li> </ul>	Prior to 2017/18	<p><b>Closed</b></p> <p>Small items/plant/vehicles capitalised as and when purchased,</p>

Recommendation	First raised	Status
<p>the balance;</p> <ul style="list-style-type: none"> <li>perform an impairment assessment over the outstanding WIP balance at year-end; and ensure projects are capitalised on a timely basis once they are ready for use; and</li> <li>perform a monthly reconciliation.</li> </ul>		<p>however larger items are not capitalised until the end of the year. There is not a material variance to depreciation recognised and until it is, the District Council do not plan to change this process.</p> <p>There will be a quarterly reconciliation implemented with on-going status and costs within the ledger to be confirmed with business unit heads.</p> <p>There no issues identified from the audit.</p>
<p><b>Carry forward of capital expenditure.</b></p> <p>Continue to reduce the amount of capital expenditure carried forward to the next financial year.</p>	<p><b>Prior to 2017/18</b></p>	<p><b>Closed</b></p> <p>The annual capital program is now subject to significant consideration before being finalised. One of the matters considered is “ability to deliver”. This has become Business as usual for Council and will reduce level of carry forward work.</p>
<p><b>No regular testing of business continuity and IT disaster recovery plans</b></p> <p>We continue to recommend that Business Continuity and IT Disaster Recovery plans be finalised.</p> <p>As part of the project to implement new IT infrastructure we recommend that testing of failover to the new secondary data centre be performed, and the IT DR plan be finalised.</p>	<p><b>Prior to 2017/18</b></p>	<p><b>Closed</b></p> <p>We have closed this issue as 2023 disaster recovery was completed and 2024 test has been performed with report pending.</p> <p><b>Client Update</b></p> <p><i>First full test was completed December 2023. The report has been sent to Audit NZ. Another disaster recovery test was carried out in December 2024. The report has not been released yet. This is now deemed BAU and officers consider the matter closed.</i></p>
<p><b>Performance measure rules</b></p> <p>Continue to review the effectiveness of the collection and reporting of data.</p>	<p><b>Prior to 2016/17</b></p>	<p><b>Closed</b></p> <p>Significant improvements have been made to the RFS collection and reporting system over the past</p>

Recommendation	First raised	Status
		<p>three years. Ongoing training and audits will continue to ensure new staff are skilled to correctly classify and respond to RFSs.</p> <p>No issues were noted in the 2023/24 audit.</p>
<p><b>Service performance Information</b></p> <p>Implement a regular review of information entered to ensure that the correct data is being captured for attendance times.</p> <p>Continue to reinforce training on requirements to ensure staff are aware of the correct processes to follow and understand the information being captured.</p>	<p><b>2017/18</b></p>	<p><b>Closed</b></p> <p>Significant improvements have been made to the RFS collection and reporting system over the past three years. Ongoing training and Audits will continue to ensure new staff are skilled to correctly classify and respond to RFSs. RFS data is audited monthly by the Customer Experience Team Leader.</p> <p>No issues were noted in the 2023/24 audit.</p>

## Appendix 2: Corrected Disclosures Deficiencies

Detail of disclosure deficiency
<p><b>Statement of comprehensive revenue and expenditure</b></p> <p>Initially changes from impairment were not appropriately reflected as being movements through the other comprehensive income and did not agree through to the equity disclosures.</p>
<p><b>Statement of cash flows</b></p> <p>Amendments required to accurately disclose cash flows for the year.</p>
<p><b>Funding Impact Statements (FIS)</b></p> <p>Amendments required to disclose the correct figures in various parts of the different FIS's.</p>
<p><b>Reconciliation of FIS to the annual financial statements</b></p> <p>Rates revenue, other income and payments to suppliers as per Funding impact statements did not reconcile to the financial statements</p>
<p><b>Note 9: Receivables</b></p> <p>Amendment required to ensure the disclosure and note is in line with PBE IPSAS 41. Adjustments required for year-end accruals not was not recorded in the Draft FS.</p>
<p><b>Note 11: Property, Plant and Equipment</b></p> <p>There were a number of changes required to the PPE note disclosures including agreement of total PPE and depreciation to the face of the accounts.</p>
<p><b>Note 6: Other expenses</b></p> <p>Amendments made to disclose the correct audit fees for the Financial Statement audit and fees for the Debenture Trust Deed audit.</p>
<p><b>Note 19: Capital commitments and operating leases</b></p> <p>Amendments required to accurately disclose capital commitments and operating leases at year end.</p>
<p><b>Note 21: Related party transactions</b></p> <p>Amendment required to disclose the correct Key Management Personnel remuneration amount. Corrections were required for the Councillor remuneration.</p>
<p><b>Annual Report General</b></p> <p>There were a number of updates for Annual Report comparatives and year along with changes for wording for disclosures which had not been updated from the prior year.</p>
<p><b>Benchmark Graphs</b></p> <p>There were a number of changes to benchmark graphs.</p>

### Appendix 3: Disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.</p> <p>The audit of the financial statements does not relieve management or the Council of their responsibilities.</p> <p>Our Audit Engagement Letter contains a detailed explanation of the respective responsibilities of the auditor and the Council.</p>
Auditing standards	<p>We carried out our audit in accordance with the Auditor-General’s Auditing Standards. The audit cannot and should not be relied upon to detect instances of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the Council in accordance with the independence requirements of the Auditor-General’s Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: <i>International Code of Ethics for Assurance Practitioners</i>, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>Other than the audit, we have no relationship with, or interests in, the District Council.</p>
Fees	<p>The audit fee for the year is \$218,323, as detailed in our Audit Proposal Letter.</p> <p>No other fees have been charged in this period.</p>
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the District Council that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the Council during or since the end of the financial year.</p>

ITEM 10.1 ATTACHMENT 1



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AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

**Report to the Council  
on the audit of**

Rangitikei District Council's  
2024-2034 Long-Term Plan

ITEM 10.1 ATTACHMENT 2

## Contents

Key messages .....	3
1 Our audit report.....	5
2 Project management, and reporting deadlines.....	6
3 Matters raised in the Audit Plan .....	7
4 Other matters .....	12
Appendix 1: Corrected misstatements.....	15
Appendix 2: Disclosures .....	18

## Key messages

This report sets out our findings from our audit of the Rangitikei District Council's (the District Council) 2024-34 Long-Term Plan and, where appropriate, makes recommendations for improvement.

Overall, we have the view that the District Council has produced a Long-Term Plan (LTP) that provides a reasonable basis for long-term, integrated decision-making and co-ordination of the Council's resources, and accountability of the Council to the community.

### Audit report

We completed our audit of the District Council's LTP and issued an unmodified opinion on 27 June 2024 with emphasis of matters (EOM)s in relation to the uncertainty associated with the capital expenditure delivery assumption and the uncertainty over the three waters asset renewals forecasts.

### Matters identified during the audit

We noted the following key areas during the audit of the LTP that the Council need to consider in the future and made the following key recommendations:

#### Finance and Infrastructure strategies

The District Council review and update its existing infrastructure and finance strategies and seek feedback on the strategies early in the LTP process to incorporate best practice guidance, feedback, improve and enhance linkages and disclosures. (refer to 4.1).

#### Long Term Plan Timetable

The District Council review the CD/LTP timetable for the next LTP to identify likely pressure points or capacity issues and develop mitigations/ contingency plans to assist in meeting the planned timelines. (Refer to Section 2).

#### Monitoring Capital delivery

The District Council monitor progress on the capital expenditure programme throughout the period covered by the LTP and ensure any potential under delivery is identified early to mitigate the risk where practical. (Refer to Section 3.2.1).

#### Climate change assumptions

Review the current disclosures in the infrastructure strategy as part of the next LTP process to ensure these clearly articulate the District Council's climate change strategy and impact on life cycle management, demand and levels of service for significant infrastructure over the 30-year period of the strategy. (Refer to Section 3.2.2).

**Quality of asset-related forecasting information**

The District Council continue to prioritise improving the quality of data about asset performance and asset condition and review their current planned program and priorities to address any significant risks identified for critical assets. (Refer to Section 3.2.3).

**Thank you**

We would like to thank the Council, management, and staff for their assistance during the audit.



Fiona Elkington  
Appointed Auditor  
13 December 2024

## 1 Our audit report

### 1.1 We issued an unmodified audit report



We issued an unmodified audit report on the LTP on 27 June 2024.

This meant we were satisfied that the District Council's LTP provides a reasonable basis for:

- long-term, integrated decision-making and co-ordination of the Council's resources;
- accountability of the Council to the community; and
- the information and assumptions underlying the forecast information in the LTP are reasonable.

Without modifying our opinion, we included the following EOM paragraphs in our audit report:

- uncertainty associated with the capital expenditure delivery assumption, i.e., "do-ability" of the forecast capital work programme (\$323m over the ten-year period); and
- uncertainty over the three waters asset renewals forecasts.

### 1.2 Uncorrected misstatements

The LTP is free from material misstatements, including omissions.

During the audit, we discussed with management the misstatements that we found, other than those which were clearly trivial. All misstatements found have been corrected.

### 1.3 Corrected misstatements

The misstatements corrected by management are detailed in Appendix 1.

## 2 Project management, and reporting deadlines



The development of the CD and LTP is a significant and complex project, and a comprehensive project plan is required for a successful LTP process. The District Council had a key milestone – road map which outlined the key dates of the plan. We utilised this to plan our audit visits and timing for both stages of the audit.

Overall, there were improvements in the Council’s preparedness and the quality of information for the prior LTP. However, as a result of capacity constraints the District Council were not able to provide/update complete key asset management information and asset strategy documentation in the required timeframes for the CD audit. This resulted in audit work not being complete and the CD being adopted by the District Council without the audit report as allowed for in the legislation for the 2024 LTP. This also created some inefficiencies in completing the asset work for the audit team for the final LTP.

District Council management liaised with audit to ensure that the final draft LTP was prepared to a good standard and feedback on improvements had largely been addressed. However, some changes to the financial model including those arising from the change in the consultation options were not flowed through appropriately resulting in late changes to the financial model and graphs. Though not in the District Council’s control the NZTA funding changes also further contributed to more financials changes late in the audit period for the final LTP.

This created inefficiencies which has resulted in cost overruns and an agreed cost recovery of \$35,000.

As the District Council prepares for the next CD/LTP round in 2027, **we recommend** that the 2024 CD/LTP timetable is reviewed to identify likely pressure points or capacity issues and develop mitigations/ contingency plans to assist in meeting the planned timelines.

This will also help the District Council ensure there is capacity and time for quality review over documents at both the CD and LTP stage. As part of this process Audit can liaise with the District Council to identify potential areas where audit reviews of key component areas could be bought forward.

### Management Comment

*Noted, although it would be helpful if Audit NZ and NZTA could work together on an agreed timeline to avoid Council’s across NZ incurring these additional costs.*

### 3 Matters raised in the Audit Plan



In our Audit Plan of 3 May 2024, we identified the following matters as the main audit risks and issues:

#### 3.1 Finance and infrastructure strategy

The Act requires a local authority to prepare two key strategies as part of the LTP: the Finance Strategy and the Infrastructure Strategy.

The purpose of the Finance Strategy is to:

- facilitate prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure against; and
- provide a context for consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.

The purpose of the Infrastructure Strategy is to:

- identify significant infrastructure issues for the local authority during the period covered by the strategy; and
- identify the principal options for managing those issues and the implications of those options.

For the two strategies to be effective, they must be closely aligned. Section 101B(5) allows for them to be combined into a single document.

A good strategy should include what is needed to be a good quality strategic planning document. In the case of the Infrastructure Strategy, the principles of ISO 55000 should be considered, particularly where the Council is seeking to prepare a best practice strategy.

Our focus when reviewing both strategies was to assess whether the Council has met the purpose outlined in the Act and presented the strategies in a coherent and easily readable manner. Specifically, we:

- confirmed that the two strategies are appropriately aligned;
- understood the effect of the financial forecasts included in the Infrastructure Strategy on the prudence of the Finance Strategy;
- ensured that infrastructure strategy meets the legislative requirements;

- confirmed the Council complies with the balanced budget requirements of section 100 and the overall finance strategy is reasonable;
- assessed the reasonableness of the prepared forecasts by:
  - understanding how the Council had applied the effect of its assumptions (for example, allowing for changing demographics, the implications of the changing climate, the condition and performance of critical assets) and levels of service on expenditure decisions and outlined the implications of these decisions in the strategies;
  - reviewing the Council's relationship between its renewal capital expenditure and depreciation expenditure forecasts; and
  - checking that the Infrastructure Strategy is appropriately inflated.

We made recommendations to strengthen the draft strategies, and some of these were incorporated into the final strategies. We also identified areas for further strategy improvements that should be to be considered as part of preparation for the next LTP, refer to section 4.

### 3.2 Assumptions

The significant forecasting assumptions were appropriate, complete, adequately disclosed and comply with relevant legislation. In addition, the underlying information has been prepared using the assumptions.

Our review was focused on the assumptions relating to population growth, climate change, inflation, interest rates, revaluation movements, capital expenditure do-ability, and the NZTA Waka Kotahi funding assistance rate. Further comments on specific assumptions are included below.

#### 3.2.1 Delivering the capital expenditure programme (capital do-ability)

The LTP forecasts \$323m of capital expenditure over the 10 years of the LTP, with 33% of the forecasted projects to be delivered in the first three years. The assumption made is that the capital expenditure programme will be achieved.

We analysed delivery against the capital expenditure programme for the last three years and identified the average actual to budget capital expenditure forecast for the last three years was 49%.

We further disaggregated to a group of activity level. The average result for renewal activity is 73% and the average result for the Demand/Level of Service improvements is 32%.

Due to the prior period underspends and the increased step change to capital budgets in this LTP compared to others, we recommended an updated assumption around the delivery



of the capital expenditure programme be included along with a high level of uncertainty. These recommended changes were made.

Management is optimistic that it will deliver on the capital expenditure programme planned in the LTP. Much of the delays in capital projects have been due to consenting processes and once these are worked through capital projects largely track to schedule. To help achieve the capital do-ability the District Council is also intending to employ project specialists and increase dedicated staff resources to manage and focus on the capital programme.

Without modifying our opinion for the LTP, we drew attention to the disclosures in the LTP about the capital do-ability. This was because of the uncertainty associated with the District Council's capital do-ability assumption.

We **recommend** that the District Council monitor progress on the capital expenditure programme throughout the period covered by the LTP and ensure any potential under delivery is identified early. This will allow plans to be put into place to ensure the District Council is able to mitigate the risk where practical.

#### **Management Comment**

*Noted – RDC Finance is in the process of instigating an internal Business Partnership model to support managers in more closely monitoring the capital expenditure programme.*

#### **3.2.2 Climate change assumptions**

We will continue to focus on the assumptions that the Council has made about climate change and the adequacy of other information and disclosures relating to climate change.

We reviewed the Council's climate change assumptions to determine whether they were reasonable and supportable. We assessed the quality of the supporting information the Council used in developing its assumptions and disclosures included in the LTP, and the adopted underlying information.

We are satisfied that the assumption is reflected in the Infrastructure Strategy and asset management plans.

However, as the District Council further develops its climate change strategy and risk mitigations, **we recommend** reviewing the current disclosures in its infrastructure strategy as part of the next LTP process to ensure these clearly articulate the District Council's climate change strategy on life cycle management, demand and levels of service for significant infrastructure over the 30-year period of the strategy.

#### **Management Comment**

*Noted for review and action as part of the next LTP process.*

**3.2.3 Quality of asset-related forecasting information (including condition and performance information for critical assets)**

The District Council's infrastructure network is made up of water supply, wastewater, stormwater, transportation, and solid waste assets, as well as community infrastructure. We are satisfied that through asset management plans, and other documentation, the District Council is able to describe its approach to asset renewals. But improvements need to be made to ensure that data is complete and covers the performance and condition of all critical and non-critical assets.

Prioritising improving data information will allow the District Council to better identify critical asset replacements and renewals and to develop more robust financial forecasting on renewals. Basing renewals forecasts on historical data increases the risk that the District Council is prioritising spend on renewals of assets that may not have required replacement. It also exposes the District Council to higher risk of unplanned critical asset failure which can often mean higher replacement costs due to the urgency of the replacement. As better asset information becomes available, the District Council may need to review and update its current planned asset program if any critical asset risks are identified.

We are aware that the District Council initiated a revised Asset Management Strategy for the water supply, wastewater, and stormwater assets and is actively in the process of improving its asset data confidence. This strategy includes more detailed assessments of asset performance and asset condition for the three waters networks. On completion the updated asset management strategy will produce a 30-year prioritised programme of works for renewals, performance upgrades, and network growth for the three waters assets.

Without modifying our opinion, we drew attention to the District Council's disclosures in the CD about the limitations associated with its asset information around the three waters forecasts and the risks associated with this.

We **recommend** that the District Council continue to prioritise improving the quality of data about asset performance and asset condition and review their current planned program and priorities to address any significant risks identified for critical assets.

**Management comment**

*Noted and work is underway in this area to improve overall quality and provide more robust data.*

### 3.3 NZTA (Waka Kotahi) changes

The Council was advised by NZTA on 31 May about indicative funding for the 2024 – 2027 financial years. While the level of costs to be funded increased from 2021 this was reduced from the budget submitted to NZTA at the CD stage. The reduction in total expenditure expected per NZTA indicative funding advice: \$5.9m.

The Council believes this is the best available information so has made changes to their LTP to reflect this and recognised a reduction of \$5.4m in expenditure in the first 3 years and \$6.7m over the ten years and a \$16.4m reduction in capex over the life of the plan. The decreases have the potential to impact the current level of service. The District Council has appropriately reflected in their financial information the reduction in NZTA's indicative investment programme. This included reduction of roading capex and opex programmes, borrowings, and roading subsidies. The District Council has included appropriate disclosure over the potential risk the reductions in funding have on Council's level of service.

### 3.4 Changes Post Consultation

There was only one change in the options included in the financial model at CD stage as a result of consultation. The District Council chose the Kerbside collection Option 2 to stagger the provision of a recycling bin (issued in January 2027) and an organic waste bin (issued January 2030), with residents needing a separate contract for disposing of their general waste. We reviewed the changes in the final LTP and are satisfied that these were appropriately adjusted in the financials.

Other than the NZTA funding discussed in 3.3 the District Council has also updated its financial modelling to reflect the best available information on timing of projects and funding recognition, updates to opening balances for debt due to increased borrowing in 2023/24 and property plant and equipment from a write down of earthquake prone buildings in 2023/24.

These had not been recognised in the financial model at the CD stage when review of the initial modelling audit occurred. We have reviewed the updates to the model and are satisfied that these are appropriate and accurately modelled in the final LTP.

## 4 Other matters

In this section, we have detailed our key findings from the audit. We have also detailed our findings in relation to other areas of focus.

### 4.1 Infrastructure Strategy and Finance Strategy Improvements

#### Infrastructure Strategy

District Council management improved disclosures from its initial draft Infrastructure strategy. However, there is further room to improve the disclosures in key areas such as the significant decisions and options on capital expenditure throughout the thirty years of the strategy and climate change.

We found that while significant decisions could be inferred from the disclosures, the strategy did not clearly identify significant decisions about capital expenditure that the Council should make. Our expectation is that these are specifically identified, along with details about:

- when Council must make those decisions;
- the principal options expected to be considered for each decision; and
- the scale or extent of costs associated with each decision.

If there are no other options, we recommend that the Infrastructure Strategy is explicit about this.

The District Council also changed the format of the strategy to align with its priority areas which was an enhancement to the previous strategy. However, it meant at times there were gaps in information that was required and duplication with other areas of the infrastructure strategy. Improving linkages and enhancing the disclosures going forward would help address this.

#### Finance Strategy Improvements

District Council management improved disclosures from their initial draft finance strategy. However, there is further room to improve the disclosures which management should consider for the next LTP. These include:

- Simplifying the disclosures around debt increases and limits. The debt covenant disclosures around how the limits are set could be more clearly articulated.
- There is limited discussion on how:
  - the District Council will address situations where funding through rates and debt is not sufficient to address issues that may arise from a critical asset failure or emergency event and the impact on level of service; and

- asset condition information could impact on budgeted financial costs and what Council will do in this situation and impacts on levels of service. We would expect a clear and consistent disclosure in both the infrastructure and finance strategy around these areas.

While these disclosures were strengthened for the final LTP it would be beneficial to highlight these more clearly.

As further guidance and de-briefs from the 2024 to 2034 LTP round become available, District Council management should review both strategies against best practice and look to incorporate best practice guidance going forward to the next LTP. Performing a cold review and looking at early development of these strategies in advance of the 2027 to 2037 LTP would allow for further improvements to be identified and incorporated early in the LTP process. Liaising with audit for an early review of the proposed draft strategies would provide more time to incorporate improvements and strengthen disclosures and linkages before the consultation document audit commences. This could also reduce time pressure on staff.

We **recommend** the District Council review and update its existing infrastructure and finance strategies and seek feedback on the strategy early in the LTP process to incorporate best practice guidance, feedback, improve and enhance linkages and disclosures.

#### **Management comment**

*Noted – Closer liaison with other business units through the Business Partnership model will enhance Finance's infrastructure knowledge.*

#### **4.2 Preparation for 2027-2037 LTP**

With staff movements and potential loss of institutional knowledge district council management should consider:

- A debrief on the LTP process to identify areas for improvement, resource and capability constraints and mitigations for these.
- Update/Document procedures for the LTP process, roles and responsibilities, quality assurance reviews and approval of key decisions.
- Documenting procedures for selecting the matters for consultation and pre-engagement topics (procedure followed, rationale for decisions, and options offered in the consultation). This should also include documentation of the decisions not to consult on potentially significant items.
- Documentation of the process to communicate forecasting assumptions and to ensure consistently applied forecasts.
- Review internal review and quality assurance process and including:

- Peer review of changes made to the financial model ensure they are consistently applied to underlying spreadsheets and input into the model; and
- implementing integrity checks to confirm the model is operating effectively.

**Management comment**

*A number of process changes have come out of the LTP review, including:*

- *Resourcing availability (Infrastructure) impacted on capacity to deliver on milestones rather than the timetable itself.*
- *Acknowledge the local government knowledge gaps of the finance team who had no established process to follow.*
- *Communication issues will be mitigated by stronger lines of interaction in the future.*
- *Outside influences (e.g. NZTA) impacted on the 2024-2034 LTP process.*
- *Work is underway to document finance LTP processes. This will include a business partnership model.*
- *Looking at direct data input to the MagiqCloud Finance platform for future LTP preparation.*
- *Internal review and QA process to be established in conjunction with other changes.*

## Appendix 1: Corrected misstatements

The summary of misstatements corrected, by management over the course of the LTP audit and underlying information, were:

### Consultation Document

- Improvements to disclosures in the CD document to provide more clarity to readers on on-going projects, risks around infrastructure and to ensure that it was clear what the impact of the level of debt and service levels was for all of the options.

### Infrastructure Strategy

- Update to the Infrastructure Strategy to improve the disclosure around the options were included for the key projects discussed in the document.
- Assumptions in the strategy needed to be updated to ensure that they explicitly stated the level of uncertainty associated with them.
- The Infrastructure Strategy needed to be updated to clearly state data confidence for the three waters and roading. This also included including disclosure on the risks around management of the assets and risk based on the current asset condition knowledge.
- Improvements disclosures on the lifecycle management of the assets and the strategy relating to this.
- Improvements to the disclosures on climate change, strategy and the impacts of this.
- Changes to the 10- and 30-year graph information as underlying financial information changed.
- Changes from ensuring consistency with asset management plan detail information, District Council significant assumptions and the financial modelling.
- Improved disclosure on status of consents for key projects particularly Marton and Bulls WWTP.
- Further improvements to commentary around significant infrastructure strategy issues and options this could be further improved and significant decision on capital expenditure outlined; and
- Update to the disclosures on the water services reform programme so it reflects the current status.

**Finance Strategy**

- Improving Finance Strategy disclosures to more clearly disclose how assets and levels of service would be maintained/remediated in the event of natural hazards/climate change events.
- Improving linkages on asset condition information to the financial implications for the District Council from unexpected asset failure.
- Improvements to disclosures on how the Council will manage its resources to ensure that it can deliver its capital program.
- Improving the budget balance disclosures and disclosures around the financial prudence of District Council deficits in the first five years.
- Improvements to debt disclosures and simplifying the rates disclosures for the final LTP.
- Updates to the Finance Strategy to ensure that the content aligned to the supporting underlying information and updated financial modelling from financial changes at the LTP stage to any related disclosure.

**Accounting policies**

- Update to the accounting policies to ensure that these reflected the accounting policies were used in the 2023 Annual Report rather than the 2021-31 LTP and that disclosures complied with PBE-FRS 42.

**Assumptions**

- Update of some assumptions the most significant being the revaluation assumption to ensure that these were appropriately disclosed and the assumptions impacting the financial modelling were supported by the best available information.
- Improving the clarity of the significant assumptions disclosure to ensure that reader could understand assumption sources, detail on what financial factors were applied in the financial modelling, the risks and risk factors attaching to each of the assumptions.

**Financial model**

- Additional work on the financial model to ensure that the assumptions and other underlying information was accurately modelled through to the financial information.
- Corrections to the cashflow statement to ensure this complied with GAAP.
- Corrections to the financial model for changes from Waka Kotahi, revaluation movements and changes from recycling options.
- Corrections to financial model where costs and been modelled incorrectly and were identified through querying financial variances.



- Flow on corrections to FIS, Benchmark graphs and graphs included in strategies arising from changes in the financial model.
- Corrections to debtor/creditor modelling to ensure these aligned with changes in inflation and increases in revenue and expenditure.
- Corrections to ensure the annual plan 2023/24 disclosed budget figures were included in the LTP as revised 2023/24 budget figures were included in some versions which did not comply with regulatory requirements.
- Changes to FIS disclosures to align infrastructure/Finance strategy disclosures to the financial model. This impacted the capital spend split in the individual group of activity FIS and Whole of Council FIS.

#### **Performance Information**

- Updates in the performance measures and targets to ensure that all measures and targets were included for all years and prior year results were correctly included.
- Updates to the performance targets to ensure that they aligned with asset management plan targets and measures where applicable.
- Ensure baseline targets or appropriate disclosures were included for new measures and or changes to previous performance measures.

#### **Rates and revenue and financing policy**

- There were changes, to revenue and financing policy disclosures to ensure there was consistency between the financial model and rating FIS.
- Changes to the rates resolution, rating FIS to ensure that these aligned and there were not inconsistencies in disclosures.

## Appendix 2: Disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the CD and reporting that opinion to you. This responsibility arises from section 93C(4) of the Local Government Act 2002.</p> <p>The audit of the CD does not relieve management or the District Council of their responsibilities.</p> <p>Our Audit Engagement Letter dated 3 May 2024 contains a detailed explanation of the respective responsibilities of the auditor and the Council.</p>
Auditing standards	<p>We carried out our audit in accordance with the Auditor-General’s Auditing Standards. The audit cannot and should not be relied upon to detect all instances of misstatement, fraud, irregularity, or inefficiency that are immaterial to your LTP. The Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the Local Authority in accordance with the independence requirements of the Auditor-General’s Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>In addition to the audit and legally required external audits, we have carried out engagements in the areas of debenture trust deed assurance engagement, which is compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with or interests in the Local Authority.</p>
Fees	<p>The audit fee, covering both the CD and the LTP for the period is \$103,100 (excluding GST and disbursements), as detailed in our Audit Engagement Letter dated 3 May 2024. There was an additional recovery of \$35,000 charged.</p> <p>Other fees will be charged in the period for the Annual Report audit and Debenture Trust Deed assurance engagement.</p>
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the District Council or its subsidiaries that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the District Council or its subsidiaries during or since the end of the financial year.</p>



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AuditNZ Management Letters - Rangitikei District Council - March 2025							
Annual Report							
Issue raised in:	Recommendation	Managed	Audit NZ Priority	December 2024 Update	March 2025 - Management Update	Expected due date	Officer's assessment
19/20 Also reported on 21/22 Interim And June 2023 final	<b>Identification/Valuation of earthquake prone buildings</b> 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	No further Action on this item required		May-24	Closed
17/18	<b>Improving creditor Masterfile review process</b> The District Council phone to confirm new creditors or changes to a creditor's bank account number to ensure they are valid	Manager Financial Services	Necessary	Added to creditor process.		Sep-24	Closed
17/18	<b>Capital Work in progress</b> Review the capital WIP balance to: - clearly identify projects included in the balance; and - perform an impairment assessment over the outstanding WIP balance at year-end; and ensure projects are capitalised on a timely basis once they are ready for use; and - perform a monthly reconciliation.  Raised at June 2023 - need to conduct Impairment Review when reviewing WIP	Manager Financial Services	Necessary	Noted. As part of the 2023/24 WIP review an assessment was performed over the Marton Rail hub. Small items/plant/vehicles capitalised as and when purchased, however larger items are not capitalised until the end of the year. At this stage this is not a material variance and until it is, do not plan to change this process. Quarterly reconciliation to be implemented with on-going status and costs within the ledger to be confirmed with business unit heads.		NA	Closed
Prior to 17/18	<b>Carry forward of capital expenditure</b> Continue to reduce the amount of capital expenditure carried forward to the next financial year.	GM Assets & IS	Necessary	The annual capital program is now subject to significant consideration before being finalised. One of the matters considered is 'ability to deliver'. This has become BAU for Council.		NA	Closed
Prior to 16/17	<b>Performance measure rules</b> Continue to review the effectiveness of the collection and reporting of data.	GM Democracy & Planning	Necessary	Significant improvements have been made to the RFS collection and reporting system over the past three years. Ongoing training and Audits will continue to ensure new staff are skilled to correctly classify and respond to RFSs.		NA	Closed
17/18	<b>Service Performance Information</b> 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	Significant improvements have been made to the RFS collection and reporting system over the past three years. Ongoing training and Audits will continue to ensure new staff are skilled to correctly classify and respond to RFSs. RFS data is audited monthly by the Customer Experience Team Leader.		NA	Closed
22/23	<b>Fixed Asset Register (FAR) issues</b> Implement a process to clean up the FAR to ensure that it reconciles to the general ledger. Reviews and checks in place to ensure that all asset additions, deletions, and any other adjustments relating to fixed assets are timely processed in FAR.	Management Accountant	Necessary	Officers are implementing necessary improvements regarding the fixed asset register.	Reconciliation of FAR to GL completed January 2025, with appropriate review and check process now in place	Early 2025	Ready to close
22/23	<b>Lack of supporting documentation for asset additions</b> Supporting documentation to be maintained for all Journals.	Management Accountant	Necessary	Officers ensure supporting documentation is attached to all journals.		NA	Closed
22/23	<b>Service Performance Reporting: Classification of Request For Service (RFS)</b> Customer service centre staff be further trained to help identify and categorise RFS into appropriate classes and implement a review process for all RFS to ensure that classification is appropriate.	Customer Service	Necessary	Council has recently implemented a knowledgebase system to better guide customer service staff in correctly and consistently classifying RFS/job types. Also providing more support to the assigned officers regarding the reclassifying of RFS/job types where necessary, as well as implementing a monthly report to audit and identify any RFSs/jobs that have been incorrectly classified.		NA	Closed
22/23	<b>Overpayment of mileage</b> Use the correct Local Government Members Determination for all mileage claims	HR	Necessary	Payroll has amended its process to ensure that the reimbursement of mileage reflects the correct rate for the period that the mileage was claimed for, as per the determination, regardless of when the claim is submitted.		Feb-24	Closed

F:\Auditors 2024\March 2025 Outstanding Audit Management Letter Points

AuditNZ Management Letters - Rangitikei District Council - March 2025							
Annual Report							
Issue raised in:	Recommendation	Managed	Audit NZ Priority	December 2024 Update	March 2025 - Management Update	Expected due date	Officer's assessment
22/23	<b>Capital commitments schedule</b> Prepare the capital commitments schedule prior to the start of the audit which captures all capital commitments along with the appropriate supporting documentation.	Management Accountant	Necessary	Officers will ensure that Council's capital commitments are captured prior to the start of the next audit, with full supporting documentation as appropriate.	Ongoing	Jul-25	In progress
18/19	<b>Condition and performance data for Infrastructure Assets</b> Continue to implement a program to collect condition and performance data.	GM Assets & IS	Necessary	Ongoing	Ongoing	Dec-24	In progress
18/19	<b>Changes to financial delegations</b> 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 FMIS.	Manager Financial Services	Necessary	System generated report showing movement in delegations will be provided to GM Corporate Services for review quarterly.	Reporting process now in place.	Sep-24	Ready to Close
22/23	<b>No Regular Testing of Business Continuity and IT Disaster Recovery Plans</b> 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. <b>June 2023 Update</b> : 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	First successful full IT Disaster Recovery test completed in December 2023 with a number of changes as a result, to streamline the process. Another test is scheduled for December 2024 with a further report/review completed following this. BCP review being progressed and test program instigated.	Second full IT Disaster Recovery test completed December 2024. This has now become a business as usual process.	Dec-24	Ready to Close
17/18	<b>Review of Procurement Practice</b> 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	New Procurement Policy finalised Aug 2024.	New Procurement and Contract Management Policy finalised August 2024 - includes procurement process and guidelines. A dedicated contracts portal established in Sharepoint September 2024 for recording past and present contracts, documents, monitoring and general administration.	Aug-24	Ready to Close
Prior to 17	<b>Contract management</b> 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	New Procurement and Contract Management Policy finalised August 2024 - includes contract and risk management, HSW, record keeping, contracts process and monitoring. A dedicated contracts portal established in Sharepoint September 2024 for recording past and present contracts, documents, monitoring and general administration.		Aug-24	Ready to Close
22/23	<b>Review of Magiq users access levels</b> We continue to recommend that regular reviews of users of the District Council's Magiq system be completed to ensure access remains appropriate. <b>June 2023 update: In progress</b> The built-in domain admin account is still in use without a formal approval process when it is to be used.	Mgr Info Services	Necessary	Regular review of dormant accounts is in place.	Review of Magiq Users is completed by IS. Finance maintains spreadsheet with details of all initiators/authorisers in Magiq's Creditor module (PO area). Changes are monitored monthly with by MFS and sign off by GMCS.	Dec-24	Ready to Close
23/24	<b>One up approval of CE expenditure</b> Implement a one-up retrospective review of the credit card expenditure on behalf of the CE and/or mayor.	GM Corporate Services	Necessary		New Credit card policy approved by Council February 2025. This includes specific reference to one-up retrospective review of credit card expenditure from Mayor downwards throughout the organisation.	Feb-25	Ready to Close
23/24	<b>Review of bank reconciliations</b> Implement a timely and effective review of reconciliations	GM Corporate Services	Necessary		Noted - bank reconciliations to date have been completed monthly in Excel. Intention is to commence reconciling using online finance platform, with second person review and sign-off.	Early 2025	In progress
21/22	<b>Recommendations made by valuers and peer reviewer</b> Implement the recommendations made by the infrastructure asset valuers and peer reviewer.	GM Assets & IS	Beneficial	Ongoing	Full Infrastructure asset re-valuation commenced for 2025 - initial completion expected by 31 May.	Mid-late 2025	In progress

F:\Auditors 2024\March 2025 Outstanding Audit Management Letter Points

AuditNZ Management Letters - Rangitikei District Council - March 2025							
Annual Report							
Issue raised in:	Recommendation	Managed	Audit NZ Priority	December 2024 Update	March 2025 - Management Update	Expected due date	Officer's assessment
21/22	<b>Sensitive expenditure policies do not align with good practice</b> Sensitive expenditure policies are updated to align with the Office of the Auditor-General's good practice guide on controlling sensitive expenditure.	Manager Corp Serv	Beneficial	An updated sensitive expenditure policy was adopted just before the audit opinion date. As part of the 2024/25 audit, we will review the policy and clear off the issue if our recommendations are addressed.		Jul-05	Ready to close
18/19	<b>Assets with no construction date</b> Implement a process to improve the asset data on road assets with no construction date.  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	GM Assets & IS	Beneficial		New Roading Manager appointed mid 2024 who has reviewed and instigated processes to improve asset data integrity. Full Roading asset re-valuation commenced for 2025 with expected completion by end of July.	Mid-late 2025	In progress
20/21	<b>Fraud Risk Assessment</b> 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		Fraud, Bribery and Corruption Prevention Policy approved by Council February 2025. Includes management and staff reporting responsibilities and process together with recognition red flags. Periodic internal control reviews and spot checks instigated to mitigate risks.	late 2025	In progress
<b>2024-2034 Long-Term Plan - Key Recommendations</b>							
23/24	<b>Finance and Infrastructure strategies</b> The District Council review and update its existing infrastructure and finance strategies and seek feedback on the strategies early in the LTP process to incorporate best practice guidance, feedback, improve and enhance linkages and disclosures.	GM Corporate Services			Noted – Closer liaison with other business units through the Business Partnership model will enhance Finance's infrastructure knowledge.		For information only - to close
23/24	<b>Long Term Plan Timetable</b> The District Council review the CD/LTP timetable for the next LTP to identify likely pressure points or capacity issues and develop mitigations/ contingency plans to assist in meeting the planned timelines.	GM Corporate Services			Noted, although it would be helpful if Audit NZ and NZTA could work together on an agreed timeline to avoid Council's across NZ incurring these additional costs.		For information only - to close
23/24	<b>Monitoring Capital delivery</b> The District Council monitor progress on the capital expenditure programme throughout the period covered by the LTP and ensure any potential under delivery is identified early to mitigate the risk where practical.	GM Corporate Services			Noted – RDC Finance is in the process of instigating an internal Business Partnership model to support managers in more closely monitoring the capital expenditure programme.		Ongoing
23/24	<b>Climate change assumptions</b> Review the current disclosures in the infrastructure strategy as part of the next LTP process to ensure these clearly articulate the District Council's climate change strategy and impact on life cycle management, demand and levels of service for significant infrastructure over the 30-year period of the strategy.	GM Assets & IS			Noted for review and action as part of the next LTP process.		For information only - to close
23/24	<b>Quality of asset-related forecasting information (including condition and performance information for critical assets)</b> District Council continue to prioritise improving the quality of data about asset performance and asset condition and review their current planned program and priorities to address any significant risks identified for critical assets.	GM Assets & IS		Noted and work is underway in this area to improve overall quality and provide more robust data.	Ongoing		Ongoing

F:\Auditors 2024\March 2025 Outstanding Audit Management Letter Points

## 10.2 Insurance Update

**Author:** Lorraine Bergen, Manager Financial Services

**Authoriser:** Leanne Macdonald, 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 Parks & Reserves motor vehicle left front bumper (caused by hitting bollard while backing) – no personal injury involved.
  - 2.1.3 Damage to the Marton Swim Centre roof: Inspection of remaining beams could not determine the cause of small cracks or how these may impact structural integrity. Insurance claim has now been closed off.
  - 2.1.4 Lodgement of claim/dispute received for Potaka Street, Marton property: District Court Judge has discontinued the case as the plaintive failed to lodge the required documents to the court.

### 3. Insurance Renewal

- 3.1 Initial revaluation of Infrastructure assets for insurance purposed is expected by 31 May 2025.

### Recommendation

That the report 'Insurance Update' be received.

**10.3 Council Debt****Author:** Lorraine Bergen, Manager Financial Services**Authoriser:** Leanne Macdonald, 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**

Council's current debt position as at 28 February 2025:

<b>Amount Borrowed</b>	<b>Settled Date</b>	<b>Maturity Date</b>	<b>Fixed Rate of Interest</b>	<b>Annual Interest Cost</b>
\$3m	10/05/19	15/4/2029	3.12%	\$94k
\$5m	08/02/22	14/4/2033	3.68%	\$184k
\$11m	14/04/22	15/4/2027	4.17%	\$459k
\$5m	27/04/23	15/5/2028	5.10%	\$255k
\$7m	12/06/23	15/5/2028	5.30%	\$371k
\$9m	15/04/24	15/6/2026	5.62%	\$506k
\$4m	04/06/24	20/04/29	5.55%	\$222k
\$5m	24/01/25	24/04/25	4.22%	\$211k
<b>\$49m</b>				<b>\$2.3m</b>

- 3.1 This \$49m currently attracts interest expense of \$192k per month, providing a current weighted average cost of funds of 4.37% pa. However, these costs are partially offset by the borrowed money earning interest income before it is used. Year to date (28 February 2025) this interest income amounted to \$377k (FYE 2024/2025: \$606k).
- 3.2 Council has engaged a Treasury specialist (cost \$24k pa) who will seek to reduce the weighted average cost of funds through making our debt structure more flexible and the introduction of swaps. An amended Treasury Policy has been reviewed by the Finance and Performance Committee in February 2025 and recommended to Council to approve.

**4. Commentary – Future Treasury Position: General**



- 4.1 Council has finalised its Long-Term Plan 2024-2034 ('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, associated debt, revenue streams and associated costs that are scheduled to occur during the LTP will obviously impact the budgets included in the LTP. Current modelling suggests that even after the transfer of debt and associated assets, along with reduced income, Council will still have the debt headroom to complete all non-water projects currently listed in the long term plan 2024-34.

## 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 Revised budgeted debt as at 30 June 2025 being \$73m, assumes the bulk (80%) of the proposed capital programme is completed;  
Debt Limit being \$102m.

### **Recommendation**

That the report 'Council Debt' be received.

**10.4 Risk and Assurance Committee Work Programme****Author: Leanne Macdonald, Group Manager - Corporate Services****Authoriser: Carol Gordon, Deputy Chief Executive****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 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:

Item	Audit and Risk Committee Meeting
Governance	
Risk and Assurance Committee Terms of Reference	March 2021; at least once every 3 years Recommended December after each election round. Currently finalising version – attached.
Latest Management Accounts - Overview	Each meeting Council Debt Position
Latest Health and Safety reporting	Each meeting
Compliance with Treasury Management Policy	Each meeting This will form part of Bancorp Treasury Reporting
Fraud Reporting	Each meeting
Protected Disclosure Reporting	Each meeting
Outstanding Audit NZ 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 with the Committee in March and confirmed in June each year. Currently GM Corporate Services is engaging with Rachael Dean from Grant Thornton who carries out several internal audits across MWLASS to assess audits to be completed in this current year and to consider any additional that may need to be considered as a priority in 2025/26. Current plan is attached under a separate report.
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: March 2027
Rates Postponement Policy	Required by S102 LGA; S110 LGA requires Policy to be reviewed every 6 years. Next Review: 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: May 2027
Rates Remission for Māori Freehold Land Policy	Required by S102 & S108 LGA: Next Review: March 2027
Significance and Engagement Policy	Required by S76 LGA; Reviewed Jan to April 2024 Next Review: March 2027 (LTP)
Treasury Management Policy	Adopted by Council September 2023 Reviewed by Finance and Performance Committee February 2025 - Attached Next Review: February 2027
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: September 2024 Next Review: September 2026.
Privacy Policy	Required by Privacy Act Review every 2 years Next review: February 2025 –under a separate Report
Delegations Register	This was approved by Council on 27 June 2024.
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 - attached
Sensitive Expenditure Policy	Review every 2 years: reviewed October 2023 Next Review: October 2025
Fraud, Bribery and Corruption Policy	Review every 2 years: reviewed June 2023 Next Review: June 2025. Reviewed early due to change in Fraud Officer - attached
Procurement and Contracts Management Policy	Approved at August 2024 Council meeting. Next Review: August 2025
Staff Standards of Integrity and Conduct	Review every 2 years. Next Review: September 2025
Health, Safety and Wellbeing Policy	Review every 2 years Next Review: September 2025
Credit Card Policy	New Policy for review. Recommend review every three years.
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' Full review by ELT carried out in February 2025 - attached.

Current Policy Reviews by ELT:

- 2.3 In accordance with the Table in S2.2, proposed amendments to the Committee's current Terms of Reference has been drafted and is attached for final review.
- 2.4 The ELT has reviewed a number of policies in the last quarter including a newly prepared Credit Card Policy, the Fraud, Bribery and Corruption Policy, the Gift Hospitality Policy and the Privacy Policy (under a separate report).
- 2.5 The Gift and Hospitality Policy had minimal changes, however the key change is the introduction of 4.8.1 covering Staff receiving prizes. The Fraud, Bribery and Corruption Policy has been updated to reflect the new fraud officer (GM Corporate Services). The credit card policy is a new policy.
- 2.6 Officers have engaged, Bancorp Treasury, an external professional services firm to assist with its debt management strategies. GM Corporate Services has met with Miles O'Connor, Bancorp Treasury and discussed a debt management strategy and also sought a review of the Treasury Policy. Miles O'Connor presented to the Financial and Performance Committee on 26 February 2025, and as part of this process presented the draft Treasury Management Policy for review. The Committee has recommended Council adopt the Policy. This Policy is attached for the Committee's information.
- 2.7 The Strategic Risk Register has had an in-depth review by ELT and this is now attached for the Committee. The changes have been highlighted.

Current Areas of Concern

- 2.8 The proposed Three Waters reform, now known as Local Water Done Well (LWDW) continues to create a significant level of uncertainty around many aspects of Council's operations. There has been a significant increase in workload for staff and elected members over the last quarter as Council prepares for the consultation process. The impact of these reforms continues to be carefully monitored and assessed at all senior levels of Councils.
- 2.9 There are significant reforms and changes to legislation that impact on Councils. A weekly report on the proposed changes and submission requirements is discussed weekly with ELT and where possible prioritised. The requirements by officers to submit on some of these proposals is significant, and there is always a risk that a submission response to one important proposal is overlooked in favour of another.
- 2.10 Staff movement and replacing staff continues to impact on work programmes. This is evident in the year-to-date progress in the capital spend for 2024/25. Currently progress sits at 25% as at 31 January 2025.

**Attachments:**

1. **RDC Risk and Assurance Terms of Reference** [↓](#)
2. **Gifts and Hospitality Policy** [↓](#)
3. **Fraud Corruption and Bribery Policy** [↓](#)
4. **Credit Card Policy** [↓](#)
5. **RDC Treasury Management Policy - 2025** [↓](#)
6. **RDC Strategic Risk Register 2025** [↓](#)

**Recommendation**

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

Rangitikei District Council

	<p><b>Risk and Assurance Committee</b>  <b>Reviewed March 2025</b>  <b>Next Review December 2025</b></p>
<b>Chair</b>	Philip Jones (Independent Member)
<b>Purpose</b>	To ensure probity in the management of Council’s operations and its assets, holding a close regard for minimising risk and giving our community assurance that Council is fulfilling their obligations as contained within Annual Plans, Long Term Plans and relevant legislation.
<p><b>Outcomes</b></p> <p><i>The Council and the community are confident that.....</i></p>	<ul style="list-style-type: none"> <li>• the Council’s financial operations and the delivery of Council services –             <ul style="list-style-type: none"> <li>(i) comply with all relevant legislation, regulations and standards; and</li> <li>(ii) comply with Council’s own policy.</li> </ul> </li> <li>• the relationship with Council’s auditors and other external agencies undertaking monitoring of Council’s performance is meaningful and open</li> <li>• the risks to Council’s effective management and its reputation are well understood and addressed.</li> </ul>
<b>Terms of reference</b>	<ol style="list-style-type: none"> <li>1. Review of financial and non-financial reporting, including             <ul style="list-style-type: none"> <li>• appropriateness of accounting policies;</li> <li>• financial and infrastructure strategies;</li> <li>• oversight of periodic valuation of Council’s assets; and</li> <li>• oversight of treasury function.</li> </ul> </li> <li>2. Risk management and system of internal controls, including:             <ul style="list-style-type: none"> <li>• setting the Council’s appetite for risk;</li> <li>• understanding the key risk areas including likelihood and consequences;</li> <li>• evaluating the effectiveness of internal controls; and</li> <li>• assessing fraud risk and procurement risk;</li> <li>• reviewing how risk has been considered in                 <ul style="list-style-type: none"> <li>○ the processes used to determine whether or not to enter into, continue or withdraw from shared services with one or more councils<sup>1</sup> and</li> <li>○ the Council’s business case methodology and the instances where it is applied.</li> </ul> </li> <li>• reviewing assurance reports from management on regulatory compliance, business resilience and other contentious matters including (for example):                 <ul style="list-style-type: none"> <li>• periodic audits conducted by the New Zealand Transport Agency;</li> <li>• assessment reports on Council’s role as a Building Consent Authority;</li> </ul> </li> </ul> </li> </ol>

<sup>1</sup> This process may include reviews under section 17A of the Local Government Act 2002.

Rangitikei District Council

	<ul style="list-style-type: none"> <li>• reporting to external agencies required by statutory instruments;</li> <li>• undertakings made in response to the exercise of any Ministerial assistance or intervention<sup>2</sup>;</li> <li>• project management;</li> <li>• joint venture proposals;</li> <li>• hazard management; and</li> <li>• corporate policies addressing unethical, questionable or illegal activities.</li> </ul> <p>3. External audit, including:</p> <ul style="list-style-type: none"> <li>• understanding the scope of agreements made with Council;</li> <li>• reviewing of management reports provided by Council’s auditors;</li> <li>• reviewing progress with Audit recommendations; and</li> <li>• being a sounding board for issue arising between Council management and external auditors.</li> </ul> <p>4. Internal audit, including:</p> <ul style="list-style-type: none"> <li>• contributing to appointment of internal auditor(s);</li> <li>• determining and monitoring the internal audit programme;</li> <li>• undertaking more intensive reviews of significant risks where the Committee considers further scrutiny is required.</li> </ul> <p>5. Review these terms of reference at least once every three years.</p>
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<sup>2</sup> Part 10, Local Government Act 2002.

RANGITĪKEI DISTRICT COUNCIL

# GIFTS AND HOSPITALITY POLICY

This Policy provides staff, contractors and Elected Members with a clear framework regarding the acceptance or otherwise of gifts and hospitality from external parties; and explains the principles when considering whether to accept or decline gifts or hospitality.

Approved:	xx
Reviewed:	January 2025
Approved by:	Executive Leadership Team
Next review:	January 2025
Version number:	3.0
Who is responsible:	Group Manager Corporate Services



# Gifts and Hospitality Policy

## CONTENTS

Introduction

Background

Policy

Policy Exceptions

Reporting

Appendix

## PAGE

2

2

3

3

3

4

## 1. INTRODUCTION

### Overview

- 1.1. This Policy:
  - applies to all or our staff, contractors and Elected Members. For the purposes of this Policy, all references to 'staff' includes 'contractors' and 'Elected Members'.
  - provides staff with a clear framework regarding the acceptance or otherwise of gifts and hospitality from external parties; and
  - explains the principles for staff when considering whether to accept or decline gifts or hospitality.
- 1.2. Compliance with this Policy ensures that when gifts and hospitality are offered, they are managed in a fair and transparent manner that protects the reputation of the staff member and of Council.
- 1.3. Failure to comply with the principles of this Policy may be considered misconduct under the Council's Code of Conduct and may result in disciplinary action.

## 2. BACKGROUND

- 2.1. All staff are required to be fair, impartial, responsible and trustworthy and act in a way that maintains public confidence.
- 2.2. Gifts and hospitality:
  - are a commonplace part of the modern business/corporate environment and relationships; and
  - have potential to influence a staff member (and/or give the perception of having such influence).
- 2.3. Receiving a gift or hospitality from external suppliers or contacts is a sensitive issue and needs to be managed carefully. It is critical that the acceptance of gifts or hospitality does not give rise to, or any perceived rise to, biased decision making, a lack of impartiality, or create a conflict of interest (real or perceived).

### 3. POLICY

#### Policy Overview

- 3.1. The general Policy position is that gifts or hospitality may only be accepted where it is not prohibited under S4.1 and:
- the gift/hospitality has a value less than \$50; or
  - refusal would cause cultural or diplomatic embarrassment or offence.

Note : 'Value' in S3.1, S4.2 and S4.3 refers to 'the cumulative value of gifts/hospitality offered by the same supplier (or related parties) to any staff member in any 12 month period.

- 3.2. Gifts/hospitality that are offered/accepted and comply with S3.1 do not need to be recorded. However, the manager should be notified of the receipt of this gift.

### 4. POLICY EXCEPTIONS

Note : where this Section – apart from S4.7 - is being applied to an Elected Member, references to 'Executive Leadership Team' should be replaced with 'Mayor'

- 4.1. Offers of gifts or hospitality must always be declined in the following circumstances:
- Money, cash vouchers, shares, or similar items and payments;
  - Gifts, rewards or benefits which might compromise, or be seen to compromise, staff/Council integrity;
  - Items where a direct instruction has been given by a member of the Executive Leadership Team that they should not be accepted; or
  - Where acceptance could be perceived as a promise of a business relationship or contract.

Note : special consideration must be applied in situations that involve staff being seen to be acting with independence and impartiality (eg procurement, awarding of tenders, issuing consents etc).

- 4.2. Gifts/hospitality offered with a value of more than \$50 must be reported to the relevant member of Executive Leadership Team to decide the most appropriate treatment of the offer (offers to the CEO must be reported to the Mayor for such determination and vice versa).
- 4.3. Gifts/hospitality offered with a value greater than \$150 also require 'sign off' from the CEO.
- 4.4. Once the staff member has received feedback from the Executive Leadership Team he/she must forward details to the Executive Assistant to the CEO and Mayor for inclusion in the year's Gift/Hospitality Register (regardless of whether the gift/hospitality was accepted).
- 4.5. Unless specifically approved by Executive Leadership Team or CEO, all gifts offered with a value over \$50 that are accepted must be surrendered to the Executive Assistant to the CEO and Mayor to be ultimately distributed as per instruction from the CEO.
- 4.6. Where appropriate, the Executive Leadership Team may discuss the offered gift/hospitality with the staff member and agree that the staff member pay a donation etc in respect of receiving the gift/hospitality.
- 4.7. All such donations must be:
- advised to, and given to, the Executive Assistant to the CEO and Mayor for inclusion in the Gifts/Hospitality Register; and
  - given to a cause as determined by Executive Leadership Team no longer than 6 months after.

- 4.8. Reasonable meals and refreshments provided at a networking or business meeting, site visit, official function, conference, training event or similar are not considered 'hospitality'.
- 4.9. Prizes won while attending council funded conferences, training forums or through other work-related activities must be declared to the relevant Group Manager, or if greater than \$150, to the CEO. Where possible these prizes are to be shared across the relevant teams. Where these prizes are not able to be shared and are below the \$150 limit (and subject to Group Manager approval) these prizes may be retained by the relevant recipient to use in their place of work. If this is not practicable, the Group Manager may decide the prize can be retained for personal use and send their recommendation to the Group Manager Corporate Services to discuss with the Independent Chair of Risk and Assurance.
- 4.10. The Executive Assistant to the CEO and Mayor shall report the Gifts/Hospitality Register to the Executive Leadership Team every six months.

## 5. REPORTING

- 5.1. Staff who suspect other staff member(s) of contravening this Policy must report this to:
  - Their Group Manager; or if not appropriate the
  - Group Manager Corporate Services; or if not appropriate the
  - Group Manager People and Performance; or if not appropriate the
  - Chief Executive Officer or if not appropriate the
  - Chair of Audit and Risk Committee.

## Appendix

### APPENDIX 1: Details Recorded in the Register

The register records the following information:

- Date
- Name
- Title
- Department
- External party offering the gift/hospitality
- Gift or hospitality
- Description of gift/hospitality
- Reason for gift/hospitality being offered (if known)
- Estimated value
- Accepted or declined
- Reasons for accepting/declining and, if accepted, who approved the acceptance
- If a gift has been accepted, how the gift has been dealt with (and where applicable), details of donation made by staff member
- Confirmation that this Procedure has been read and that acceptance is in compliance with the Procedure
- Other comments

### APPENDIX 2: Declining a gift and/or offer of hospitality

These guidelines are provided for situations where you need to decline a gift and/or offer of hospitality in accordance with the Gifts and Hospitality Policy.

- Please ensure that you decline politely. Where possible, it is best to do this in person or over the phone where you can talk directly to the giver. Declining by email should be the last resort.
- Please thank the giver for their offer and advise them of the reasons why you are unable to accept their gift / hospitality (refer to policy). Try to word your response in a way that shows thoughtfulness to the giver; the last thing we want to do is offend or embarrass them.
- Keep your wording simple. Be kind and honest, but be firm.
- If the giver refuses to take the gift back, please notify your manager so that we have a record of actions and any follow up that may need to occur.

If you have any questions about whether or not a gift / hospitality offer should be declined, or if you would like advice on how to do this, please speak to your manager.

RANGITĪKEI DISTRICT COUNCIL

# FRAUD, BRIBERY AND CORRUPTION PREVENTION POLICY

Approved: xx  
Approved by: The Executive Leadership Team  
Next review: xx  
Version number: 3.0  
Who is responsible: Group Manager Corporate Services



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## Fraud, Bribery And Corruption Prevention Policy

### 1. PURPOSE

- 1.1. The purpose of the Fraud, Bribery and Corruption Prevention Policy is to:
  - 1.1.1. Provide guidance for Rangitikei District Council (RDC) employees on what constitutes fraud, bribery and corruption
  - 1.1.2. Establish RDC's zero tolerance stance with regards instances of fraud, bribery and corruption
  - 1.1.3. Outline clear roles and responsibilities for RDC employees who encounter or suspect fraud, bribery or corruption.
- 1.2. This Policy should be read alongside the **RDC Protected Disclosures Policy and Procedure**.

### 2. SCOPE

- 2.1. This Policy applies to:
  - 2.1.1. all employees of RDC, including permanent, temporary and casual employees and others undertaking work for RDC such as contractors and volunteers.
  - 2.1.2. any person who is involved in the operation of the RDC, including elected members, volunteers and those people with honorary or unpaid staff status.
  - 2.1.3. every business department, service or activity of RDC.

### 3. DEFINITIONS

- 3.1. **'Assets'** includes, but is not be limited to financial assets (debtors, loans), real property, plant and equipment, furniture and fittings, ICT devices and equipment, collections, vehicles, and other stores items (including redundant and excess items).
- 3.2. **'Bribery'**: The offer, promise or giving of anything of value (or forgiving of a debt/liability) in order to improperly influence a person's actions or decisions to gain or retain a business benefit.
- 3.3. **'Corruption'**: The misuse of entrusted power or office for personal or third-party gain.
- 3.4. **'Kickback'**: A form of bribery in which an unofficial payment is received by a person in a position of authority or decision-making for services rendered or awarding business.
- 3.5. **'Due Diligence'**: An investigation of a business, person or process prior to entering into an agreement, or establishing a standard of professional transparency and assurance (i.e. vetting) before entering into an agreement or a transaction with another party.
- 3.6. **'Facilitation Payments'**: Are typically small, unofficial payments made to secure or expedite a routine process or action by a government or business official. These constitute 'bribes' under the law, regardless of whether they are considered a 'way of doing business' in a particular country or context.
- 3.7. **'Fraud'**: Includes all acts of deception, misrepresentation or omission committed with the intention of gaining an unjust or illegal financial advantage, or to cause an unjust or illegal loss or disadvantage.
- 3.8. **'Fraud Control Officer'**: this role is with the Group Manager, Corporate Services (Alternate Fraud Control Officers are Manager Financial Services and Group Manager People and Performance)
- 3.9. **'RDC Employee'**: Within the context of this Policy, 'employee' refers to all staff of RDC and any other individuals identified in section 2.1 above.
- 3.10. **'RDC Manager'**: Within the context of this Policy, 'manager' refers to members of the Executive Leadership Team (ELT), Senior Leadership Team and those with formal staff management responsibilities.

#### 4. PRINCIPLES

- 4.1. Rangitikei District Council (RDC) regards fraud, bribery and corruption as unacceptable and will apply a 'Zero Tolerance' approach to any such behaviour.
- 4.2. All RDC employees are required to, at all times, act honestly and with integrity and to safeguard the public resources, services and interests for which RDC is responsible.
- 4.3. Employees who suspect fraud, bribery or corruption must report such behaviour as outlined in this Policy and associated procedures and guidance.
- 4.4. All suspected fraud, bribery and corruption will be investigated and reported to the Risk and Assurance Committee at each scheduled meeting.
- 4.5. Incidences of 'significant' suspected fraud, bribery or corruption (i.e. involving the theft or misuse of Council assets valued at more than \$1,000 or of a nature that has the potential to impact on business operations, service delivery or sector/ public confidence in RDC) will be reported by the Fraud Control Officer (or 'Alternate' Fraud Officer) as follows:
  - To the Chair of the Risk and Assurance Committee, Chief Executive Officer and the Mayor within 48 hours; and
  - To the Risk and Assurance Committee at its next meeting, or earlier if appropriate.
- 4.6. The Fraud Control Officer (or 'Alternate') may also consider it necessary to notify third parties including the NZ Police, Serious Fraud Office, Council's external auditors (Audit NZ) as well as insurers, as soon as is practical.
- 4.7. Any decision to contact third parties should be made in collaboration with the Chief Executive Officer and the Chair of the Risk and Assurance Committee.
- 4.8. Employees who commit, or are alleged to have committed, fraud, bribery or corruption will be subject to RDC disciplinary procedures. Fraud, bribery and corruption can be criminal offences and if proven will generally constitute serious misconduct (regardless of whether criminal proceedings occur).

#### 5. POLICY CONTENT

- 5.1. Fraud, bribery and corruption pose financial and reputational risk to RDC, as well as impacting on the values, culture and performance of the organisation and its employees.
- 5.2. Fraud includes, but is not limited to:
  - Unauthorised use of facilities, vehicles or equipment for personal gain;
  - Deliberately not recording leave taken, or any other employee theft of time;
  - Misappropriation or improper disposal of assets, including cash, funds and supplies;
  - Forgery or alteration of documents or accounts belonging to RDC;
  - Disclosing confidential or proprietary information to third parties;
  - Accepting or seeking anything of material value from contractors or persons, including before, during and after, any procurement processes;
  - Manipulating reporting to obscure impropriety;
  - Obtaining funds or any other benefit through misleading claims, representations or by false pretenses;
  - Inappropriate claims for expenses for personal gain;
  - Profiteering for personal or another person or entities gain as a result of insider knowledge of RDC's activities;
  - Unapproved destruction, removal or inappropriate use of records, furniture, fixtures, and equipment;
  - Use of the RDC's purchase card for personal gain;
  - Inappropriate payments to third parties;
  - Presenting false credentials or qualifications;
  - Supporting others in, or in any way being party to, fraud or not reporting fraud;
  - Any of the above for personal gratification and/or edification, or for political or business advantage whether or not there is pecuniary gain.

- 5.3. Bribery and corruption include, but is not limited to:
- the provision or acceptance of cash, facilitation payments or kickbacks;
  - facilitation of business transactions such as securing contracts or fast-tracking services for personal gain or when compromised by a conflict of interest;
  - unauthorised political or charitable contributions;
  - the improper use of a political/business position of authority or 'influence';
  - giving or receiving unauthorised gifts, travel and/or hospitality;
  - giving or receiving unauthorised rebates or reimbursements.

#### Fraud, Bribery and Corruption Prevention

- 5.4. RDC will proactively take all reasonable steps to prevent fraud, bribery and corruption by developing and maintaining a framework that sets out clearly:
- the procedures, processes and expectations of employee behaviour, and
  - promotes robust internal controls for key business functions, including the protection of assets, procurement, purchasing, payroll, treasury and cash management.

#### Managers' Responsibilities

- 5.5. The day-to-day responsibility for the prevention and detection of fraud, bribery and corruption and other inappropriate conduct rests with Managers.
- 5.6. Managers are responsible for:
- Demonstrating the highest standards of ethical behaviour;
  - Identifying the risks to which systems, operations and procedures are exposed;
  - Developing and maintaining effective internal controls to ensure effective stewardship of funds and to prevent and detect fraud, bribery or corruption;
  - Ensuring these internal controls are being complied with;
  - Strictly adhering to delegations of authority (including the 'one up' approval principle and the amount they can authorise);
  - Ensuring compliance with all corporate and business policies, procedures and guidelines;
  - An awareness and sense of responsibility for the types of impropriety that may occur within their respective areas and being alert for any indication of irregularity.
  - Being vigilant to 'red flag' and other fraud, bribery and corruption risks, which may necessitate further due diligence and/or process change.

**(Examples of 'red flags' or situations where fraud, bribery or corruption risk may arise are outlined in Appendix 1 of this Policy)**

#### Employee's Responsibilities

- 5.7. All employees are responsible for:
- Being scrupulously fair and honest in their business activities and dealings with contractors, suppliers or customers;
  - Taking reasonable steps to safeguard RDC funds and assets against fraud, theft, unauthorised use and misappropriation;
  - Strictly adhering to all system security measures, segregation of duties and delegations;
  - Reporting immediately to the Fraud Control Officer or 'Alternate' Fraud Officer (or where this is inappropriate, the Chief Executive Officer or Chair of the Risk and Assurance Committee) if they suspect or believe that there is evidence of irregular or improper behaviour or that fraud, bribery or corruption may have been committed.



**RDC Responsibilities**

- 5.8. RDC will not tolerate any fraud, bribery or corruption and will investigate all instances of suspected fraudulent behaviour.
- 5.9. RDC shall ensure that all staff are provided adequate and regular training on the Fraud, Bribery and Corruption Prevention Policy. The Fraud Control Officer is responsible for anti-fraud, bribery and corruption training and awareness initiatives for all employees to support them in complying with their obligations under this Policy.

**RDC Fraud, Bribery and Corruption Reporting**

- 5.10. The reporting of real or suspected fraud, corruption or bribery to the Fraud Control Officer may be made in person, by phone or email..
- 5.11. The contact details for the Fraud Control Officer are as follows:
  - Name: Leanne Macdonald
  - Email: [leanne.macdonald@rangitikei.govt.nz](mailto:leanne.macdonald@rangitikei.govt.nz)
  - Phone: 021 2277242
- 5.12. Employees are required to report all instances of suspected fraud, bribery or corruption to the Fraud Control Officer, or if this is not appropriate, to an 'Alternate' Fraud Control Officer:
  - Manager Financial Services; or
  - Group Manager People and Performance
  - Or , if considered more appropriate:
  - The Chief Executive Officer; or
  - The Chair of the Council's Risk and Assurance Committee as follows:
    - Name: Philip Jones
    - Email: [philip@pja.co.nz](mailto:philip@pja.co.nz)
    - Phone: 027 4999 408

Employees reporting suspected instances of 'serious wrongdoing' are also covered by the **RDC Protected Disclosures Policy and Procedure**. This Policy provides legal protection for any employee reporting improper, inappropriate or unlawful behaviour in good faith, or for participating in the investigation of a complaint in accordance with the Protected Disclosures (Protection of Whistleblowers) Act 2022.

Breach of this **Fraud, Bribery and Corruption Policy** may lead to disciplinary action, up to and including dismissal (or termination of contractual arrangements for contractors or other external parties) in accordance with RDC's Employment Agreement, and Standards of Integrity and Conduct Policy (including disciplinary procedures outlined in this policy).

- 5.13. In some circumstances, a breach of this Policy may result in civil or criminal liability.

**Relevant Legislation:**

Crimes Act 1961	Organised Crime and Anti-corruption Legislation Bill 2015
Employment Relations Act 2000	OECD Anti-Bribery Convention
Protected Disclosures Act 2000	United Nations Convention Against Corruption (UNCAC)
Privacy Act 1993	

**Associated Documents:**

Protected Disclosures Policy and Procedure	Conflict of Interest Policy
Standards of Integrity and Conduct	Procurement and Contract Management Policy
Sensitive Expenditure Policy and Guidelines	Purchasing Card Procedures
Gifts and Hospitality Policy and Procedure	Staff Delegations Policy and Delegations Register(s)

## Appendix One

### Recognising Fraud, Bribery And Corruption 'Red Flags'

RDC recognises that there are generally three pre-conditions associated with fraud, bribery and corruption occurring in the workplace. These factors should be understood and inform the development of fit-for-purpose policies, procedures and business controls, as well as training and awareness activities:

- Incentives/pressure: employees and other (external) parties may have a personal incentive or be under pressure in their work or personal lives, which motivates them to commit fraud or wrongdoing (for example experiencing financial difficulty or the need to meet a significant business target).
- Opportunities: circumstances may exist that allow an employee to commit fraud, bribery or corruption, such as not having appropriate conflict of interest controls in place, or employees being able to 'work around' business controls (for example authorising personal expenditure).
- Attitudes: employees are able to rationalise committing fraud, bribery or corruption (for example having attitudes or beliefs that the organisation "owes you", "everybody else is doing it" or "I deserve this").

There are a number of scenarios or activities ('red flags') that may raise concerns of fraud, bribery and corruption, and require further investigation to ensure no wrongdoing has been committed.

### Fraud 'Red Flags'

These include, but are not limited to:

- An employee living 'beyond their means'
- An employee experiencing a period of significant/ protracted personal or financial difficulty
- An inability to account for missing RDC assets and/ or inventory
- Orders for inventory that exceed 'normal' business use – or purchases made outside of standard centralised processes and oversight
- An employee receives an invoice or payment request that is non-standard or customised, lacks key information or is 'last minute and urgent' (for example on a Friday at 4:55pm)
- A failure to maintain a clear 'paper trail' including an absence of emails, written agreements, business documentation or record keeping
- An employee exerts an unusual degree of control over a work process, procedure or system, or is unwilling to share duties or business information (including a refusal to take leave)
- Unusual spikes in expenditure, invoice volume, financial adjustments (including 'rounded payments') and fee waivers, or the number and timing of service transactions – above and beyond business averages and trends
- A lack of segregation of key system, financial or business access, process/duties and authority (including the ability to approve personal expenditure or manage critical financial transactions end-to-end)
- A 'wheeler dealer' approach to business and disregard for process controls and business discipline.

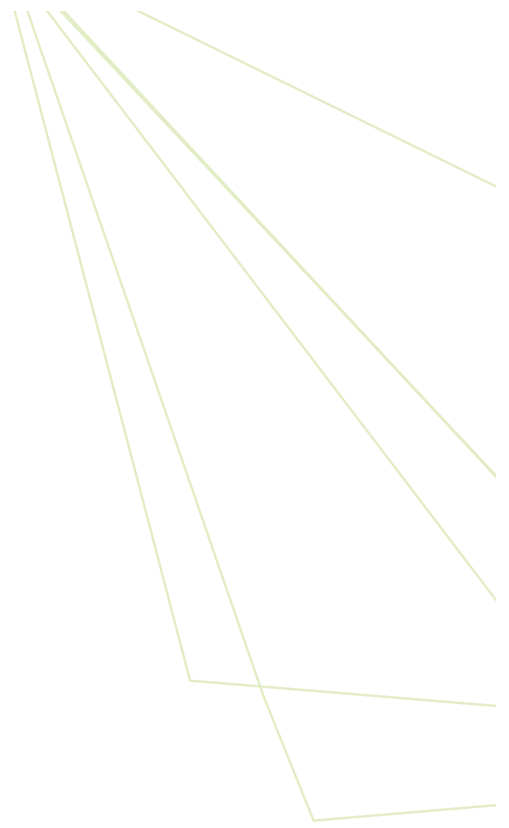
### Bribery And Corruption 'Red Flags'

These include, but are not limited to:

- A third party has a reputation for having a "special relationship" with RDC including instances of open-ended ('evergreen') contracts or informal work agreements
- An employee or third party has previously engaged in, or been accused of improper business practices
- An employee or third party insists on receiving a commission or fee payment before committing to a contract or carrying out a service
- An employee or third-party requests payment be made in cash or to an unverified account (including at a different location or offshore)
- An employee or third party refuses to provide an invoice or receipt for a payment made
- An employee or third-party requests that a payment is made to 'overlook' potential legal or performance violations
- An employee or third party insists on the use of side letters, refuses to put terms agreed in writing, or requires the use of an agent or intermediary that is not known to RDC
- An employee or third-party requests/ is offered entertainment or gifts before commencing contract negotiations or services
- An employee receives an invoice or makes a payment that appears large given the services provided
- Unreported payments are made to third parties on RDC's behalf
- An employee has an unusually close relationships with third party vendors or customers, including an unwillingness to delegate management of a client relationship (services or portfolio)
- An employee provides/ offers unauthorised access to privileged information to a third-party vendor or customer
- A refusal by employees or third-party vendors to complete Conflict of Interest documentation or certify compliance with RDC Policy.

Individuals who encounter any of these red flags must report them promptly in accordance with this Fraud, Bribery and Corruption Policy and associated Procedures.

**ITEM 10.4 ATTACHMENT 3**



RANGITĪKEI DISTRICT COUNCIL

# CREDIT CARD POLICY

This policy is a statement of the Council’s intention to use credit cards where purchase orders cannot be used, or staff are out and about in the field and need to purchase items on the go. In no circumstances are the purchase/debit cards to be used for cash advances.

Approved:	xx
Approved by:	The Executive Leadership Team
Next review:	xx
Version number:	1.0
Who is responsible:	Group Manager Corporate Services



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# Credit Card Policy

## Contents

1. INTRODUCTION	1
2. BACKGROUND	1
3. POLICY	2
4. INTERNET USAGE	2
5. POLICY PROCEDURES	3
6. RELEVANT POLICIES	3
7. APPENDIX ONE	4
8. APPENDIX TWO	5

## 1. INTRODUCTION

### Overview

Council spend public money and, therefore, all expenditure is subject to the standard of probity and financial prudence expected of a local authority. Expenditure must be capable of withstanding public scrutiny.

This policy is a statement of the Council’s intention to use credit cards where purchase orders cannot be used, or staff are out and about in the field and need to purchase items on the go. In no circumstances are the purchase/debit cards to be used for cash advances.

- 1.1. The intention of this policy is to reduce the risk of unauthorised cash expenditure, namely:
  - Inappropriate business-related expenditure
  - Obtaining cash or paying for personal items
- 1.2. This Policy:
  - Sets out the guidelines for use of credit cards issued to Council officers. It should be read in conjunction with the [Procurement and Contract Management Policy](#) and the [Delegations to Positions Policy](#); and
  - Applies to all or our staff, Elected Members and Members of Community Boards (where applicable), therefore, all references to “staff” includes “Members of RDC Community Boards/Committees” and “Elected Members”; and
  - Provides staff with a clear framework regarding the use and management of credit cards; and
  - Explains the principles for staff when considering whether issue a credit card, how to determine the level given (in conjunction with the Delegations to Positions Policy); and
  - Provide staff with clear direction around the appropriate use and termination of credit cards; and
  - This policy uses the “one-up” principle relating to financial delegations that card holders must have their credit card statement signed off by their one-up manager. The Chief Executive’s credit card expenditure must be approved by the Mayor. The Mayor’s credit card expenditure must be approved by the deputy CE, in conjunction with the Group Manager Corporate Services.
  - Where Council or the Finance / Performance Committee has resolved to allow a RDC Community Board or Committee to operate a credit card, the credit card expenditure must be approved by the CE or Deputy CE in conjunction with the Group Manager Corporate Services.

## 2. BACKGROUND

- 2.1. The intention of this policy is to reduce the risk of unauthorised cash expenditure, namely:
  - Inappropriate business-related expenditure
  - Obtaining cash or paying for personal items.
- 2.2. Examples of non-compliance include, but are not limited to:
  - Unauthorised use or misuse of a Council purchase card, including using for personal use
  - Failure to obtain appropriate one-up approval
  - Obtaining cash unless a specifically designated card (for Koha or during an emergency activation)
- 2.3. Compliance with this policy is expected. The unauthorised use or misuse of a Council credit card is treated as serious misconduct that will result in formal disciplinary actions being taken.

## 3. POLICY

Credit cards will be issued to Council officers at the joint discretion of the Chief Executive (CE) and Group Manager Corporate Services as per the Delegations to Positions Policy (Schedule 3 (7)).

- 3.1. A Council credit card will be issued to one, named, credit card holder. The credit card holder is assumed to be responsible for that card. The card must be kept in a safe and secure location and any the card pin activation number must not be made known to any other person.
- 3.2. Credit cards may be used for the following:
  - routine purchases;
  - exceptional purchases
  - emergency purchases and low value items, i.e. less than \$2,000, where there is no contracted supplier arrangement
  - when dealing with a specialised vendor and
  - when the purchase method requires it.
- 3.3. Credit cards usage is monitored. There must be a justifiable business purpose for all usage. In the absence of a specific rule good judgement must be exercised by taking into account the principles of this policy and the context of a given situation. Expenditure must be moderate and conservative, having regard to the circumstances and decisions must preserve impartiality.
- 3.4. The credit card limit may be up to \$15,000. The CE and Group Manager Corporate Services may increase a credit card limit as long as the limit does not exceed the maximum limit of \$15,000.
- 3.5. The maximum limit for each transaction is \$2,000 (excl. GST) but this value may be waived by the CE or Group Manager Corporate Services, depending on the need and procurement availability.
- 3.6. Credit cards are not to be used for personal expenditure. Personal expenditure on Council Credit Cards is considered misconduct. Where a transaction is genuinely charged in error, Credit Card holders must immediately either cancel the transaction or reimburse the amount charged to the card and notify their Group Manager or the CE.
- 3.7. The use of the credit cards for on-line purchasing has become more common. However, with this comes with a greater risk. Staff carrying out on-line purchasing must ensure they are dealing with a reputable company, and that they are using a secure site. The credit card holder needs to keep a copy of any online order forms completed when carrying out the on-line activity. Any purchases using the credit card over the internet must be consistent with the Councils normal purchasing practices. Credit cards required to be regularly used over the internet should have low credit limits to minimize the risk to the Council over fraudulent activities.
- 3.8. Council reserves the right to recover inappropriate expenditure or expenditure with inadequate or untimely documentation directly from the cardholder.

**4. INTERNET USAGE**

- 4.1. Credit card payments made on the internet must reflect good security practice in accordance with the Information Services policies and processes.
- 4.2. Employees and Elected Members must only purchase from reputable companies known to the public organisation. If in doubt as to if a website is secure and/or reputable, please contact the Information Services team.
- 4.3. The card holder must keep a copy of any online order forms completed when making purchases. Purchases must be within the card holders delegated authority and adhere to Council’s Procurement Policy

**5. POLICY PROCEDURES**

- 5.1. The credit card provider’s application form will be completed by the applicant and authorised by two delegated signatories.
- 5.2. The Council’s Credit Card Use Declaration (Appendix One) must be signed by the credit card holder and authorised prior to the card being issued to the Council officer.
- 5.3. Tax invoices/receipts must be submitted for approval within 5 working days of the end of the month of receipt of the credit card statement. All credit card expenditure must be supported by original GST acceptable documentation that states the transaction date, amount paid, and description of items purchased. If the transaction is less than \$50, a till receipt is acceptable. The invoices must be physically or electronically attached to the monthly credit card statement in order of the transactions. Account codes must be provided for each transaction.
- 5.4. The cardholder is responsible for checking statements and advising their Group Manager of any mistakes. The bank must be notified in writing within 30 days of the statement close date.
- 5.5. The cardholder must sign the statement and submit the credit card statement and the supporting documentation (receipts/charge codes and narrative) to their one-up Manager or relevant Group Manager, (see table below) for sign off.

Card-holder	Authoriser
Managers	Relevant Group Manager
Group Managers	Chief Executive
Chief Executive	The Mayor
The Mayor	<i>Deputy CE in conjunction with the Group Manager Corporate Services</i>

- 5.6. Upon sign-off the statement and supporting documentation must be given/emailed to Accounts Payable for processing. This should be done before the statement balance has been direct debited from Council’s bank account.
- 5.7. Upon termination of a role, or when authority to use a credit card is withdrawn the card must be returned to Finance who will destroy the credit and notify Westpac that the card is no longer in circulation.
- 5.8. If a credit card is lost or stolen, Westpac bank must be immediately advised to cancel the credit card and the Group Manager - Corporate Services.

**6. RELEVANT POLICIES**

- [Sensitive Expenditure Policy](#)
- [Procurement and Contract Management Policy](#)
- [Delegations to Position Policy](#)



7. APPENDIX ONE

Credit Card Holders and Limits

Name	Credit Card Limit
The Mayor	\$5,000
The Chief Executive	\$15,000
The Deputy Chief Executive	\$15,000
Executive Officer	\$5,000
Executive Assistants	\$5,000
Group Managers	\$5,000
Northern Area and Property Manager	\$5,000
Senior Emergency Management Advisor	\$2,000
Manager Mana Whenua and Community Hubs	\$5,000
Manager Venue and Events	\$5,000
Manager Financial Services	\$5,000
Manager Infrastructure Services	\$5,000

8. APPENDIX TWO

Rangitikei District Council – Credit Card Use Declaration

Cardholder Name \_\_\_\_\_

I hereby confirm that on receipt of Rangitikei District Council credit card, issued in my name, I will abide by the following conditions:

- a) The credit card is in my name and I will sign the card immediately upon issue in the space provided on the credit card.
- b) I undertake to comply in all respects with the credit card provider’s Terms and Conditions in relation to the card and I understand that as a credit card holder that I am jointly and severally liable along with the Rangitikei District Council for all transactions on this card.
- c) I will not charge personal expenditure to the credit card. The card will only be used for Council business related expenses in accordance with the Rangitikei District Council [Procurement and Contract Management Policy](#), the Credit Card Policy, the [Sensitive Expenditure Policy](#) and I agree that it is my responsibility to always keep myself informed of such policies and procedures.
- d) Should I use the Card for personal expenditure or expenses which are subsequently not approved as valid Council business related expenses, then I agree that I will pay these amounts immediately in full to the Council. The Council may also recover any such amount as a debt that will be deducted from my salary. I also agree that personal transactions on Council credit cards constitute breach of Code of Conduct and will be dealt with accordingly.
- e) If the card is lost or stolen, then I understand that I must notify Westpac immediately upon realisation, and as soon as practicable, notify the Group Manager Corporate Services, or the Manager Financial Services, who may in turn arrange for Westpac to reissue a replacement credit card.
- f) I undertake to code and submit my expenditure and invoices in accordance with the procedures in the Credit Card Policy.
- g) I will immediately surrender my credit card upon the request of an authorised representative of the Rangitikei District Council, if for any reason I cease to be employed by the Council.
- h) I understand and accept that my credit card can be withdrawn or cancelled by the Council at any time, entirely at its discretion.
- i) I understand and agree that any failure to comply with any of the above conditions of use, or any of the Council’s policies and procedures referred to above, will result in the credit card being withdrawn or cancelled.

	Cardholders Signature:	Relevant GM Signature:	Chief Executive Signature:
Date:			

RANGITĪKEI DISTRICT COUNCIL

TREASURY MANAGEMENT POLICY

Date of adoption: March 2025

Resolution number: xxxxx

Date by which review  
must be completed: December 2026

Relevant legislation: LGA 2002

Statutory/Policy: Statutory

Included in the LTP: Indirectly (via Finance Strategy)



DISTRICT COUNCIL

*Making this place home.*

TREASURY MANAGEMENT POLICY

<b>Date of adoption by Council/Committee</b>	March 2025
<b>Resolution Number</b>	xxx
<b>Date by which review must be completed</b>	December 2026
<b>Relevant Legislation</b>	LGA 2002
<b>Statutory or Operational Policy</b>	Statutory
<b>Included in the LTP</b>	Indirectly (via Finance Strategy)

**1. Introduction**

Rangitikei District Council's ("Council's") Treasury Management Policy consists primarily of two statutory policies:

1. Liability Management Policy; and
2. Investment Policy

These statutory policies:

- form the key elements of, and provide, the framework under which Council operates its borrowing and investment activities; and
- are required under the Local Government Act 2002 ("LGA2002") (Section 102 : Sections 104 and Section 105 outline the required content of these policies).

**2. Overview**

The key objectives of Council's treasury activities are to protect the interests of, and ensure fairness between, Council's current and future ratepayers.

In doing so, Council will apply procedures and controls to:

- ensure funds are always available to meet both planned and unplanned (but not extreme) levels of expenditure; and
- prudently manage the borrowing costs and investment returns that impact Council's operational budgets; and
- ensure that all borrowings, investments and incidental financing arrangements comply with relevant legislation; and
- prudently manage the risk and volatility associated with Council's treasury activities; and
- safeguard Council's assets; and
- provide appropriate treasury reporting; and
- ensure the key principles of Council's Treasury Management Policy are kept current via regular reviews and reporting.

Generally, Council will:

- avoid speculative type investments; and
- avoid investments in organisations whose activities are not consistent with Council's social, environmental, ethical or cultural values; and
- maintain a 'risk averse' approach to its treasury activities.

**3. Organisational and Responsibility Structure**

An effective policy requires a clear understanding and definition of the structure of the treasury function and the responsibilities of all personnel involved in treasury management.

The following personnel are primarily responsible for the management of the treasury activities of the Council:

- Full Council (of elected members).
- Chief Executive ("CE").
- Group Manager Corporate Services ("GMCS").
- Manager Finance and Partnerships ("MFP")
- Manager Financial Services ("MFS")
- Accountant ("ACT").

In addition to the above, the Council may retain on an ongoing or consultancy basis the services of an Independent Treasury Advisor.

The respective responsibilities of those personnel involved in the treasury function are detailed below.

**Full Council**

- Approves the Treasury Management Policy document.
- Approves any risk management strategies outside the delegated authorities outlined in this policy document.
- Approves any amendments to the policy as recommended by the CE.
- Approves overall borrowing limits on an annual basis through the long term planning/annual planning process.
- Approves new borrowing facilities from the banking sector and capital markets upon the recommendation of the CE.
- Monitors and reviews the ongoing treasury risk management performance of the Council to ensure that the treasury function is operating in such a way as to ensure that the Council's strategic objectives are being met.

**Chief Executive**

- Approves any amendments to the Treasury Policy recommended by the GMCS, prior to submission to the full council for approval.
- Monitors and reviews the ongoing treasury risk management performance of the Council to ensure that the treasury function is operating in such a way as to ensure that the Council's strategic objectives are being met.

**Group Manager Corporate Services**

- Organises all new or amended borrowing facilities which shall then be submitted to the Council for approval and then to the full Council for final approval.
- Reviews the Treasury Policy every three years or more regularly if required which shall then be submitted to the CE for approval and then to the full Council for final approval.
- Develops all interest rate risk management strategies in consultation with the MFP and/or MFS.
- Determines in conjunction with the MFP and/or MFS the level of future core debt is to be used for interest rate risk management purposes.
- Reports to the full Council and CE on overall treasury risk management issues on a regular basis.
- Manages the funding and liquidity activities of the Council.
- Maintains lender relationships with the banks and the capital markets including the LGFA.
- Has the authority to undertake all treasury transactions which will include but not be limited to the following:
  - Funding from bank facilities and the capital markets, including the LGFA.
  - Interest rate derivative transactions relating to the hedging of the Council's debt.
  - Placing of deposits in the short term money market.

- Investing in bonds in the fixed interest market.
- Monitors and reviews the ongoing treasury risk management performance of the Council to ensure compliance with the policy parameters.
- Reviews quarterly treasury reports.
- Checks external counterparty advice on treasury transactions to records generated internally by other staff.

**Manager Finance and Partnerships**

- Assists the GMCS with the development of all interest rate risk management strategies.
- Determines in conjunction with the GMCS the level of future core debt is to be used for interest rate risk management purposes.
- Has the authority to undertake all treasury transactions which will include but not be limited to the following:
  - Funding from bank facilities and the capital markets, including the LGFA.
  - Interest rate derivative transactions relating to the hedging of the Council's debt.
  - Investing in bonds in the fixed interest market.
- In the absence of the GMCS or MFS will undertake the relevant treasury functions.

**Manager Financial Services**

- Assists the GMCS with the development of all interest rate risk management strategies.
- Determines in conjunction with the GMCS the level of future core debt is to be used for interest rate risk management purposes.
- Prepares all relevant Treasury reports.
- In the absence of the GMCS or MF&P will undertake the relevant treasury functions.
- Has the authority to undertake all treasury transactions which will include but not be limited to the following:

- Funding from bank facilities and the capital markets, including the LGFA.
- Interest rate derivative transactions relating to the hedging of the Council's debt.
- Placing of deposits in the short term money market.
- Investing in bonds in the fixed interest market.

#### **Accountant**

- Prepares end of year financial reports
- Monitors adherence to LGFA lending covenants
- Assists the MFS with the preparation of treasury reports.

## **4. Liability Management Policy**

### **4.1. Introduction**

The Liability Management Policy applies to the following liability arrangements (i.e. borrowing arrangements) with external parties:

- to fund Council's capital works program, especially to provide funds for new (as opposed to replacement) assets. Council views the use of debt for these purposes as an appropriate and efficient mechanism for promoting intergenerational equity between current and future ratepayers;
- for specific one-off projects, including those caused by an emergency situation, or new levels of service that may arise from time to time

All other council liabilities (e.g. hire purchase, credit transactions, deferred payment and lease arrangements) are managed in the course of Council's day-to-day operations.

Council's borrowing requirements will be clearly identified in its Long Term Plan and Annual Plans. Amounts not included in the Long Term Plan or Annual Plan can only be borrowed if approved by council resolution.

### **4.2. Requirements**

S104 of LGA2002 states that the Liability Management Policy must state Council's policies regarding its management of borrowings and other liabilities, including:

- interest rate exposure; and
- liquidity; and
- credit exposure; and
- debt repayment.



**4.3. LGFA Borrowing Covenants**

The first two of these four considerations (interest rate exposure and liquidity) are most effectively governed with the use of borrowing covenants. In determining what constitutes a prudent level of borrowings, Council will apply the Local Government Funding Agency covenants for 'guaranteeing member' councils. A 'guaranteeing member' council is one whose borrowings from LGFA are above \$20m.

Council's Long Term Plan and Annual Plans show the planned future levels of Council debt. Although future cost of servicing debt is subject to future market conditions, the Long Term Plan will incorporate a reasonable estimate of these costs. Debt levels for each year within the Long Term Plan and for each Annual Plan must comply with the covenants in this Policy.

Covenant	Limit
Net interest/total revenue	< 20%
Net interest/annual rates income	< 25%
<b>Notes:</b>	
Net interest is total annual interest cost and finance costs less interest earned	
Total revenue is cash income from rates, government grants and subsidies, user charges, interest, investment income but excludes vested assets and developer contributions	
<b>Example:</b>	
Interest rate at 5% Interest earned \$200k Total annual revenue \$55m Annual rates income \$35m Debt \$70m Interest paid \$3.5m Interest earned \$0.2m Net interest \$3.3m	
Net interest/total revenue (maximum is 20%) : (\$3.3m/\$55m) = 6%	
Net interest/annual rates income (maximum is 25%) : (\$3.3m/\$35m) = 9.4%	
Net debt/total revenue	< 175%
The example information in S3.4 (Total Revenue of \$55m and Debt of \$70m) and an assumed Bank Balance of \$10m would provide a Net Debt/Total Revenue ratio of 109%.	
External debt plus committed loan facilities plus liquid investments divided by external debt	> 110%
The example information in S3.4 (Debt of \$70m) and an assumed Bank Balance of \$10m would provide a ratio of 114%.	

**4.4. Interest Rate Risk Management**

Interest rate risk management has the objective of containing Council’s interest rate exposures in order to:

- Give a sufficient level of certainty to Council’s funding costs while, at the same time, allowing the Council to participate if interest rates and credit spreads move favourably.
- Control variations in interest expense for the debt portfolio from year to year, taking into consideration any relevant budgetary assumptions.
- Recognise Council’s exposure to the local and international economies and maintain sufficient flexibility in its interest rate risk management profile to enable the Council to respond when considered appropriate.

For the purposes of interest rate hedging, core debt projections should be supported by budgetary analysis contained in the Annual Plan and the Long Term Plan. Core debt is defined as the level of current and projected future debt as determined by the GMCS in consultation with the MFP and the MFS.

The Council will maintain fixed interest rate cover of its core debt within the control limits detailed in the table below.

Fixed Rate Cover Percentages		
Period	Minimum	Maximum
<b>0 to 2 years</b>	40%	90%
<b>2 to 4 years</b>	20%	75%
<b>4 to 8 years</b>	0%	60%

**4.5. Approved Interest Rate Risk Management Instruments**

The approved derivative interest rate risk management instruments are as follows with definitions and examples of these instruments contained in Appendix 3.

- Fixed interest rate swaps, including forward starting swaps.
- Interest rate options – includes caps, swaptions and collars. For a collar the amount of the sold option must match the amount of the purchased option.

Options on hedging floating rate debt with an exercise rate greater than 2.00% above the equivalent period interest rate at the time of inception cannot be counted as part of the fixed rate cover percentage calculation. For example a two year cap at 4.00% would only count as a fixed rate hedge if the underlying swap rate at the time of inception was greater than 2.00%.

In addition to the above derivative instruments, Fixed Rate Term Loans and Fixed Rate Bonds may also be used to manage the Council’s interest rate risks.

**4.6. Funding Risk Management**

Funding risk is defined as an inability to secure access to external lines of credit sufficient to enable the Council to achieve its strategic short term and long term objectives where the financial requirements to achieve those goals exceed the funds being generated from operating activities.

Funding risk covers both working capital requirements and core debt.

- The Council must approve all new debt funding facilities and/or revision to the parameters of existing debt funding facilities.
- To ensure that all of the Council's debt is not exposed to excessive refinancing risk at any one time, where practicable no more than 40% of all debt facilities should mature within a rolling twelve-month period. Compliance with this provision is not required if total external debt is less than \$5.0 million.
- The GMCS must renegotiate/replace maturing debt funding facilities on a timely basis. Specifically, the GMCS must obtain an indicative letter of offer no later than two months before the maturity of any bank facility.

Council may utilise the following instruments as sources of debt funding:

- Bank overdraft.
- Committed bank funding facility.
- Committed LGFA stand-by facility.
- LGFA bonds and loans – fixed and floating rate.
- LGFA commercial paper.

#### **4.7. Counterparty Credit Exposure**

The management of counterparty credit risk in relation to the Council's borrowing and interest rate risk management activities has the objective of minimising financial loss through the default of a financial counterparty, usually a financial institution, due to the financial insolvency of the counterparty, the inability of the counterparty to perform due to country decree, or any other circumstance such as an adverse market event. The purpose of counterparty credit limits is to limit the loss that the Council may incur if a counterparty was to default or be unable to meet its obligations.

The Council's exposure to counterparty credit risk will be managed by entering into financial market transactions and funding arrangements with only approved counterparties. Approved counterparties are defined as follows:

- An approved counterparty must be a New Zealand Registered Bank or financial institution with a long term credit rating of 'A' or above by Standard & Poor's ("S&P"), or the Moody's Investors Service ("Moody's) or Fitch Ratings ("Fitch") equivalents.

#### **4.8. Debt Repayment**

Council will repay borrowings when, or before, they fall due in accordance with the applicable borrowing arrangement by refinancing or from surplus general funds.

#### **4.9. Management and Reporting**

A summary of Council's debt portfolio will be provided to each Finance and Performance Committee and Risk and Assurance Committee. The report shall contain the following.

- Total debt facility utilisation, including any debt sourced from a bank, the capital markets and the LGFA.
- Interest rate maturity profile against percentage hedging limits.
- New hedging transactions completed - interest rate risk management.
- Weighted average cost of funds.

- Funding profile against the policy limits.
- Liquidity profile against the policy limits.
- Statement of policy compliance.
- Commentary on economic conditions and the debt markets.

This reporting will include commentary regarding Council's debt position compared to the position included in the Annual Plan and Ten Year Plan and compliance with its borrowing covenants.

**4.10. Other Considerations**

4.10.1.Foreign Exchange Exposure

Council will ordinarily source its borrowings from bank debt, LGFA or from domestic capital markets (fixed rate bonds, medium term notes, floating rate notes and commercial paper). It is not envisaged that Council will have any foreign exchange exposure other than standard commercial risk that exists should Council source procurement from overseas . Council approval will be sought should such exposure, of \$50,000 or more, be identified.

4.10.2.Other Guarantees

Apart from LGFA, Council may provide financial guarantees to local organisations, groups or bodies for recreational and community purposes.

The total value of these non-LGFA guarantees will be capped as per the following covenant:

Covenant	Limit
Non-LGFA Guarantees as % of total annual rates	3%

4.10.3.Other Liabilities

Other RDC liabilities will be managed in the course of RDC's day-to-day operations.

## 5. Investment Policy

### 5.1. Introduction

Council will generally hold two types of investment:

1. commercial and
2. strategic

Commercial investments typically arise where Council invests surplus funds with the primary objective of generating a commercial return whilst exposing council to an appropriate level of risk. Council, like most public authorities:

- recognises that holding commercial investments should reduce the reliance on rates, and
- has a focus on investments that have a relatively low risk, and
- recognises that lower returns are generally associated with the lower risk investments that will form part of its investment portfolio, and
- will generally not hold equity investments for purely commercial reasons.

Strategic investments typically arise where Council invests funds in an opportunity where the primary objective is to generate a social, community or similar benefit or for legislative reasons. These investments are generally expected to return a lower financial return to Council than commercial investments.

Council's investment plans will be clearly identified in its Long Term Plan and Annual Plans.

### 5.2. Requirements

S105 of LGA2002 states that the Investment Policy must state Council's policies regarding its investments, including:

- the mix of investments; and
- the acquisition of new investments; and
- an outline of the procedures by which investments are managed and reported to the local authority; and
- an outline of how risks associated with investments are assessed and managed.

### 5.3. Mix of Investments

Council's investments will typically be in the form of:

- equity and other shareholding interests - these may include holding financial interests in LGFA, Council Controlled Organisations and other strategic investment opportunities; or
- property, including land, buildings and ground leases; or
- forestry investments; or
- financial investments. A matrix containing the Authorised Investment Criteria for financial market investments is contained In Appendix 1

Council will not invest in initiatives that are not consistent with its social, environmental, cultural or ethical values.

### 5.4. Acquisition of New Investments

New equity and forestry investments (and disposals thereof), not included in an Annual Plan or Long Term Plan, require prior council approval.

The placing of surplus cash and working capital in interest-bearing bank deposit accounts is regarded as business-as-usual activity and, for these purposes, is regarded as a banking activity and not an investing activity.

### 5.5. Management and Reporting (including Risk Management)

Where Council holds material Investments, a summary of Council's investment portfolio and its performance will be provided to Finance and Performance Committee on a quarterly basis.

This quarterly reporting will include commentary regarding investment returns compared to the amounts included in the Annual Plan and Ten Year Plan.

Where Council holds financial investments it may use mechanisms such as interest rate swaps, interest rate options and forward rate agreements to manage interest rate risk. In doing so, Council will seek external advice as required.

**5.6. Review**

The Treasury Management Policy shall be reviewed by Council at least once every three years. The Local Government Act (S102) states that Council does not need to go through the special consultative process to amend the Liability Management Policy and the Investment Policy.

**5.7. Reporting - Summary**

- Council's Long Term Plan and Annual Plans show the planned future levels of Council debt and investment
- Each new parcel of debt will be reported to Council's Finance and Performance Committee
- A summary of Council's investment portfolio and debt position will be provided to Finance and Performance Committee. This reporting will include commentary regarding investment returns and debt position compared to the amounts included in the Annual Plan and Ten Year Plan
- Council's Treasury function will formally report any concerns relating to Council's investment portfolio or debt position to Risk and Assurance Committee and to Council.

**5.8. Delegations**

All delegations exercised under this Policy need to comply with the requirements of the Delegations Register and/or any sub-delegations that may be made by the CEO. All such sub-delegations made by the CEO must be clearly recorded.

## APPENDIX 1: PROCEDURES FOR FINANCIAL MARKET TRANSACTIONS

### Introduction

Arranging and agreeing transactions with external counterparties must occur within a framework of control and accuracy. It is vital to the internal control of the Council that all transactions are captured, recorded, reconciled and reported in a timely manner within a process that has the necessary checks and balances so that unintentional errors and/or fraud are identified early and clearly. Movements in financial market variables can be rapid and exposures to such movements that are not known due to inadequate transaction recording and reporting systems should not be allowed to occur.

### Transaction Origination

The following authorities shall apply in respect of the execution of treasury transactions on behalf of the Council that may commit it to all the related contractual obligations under these transactions. All such transactions are generally originated and agreed either verbally via the telephone or by email. Therefore it is important that procedures are in place to control the activity.

### Funding from Banks, the LGFA and the Capital Markets and Entering into Financial Market Investment Transactions

- Funding from bank facilities, the capital markets and the LGFA or entering into financial market investment transactions with an approved counterparty entails the personnel of the Council, who are authorised to undertake these activities, verbally or by email agreeing with the counterparty the amount, type of debt or investment instrument, term selection and rate accepted.
- Once the deal is agreed details of the transaction shall be entered on the relevant internal system.
- Once the confirmation of the transaction is received the details should then be checked by someone other than the person who entered into the transaction in the first place to ensure that the external confirmation is in accordance with the details on the Council's internal system.

Any discrepancies in the above procedures should be immediately communicated to the counterparty so that the correct details of the deal can be agreed. A report on the error shall be prepared by the person who transacted the deal in the first place and submitted to the GMCS for sign-off. Where the GMCS has transacted the deal, the report shall be submitted to the CE. In this way there, is a clear division of responsibility and a self-checking system.

### Interest Rate Derivative Products

Transacting interest rate derivative products with an approved counterparty entails the personnel of the Council who are authorised to undertake these activities, verbally or by email agreeing with the counterparty the amount, term selection and rate accepted.

- Once the deal is agreed details of the transaction shall be entered on the relevant internal system.
- Once the bank confirmation of the transaction is received, the details should be checked by someone other than the person who entered into the transaction in the first place to ensure that the bank confirmation is in accordance with the details on the internal system.

Any discrepancies in the above procedures should be immediately communicated to the counterparty so that the correct details of the deal can be agreed. A report on the error shall be prepared by the person who transacted the deal in the first place and submitted to the GMCS for sign-off. Where the GMCS has transacted the deal, the

report shall be submitted to the CE. In this way there, is a clear division of responsibility and a self-checking system.

**Settlement Procedures**

All transactions are to be confirmed and reconciled to external confirmations and internal documentation before settlement.

All transactions processed through the company bank accounts must conform to the Council's internal procedures and controls and be reconciled to internal documentation and external confirmation(s).



## APPENDIX 2: AUTHORISED INVESTMENT CRITERIA FOR FINANCIAL MARKET INVESTMENTS

Authorised Asset Classes	Maximum limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – S&P (or Moody's or Fitch equivalents)**	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government or Government Guaranteed	100%	Government Stock Treasury Bills	Not Applicable	Unlimited
Rated Local Authorities	50%	Commercial Paper	S&P ST rating of 'A-1' or LT 'BBB' or 'BBB+'	\$1 million
		Bonds/MTNs/FRNs	S&P ST rating of 'A-1+' or LT 'A-' or better	\$3 million
New Zealand Registered Banks	100%	Call/Term Deposits	S&P ST rating of 'A-1' or LT 'BBB' or 'BBB+'	\$3 million
		Bonds/MTNs/FRNs	S&P ST rating of 'A-1+' or LT 'A-' or better	\$20 million
State Owned Enterprises	33%	Commercial Paper	S&P ST rating of 'A-1' or LT 'BBB' or 'BBB+'	\$1 million
		Bonds/MTNs/FRNs	S&P ST rating of 'A-1+' or LT 'A-' or better	\$3 million
Corporates	25%	Commercial Paper	S&P ST rating of 'A-1' or LT 'BBB' or 'BBB+'	\$1 million
		Bonds/MTNs/FRNs	S&P ST rating of 'A-1+' or LT 'A-' or better	\$3 million
Financials	25%	Commercial Paper	S&P ST rating of 'A-1' or LT 'BBB' or 'BBB+'	\$1 million
		Bonds/MTNs/FRNs	S&P ST rating of 'A-1+' or LT 'A-' or better	\$2 million

RANGITĪKEI DISTRICT COUNCIL

# STRATEGIC RISK REGISTER

This is the Rangitikei District Council's Strategic Risk Register as endorsed by the Executive Leadership Team (subject to review by the Audit & Risk Committee).

Approved:	October 2022
Next review:	October 2024
Version number:	1.0
Who is responsible:	Group Manager Corporate Services

UNCONTROLLED IF PRINTED

## Strategic risks for Rangitīkei District Council

### INTRODUCTION

As highlighted by Council’s Risk Management Policy, a key element of Council’s Risk Management Framework is our Strategic Risk Register.

The Strategic Risk Register summarises the following key strategic risks identified by ELT and provides a response to how each risk will be addressed:

	STRATEGIC RISKS	INHERENT RISK	CURRENT MITIGATED RISK
	Failure to honour the commitments of Te Tiriti o Waitangi	Extreme	Moderate
	Trust and confidence is tarnished	High	Moderate
	Insufficient capability and capacity to fulfil agreed commitments	High	Moderate
	Legal and political environment requires excessive resources	High	Moderate
	Capital programme falters	High	Moderate
	Financial stability is lost	High	Low
	Regulatory effectiveness is questioned	High	Low
	Climate change responsiveness is ineffective	Extreme	Moderate
	Business continuity is compromised	High	Low
	Obligations with health, safety and wellbeing are not met	Extreme	Moderate/ High*
	Changes to governmental legislation are transformational	Extreme	Moderate
	Obligations with environmental protection are not met	High	Low

\* See further details on page 13

Each strategic risk is weighted using the following matrix assessment:

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 Risks will be managed by applying at least one of the following treatments:

- Avoid** Choose to avoid the actions/inactions that cause the risk
- Reduce** Reduce the risk (to a more acceptable level) by applying some mitigating measures
- Transfer** Transfer the risk to an external third party (eg via insurance or the outsourcing of a project).  
Some of these techniques may give rise to 'secondary risks' (eg risk that an external project manager fails to deliver)
- Accept** Accept the risk (being aware of the risk will often result in the risk being closely monitored)

## FAILURE TO HONOUR THE COMMITMENTS OF TE TIRITI O WAITANGI



**Risk Oversight Officer: Chief Executive**

### WHAT IS THE RISK (AND ITS CONSEQUENCES)?

Elected members and staff are unclear as to the appropriate processes and pathways in the expression of Treaty partnership, causing offence and disrespect to the original customs and tikanga (protocol) of the whenua (land) and the obligation of local authorities to uphold those.

Uninformed decision making that does not uphold the obligatory role as stewards of Treaty partnership.

- Māori Advisory having no presence in governance and leadership spaces
- Leaders making decisions void of subject matter expertise
- An unfounded negative approach to Treaty partnership

### HOW TO ADDRESS THE RISK?

Strategies to address this risk include:

- Iwi representation on appropriate Council committees, including the Te Roopuu Ahi Kaa Komiti.
- Formalised partnership agreements between Iwi and Council
- Regular programmed cultural time with Elected Members and ELT.
- Iwi induction pathway alongside mana whenua for all new staff.
- Facilitate more Council business on local marae or Māori community group settings
- Maintain a Māori Advisor within Council staff with appropriate delegation and role clarity.
- Regular dialogue at Strategic/Governance level between Council and Iwi
- **Maintaining Māori wards as Councils preferred approach pending a referendum to be carried out in October 2025.**
- Maintain the policies and guidelines relating to Māori responsiveness and assist staff in the implementation of those across project work within Council.

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

<p><b>Inherent Risk : Extreme</b></p> <p>Likelihood – Almost certain</p> <p>Consequence – Major</p> <p>Proposed Risk Treatment: (bold those that apply)</p> <ul style="list-style-type: none"> <li>• Avoid</li> <li>• <b>Reduce</b></li> <li>• Transfer</li> <li>• Accept</li> </ul>	<p><b>Current Mitigated Risk : Moderate</b></p> <p>Likelihood – Possible</p> <p>Consequence – Major</p> <p>Planned Future Additional Risk Treatments: (bold those that apply)</p> <ul style="list-style-type: none"> <li>• Avoid</li> <li>• Reduce</li> <li>• Transfer</li> <li>• <b>Accept</b></li> </ul>
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## TRUST AND CONFIDENCE IS TARNISHED

Risk Oversight Officer: Chief Executive



### WHAT IS THE RISK (AND ITS CONSEQUENCES)?

There are three main types of risk that can lead to a loss of confidence in Council’s effectiveness:

- a) **Communication:** The risk that -
  - Council misunderstands community expectations or fails to work with advocacy groups. Either of these may lead to continuous public criticism, particularly in social media and division among elected members and staff.
  - Council allows community expectations to exceed council’s ability to deliver. This can occur through unofficial promises being made to the community or council not properly communicating its plans.
- b) **Operational:** The risk that -
  - Inadequate handling of sensitive issues involving (for example) drinking water, wastewater discharges, Iwi, privacy, or information disclosures.
  - Staff act in an overly bureaucratic or officious manner.
- c) **Reputational:** the action or inaction of any representative of Council which impacts Council’s reputation in a negative way.

### HOW TO ADDRESS THE RISK?

#### Communication:

Strategies to address the risk –

1. Councillors are proactive in being visible with all community sectors and have a forum for discussing public views with ELT.
2. Public are encouraged to speak at public forums at Council meetings.
3. Council is represented on community boards, working groups, local industry groups, committees etc.
4. Council promotes its future strategies and priorities and ‘makes it easy’ for the community to provide comments/responses.
5. Council posts relevant ‘up to date’ information on its website, in local media and on its social media pages (and monitors responses where possible).

#### Operational:

Strategies to address the risk –

1. ELT ensure capability and capacity of resources required are identified and established
2. ELT ensure proper systems and accountabilities are in place for appropriate customer service standards and complaints handling
3. Customer satisfaction and service performance reviews are undertaken, with ELT analysing key statistics every quarter.

#### Reputational:

Strategies to address the risk –

1. Clear policy outlining expected standards of conduct
2. Clear delegations for speaking to or posting on media/social media
3. Media training for those delegated to speak on Council’s behalf.

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

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

## INSUFFICIENT CAPABILITY AND CAPACITY TO FULFIL AGREED COMMITMENTS



**Risk Oversight Officer: Group Manager, People and Performance**

### WHAT IS THE RISK (AND ITS CONSEQUENCES)?

The risk is that Council doesn't have the appropriate composition and number of skilled staff required to fulfil current and future commitments, e.g. inability to attract talent, failure to appropriately train existing staff, inability to retain skilled staff, failure to undertake appropriate workforce planning.

An associated risk comes from a change in Elected Members and the potential loss of knowledge and experience.

### HOW TO ADDRESS THE RISK?

Having a culture and employee experience that attracts a high caliber of applications and increases the retention of staff. This includes mechanisms for meaningful staff feedback such as staff surveys and exit interviews.

A learning and development programme that targets future skill requirements and enables staff to grow in the areas that we need them to.

Identify key roles and develop succession and/or continuity plans for those roles and functions.

Undertake strategic workforce planning to identify skills and numbers required.

A high quality and comprehensive orientation and induction for all new staff and for elected members after the triennial elections.

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

<b>Inherent Risk : High</b> Likelihood – Likely / Probable Consequence – Major Proposed Risk Treatment: (bold those that apply) <ul style="list-style-type: none"> <li>• Avoid</li> <li>• <b>Reduce</b></li> <li>• Transfer</li> <li>• Accept</li> </ul>	<b>Current Mitigated Risk : Moderate</b> Likelihood – Possible Consequence – Moderate Planned Future Additional Risk Treatments: (bold those that apply) <ul style="list-style-type: none"> <li>• Avoid</li> <li>• <b>Reduce</b></li> <li>• Transfer</li> <li>• <b>Accept</b></li> </ul>
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<b>Future Action Plan:</b> <ul style="list-style-type: none"> <li>• Design and maintain a remuneration and reward strategy that is competitive within both Local Government and general recruitment markets.</li> </ul>
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## LEGAL AND POLITICAL ENVIRONMENT REQUIRES EXCESSIVE RESOURCES



*Risk Oversight Officer: Group Manager, Democracy and Planning*

### WHAT IS THE RISK (AND ITS CONSEQUENCES)?

The risk is that Council has limited capacity to respond in a timely and efficient way to changes in central government policies and legal requirements, which may mean unexpected costs, a risk of noncompliance, and/or a consequential reduction in service performance.

An associated risk is that Horizons Regional Council makes changes to processes that impacts this Council, which could cause increased costs or impose reputational damage, due to lack of ability to respond on Rangitikei District Council.

### HOW TO ADDRESS THE RISK?

Council continues dialogue with other local councils and stresses the potential benefits of a regional/national partnership approach to influence central government policy and legislation. This includes discussion with NZTA, LGNZ and Taituarā (SOLGM) to clarify issues that may or do impact the sector. Council keeps up to date on key submissions; reforms; and policy changes.

Adopting a no surprises and collaborative approach with Horizons Regional Council.

Council appropriately engages and communicates potential changes and the associated risks with the public.

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

<p><b>Inherent Risk : High</b></p> <p>Likelihood – Almost Certain</p> <p>Consequence – Moderate</p> <p>Proposed Risk Treatment: (bold those that apply)</p> <ul style="list-style-type: none"> <li>• Avoid</li> <li>• <b>Reduce</b></li> <li>• Transfer</li> <li>• Accept</li> </ul>	<p><b>Current Mitigated Risk : Moderate</b></p> <p>Likelihood – Likely / Probable</p> <p>Consequence – Moderate</p> <p>Planned Future Additional Risk Treatments: (bold those that apply)</p> <ul style="list-style-type: none"> <li>• Avoid</li> <li>• <b>Reduce</b></li> <li>• Transfer</li> <li>• <b>Accept</b></li> </ul>
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## CAPITAL PROGRAMME FILTERS

*Risk Oversight Officer: Group Manager, Capital Projects*



### WHAT IS THE RISK (AND ITS CONSEQUENCES)?

The risk is that Council is unable to achieve its capital works programme because of:

1. Lack of overall capacity in the market to deliver nationally and regionally
2. Lack of capacity and capability of staff to deliver capital programme
3. Lack of timely decision making on community facilities
4. Uncertainty around processing timeframes from other agencies regarding resource consents
5. The increasing dominance of larger contractors
6. The cost of delivery is higher than allocated budget (materials and land value prices greatly exceed inflation)
7. The impact of an unexpected event e.g. pandemic, natural disaster or other adverse occurrence

This situation may lead to failure of major infrastructure, failure to deliver our capital programme, reduction in investment and frustration in the community

### HOW TO ADDRESS THE RISK?

Strategies to address the risk:

1. Capital works to be prioritised, realistic and achievable
2. Ongoing forecasting of delays or potential issue
3. Strategies for staff attraction, retention
4. Efficient Project Management framework based on best practice with standard templates to achieve consistent quality of project management
5. Establish good relationships with local iwi and hapu
6. Establish relationship with the regional council and seek early feedback on project approach
7. Establish early engagement and a future programme of works with contractors
8. Establish mutually beneficial and long-lasting relationships with contractors
9. Consider alternative procurement strategies
10. Regular review of capital expenditure by ELT and reported to Council meetings
11. Project Management Office delivers project fiscal oversight
12. Major capital projects utilise external advisory boards

Transparent reporting to Council with early notice of potential	Consequence to Council				
	Insignificant	Minor	Moderate	Major	Significant
Likely / Probable				High	
Possible			Moderate		High
Unlikely					
Highly Unlikely					

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

## 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 2024-34 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 Local Water Done Well reform is maintained and fully understood.
- Ensure appropriate insurance cover is maintained.
- Ensure appropriate skills exist on Audit/Risk Committee.
- **Ensure the internal audit programme is followed and reviewed as part of the Risk and Assurance programme of work.**

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

<b>Inherent Risk : High</b>
Likelihood – Possible
Consequence – Significant
Proposed Risk Treatment: (bold those that apply)
<ul style="list-style-type: none"> <li>• Avoid</li> <li>• <b>Reduce</b></li> <li>• <b>Transfer</b></li> <li>• Accept</li> </ul>

<b>Current Mitigated Risk : Low</b>
Likelihood – Unlikely
Consequence – Moderate
Planned Future Additional Risk Treatments: (bold those that apply)
<ul style="list-style-type: none"> <li>• Avoid</li> <li>• Reduce</li> <li>• Transfer</li> <li>• <b>Accept</b></li> </ul>

#### Future Action Plan:

- **Implementing Business Partnership model so managers and Group Managers have a greater over-sight of the budget spend.**

## REGULATORY EFFECTIVENESS IS QUESTIONED

*Risk Oversight Officer: Group Manager, Regulatory Services*



### WHAT IS THE RISK (AND ITS CONSEQUENCES)?

The risk is that there are inconsistencies with how regulatory matters (e.g. building and resource consents) are dealt with, which could mean the community loses confidence in Council's processes and could have a negative impact on Council's reputation.

An additional risk is Council's ability to perform its regulatory functions within legislative timeframes.

### HOW TO ADDRESS THE RISK?

Council shall ensure there is the correct balance of facilitating pragmatic solutions and compliance with legislative requirements, Council bylaws and policies.

Ensure that Council's Building Consenting Authority (BCA):

1. Is clear on requirements and expectations for staff and applicants;
2. Has the appropriate systems and training in place.
3. Is resourced appropriately.

Council to consider common systems with neighbouring Councils and BCAs by regularly assessing its business model

Council remain abreast of future changes that impact Council's regulatory function.

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

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

## CLIMATE CHANGE RESPONSIVENESS IS INEFFECTIVE

Risk Oversight Officer: Group Manager, Democracy and Planning



### WHAT IS THE RISK (AND ITS CONSEQUENCES)?

The risk is that Council does not take sufficient steps to mitigate and respond to the impacts of climate change.

### HOW TO ADDRESS THE RISK?

Council is part of the Joint Climate Action Committee to share information and facilitate collaborative action in response to climate change. This is made up of all Councils in the Manawatu Whanganui region.

The response and mitigation of the impacts of climate change is part of the development of a Climate Impact Strategy and supporting Action Plan.

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

<b>Inherent Risk : High</b> Likelihood – Likely/Probable Consequence – Major Proposed Risk Treatment: (bold those that apply) <ul style="list-style-type: none"> <li>Avoid</li> <li><b>Reduce</b></li> <li>Transfer</li> <li>Accept</li> </ul>	<b>Current Mitigated Risk : Moderate</b> Likelihood – Possible Consequence – Moderate Planned Future Additional Risk Treatments: (bold those that apply) <ul style="list-style-type: none"> <li>Avoid</li> <li>Reduce</li> <li>Transfer</li> <li><b>Accept</b></li> </ul>
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### Future Action Plan:

- Budget for a Climate Change Strategy added into the 2025/26 budget (\$15k)

## BUSINESS CONTINUITY IS COMPROMISED

*Risk Oversight Officer: Chief Executive Officer*



### WHAT IS THE RISK (AND ITS CONSEQUENCES)?

The risk is that Council is unable to perform one or more essential services and/or statutory functions due to disruptions such as

- Cyber attacks
- Systems failure
- Natural disaster or other emergency
- Pandemic
- Loss of critical staff
- Loss of critical assets or infrastructure
- Terrorism
- Staff competencies

### HOW TO ADDRESS THE RISK?

Council has a range of protective barriers and procedures that includes (or are under development)

- Business continuity plan
- IT recovery plan
- Data protection plan
- Pandemic plan
- Staff learning and development framework
- Identification of critical positions
- Succession plans
- Partnership relationships with neighbouring Councils
- Staff policies and procedures
- The Information Systems Strategic Plan now being implemented is a key mechanism.

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

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

## OBLIGATIONS WITH HEALTH, SAFETY AND WELLBEING ARE NOT MET



*Risk Oversight Officer: Group Manager, People and Performance*

### WHAT IS THE RISK (AND ITS CONSEQUENCES)?

The risk is that staff, contractors, volunteers or visitors to RDC worksites are fatally or seriously harmed due to a hazard and/ or loss of control within the work environment. This includes harm to mental health and wellbeing.

An associated risk is damage to Council plant or property as a result of a hazard/loss of control.

RDC’s most critical hazards are those where the potential consequences (based on the worst credible scenario) remain significant, even with controls in place. Examples of critical hazards include driving, working around vehicles and machinery, working alone and violent/aggressive behaviour.

### HOW TO ADDRESS THE RISK?

The Executive Leadership Team have an unrelenting focus on the health, safety and wellbeing of staff, contractors, volunteers and visitors and are committed to establishing and maintaining a strong health and safety culture within the organisation. The CE’s commitment is visibly expressed through RDC’s Health, Safety and Wellbeing Leadership Charter.

Active employee participation frameworks are in place to encourage employee engagement and leadership in health, safety and wellbeing matters.

Risks to health, safety and wellbeing are identified. Risk control methods are in place and these are regularly reviewed and verified.

RDC has sufficient dedicated resources to deliver quality health, safety and wellbeing frameworks and practices throughout RDC.

Council has a Transformational Health Safety and Wellbeing framework that promotes excellence and leadership in the field.

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

<b>Inherent Risk : Extreme</b> Likelihood – Likely / Probable Consequence – Significant Proposed Risk Treatment: (bold those that apply) <ul style="list-style-type: none"> <li>• <b>Avoid</b></li> <li>• <b>Reduce</b></li> <li>• Transfer</li> <li>• Accept</li> </ul>	<b>Current Mitigated Risk : Moderate*</b> Likelihood – Possible Consequence – Moderate Planned Future Additional Risk Treatments: (bold those that apply) <ul style="list-style-type: none"> <li>• <b>Avoid</b></li> <li>• <b>Reduce</b></li> <li>• Transfer</li> <li>• Accept</li> </ul>	<b>Current Mitigated Risk – Critical Hazards: High**</b> Likelihood – Possible Consequence – Significant Planned Future Additional Risk Treatments: (bold those that apply) <ul style="list-style-type: none"> <li>• <b>Avoid</b></li> <li>• <b>Reduce</b></li> <li>• Transfer</li> <li>• Accept</li> </ul>
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\* based on worst credible scenario in relation mitigated hazards  
 \*\*based on worst credible scenario in relation to mitigated critical hazards

**Future Action Plan:**

- Review of Critical Risk Framework including cyclic review and improvement of risk controls and the verification of these

## CHANGES TO GOVERNMENT LEGISLATION ARE TRANSFORMATIONAL



**Risk Oversight Officer: Group Manager, Democracy and Planning**

### WHAT IS THE RISK (AND ITS CONSEQUENCES)?

The risk is that new or amended legislation, reforms, regulations or policy statements cause changes that negatively impact affordability:

1. Ratepayers' ability to pay;
2. For Council to deliver services it can afford or resource appropriately.

The speed of change and the cumulative effects may detract from achieving statutory requirements (e.g. the long-term plan) and meeting community expectations.

The change is of a magnitude that considerably impacts Council (Three Waters, Resource Management Act, Future of Local Government)

### HOW TO ADDRESS THE RISK?

Maintain active participation in LGNZ sector discussions at all levels

Ensure submissions by Council are made to Central Government policy and/or legislative amendments.

Maintain positive engagement with Local and Central Government politicians and lobby groups e.g. Federated Farmers.

Early assessment of likely impact of confirmed changes so that appropriate planning, mitigation and communication can take place.

Have plans in place to keep our community updated.

**Weekly briefings are sent to ELT to review and are standard item on the ELT agenda.**

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

<b>Inherent Risk : Extreme</b>
Likelihood – Almost Certain
Consequence – Significant
Proposed Risk Treatment: (bold those that apply)
<ul style="list-style-type: none"> <li>• Avoid</li> <li>• <b>Reduce</b></li> <li>• Transfer</li> <li>• Accept</li> </ul>

<b>Current Mitigated Risk : High</b>
Likelihood – Almost Certain
Consequence – Moderate
Planned Future Additional Risk Treatments: (bold those that apply)
<ul style="list-style-type: none"> <li>• Avoid</li> <li>• <b>Reduce</b></li> <li>• Transfer</li> <li>• <b>Accept</b></li> </ul>

<b>Future Action Plan:</b>
<ul style="list-style-type: none"> <li>• Continue lobbying</li> </ul>

## OBLIGATIONS WITH ENVIRONMENTAL PROTECTION ARE NOT MET



*Risk Oversight Officer: Chief Operating Officer (pending review/confirmation)*

### WHAT IS THE RISK (AND ITS CONSEQUENCES)?

The risk is that there is damage to the environment in the course of Council carrying out its work, and that there are substantial fines imposed on Council as a result.

### HOW TO ADDRESS THE RISK?

Council strives to minimise environmental harm by balancing network maintenance and operation within fiscal constraints. This is consistent with the Local Government sector within New Zealand.

Council works with Horizons Regional Council to prioritise capital works to effectively manage wastewater treatment plant consents.

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

<b>Inherent Risk : High</b>
Likelihood – Possible
Consequence – Significant
Proposed Risk Treatment: (bold those that apply)
<ul style="list-style-type: none"> <li>• Avoid</li> <li>• <b>Reduce</b></li> <li>• Transfer</li> <li>• Accept</li> </ul>

<b>Current Mitigated Risk : Low</b>
Likelihood – Unlikely
Consequence – Moderate
Planned Future Additional Risk Treatments: (bold those that apply)
<ul style="list-style-type: none"> <li>• Avoid</li> <li>• Reduce</li> <li>• Transfer</li> <li>• <b>Accept</b></li> </ul>



## 10.5 Internal Audit Programme

**Author:** Leanne Macdonald, Group Manager - Corporate Services

**Authoriser:** Carol Gordon, Chief Executive

### 1. Reason for Report

1.1 To provide the Committee with an update on Council's Internal Audit Programme.

### 2. Context

2.1 In March 2021 Officers drafted a formal five-year Internal Audit Programme and now provides a 'progress update' to each Risk and Assurance Committee meeting.

2.2 Since its introduction, it has become apparent that competing work demands, covid disruptions and resource constraints can cause delays in the intended timeframes for completing elements of this Programme. With the changeover of Group Manager Corporate Services (GM-CS), this has created further delays.

### 3. Discussion

3.1 The Internal Audit programme is progressing over the 2024-25 year, although not at the pace to complete all internal audits this year. Within the GM-CS first three months the programme has not received the attention needed to plan and engage the relevant subject matter experts to carry out the some of the planned audits that require an external review. This will require some planning with the relevant managers that hold the activity scheduled for the external audit/review to arrange for the appropriate people to be appointed subject to availability of resources to support the audit.

3.2 GM-CS also welcomes an opportunity to discuss the options of prioritising an additional audit and therefore adjusting 2024/25 programme of work. This could then involve an adjusted 2025/26 audit plan and the introduction of a further range on internal audits to be considered for the ongoing rolling five-year internal audit work programme.

3.1 Current plan is attached under a separate report.

### 4. Year to Date progress

4.1 Fleet Management Services has been reviewed from a point of changing needs with the shared services coming back in-house. ELT will manage the replacement and retention of some vehicles over the next two years, on a year by year basis, pending the Local Water Done Well (LWDW) implementation. Once this process is completed a further review will be carried out. In the meantime a fleet vehicle policy is being created by GM-CS.

4.2 While an external review of ethics has not taken place, an ethics conversation has taken place with the Chair of Risk and Assurance, the CE and GM-CS. The reality is that the consideration of how we behave and how we use our moral principles (ethics) in a day-to-day basis and in the way we function and implement policies and procedures demonstrates that we as an organisation implicitly and explicitly demonstrate ethical behaviour in much of what we do. It is a behaviour led from top that cannot be put in a policy or demonstrated in a tangible manner. It is much more pervasive. The fact that

staff are able to identify and report poor performance or raise concerns supports this behaviour and belief.

- 4.3 Cyber Security/IT Recovery Plans; the Committee will see in the Audit NZ Management Letter IT Recovery Plans have now evolved to business as usual, and the committee will also here from the Information Services Team on their recent award for most improve Cyber Security. However, this will remain an area for ongoing assessment and improvement.
- 4.4 Antifraud is ongoing. Fuel cards are currently being reviewed. Sensitive expenditure is reviewed at the top through the one-up signing off process. Timesheets and overtime are also reviewed by the one-up as part of the checking and signing off.
- 4.5 Consenting applications remain a work in progress.
- 4.6 Capital Programme has received a lot of internal attention this year. Finance, as part of the partnership modelled recently rolled out, meet with relevant managers/Group Managers monthly and review the programme of work as part of their financial overview. It is a work in progress, and the progress is reported across a number of platforms signalling the importance of this review. Audit NZ also review the completion of the programme against budget as part of the end of year audit.
- 4.7 Cash handling controls/processes from 2023/24; cash handling is minimal at RDC. A process and checklist was developed last year. However, a formal review has not taken place.

## 5. Future Considerations

- 5.1 The GM-CS welcomes discussion around the above-mentioned items that have yet to be completed. This also includes discussion the possibility of moving Accounts Payable and Treasury Management into 2025/26 and slotting in a GST/FBT external audit instead.
- 5.2 Discussions are ongoing with Rachael Dean from Grant Thornton who carries out several internal audits across MWLASS to assess the timeline, cost and resource requirements to meet the planned 2024/25 audits and to consider any additional audits that have been prioritised across other Councils' in the recent 12-18 months that may need to be considered by this Committee as part the future programme of work.
- 5.3 GM-CS also notes there are a couple of items requiring an overview as opposed to an external or formal review and plans to follow up with the relevant managers, to ensure they are aware of this plan and confirm they have a plan to carry out an internal review.
- 5.4 As noted in the Risk and Assurance Committee Work Programme, the Internal Audit Workplan is scheduled for discussion in March each year, with a view to being confirmed at each June Committee meeting. However, due to the delays with the replacement of GM-CS it is planned to bring recommendations for 2025/26 year plus three further years to the June 2025 meeting.

### Attachments:

1. **Internal Audit Programme 2024-25** [↓](#)

### Recommendation 1

That the report 'Internal Audit Programme' be received.

**Rangitikei District Council**  
**Internal Audit Program (subject to ongoing review)**

	21/22	22/23	23/24	24/25	25/26
Known/arising material risks	A/B ✓	A/B ✓	A/B✓	A/B✓	A/B
Health and Safety (Safeplus)	A ✓		A✓		A
Fleet management Services	A ✓			B✓	
Community Engagement (note 1)	A ✓			A	
Ethics (2)	<i>A partially done</i>			A✓	
Legislative Compliance (3)	<i>A not done</i>				A
Cyber Security/IT Recovery Plans	B/C ✓	A ✓	B✓	B✓	A
Business Continuity Plan (4)	B/C ✓		B✓		
Indirect tax evaluation	C ✓		C ✓		B
Antifraud Assessment (5)		A✓		C✓ongoing	C
Cash handling controls/processes		A/B *		B	
Statement of Service Performance (6)		A/B ✓	C✓	C	C
Consenting Applications (6)	B ✓	A/B✓	B✓	✓A WIP	B
Peer review/Councilmark	A ✓			A	
Procurement and Contract Management				A	
Elected Member effectiveness (8)			A		
Insurance Management			A/B✓		
Risk Management Framework					A/B
Digital Transformation (9)			A/B✓		
Community Wellbeing (10)			A/B		
Accounts Payable				A	
Treasury Management				A	
Complaints Handling				A/B	
Capital Program (11)				A/B✓	
Onboarding/off boarding of staff (12)					A

\* subject to resources/market availability

ITEM 10.5  
ATTACHMENT 1

## Key:

- A formal, externally review
- B structured internal review
- C overview

## Notes

1. Includes working with Iwi/other partnerships; improvements to our ongoing communication with the community
2. Evaluation of our ethics related objectives/procedures/activities etc
3. Include compliance with payroll legislation (holiday pay etc)
4. In the event of major flood/quake
5. Fuel card, credit card, sensitive expenditure, false invoices, false time sheets/overtime
6. Improvements identified?? Barriers to success??
7. Other governance arrangements
8. Year 2 of election cycle
9. Existing and future 'ways of working'
10. Homelessness, health/leisure facilities, community support
11. Including Project Management, works order management, department set up
12. including new/old staff 'getting' on/off of payroll

## 10.6 Health, Safety and Wellbeing Update

**Author:** Sharon Bennett, Group Manager - People & Performance

**Authoriser:** Carol Gordon, 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, highlights from the health, safety and wellbeing work programme and an update on contractor and volunteer health, safety and wellbeing matters.

### 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 Under the Act, the definition of worker includes employees, contractors, sub-contractors and volunteers. In the case of contractors and sub-contractors, RDC is required to take a joint PCBU approach to ensuring health, safety and wellbeing obligations are met.
- 2.3 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.
- 2.4 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 November 2024 – February 2025 are attached to this report.
- 3.1.2 The November 2024 Dashboard shows six incidents which related to the categories of anti-social behaviour, security, motor vehicle, physical harm (2 x slip-trip-fall), and minor fire.
- 3.1.3 The December 2024 Dashboard shows two incidents and two hazards. The incident categories were motor vehicle and minor fire. The hazards related to the categories of physical injury (slip-trip-fall) and abusive behaviour towards staff.
- 3.1.4 The January 2024 Dashboard shows three incidents which related to the categories of physical injury (slip-trip-fall), motor vehicle and abusive behaviour towards staff.
- 3.1.5 The February 2024 Dashboard shows three incidents and one hazard. The incident categories were motor vehicle, abusive behaviour towards staff, and antisocial behaviour. The hazard was categorised as ‘other’ and related to a biological event.
- 3.1.6 There were no serious harm (notifiable) incidents during the reporting periods.
- 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).

### **3.3 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:
- Review of physical risks and team specific risks as per the annual review cycle for the Health, Safety and Wellbeing Risk Register.
  - Appointment of new Health, Safety and Wellbeing Representatives as per RDC’s HSW Representation Framework.
- 3.3.3 Health, safety and wellbeing activities currently underway:
- Review of HSW Strategy and Workplan
  - Review of ergonomic risks as per the annual review cycle for the Health, Safety and Wellbeing Risk Register
  - Continued improvements to contractor health, safety and wellbeing processes, including improved reporting of health and matters and site safety check outcomes.
- 3.3.4 Health, safety and wellbeing activities coming soon:

- Review of psychological risks and team specific risks as per the annual review cycle for the Health, Safety and Wellbeing Risk Register.

### **3.4 Contractor Health, Safety and Wellbeing**

3.4.1 RDC's contractors fall within the definition of 'worker' under the Act and a joint PCBU approach is taken to ensure contractor health, safety and wellbeing.

3.4.2 RDC maintains processes to ensure that contractors can, and do, work safely. These processes include (among other things) contractor selection, onboarding and training, site specific safety planning, and site safety checks.

3.4.3 There are no known contractor health, safety and wellbeing issues or notifiable incidents to report for this period.

### **3.5 Volunteer Health, Safety and Wellbeing**

3.5.1 RDC's volunteers fall within the definition of 'worker' under the Act.

3.5.2 RDC maintains processes to ensure volunteer safety. These processes cover (among other things) volunteer selection, onboarding, training, site specific hazard awareness and incident reporting.

3.5.3 There are no known volunteer health, safety and wellbeing issues or notifiable incidents to report.

## **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. There are no known significant health, safety and wellbeing issues, or notifiable incidents, to report.

#### 11. Decision Making Process

11.1 This decision is considered to have low significance.

#### Attachments:

1. HSW Dashboard November 2024 [↓](#)
2. HSW Dashboard December 2024 [↓](#)
3. HSW Dashboard January 2025 [↓](#)
4. HSW Dashboard February 2025 [↓](#)
5. HSW Due Diligence Plan [↓](#)

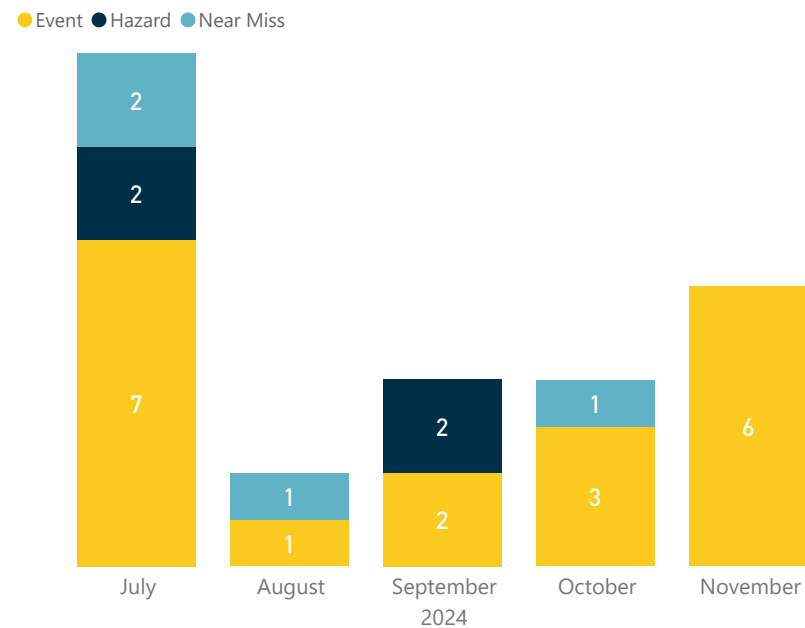
#### Recommendation

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

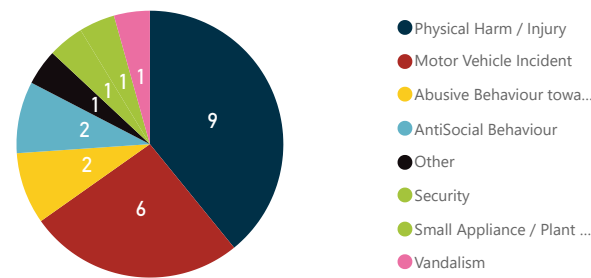


# RDC Health and Safety Dashboard November 2024

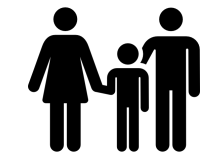
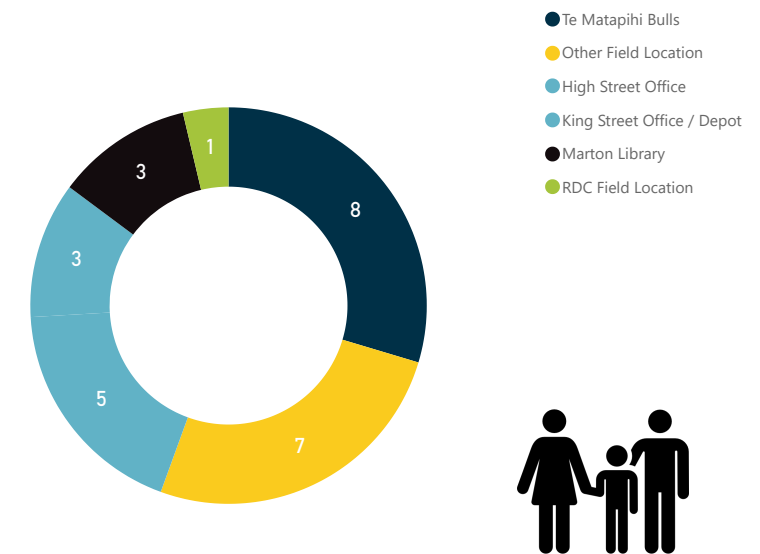
## Events, Hazards and Near Misses 01 July 2024 to date



## Event/Near Miss Category 01 July 2024 to date



## Location Events, Hazards and Near Misses



## Summary of Month

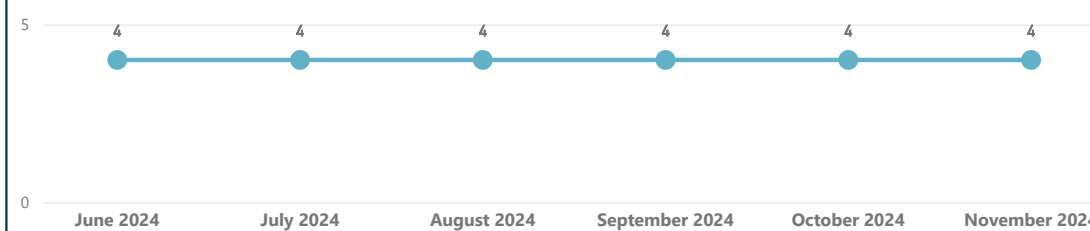
**6** Events  
**0** Notifiable Incidents  
**0** Notifiable Illness/Injuries

**0** Near Misses  
**0** Hazards

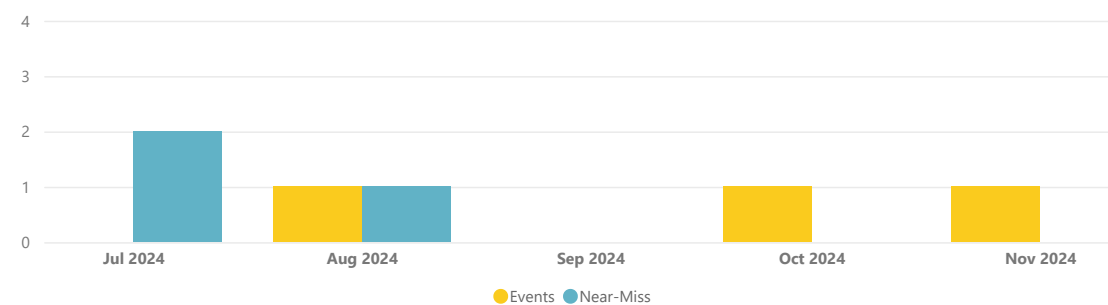
## Average Driver Ratings

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

**55%** Completed Driver Safety Training



## Vehicle Incidents



## November Wellbeing News

### Hauora Ake – Wellbeing Programme

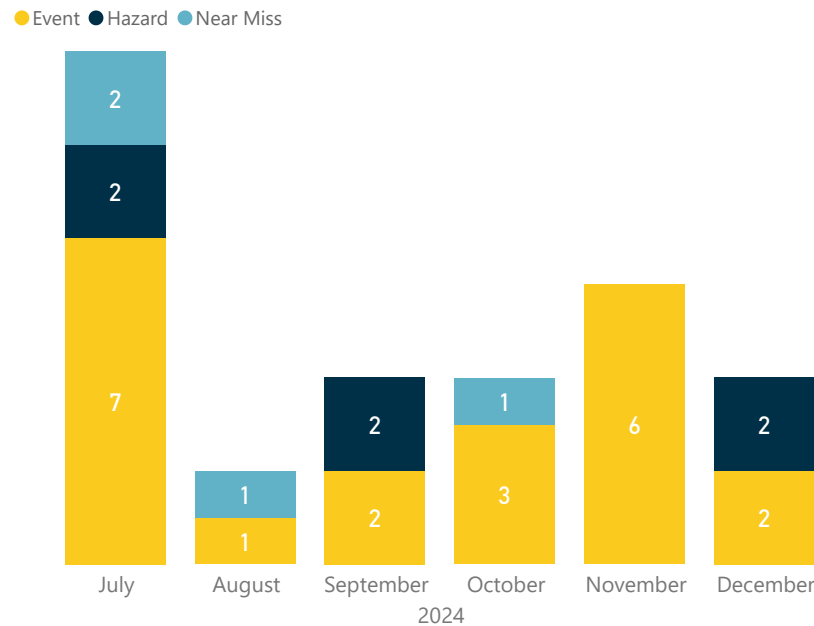
Have you looked at our Wellbeing Programme lately? It provides a wide range of options to help staff support their personal wellbeing. You can find our Wellbeing Programme in the Health, Safety and Wellbeing section of Kapua. If you have any questions or feedback please talk Sharon, Matt, Christin or Chelsea.

### Beat the heat with Hydration!

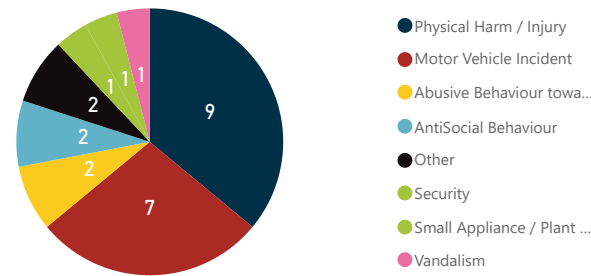
With summer now upon us, it's important to stay hydrated. It's recommended that we drink 6 – 8 glasses of water per day, more if you work outdoors. Whether you're in the office or the field, please keep a water bottle handy.

# RDC Health and Safety Dashboard December 2024

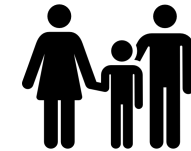
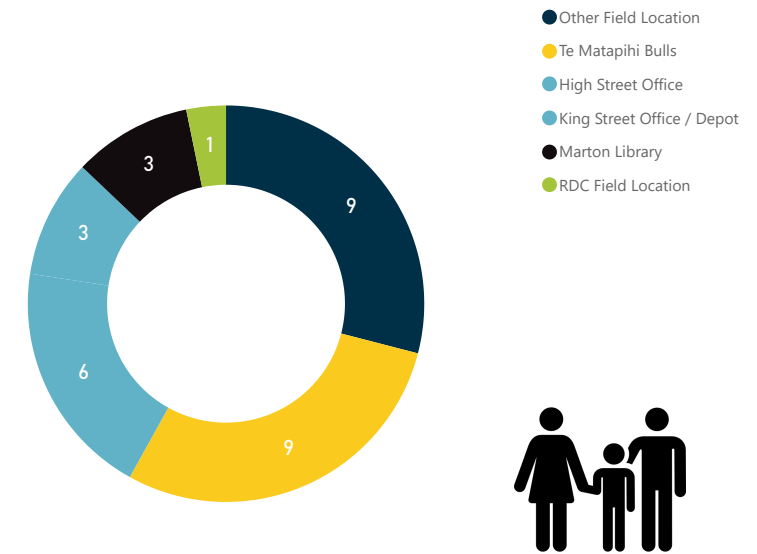
## Events, Hazards and Near Misses 01 July 2024 to date



## Event/Near Miss Category 01 July 2024 to date



## Location Events, Hazards and Near Misses



## Summary of Month

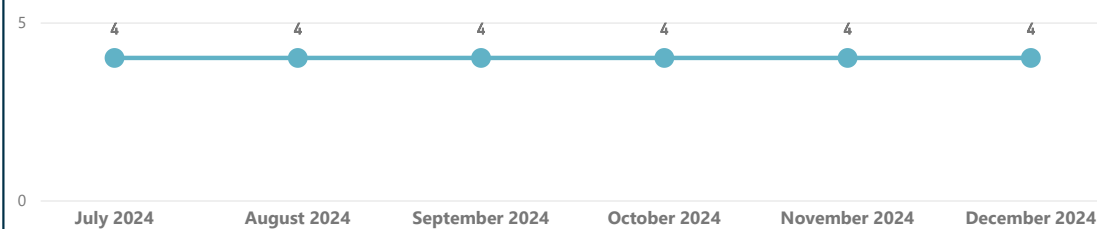
**2** Events  
**0** Notifiable Incidents  
**0** Notifiable Illness/Injuries

**0** Near Misses  
**2** Hazards

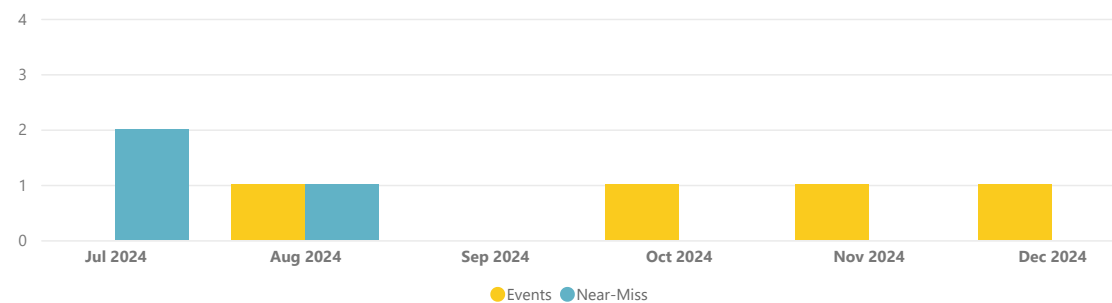
## Average Driver Ratings

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

**53%** Completed Driver Safety Training



## Vehicle Incidents



## December Wellbeing News

### Hauora Ake – Wellbeing Programme

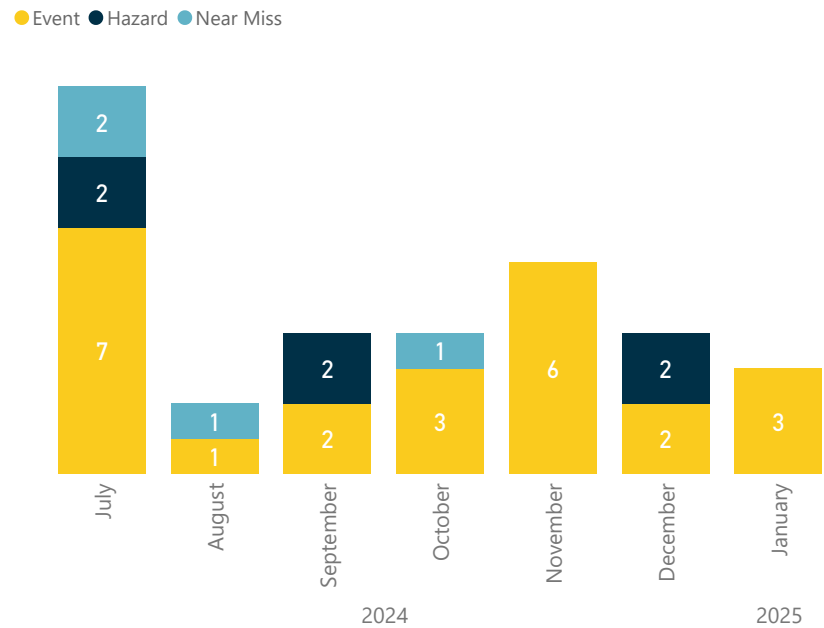
Have you looked at our Wellbeing Programme lately? It provides a wide range of options to help staff support their personal wellbeing. You can find our Wellbeing Programme in the Health, Safety and Wellbeing section of Kapua. If you have any questions or feedback please talk Sharon, Matt, Christin or Chelsea.

### Slip, Slop, Slap & Wrap

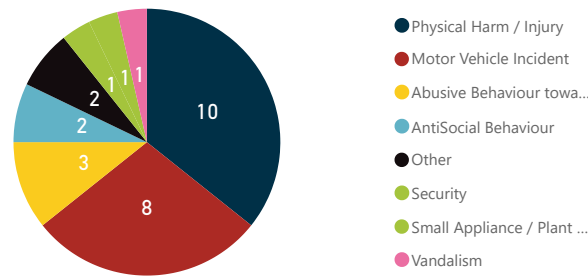
Yes it is summer, and even on these cold and windy summer days its important to remember that the sun can still damage your skin. In less than 15 minutes on sunny days, or within an hour on cloudy days you can get sunburnt, so if you working in the sun or just taking a lunch time walk please remember to Slip, Slop, Slap and Wrap.

# RDC Health and Safety Dashboard January 2025

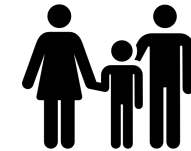
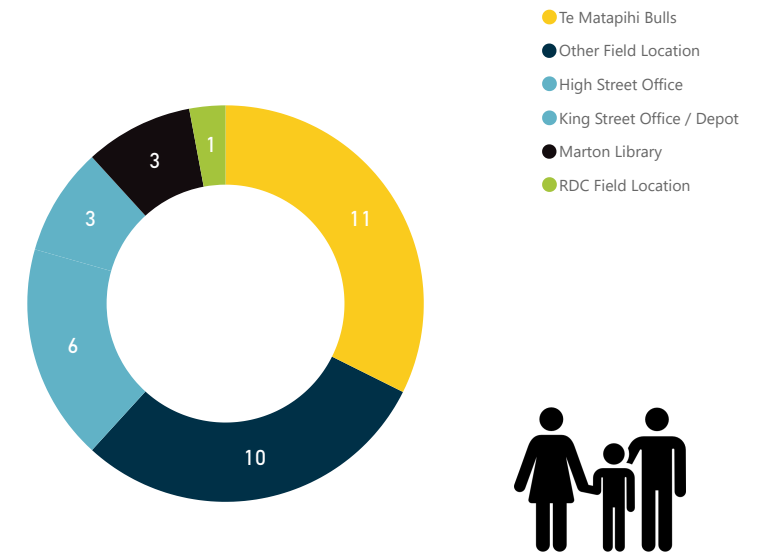
## Events, Hazards and Near Misses 01 July 2024 to date



## Event/Near Miss Category 01 July 2024 to date



## Location Events, Hazards and Near Misses



## Summary of Month

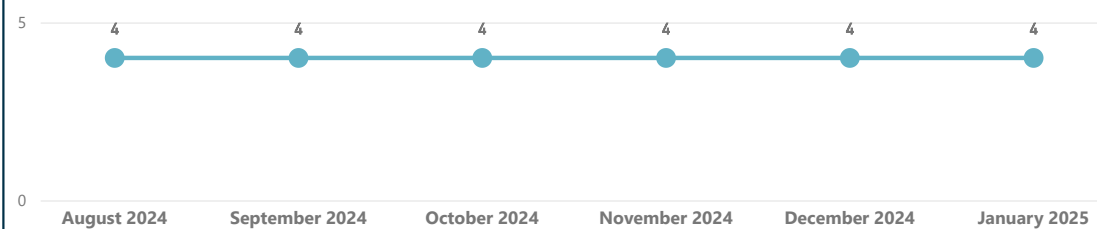
**3** Events  
**0** Notifiable Incidents  
**0** Notifiable Illness/Injuries

**0** Near Misses  
**0** Hazards

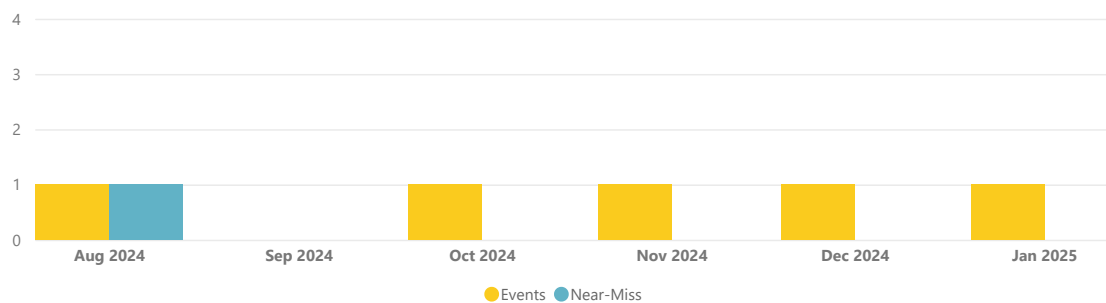
## Average Driver Ratings

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

**53%** Completed Driver Safety Training



## Vehicle Incidents



## January Wellbeing News

Welcome RDC's New Health Safety & Wellbeing Representatives

We're excited to welcome our new and continuing staff HSW Representatives.

Corporate Services – Julie Perkins

Strategy, Community & Democracy – Jarrod Calkin & Rebecca Wilkinson

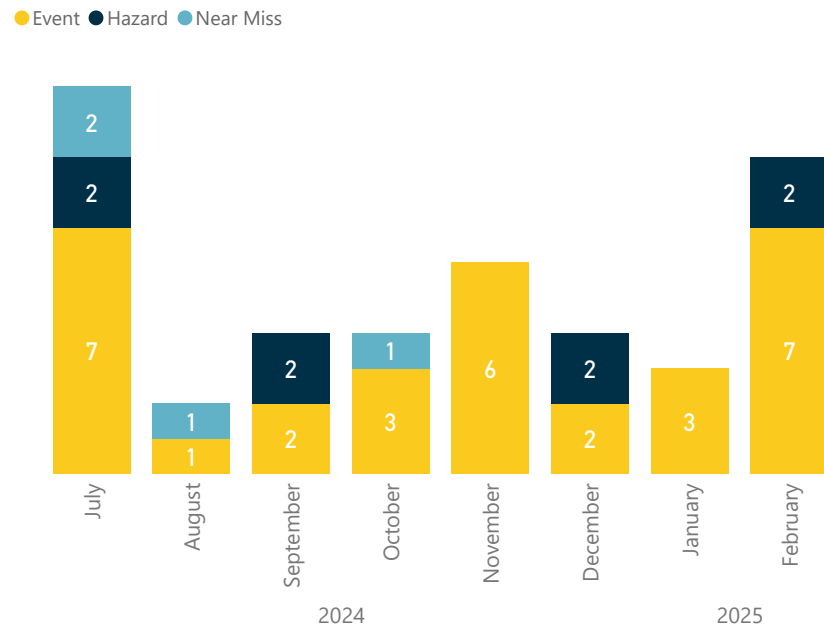
Assets, Infrastructure & Projects – Damien Trethewey / Marlene Sleep & Regan Laing

Regulatory & Emergency Management – Kim Troughton & Paul Chaffe

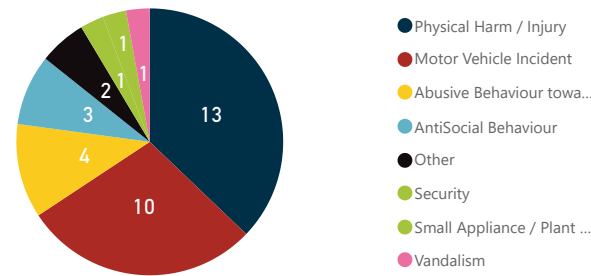
Please connect with your HSW Rep if you would like any concerns or ideas raised at the next HSW Committee Meeting. We'll also be seeking Team HSW Champions to assist communication flows between work teams and Group HSW Reps – more information coming soon. If you're interested in how HSW communication works across Council, check out our HSW Representation Framework on Kapua, or have a chat to Matt Gordon or Sharon Bennett.

# RDC Health and Safety Dashboard February 2025

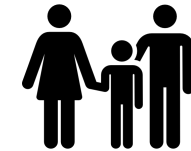
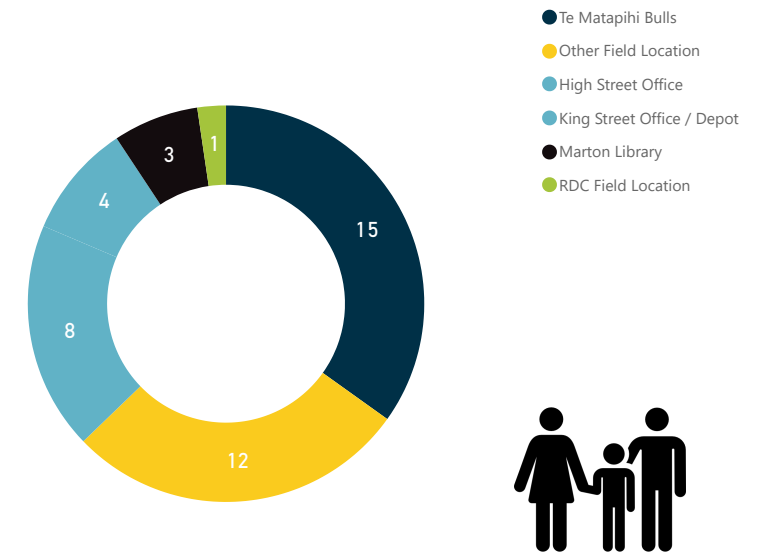
## Events, Hazards and Near Misses 01 July 2024 to date



## Event/Near Miss Category 01 July 2024 to date



## Location Events, Hazards and Near Misses



## Summary of Month

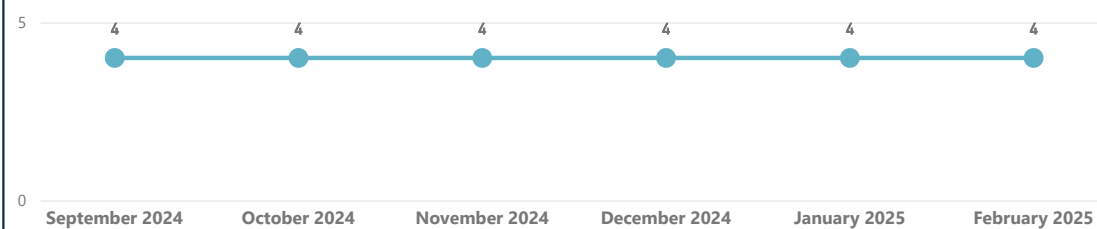
**7** Events  
**0** Notifiable Incidents  
**0** Notifiable Illness/Injuries

**0** Near Misses  
**2** Hazards

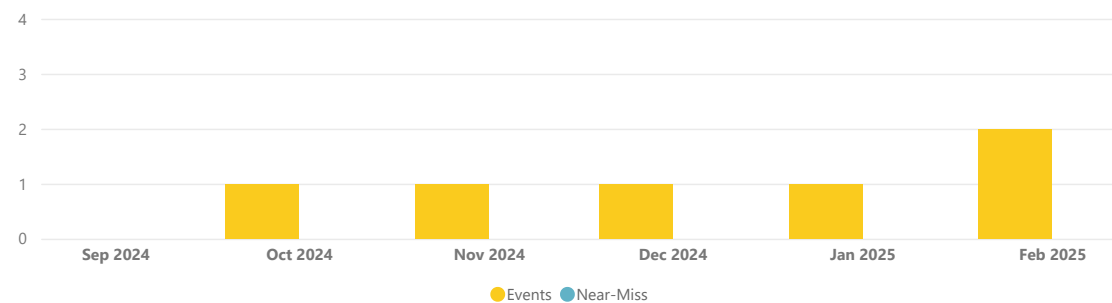
## Average Driver Ratings

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

**53%** Completed Driver Safety Training



## Vehicle Incidents



## February Wellbeing News

### Vitae – Employee Assistance Services

As part of Hauora Ake – Wellbeing Programme RDC staff have access to Vitae. These services may be accessed for any reason, whether the matter is work related or personal. Vitae provides nationwide assistance and has experienced professionals and onsite specialist that can assist with a wide range of workplace issues, relationships, financial & family problems.

The services RDC staff can access are:

- Counselling (managing conflict, coping with change, stress, grief, career transitions, relationship issues, gambling, alcohol / substance abuse, parenting, conflict, pain, trauma, anxiety, depression and more)
- Couples Counselling
- Menopause Support
- Financial Wellbeing
- Rongoa Māori

You can access Vitae by phoning their 24/7 helpline on 0508 664 981, or by emailing [assistance@vitae.co.nz](mailto:assistance@vitae.co.nz) You can check out Kapua for more information on the services available by clicking on the Health, Safety & Wellbeing link, then selecting the "Wellbeing" page.

### 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

**10.7 Protected Disclosures Update****Author:** Sharon Bennett, Group Manager - People & Performance**Authoriser:** Carol Gordon, 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.

**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 Rangitikei District Council (RDC) maintains an internal Protected Disclosures Policy and Procedure which is aligned to the requirements of the 2022 Act. The Policy was last reviewed in August 2024.
- 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.

**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 and Procedure was developed 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.

**11. Decision Making Process**

11.1 This decision is considered to have low significance.

**Recommendation**

That the report 'Protected Disclosures Update' be received

**ITEM 11.1**

## **11 Discussion Items**

### **11.1 RDC ALGIM Awards for Rangitikei District Council**

**Author:** Alex Davenport, Information Management Officer

**Authoriser:** Damian Turner-Steele, Digital Infrastructure Specialist

#### **1. Reason for Report**

1.1 Ms Davenport will present on RDC ALGIM Project of the year Award

1.2 Mr Turner-Steele will present on the RDC ALGIM most improved cyber security award.

## 12 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 - 5 December 2024
2. Fraud Reporting

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
<b>12.1 - Risk and Assurance Committee Meeting - 5 December 2024</b>	To consider the minutes relating to matters that were the subject of discussion at the 05 December meeting	S48(1)(a)
<b>12.2 - Fraud Reporting</b>	To enable discussion on sensitive information relating to staff. s7(2)(a) - Privacy	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.

## **13 Open Meeting**