

Notice is given that an ordinary meeting of the Audit and Risk Committee will be held on:

Date: Thursday 12 December 2024
Time: 1:00pm
Meeting Room: Tasman Council Chamber
Venue: 189 Queen Street, Richmond
Zoom link: <https://us02web.zoom.us/j/82322751294?pwd=WDf3aTQlw1EOeRbM2Agahasvc1ku4U.1>
Meeting ID: 823 2275 1294
Meeting Passcode: 439428

Audit and Risk Committee

Komiti Tatari me te Tuponotanga

AGENDA

MEMBERSHIP

Chairperson	Mr G McGlinn
Deputy Chairperson	Ms A Elstob
Councillors	Deputy Mayor S Bryant Councillor C Butler Mayor T King Councillor C Mackenzie Councillor T Walker

(Quorum 3 members)

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AGENDA

1 OPENING, WELCOME, KARAKIA

2 APOLOGIES AND LEAVE OF ABSENCE

Recommendation

That apologies be accepted.

3 DECLARATIONS OF INTEREST

4 LATE ITEMS

5 CONFIRMATION OF [MINUTES](#)

That the minutes of the Audit and Risk Committee meeting held on Thursday, 3 October 2024, be confirmed as a true and correct record of the meeting.

That the confidential minutes of the Audit and Risk Committee meeting held on Thursday, 3 October 2024, be confirmed as a true and correct record of the meeting.

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8 CLOSING KARAKIA

6 REPORTS

6.1 UPDATE - SEPTEMBER QUARTERLY FINANCIAL RESULTS

Information Only - No Decision Required

Report To:	Audit and Risk Committee
Meeting Date:	12 December 2024
Report Author:	Matthew McGlinchey, Financial Performance Manager
Report Authorisers:	Mike Drummond, Chief Financial Officer
Report Number:	RFNAU24-12-6

1. Summary / Te Tuhinga Whakarāpoto

- 1.1 The purpose of this report is to inform the Audit and Risk Committee about the financial pressures and associated risks currently faced by the Tasman District Council and to present the Quarterly financial report delivered to the Full Council on 7 November 2024, ensuring all Audit and Risk Committee members are aware of the current financial situation.
- 1.2 Staff are reforecasting the financial position and collecting revised budget inputs. A review of the Long-Term Plan budget is addressing financial pressures, potentially requiring service level reductions. Immediate fixes, medium-term analysis, and long-term implications are being considered. Budget adherence is expected, though challenging, with any additional deficit recovery planned over the next three years.

2. Recommendation/s / Ngā Tūhunga

That the Audit and Risk Committee

1. receives the Update - September Quarterly Financial Results Report RFNAU24-12-6.

3. History and Background

- 3.1 Since the report was tabled on 7 November 2024, staff have commenced reforecasting the Council's financial position through to the end of the current financial year (30 June 2025). Concurrently, we have been gathering revised budget inputs for the 2025/2026 and 2026/2027 financial years. The data for 2025/2026 will inform the Annual Plan for that year.
- 3.2 The financial pressure highlighted in the September 1st Quarter results necessitated a comprehensive review of the Long-Term Plan (LTP) budget figures by senior management. This review aims to present the Council with options to maintain operations within the approved fiscal envelope. There may however need to reductions in the current Levels of Service.
- 3.3 The process being undertaken has a short, medium, and long-term focus. The short-term focus involves immediate fixes, the medium-term requires further analysis to understand the

impacts of decisions, and the long-term necessitates additional work to comprehend the broader implications.

- 3.4 Budget managers are expected to work within their budgets for the 2024/25 financial year. They will also be tasked with mitigating other pressures, such as interest rate rises. Given the number of external cost drivers, it may not be feasible to remain within budget this year.
- 3.5 Any additional deficit recovery will be addressed over the next three years to ensure a financially sustainable position. This may involve agreeing to a deficit with a plan to recover it in subsequent years.

4. Attachments / Tuhinga tāpiri
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1. [1](#) RCN24-11-1 Quarterly Financial Report to Tasman District Council 7 November 2024

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7.1 QUARTERLY FINANCIAL REPORT

Information Only - No Decision Required

Report To:	Tasman District Council
Meeting Date:	7 November 2024
Report Author:	Paul Egan, Management Accounting Manager
Report Authorisers:	Mike Drummond, Chief Financial Officer
Report Number:	RCN24-11-1

1. Summary / Te Tuhinga Whakarāpoto

- 1.1 This three-monthly financial report provides an update on key financial information as at the end of September 2024.
- 1.2 This report updates actual revenues, expenditure, and the financial position for year to date, 30 September 2024.
- 1.3 In the three months to September 2024, material financial pressures on the Council for this financial year are becoming clear. The tight budgeting included in the 2024-34 Long Term plan carried a higher risk of adverse variances as it limited any discretionary spending that could be sacrificed to ensure the overall financial performance remained within budget.
- 1.4 While a full reforecast has not been able to be undertaken due to constraints with resourcing and reporting on the prior financial year, trends have been identified to bring to the Council's attention.
- 1.5 The year-to-date operating deficit on the statement of comprehensive financial performance is \$2.4 million worse than expected at this point. The controllable deficit is \$1.6 million favourable to budget year to date September 2024.
- 1.6 Financial pressures are coming from macro level factors that impact the whole organisation, and issues in particular areas. These pressures are elaborated upon in sections six and seven.
- 1.7 Treasury Policy Net debt at 30 September was \$261.7 million, compared to the target of \$279.7 million at June 2025.
- 1.8 Capital expenditure excluding Joint Ventures is \$16.4 million; 21% of revised full year budget of \$80.5 million.
- 1.9 Some expenditure, especially insurance and rates occurs and is budgeted for mainly in the first quarter of the financial year.
- 1.10 **Table 1** below provides a reconciliation of the accounting result compared to the operational position. The operational position strips out non-cash items and items that can only be used to fund capital expenditure e.g. swap revaluations, vested assets, and capital subsidies. This

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is then a proxy for running a balanced budget where operational expenditure is covered by operational income.

Table 1

Accounting Surplus v Operating Surplus, \$000's				
	YTD Actual Sep 2024	YTD Budget Sep 2024	Variance YTD \$000	Budget 2024/25
Accounting Surplus/(Deficit)	(5,515)	(3,139)	(2,376)	29,605
Less Non Controllable				
Development and financial contributions	2,317	3,685	(1,368)	14,739
Revaluation of Swaps (non cash)	0	0	(0)	1,132
Vested Assets (non cash)	0	0	0	24,720
Capital subsidies	1,708	2,984	(1,276)	11,936
Share of Associates	(586)	788	(1,374)	(3,523)
Total	3,439	7,457	(4,018)	49,004
Controllable Operational Surplus/(Deficit)	(8,954)	(10,596)	1,642	(19,399)
Explained by				
Income	48,624	43,537	5,087	168,862
Expenditure	57,578	54,133	(3,445)	188,261
Total	(8,954)	(10,596)	1,642	(19,399)

2. Recommendation/s / Ngā Tūhunga**That the Tasman District Council**

1. receives the Quarterly Financial Report for the three months to 30 September 2024; and
2. notes that there are significant cost pressures on the Council this financial year, and that Council staff are working on a mitigation plan for this, and the 2025/26 financial year.

3. Background and Discussion

- 3.1 This is the first financial report for the 2024/2025 financial year and covers financial performance for the three months to 30 September 2024.
- 3.2 Controllable operating income for September 2024 YTD is \$48.6 million. This is a YTD favourable variance of \$5 million against a September 2024 YTD budget of \$43.5 million. Receipt of the Infrastructure Holdings Limited (IHL) dividend which was declared too late for inclusion in the 2023/24 financial year results, and higher Operating Subsidies are the key drivers.
- 3.3 Controllable operating expenditure for September 2024 YTD is \$57.6 million. This is an unfavourable variance of \$3.4 million on the September 2024 YTD budget of \$54.1 million.

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3.4 There are considerable financial pressures that will be discussed in Sections seven and eight.

4. Statement of Comprehensive Revenue and Expense**Table 2**

Statement of Comprehensive Revenue and Expense, \$'000's For the year to September 2024						
	YTD Actual Sep 2024	YTD Budget Sep 2024	Variance YTD	YTD Actual % of FY Budget	Annual Plan Budget 2024/25	Total Budget 2024/25
REVENUE						
General rates	14,636	14,688	(52)	25%	58,752	58,752
Targeted rates	12,963	12,706	257	25%	51,573	51,573
Development and financial contributions	2,317	3,685	(1,368)	16%	14,739	14,739
Operating subsidies and grants	4,507	2,814	1,693	40%	12,183	11,280
Capital subsidies and grants	1,708	2,984	(1,276)	14%	11,403	11,936
Fees and charges	6,555	5,706	849	28%	23,217	23,217
Other revenue	9,243	7,291	1,952	20%	47,288	47,288
Fair value gain on revaluation	0	0	0	0%	1,132	1,132
Other gains	0	100	(100)	0%	400	400
Finance income	720	232	488	67%	1,036	1,072
Revenue of joint operations	0	0	0	0%	7,128	7,128
Revenue of joint ventures	0	0	0	0%	0	0
Share of associates surplus/deficit	0	(788)	(788)	0%	3,150	3,150
Total revenue	52,649	50,994	1,655	23%	232,001	231,667
EXPENSE						
Finance expense	4,644	3,174	(1,470)	37%	11,003	12,696
Employee related expense	10,548	10,736	188	26%	41,131	41,131
Other expenses	20,279	21,723	1,444	33%	58,657	61,386
Maintenance	10,241	7,271	(2,970)	38%	27,163	27,163
Depreciation and amortisation	11,866	11,229	(637)	26%	45,885	45,885
Expenditure of joint operations	586	0	(586)	4%	(15,458)	(13,801)
Total expense	58,164	54,133	(4,031)	29%	(199,297)	(202,062)
Surplus/(deficit) before taxation	(5,515)	(3,139)	(2,376)	-19%	32,704	29,605
Income tax expense	0	0	0		0	0
Surplus/(deficit) after tax	(5,515)	(3,139)	(2,376)	-19%	32,704	29,605
Total other comprehensive revenue and expense	0	0	0		0	0
Total comprehensive revenue and expense	(5,515)	(3,139)	(2,376)	-19%	32,704	29,605
TOTAL OPERATING SURPLUS (as above)	(5,515)	(3,139)	(2,376)	-19%	32,704	29,605
Less Non-Controllable Activities						
Development and financial contributions	2,317	3,685	(1,368)	16%	14,739	14,739
Capital subsidies	1,708	2,984	(1,276)	14%	11,403	11,936
Vested assets	0	0	0	0%	24,720	24,720
Fair value movement on revaluation	0	0	0	0%	1,132	1,132
Share of JV & associates surplus/deficit	(586)	788	(1,374)	17%	(5,180)	(3,523)
Total Non-Controllable Activities	3,439	7,457	(4,018)	7%	46,814	49,004
Total controllable surplus/deficit	(8,954)	(10,596)	1,642	46%	(14,110)	(19,399)
Explained by						
Income	48,624	43,537	5,087	29%	169,729	168,862
Expenditure	57,578	54,133	(3,445)	31%	183,839	188,261
Total	(8,954)	(10,596)	1,642	46%	(14,110)	(19,399)

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Statement of Financial Position			
For the year to September 2024, \$'000's			
	YTD Actual Sep 2024	Total Budget 2024/25	Commentary
CURRENT ASSETS			
Cash and cash equivalents	5,999	17,888	
Trade and other receivables	24,791	16,426	Rates receivables \$2.45m, similar to LYTD
Other financial assets	30,228	4,972	Pre-funding Term deposits \$30.1m
Non current assets held for resale	0	0	
Total current assets	61,018	39,286	
CURRENT LIABILITIES			
Trade and other payables	36,649	27,646	Rates in Advance \$17m
Employee benefit liabilities	4,829	4,352	Annual Leave \$3.8m vs 3.6m LYTD
Current portion of borrowings	21,503	34,003	
Current portion of derivative financial instruments	0	(573)	
Total current liabilities	62,981	65,428	
Working capital	(1,963)	(26,142)	
NON CURRENT ASSETS			
Investments in associates	211,303	205,576	Includes IHL, TBHT
Other financial assets	63,425	52,454	Include WWL, NRSBU, NTRLBU
Intangible assets	5,078	4,994	ETS credits
Forestry assets	22,859	32,229	Lower due to harvesting, ETS, and prices
Investment property	6,190	6,846	Includes Mapua precinct, 183 Queen St
Property, plant and equipment	2,355,382	2,490,500	
Total non current assets	2,664,237	2,792,599	
NON CURRENT LIABILITIES			
Term borrowings	340,185	328,936	
Derivative financial instruments	1,843	(702)	Interest rate swaps
Employee benefit liabilities	0	0	
Provisions	3,233	3,429	Landfill closure provisions
Total non current liabilities	345,261	331,663	
Total net assets	2,317,013	2,434,794	
EQUITY			
Accumulated equity	894,387	930,711	
Restricted reserves	37,214	20,121	
Revaluation reserves	1,385,412	1,483,962	
Total equity	2,317,013	2,434,794	

6. Financial Pressures

6.1 The Council is facing several significant financial pressures that are a result of both macroeconomic and others, particular to the Council.

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- 6.2 Net finance expenses (interest costs) are \$982,000 over budget for the quarter, 34% of the full year budget. If this continues then Net Finance expenses are likely to be approximately \$3.1 million over budget for the year. Part of this is influenced by declines in interest rates being less, and later than expected. Work is continuing with our Treasury Advisors, PWC, to understand the drivers of the variance.
- 6.3 Sector inflation has been higher for some items than allowed for in the budget modelling assumptions. Accepted practice has been to use inflation rates obtained from an economic consultancy that provides a specialist set of inflation rates for local government. These have not been sufficient for some categories of cost, especially maintenance and operations contracting costs.
- 6.4 Insurance costs are higher this year, and while not all costs have been advised yet, they are expected to be approximately 17% higher this year, drivers include the increasing value of the assets and difficulties obtaining full cover for public liability and professional indemnity.
- 6.5 Maintenance costs are tracking at 38% of full year budget 25% of the way into the year. This is a result of a combination of some seasonal work that occurred predominately in the first quarter but is mainly due to insufficient budget to cover higher cost escalations, and growth. Additionally, some items were inadvertently reduced/removed in the budget prioritisation process. New Zealand Transport Agency (NZTA) funding notified August 2024 is less than the LTP budget which was approved in June 2024.

7. Activity Commentary**Transportation**

- 7.1 As mentioned above, transportation is impacted by higher maintenance costs than budgeted together with lower NZTA funding. Additionally, insufficient allowance was made for some items through the budget prioritisation process, which will necessitate further prioritisation this year.
- 7.2 The major cost pressure in this area year to date is maintenance which is tracking at 35.6% for full year budget 25% of the way through the year – some of this is seasonal, some has other causes.
- 7.3 Routine Drainage Maintenance is at 53% of full year budget – mostly programmed early in the year, this work will drop back and is expected to end the year on budget.
- 7.4 General Road Maintenance works at 32% of full year budget have been a programme focus early in the year and are expected to end the year on budget.
- 7.5 Environmental Maintenance including landslips and protecting against them is at 44% of full year budget. Current management estimates expect this budget to be overspent at year end.
- 7.6 Inflation related pressures lead to contract escalations for maintenance and operations contracts being higher than allowed for in the budget.
- 7.7 Insufficient allowance was made in this year's budget for several items including:

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- 7.7.1 Database and Asset Management is 130% over full year budget in the first quarter but will be offset by under-expenditure elsewhere.
- 7.7.2 Landscape maintenance was under budgeted by \$150,000 for the full year.
- 7.7.3 Street cleaning and litter bin servicing costs were under budgeted \$230,000.
- 7.8 NZTA funding budgets for Tasman District Council determined by NZTA in August 2024, were less than budgeted in the LTP by \$716,000. This was presented to the Council at the meeting on 24 October 2024, with direction that the locally funded share of expenditure budgeted can continue, but the portion of expenditure not funded by NZTA should not occur.
- 7.9 Responses being considered to higher than budgeted maintenance costs are to:
- 7.9.1 Revise the growth in asset network to be included in 2025/26 annual plan.
- 7.9.2 Revise the timing of contractual escalations to better align with budget approval timing.
- 7.9.3 Prioritise work and expenditure commitments where contractual flexibility allow.

Water Supply

- 7.10 The major cost pressure in this area year to date is maintenance expense which is tracking at 39% for full year budget 25% of the way through the year. Routine maintenance costs, in particular sampling and monitoring, were not fully funded and a deliberate decision was made to reduce reactive maintenance budgets to reduce rates. Other Operations' expenses had issues, but not to the same extent.
- 7.11 Some of these pressures are seasonal, with work being undertaken early in the financial year, some are inflation related, and some are where insufficient allowance was made in the budget. Through the Council LTP process some budgets especially in reactive maintenance were reduced. This position carried with it an element of risk in being able to stay within budget.
- 7.12 Impacted areas (excluding Waimea Community Dam) related costs include:
- 7.12.1 Reactive Maintenance at 39% of full year budget – there is a higher incidence of this in the winter months and is expected to end the year on budget. Pipe failures – asbestos cement and “blue brute” PVC pipes continue to be high due to a lagging renewal programme. New requirements to comply with the water regulator Taumata Arowai standards are leading to an increase in reactive work for water quality issues and reservoirs.
- 7.12.2 Routine Maintenance works at 41% of full year budget have not been sufficiently allowed for in the budget and are expected to end the year approximately \$400,000 over budget. A significant part of these unbudgeted costs is for mandatory sampling and monitoring to meet the new drinking water standards.
- 7.12.3 The Drinking Water Quality Assurance Rules 2022 were implemented from 1 January 2023. These replaced the previous Drinking Water Standards for New Zealand. The Rules introduced a range of increased minimum monitoring

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requirements and at the same time, the Water Services Act (replacing the Health Act) has elevated the expectations on water suppliers to manage risk. The combined result has been the need to increase monitoring and risk management effort.

- 7.13 Inflation related pressures lead to contract escalations for maintenance and operations contracts being higher than allowed for in the budget. The work programme, total out-turn costs, and rate escalations are agreed with the alliance contractor after the budgets are set.
- 7.14 Insufficient allowance was made in this year's budget for a number of items including:
- 7.14.1 Reactive maintenance – reticulation (water leaks), treatment plant (aeration towers) and reservoirs, however the reservoirs cost (\$25,000) were a once off to remove trees threatening to fall onto the Stagecoach Rd reservoirs.
 - 7.14.2 Routine maintenance - reticulation - sampling of network around \$400,000, sampling to new standards for treatment plants and reservoirs.
- 7.15 Responses being considered to higher than budgeted maintenance costs are to:
- 7.15.1 Revise the growth in asset network to be included in 2025/26 annual plan.
 - 7.15.2 Revise the timing of contractual escalations to better align with budget approval timing.
 - 7.15.3 Prioritise work and expenditure commitments where contractual flexibility allows.
 - 7.15.4 The Council to approve reductions to levels of service to cut costs. The Council needs to be specific as to what routine maintenance activities will be cut to reduce costs with the understanding that this will lead to non-compliance and possibly prosecutions and fines. Under the new legislation there is a personal liability for non-compliance and contamination events.

Wastewater

- 7.16 Wastewater is a District-wide activity. The major cost pressure in this area year to date is maintenance expense which is tracking at 32% for full year budget 25% of the way through the year. Other Operations expenses are tracking on budget YTD.
- 7.17 Some of these pressures are inflation related, and some are where insufficient allowance was made in the budget due to the risk position the Council took in accepting a reduction in reactive maintenance budgets.
- 7.18 Impacted areas costs include:
- 7.18.1 Reactive Maintenance at 28% of full year budget
 - 7.18.2 Routine Maintenance works at 34% of full year budget have not been sufficiently allowed for in the budget.
- 7.19 Routine maintenance work has had a year to date spend of \$364,000 versus a budget of \$183,000 an overspend of \$116,000.
- 7.19.1 Of that overspend, \$83,000 has been related to the Tākaka Wastewater Treatment Plant (WWTP), servicing pumps and replacing filter fabrics.

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- 7.19.2 Other areas of extra cost include higher sampling in Tākaka and maintaining the Motueka WWTP, in particular the membrane filtration.

Waste Management and Minimisation

- 7.20 Waste Management and Waste Minimisation are District-wide activities, each operating as closed accounts. Waste management is largely funded by fees and charges, local disposal levy from the landfill business unit and a smaller amount of general rate. Waste Minimisation is fully funded by the New Zealand Waste Disposal Levy.
- 7.21 The Kerbside activity provides recycling, and user pays rubbish collection services to 80% of properties in the District. The activity is funded by a targeted rate.
- 7.22 The major cost pressure in the Waste Management area year to date is operations and routine and reactive maintenance expenses, which are tracking 12% above budget. Landfill disposal and transport expenses are significantly below budget (70% of budget), but these expenses are accompanied by lower income, particularly at Richmond (57% of budget), with a net adverse variance. Illegal dumping activity is also tracking significantly above budget.
- 7.23 Waste Minimisation is tracking favourably against budget. Income from the New Zealand Waste Disposal Levy is tracking above forecast and net expenses are tracking below or on budget.
- 7.24 Expenses in the Kerbside recycling and rubbish collection activity are tracking 20% above budget, driven by contractual costs growing greater than inflation, property growth greater than forecast and an error in budgeting for operation of the Materials Recovery Facility (MRF).

Reserves and Facilities

- 7.25 The Reserves area encompasses Parks and Reserves, Community Housing, Community Facilities, and Special Purposes Committees.
- 7.26 The major cost pressure in this area is maintenance expenses, particularly in Parks and Reserves and Community Facilities. Other expenses in these areas are tracking materially in line with budget.
- 7.27 Parks and Reserves has growth in the number of assets being maintained in the District, combined with rising cost inflation pressures on contractors that are passed through to the Council. These exceed the growth allowances made in the budget, with the quantum of contractual cost rate escalations not being confirmed until after the budget was approved.
- 7.28 Parks and Reserves maintenance expenditure is currently \$220,000 over YTD budget, 28% of full year expenditure. While there are some seasonal factors as to when work is done, such as turf renovations, maintenance expenditure is expected to end the financial year over budget by approximately \$440,000.
- 7.29 Community Facilities maintenance expenditure is also higher than expected at 36% of full year budget, \$271,000 over budget. This is expected to be over budget by this amount at year end.

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- 7.30 Both Parks and Reserves and Community Facilities have significant rates and insurance costs early in the year forming a significant amount of their annual Other Expenditure.
- 7.31 Responses being considered to higher than budgeted maintenance costs are to:
- 7.31.1 Revise the growth in asset network to be included in 2025/26 annual plan.
 - 7.31.2 Revise the timing of contractual escalations to better align with budget approval timing.
 - 7.31.3 Prioritise work and expenditure commitments where contractual flexibility allows.

Building Assurance

- 7.32 Building Assurance activities ran at a deficit last financial year with the drop in new dwelling building consent applications contributing to a revenue drop that left the activity underfunded.
- 7.33 This September year to date the activity is in surplus, and if this continues will have it on track to navigate the lower revenue holiday period, make sufficient surplus to recover the budgeted portion of last year's deficit and finish on budget overall.
- 7.34 Reasons for this are an increase in volumes in the first quarter, the increase to fees and charges, and changes to the level of staffing in the activity.
- 7.35 New dwelling building consent applications (excluding amendments) are 78 for the YTD September, versus 59 for the same period last year

Service and Strategy

- 7.36 Services and Strategy have an unfavourable variance of \$114,000 YTD September in employee expenditure - due to higher than budgeted role occupancy.
- 7.37 The major expenditure item budgeted in Services and Strategy this year is the potential grant funding for the regional Museum storage facility. This is loan funded and including the \$1.032 million carry over from last year, has a full year budget of \$3.172 million.

Information Services

- 7.38 Information Services is at 28.5% of its Other Expenses full year budget. This is due to licencing fees expense for several core applications that are paid annually falling in the first quarter. Digital Innovation Programme costs are ramping up as the CRM project progresses – this expenditure is deemed operating expenditure under current financial reporting standards, and is loan funded. If the current level of DIP expenditure continues this expenditure will end the year over-budget, a turning point from prior years where there was a carry forward of unexpended budget.

8. Net Debt

- 8.1 Treasury Policy Net Debt is \$261.7 million as at 30 September 2024, compared to a full-year budget of \$279.7million. The increase from an opening Net Debt of \$247.8 million is due to the funding of capital expenditure during the first three months of the year. The quarterly



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rates' take impacts on cash flow movements and, therefore, Net Debt. (Net Debt is gross debt less cash on hand and other liquid financial assets).

8.1.1 Opening Net Debt 1 July 2024 \$247.8 million

8.1.2 Net Debt 30 September 2024 \$261.7 million

8.1.3 Net Debt June 2025 per 2024/25 Annual Plan \$279.7 million

9. Capital Expenditure Analysis

Table 4

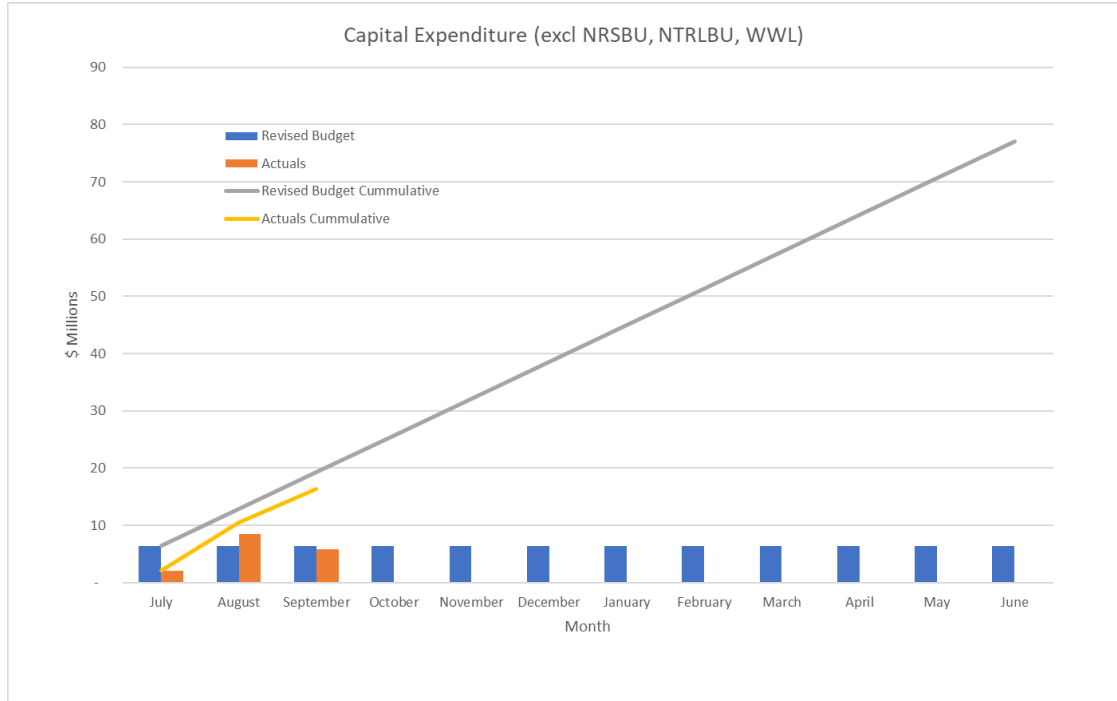
Department	YTD Actuals	2024/25 Annual Plan Budget	Carry Forward from 2023/24	2024/25 Full Year Budget	Changes approved this year	Revised 2024/25 Full Year Budget	2023/24 Full Year Actuals
Environmental Assurance	169,969	263,777		263,777		263,777	15,686
Community Infrastructure	13,092,112	73,757,469	3,566,478	77,323,947	(7,354,221)	69,969,726	83,038,178
Service and Strategy	135,783	349,170		349,170		349,170	445,275
Information, Science & Technology	195,524	4,283,881		4,429,480		4,429,480	3,915,226
Enterprise Portfolio	2,459,743	7,964,338		8,318,509		8,318,509	13,433,592
Council Operations	0	0		0		0	52,998
Departmental Overheads	314,987	1,880,263	1,003,562	2,384,055		2,384,055	3,472,846
Total Including Joint Ventures	16,368,118	88,498,898	4,570,040	93,068,938	(7,354,221)	85,714,717	104,373,800
Joint Ventures	0	7,950,961	767,887	8,718,848		8,718,848	23,899,281
Total Excluding Joint Ventures	16,368,118	80,547,937	3,802,153	84,350,090	(7,354,221)	76,995,869	80,474,519

9.1 Overall, capital expenditure (including approved changes) is tracking at 19% of revised full year budget including Joint Ventures. Excluding Joint Ventures on a similar straight-line basis, the programme is tracking at 21% of revised full year budget.

Figure 1

November 2024

QUARTERLY FINANCIAL REPORT



9.2 At its meeting on 24 October 2024, the Council approved some changes to timing of capital expenditure in the Long-Term-Plan. These were that \$6.2 million of expenditure in future years of the Long-Term-Plan was approved to be brought forward into the 2024/25 financial year, while at the same time pushing out \$13.6 million from 2024/25 to future years. These changes are reflected in the revised budget in Table 4 above.

10. Attachments / Tuhinga tāpiri

Nil

6.2 AUDIT AND RISK COMMITTEE WORKPLAN

Information Only - No Decision Required

Report To:	Audit and Risk Committee
Meeting Date:	12 December 2024
Report Author:	Amy Clarke, Risk & Assurance Advisor; Gavin Dawson, Governance Advisor
Report Authorisers:	Deidre Hemera, Assurance and Improvement Manager; Steve Manners, Chief Operating Officer
Report Number:	RFNAU24-12-7

1. Summary / Te Tuhinga Whakarāpoto

- 1.1 A draft workplan for the Audit and Risk Committee (ARC) is attached for discussion and direction from the ARC.

2. Recommendation/s / Ngā Tūtohunga

That the Audit and Risk Committee

1. receives the Audit and Risk Committee Workplan report RFNAU24-12-7; and
2. approves the Audit and Risk Committee workplan with the requested changes.

3. Audit and Risk Committee Workplan

- 3.1 A workplan for the Audit and Risk Committee (ARC) has been requested to ensure the mandate set out in the terms of reference is achieved.
- 3.2 Direction from the ARC on the content of the workplan is essential to provide a framework for the activities of the ARC. The workplan will ensure staff understand the expectations of the ARC.
- 3.3 To facilitate discussion, a workplan (**Attachment 1**) has been drafted which reflects the terms of reference.

4. Attachments / Tuhinga tāpiri

1. [Audit and Risk Committee Proposed Workplan](#)

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	Frequency	Q1	Q2	Q3	Q4	Q1	AR	Q2
		24/25	24/25	24/25	24/25	25/26	25/26	25/26
		3-Oct-24	12-Dec-24	20-Mar-25	12-Jun-25	17-Sep-25	1-Oct-25	Dec
Internal Audit								
Review and recommend the annual internal audit plan	Annual			✓				✓
Monitor against Internal Audit Plan	Quarterly				✓	✓		✓
Monitor progress of internal audit recommendations	Quarterly	✓		✓	✓	✓		✓
External Audit								
External Audit Update	Quarterly	✓	✓	✓	✓	✓	✓	
Review and recommend the draft Annual Report	Annual	✓					✓	
Review of external auditor appointment	Ad hoc						✓	
Risk Management								
Review Risk Management Framework	Annual							✓
Support risk appetite development	Annual	✓						✓
Review risks and treatments	Quarterly	✓	✓	✓	✓	✓		✓
Annual review of BCPs	Annual			✓				
Review approach for risk management for significant projects, programmes and procurements	Ad hoc							
Health and Safety								
Review key risks	Quarterly		✓	✓	✓	✓		✓
Review H&S approach	Annual			✓				
Monitor compliance with legislation, regulations, policies etc	Quarterly		✓	✓	✓	✓		✓
Monitor workplace health, safety and environment key targets	Quarterly		✓	✓	✓	✓		✓
Governance								
Monitor LGOIMA compliance	Quarterly	✓	✓	✓	✓	✓		✓
Review privacy controls	6-monthly		✓		✓			✓
Review cybersecurity controls	6-monthly	✓		✓		✓		✓
Monitor Office of the Ombudsman and OAG investigations	Quarterly	✓	✓	✓	✓	✓		✓
Monitor performance related to high priority complaints	Quarterly	✓	✓	✓	✓	✓		✓
Integrity and investigations								
Annual review of whistleblower procedures	Annual			✓				
Review of anti bribery and fraud activities	Annual				✓			
Review and monitoring of conflicts of interest activities	6-monthly	✓		✓		✓		
Review and monitoring of sensitive expenditure policy and procedures	Annual			✓				
Review and monitor legal proceedings	Quarterly	✓						

6.3 HEALTH, SAFETY AND WELLBEING REPORT

Information Only - No Decision Required

Report To:	Audit and Risk Committee
Meeting Date:	12 December 2024
Report Author:	Karen Harper, Team Leader - Health and Safety
Report Authorisers:	Deidre Hemera, Assurance and Improvement Manager; Steve Manners, Chief Operating Officer
Report Number:	RFNAU24-12-8

1. Purpose

- 1.1 The purpose of this report is to provide the Audit and Risk Committee with a report on health and safety activities for Q1, covering the period July to September 2024 and to update the Committee on key health and safety risks, including controls and treatments.

2. Summary / Te Tuhinga Whakarāpoto

- 2.1 The health and safety programme continues to be developed and strengthened through the ongoing refinement of processes, procedures, risk management, and collaboration between Council staff. This will be strengthened by the appointment of a full-time Health and Safety Advisor from January 2025.
- 2.2 Regional collaboration between the Tasman District Council, Nelson City Council and Marlborough District Council is ongoing in the development of a tailored de-escalation programme for each council, utilising shared resources (Top of the South Good Drills Programme).
- 2.3 An action plan has been established from the Reimagining Health and Safety initiative for the Council. There is a focus on location compliance certification and the continued improvement and awareness of asbestos management, contractor prequalification processes, reviewing the reporting capabilities of Damstra to enhance the extraction of information, allowing for clearer insights into year-on-year trends and risks consolidated in one centralised database.

3. Recommendations / Ngā Tūhunga

That the Audit and Risk Committee

1. receives the Health and Safety report RFNAU24-12-8.

4. Quarter One Health and Safety Dashboard

- 4.1 The dashboard contains health and safety priorities and progress, lead indicators, summary of events and corrective actions.

5. Other Matters

Appointment of the Health and Safety Advisor

- 5.1 The Health and Safety Advisor role has now been filled. The successful applicant is currently in a fixed term contract within the Tasman District Council. They will be gradually integrated into the team and will transition to a permanent full-time role in January 2025.

Top of the South - Co-Design Good Drills Programme

- 5.2 The health and safety team leader is working closely with Marlborough District Council and Nelson City Council to develop a tailored de-escalation program for each council, utilising shared materials and resources. We have the endorsement of the three Chief Executives from each council and are under the guidance from QRisk in designing the Goods Drill Programme. Previously this was outsourced to an external provider. We are developing our own training programme which will be delivered by our own staff across the organisation.

Contractor Health and Safety Prequalification

- 5.3 The process to ensure the suitability of contractors continues through reviewing contractor documentation. This gives us greater assurances that they have robust health and safety systems in place and that they have the capabilities to manage the health and safety risks for any given service or project, that they provide

Location Compliance Certification and Asbestos Management

- 5.4 There is a focus on location compliance certification and the continued improvement and awareness of asbestos management by Council. This has resulted in a better understanding of asbestos impacted assets and the updating of the asbestos register to improve asbestos management.

Reimagining Health and Safety

- 5.5 To provide leadership and policy in discharging its health and safety management governance responsibilities by:
- 5.5.1 monitoring the implementation, effectiveness and consistency of health and safety systems, including hazard and risk management, and worker participation engagement
 - 5.5.2 reviewing performance of the health and safety systems and policies and recommending to the Council any necessary changes; and
 - 5.5.3 providing guidance to the organisation in relation to health and safety legislative and organisational compliance. Refer to action plan attached.

6. Reporting

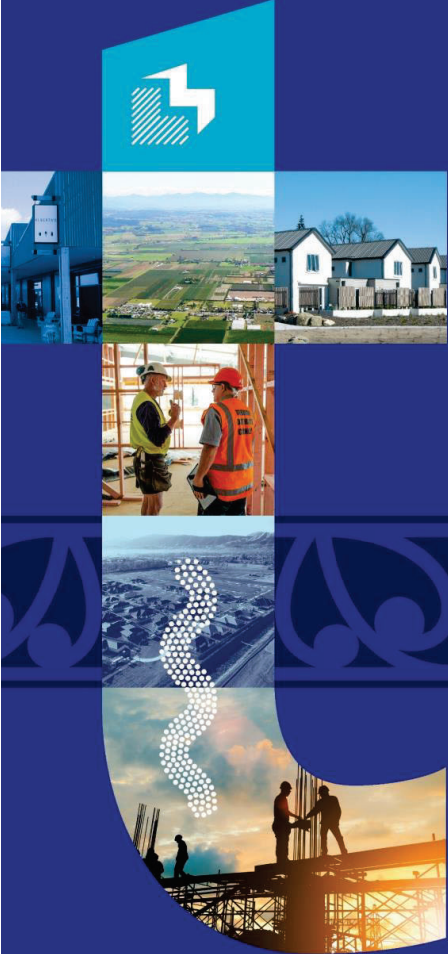
Damstra system – Health and Safety Reporting System

- 6.1 We are working on enhancing the use of Damstra's features to report on both leading and lagging indicators. This will help us gain valuable insights into what is functioning effectively and what areas need improvement. reports can be extracted from Damstra more useful data representation through relevant graphs to illustrate events, progress and trends month on month and year on year.

7. Attachments / Tuhinga tāpiri

7.1 [↓](#) Health and Safety Dashboard Q1 2024


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HEALTH AND SAFETY DASHBOARD

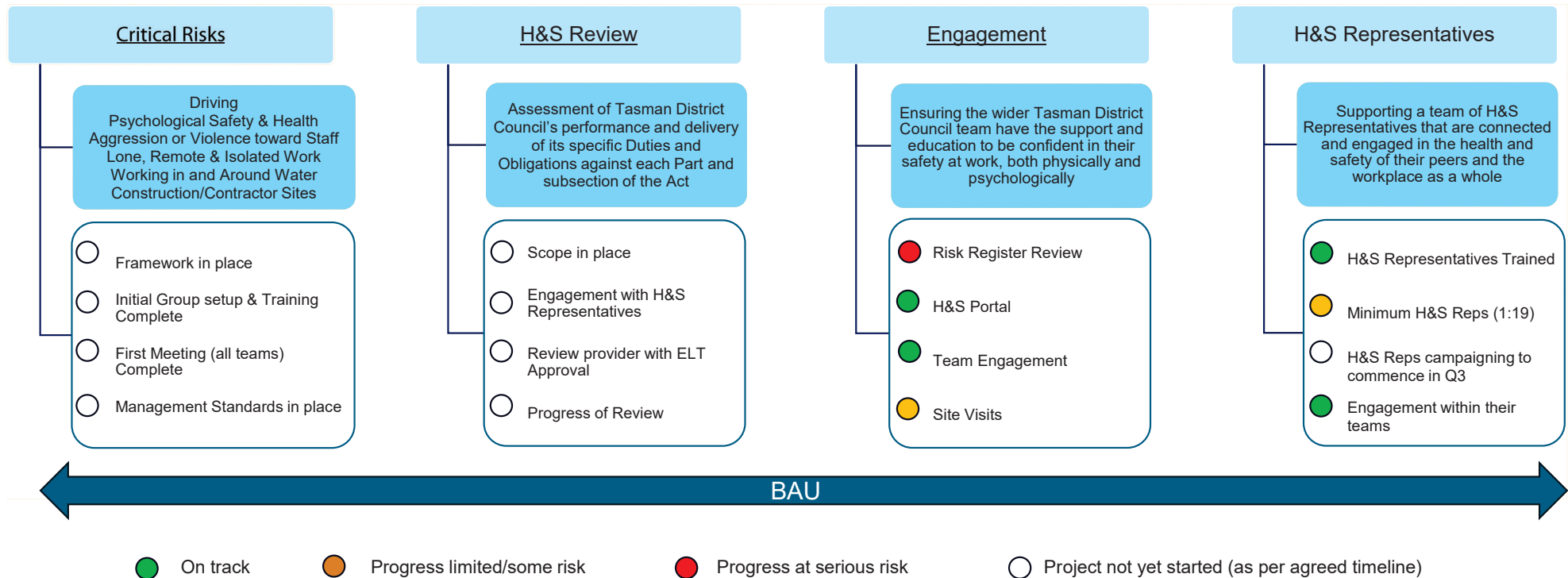
December 2024
Q1

Thriving and resilient Tasman communities



tasman
district council | Te Kaunihera o
te tai o Aorere

Health and Safety Team Priorities: Progress update



Thriving and resilient Tasman communities

H&S – Lead Indicators – Q1, 01/07/2024 to 30/9/2024

Lead Indicators are proactive and preventive measures that identify the work being done within the organisation to mitigate risks before they become an issue or cause harm to our workers or our customers.

Near Miss Reporting	Safety Observations	Health and Safety Meetings	Health & Safety Events
4 Near misses inform our processes and initiate solutions before a more serious one occurs	6 Proactive Safety Observations and encouraging engagement	H&S Reps Meeting Health, Safety and Wellbeing Committee	NZ Shakeout Breast Cancer Foundation

Training (External Providers)	
Advanced Driver	4
4WD	2
Traffic Management Inspector	10
Traffic Management Plan	1
First Aid Essential	3
First Aid Refresher	7
Child Protection	3
Stage 3 Health & Safety Rep	1
First Aid Outdoor	4
Fall Arrest Systems Refresher	9
One Forty One	20
Tasman Pine Forest Ltd	2

Workstation Health Checks
4 Proactive assessments of employees' workstations were undertaken to identify any potential ergonomic issues in their current setup.

Health & Safety Representatives
Total Reps: 8
HSR Stage 1 trained 6
HSR Stage 2 trained 3
HSR Stage 3 trained 1

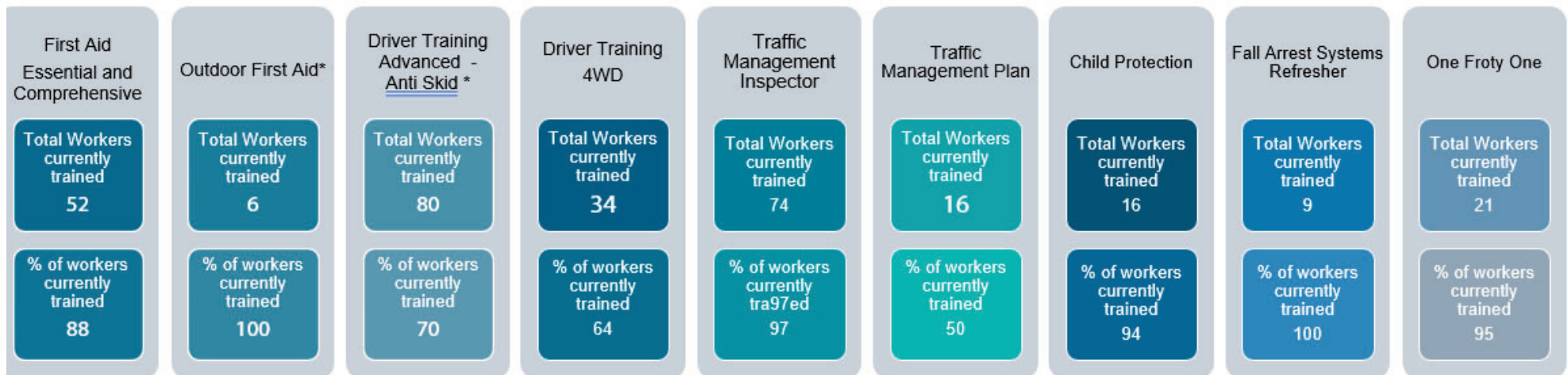
H&S– Lead Indicators – Trainings - Q1, 01/07/2024 to 30/09/2024

H&S related training occurred across council over the reporting period

- Priorities for health and safety has been 'One Forty One' induction training. It is vital that prior to entering the forestry areas, staff are aware of all processes, procedures and protocols that are required to be adhered to when entering forestry areas.
- Traffic management planning and inspector training is crucial to ensure management safety when performing work related tasks on the road.
- Driver training, shows compliance with the Health and Safety at Work Act and entails that the Council takes all necessary steps to protect workers and minimise personal risks.

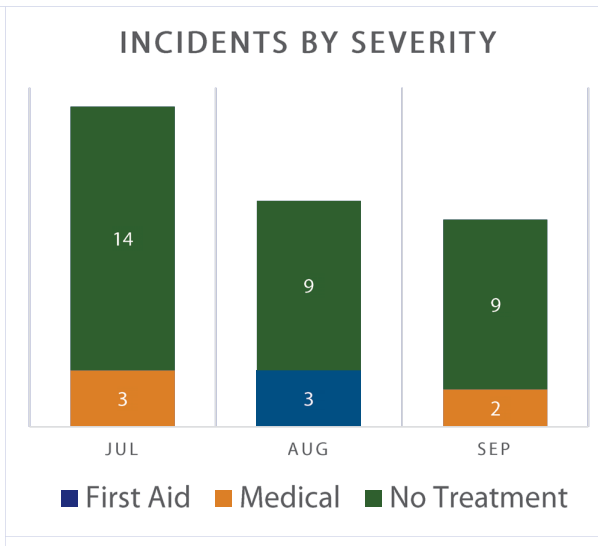
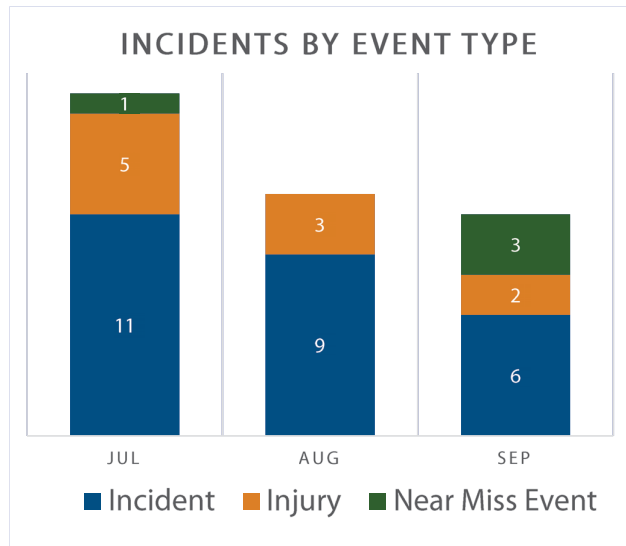
H&S, training feedback or needs were identified in this reporting period

- Positive feedback has been received from the courses that staff have attended.
- To ensure that we get insight on whether workshops and training are meeting the attendees needs we have created an online evaluation form.



H&S – Incidents by Events and Severity Statistics – Q1, 01/07/2024 to 30/09/2024

Incident Events Employees, Contractors and Third Party



	Injuries	Incidents	Near Misses
Employees	7	11	0
Contractors	2	6	3
Third Party	1	9	1

	Medical	First Aid	No Treatment
Employees	3	0	15
Contractors	0	2	9
Third Party	2	1	8

Employees

Three medical events occurred over this period:

- When packing their desk items up for relocating, cut finger on metal screen support which became infected.
- Contusion and sprain to shoulder when fell off office chair after trying to "propel" themselves to their desk.
- Employee was cutting bamboo canes with secateurs during two working bees when they sustained a sprained elbow and forearm.

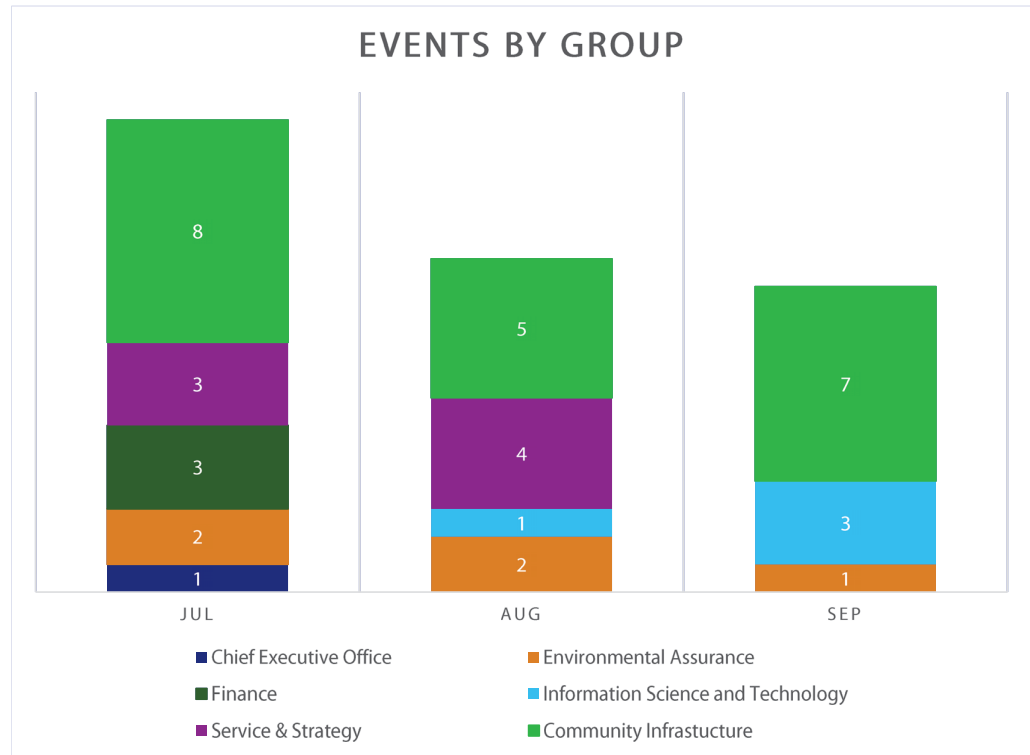
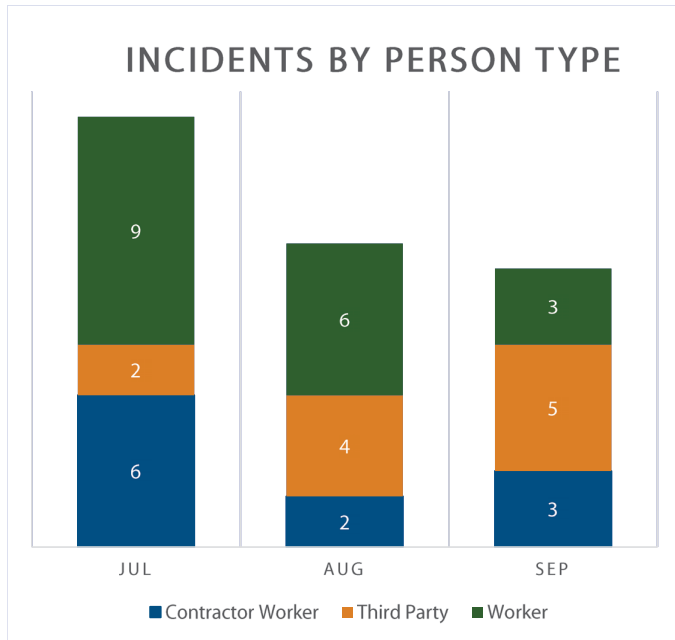
Contractors:

- No events required medical assistance.

Third Party

- Cyclist rode through road closure signs into the site and rode into a shallow trench, suffering minor injuries.
- Member of public was walking back to boat when his knee gave out on the smooth curved join connecting a lower-level floating concrete walkway to a higher-level walkway, sustaining a sprained knee

H&S – Incidents By Person Type and Group – Q1, 01/ 07/2024 to 30/092024

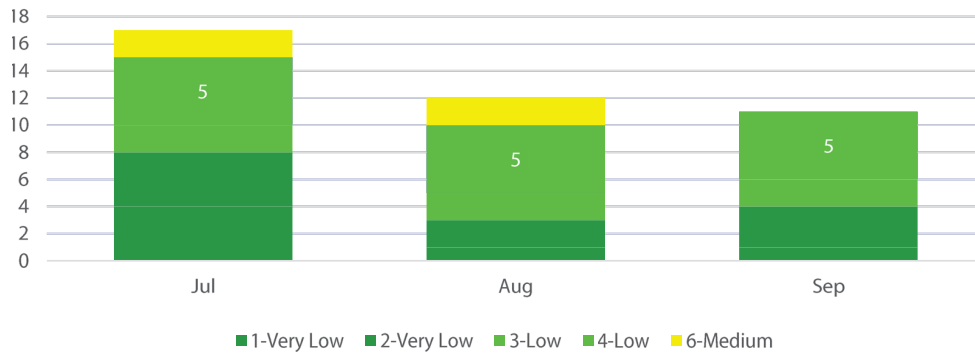


- Trending**
- 6 x Abusive/aggressive/intimidating behaviour
 - 6 x Slip, trip, fall
 - 5 x Vehicle
 - 3 x Sprain/Strain
 - 3 x Discomfort pain injury
 - 3 x Property Damage

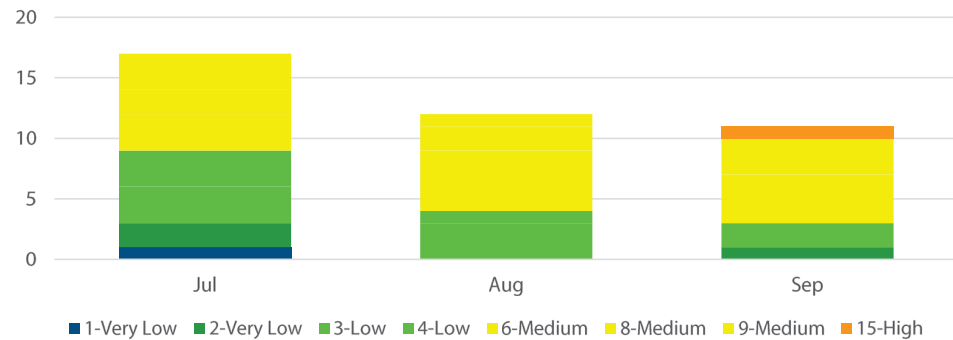
H&S –Actual and Potential Risk Scores – Q1, 01/07/2024 to 30/09/2024

The 'Actual' and 'Potential' risk scores are now entered into events. The 'Actual' risk is lower than the 'Potential' risk due to successful controls

Actual Risk Score



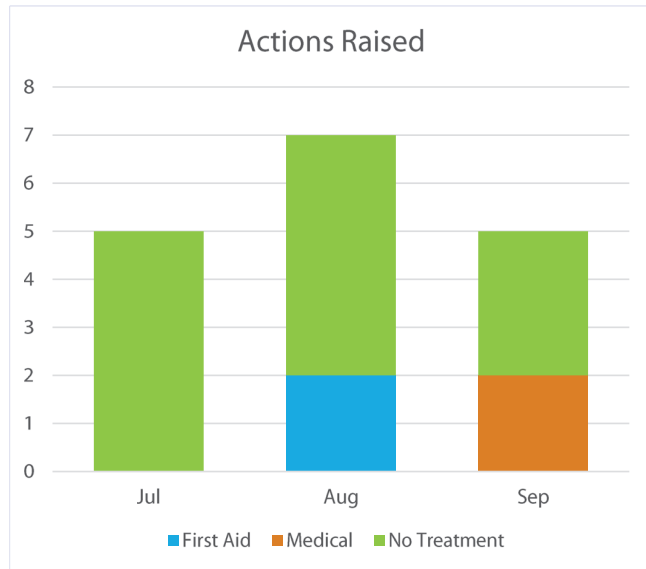
Potential Risk Score



Risk Matrix

Likelihood	Consequence				
	Insignificant	Minor	Moderate	Major	Extreme
Almost Certain	5-Medium	10-High	15-High	20-Very High	25-Very High
Likely	4-Low	8-Medium	12-High	16-High	20-Very High
Possible	3-Low	6-Medium	9-Medium	12-High	15-High
Unlikely	2-Very Low	4-Low	6-Medium	8-Medium	10-High
Rare	1-Very Low	2-Very Low	3-Low	4-Low	5-Medium

H&S – Corrective Actions – Q1, 01/ 07/2024 to 30/09/2024



Corrective actions are now tracked to ensure they are actioned promptly. We can then assess if what has been implemented is effective.

6.4 RISK AND ASSURANCE REPORT

Information Only - No Decision Required

Report To:	Audit and Risk Committee
Meeting Date:	12 December 2024
Report Author:	Amy Clarke, Risk & Assurance Advisor
Report Authorisers:	Deidre Hemera, Assurance and Improvement Manager; Steve Manners, Chief Operating Officer
Report Number:	RFNAU24-12-9

1. Summary / Te Tuhinga Whakarāpoto

- 1.1 The risk report is attached.
- 1.2 An implementation plan for the Risk Appetite Statement is provided which includes making the statement available and reflecting risk appetite in reporting.
- 1.3 There are two audits/reviews in progress and two with open recommendations, updates are provided on these.
- 1.4 Council participated in Fraud Awareness week which is part of our programme to increase training and awareness of fraud and corruption activity.

2. Recommendation/s / Ngā Tūtohunga

That the Audit and Risk Committee

1. **receives the Risk and Assurance Report RFNAU24-12-9.**

3. Risk

- 3.1 The Quarterly Risk Report is attached as **Attachment 1**.
- 3.2 Of note is the increased number of operational risks identified as a result of risk catch-ups with each senior manager. Over the next quarter the risks will be further analysed with managers to validate ratings and identify actions and mitigations.

4. Risk Appetite Statement implementation plan

- 4.1 The risk appetite statement (RAS) was approved by Council on 24 October. The Audit and Risk Committee (ARC) has requested a plan for embedding this in risk practice. The plan includes:
 - 4.1.1 Updating the Risk Framework to include the approved RAS
 - 4.1.2 Making the RAS available on the intranet
 - 4.1.3 Including the RAS in the ARC Agenda for reference
 - 4.1.4 Reflecting risk appetite in Quarterly Reporting

- 4.1.5 Explaining risk appetite to SLG at individual catch ups
- 4.1.6 Making the RAS available on the Councillors Lounge
- 4.1.7 Updating guidance for the Risk section in Council Reports to consider the risk appetite

5. Risk and Internal Audit Policies

Risk and Assurance Policy

- 5.1 The Risk and Assurance Policy which provides the mandate for internal audit at Council is presented as a separate report for your review and endorsement. The intention is to submit this to Council in the new year for approval.

Internal Audit Charter and Framework

- 5.2 The Internal Audit Charter is being reviewed and an internal audit framework has been developed. These will be circulated for internal feedback in the new year, before being provided to ARC for review and recommendation to Council.

6. Audits and Reviews

OAG Flood Protection Audit

- 6.1 The Office of the Auditor General has approached Tasman District Council with a proposal to conduct an in-depth review of our flood protection infrastructure (**Attachment 2**).
- 6.2 The performance audit will assess how well the Council determines the flood protection levels of service that we provide to our communities, and how well we are planning to manage our flood protection infrastructure to achieve these levels of service.
- 6.3 The timing and topic of this performance audit is not surprising, given the extreme weather events that affected the North Island in 2023 and Nelson in 2022.
- 6.4 We have welcomed the opportunity to work with the OAG on this important matter, and we believe that this comprehensive review will be invaluable for Council to drive a process of learning and improvement moving forward.

Asset Management Evaluation

- 6.5 The Asset Management Evaluation collation of data is complete and analysis in progress. The outcome of interviews and the questionnaire has highlighted areas which require development and modelling to establish a solution to connect the various registers where assets are recorded. The objective will be to ensure assets are recorded, managed, and maintained to enable reliable and accurate data for the financial, insurance and maintenance programmes.

LIM Review

- 6.6 The creation of a LIMs team is being progressed and this will enable the open recommendations to be implemented, alongside the changes required for the upcoming Natural Hazards in LIMs regulations.

Procure to Pay Review

- 6.7 Procurement processes are under development, including a revised procurement policy, in response to the Procure to Pay Review.

6.8 A report to ARC on Procurement is planned for May 2025.

7. Fraud Awareness Week 2024

- 7.1 An open recommendation from Audit New Zealand is to implement a programme of training for management of conflict of interests, and bribery and corruption for Council staff.
- 7.2 Aligning with Fraud Awareness Week (FAW) (17-23 November) has allowed us to share resources provided by the Counter Fraud Centre (CFC) and encourage our staff to attend webinars hosted by the CFC. There was an average of 120 news post views each day of FAW.
- 7.3 In the coming weeks, there will be further posts sharing links to the recorded webinars from FAW, and the annual notification of the protected disclosures policy.
- 7.4 In addition to the annual training/communication on fraud and corruption and conflict of interest, induction material is being developed. When the inductions are available it will be considered that training programmes have been implemented (and are ongoing) and the recommendation has been completed.
- 7.5 To support work in the fraud awareness space, the Risk and Assurance Advisor has joined the Counter Fraud Centre’s Local Government Community of Practice group. The purpose of this group is “for the local government sector to share knowledge and experiences and to ensure that there is a single, cohesive counter fraud narrative signifying a unified front against fraud and corruption at the local government level.” Meetings are quarterly, one hour and online.

8. Attachments / Tuhinga tāpiri

- | | | |
|----------------------|---|----|
| 1. ↓ | Quarterly Risk Report | 33 |
| 2. ↓ | OAG Proposal and plan for a performance audit of flood protection | 44 |



ARC Quarterly Risk Report

Author: Amy Clarke, Risk and Assurance Advisor

Date: 24 November 2024

Contents

1.0 Summary	1
2.0 Strategic Risks.....	2
3.0 Emerging Risks.....	7
4.0 Operational Risk Dashboard	9
5.0 ‘No Surprises’ Notifications	10
6.0 Risk Management Progress.....	10

1.0 Summary

Quarterly risk catch-ups have begun with SLG and ELT members, this has allowed the identification of high and very high risks. It is expected that further risks will be identified and that risks will be refined as they are analysed.

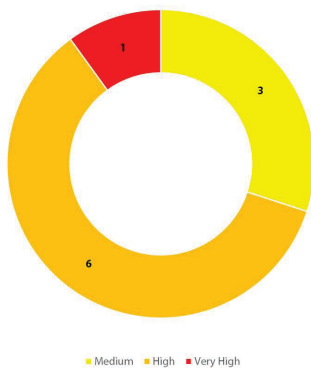
Within the strategic and operational risks, there are several linked risks relating to finances, resourcing and workloads. Influencing factors for these risks include government reform, legislation, work to reduce operating budgets, the Digital Innovation Programme and restrictions on recruitment.

The Financial Strategic risk has been escalated from High (12) to High (15). This may be further escalated if planned mitigations do not achieve the desired outcomes and the operating deficit continues to increase. A project has started to identify options and reforecast the current year financials.

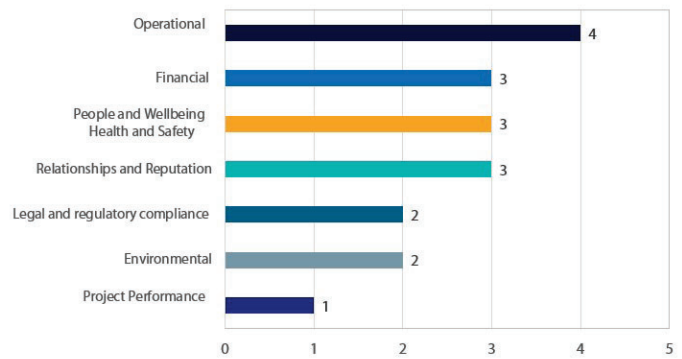
As our risk process matures, we can be more confident that the information presents a more accurate reflection of risk at Council.

2.0 Strategic Risks

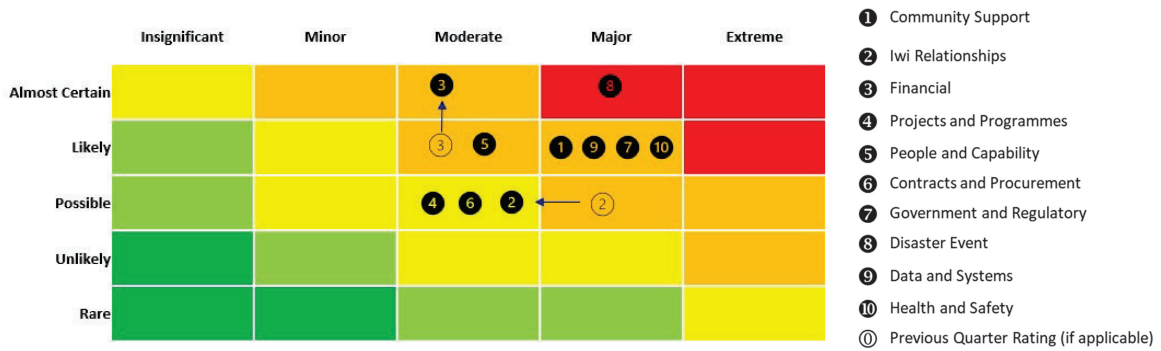
Residual Risk Ratings



Impact Categories



Residual Risks Heatmap



2.1 Residual Risk Rating Changes

ID	Risk Name	Risk Description	Residual Risk Rating	Previous Rating	Change	Treat or Accept	Owner
S-08	Disaster Event	Impact or loss suffered due to a natural or human induced disaster event including long-term events such as drought and sea level rise.	Very High (20)	Very High (20)	●	Treat	GM-ES
S-07	Government and Regulatory	Impact or loss suffered due failure to adhere to laws or regulations.	High (16)	High (16)	●	Treat	GM-EA
S-09	Data and Systems	Impact or loss suffered due to a failure in data quality, integrity or system inefficiency or integration.	High (16)	High (16)	●	Treat	COO
S-10	Health and Safety	Impact or loss suffered due to a failure to meet our health and safety obligations.	High (16)	High (16)	●	Treat	CEO
S-03	Financial	Insufficient funds to deliver services and functions required by legislation, strategy or business plan.	High (15)	High (12)	▲	Treat	CFO
S-05	People and Capability	Impact or loss suffered due to inability to fund, recruit, or retain skilled competent staff.	High (12)	High (12)	●	Treat	CEO
S-02	Iwi Relationships	Impact or loss suffered from an inability to establish and maintain successful relationships with Iwi.	Medium (9)	High (12)	▼	Treat	KH
S-04	Projects and Programmes	Impact or loss suffered as a result of the failure to deliver projects and programmes.	Medium (9)	Medium (9)	●	Accept	GM-CI
S-06	Contracts and Procurement	Loss suffered or inability to deliver services or regulatory functions arising from the expiry, cancellation, non-renewal or material variation of a key contract.	Medium (9)	Medium (9)	●	Treat	COO
S-01	Community Support	Impact or loss suffered due to a loss or decline in community support.	Medium (8)	Medium (8)	●	Treat	GM-S&S

▲ Risk rating increased ▼ Risk rating reduced ● no change (since last reported)

2.2 High and Very High Strategic Risk Commentary

ID	Risk Name	Risk Description	Residual Risk Rating	Commentary
S-08	Disaster Event	Impact or loss suffered due to a natural or human induced disaster event including long-term events such as drought and sea level rise.	Very High (20)	This risk remains Very High. Policy and guiding documents for business continuity and organisation emergency crisis management are being progressed. Related operational risks have been identified and treatments are being considered.
S-07	Government and Regulatory	Impact or loss suffered due failure to adhere to laws or regulations.	High (16)	The risk remains High. Several bylaws will progress through Council in December bringing increased regulatory requirements.
S-09	Data and Systems	Impact or loss suffered due to a failure in data quality, integrity or system inefficiency or integration.	High (16)	Risk remains High. Completion of Digital Innovation Programme projects over the coming years is expected to lower the risk level.
S-10	Health and Safety	Impact or loss suffered due to a failure to meet our health and safety obligations.	High (16)	Risk remains High. A health and safety improvement plan has been developed and is being progressed. Health and Safety is likely to remain High risk
S-03	Financial	Insufficient funds to deliver services and functions required by legislation, strategy or business plan.	High (15)	Risk has increased from High (12) to High (15). This is a result of a potential operating deficit over and above budget. A project is underway to identify options and reforecast current year financials.
S-05	People and Capability	Impact or loss suffered due to inability to fund, recruit, or retain skilled competent staff.	High (12)	Risk remains High. Several teams across Council are reporting key person risks and gaps between objectives and resourcing.

2.3 Strategic and Operational Risk mapping

While operational risks can be associated with multiple strategic risks, in the below tables they have been mapped to the primary strategic risk. Only High and Very High operational risks have been included in this table. Noting not all operational risks will be associated with a strategic risk.

ID	Strategic Risk	Residual Risk Rating	Operational Risk	Residual Risk Rating	Group	Treat or Accept
S-08	Disaster Event	Very High (20)	Mapua water services Crossing	High (15)	Community Infrastructure	TBC
			Kaiteriteri water services crossing	High (12)	Community Infrastructure	TBC
			Contingency fund for flood response	High (12)	Environmental Science	TBC
			Flood warning and communications	High (12)	Environmental Science	TBC
			Takaka township isolation due to flooding	High (12)	Environmental Science	TBC
			Peach Island flooding isolation	High (15)	Environmental Science	Treat
			Maitai River flood response	High (12)	Environmental Science	Treat
			Marine Oil Spills	High (12)	Environmental Science	Treat
			Brooklyn stopbanks (3 properties) flood damage/risk to life	High (12)	Environmental Science	Treat
S-07	Government and Regulatory Compliance	High (16)	LIMs	High (15)	Council Operations	Treat
			Privacy	High (12)	Council Operations	Treat
			Bylaw implementation	High	Environmental Assurance	TBC
			Insourcing Regulatory functions	High	Environmental Assurance	TBC
			Governance documents	High	Council Operations	Treat
S-09	Data and Systems	High (16)	Operational Technology Risk	High (15)	Council Operations	Treat
			Information Management	High (12)	Council Operations	Treat
			Corporate IT risk	High	Council Operations	Treat
S-10	Health & Safety	High (16)	Sovereign Citizens / Pseudo-Law movement health, safety and wellbeing risk	High (12)	Council Operations	Accept
			Coastal Infrastructure	High (12)	Environmental Science	Treat
			Resourcing of Waters and Wastes	High	Community Infrastructure	Treat

ID	Strategic Risk	Residual Risk Rating	Operational Risk	Residual Risk Rating	Group	Treat or Accept
S-03	Financial	High (15)	Waimea Community Dam Project funding	High (15)	Finance	Treat
			Potential Operating Deficit over and above budget	High (15)	Finance	Treat
			Reserves and Facilities Service Delivery	High	Community Infrastructure	Treat
			NZTA Funding	High	Community Infrastructure	Treat
			WCO	High	Environmental Science	TBC
			Insurance	High	Council Operations	Treat
S-05	People and Capability	High (12)	Flood response resourcing	High (12)	Environmental Science	TBC
			Finance resourcing	High	Finance	Treat

For more information on operational risks, see the [Operational Risk section](#).

2.4 Strategic Risks Updates

This section includes commentary concerning strategic risks, including changes or updates to strategic risks and may include completed mitigations, incidence or metrics.

Strategic Risks have been identified, assessed by ELT and ELT owners have been identified. Deep dives into each of the risks will be undertaken. As part of each deep dive, the Risk and Assurance Advisor will work with each ELT owner to validate the rating for each risk and understand the existing and planned mitigations.

Disaster Event Risk

Several operational risks have been identified by the Environmental Science group which are relevant to the Disaster Event Strategic Risk. The treatment and management of these operational risks will result in improvements in the strategic risk (although not necessarily a reduction in rating).

The Risk and Assurance Policy will be presented to ARC for endorsement on 12 December 2024 and then to Council for approval in early 2025. The policy includes the requirement for Business Continuity Plans, Data Recovery Plan and an Organisation Emergency Crisis Management Plan. Guiding Documents are pending endorsement, and templates will be developed for the Business Continuity Plans.

Nelson Tasman CDEM has engaged a consultant to carry out a capability assessment. A report including the draft capability assessment will be presented to ARC by the on 12 December.

There will be a report presented to Council by the Principal Hydrologist on the Cyclone Gabrielle response and what Council can learn from the event.

People and Capability Risk

Operational risks associated with this risk reflect concerns around wellbeing of staff, the ability to deliver to objectives, workplans, service levels and legislation as a reflection of insufficient resourcing.

Iwi Relationships

This risk has been reassessed and the rating has decreased from High (12) to Medium (9). Iwi relationships remain an organisational priority for Council, and if circumstances change the risk will be escalated.

Government and Regulatory Risk

Regulatory failure is being analysed as a component of the Government and Regulatory risk. Analysis will focus on the regulatory frameworks and the ability to give effect to regulatory obligations.

The ability to resource regulatory functions is also to be considered as an element of the Government and Regulatory risk.

3.0 Emerging Risks¹

This section includes new emerging risks, or updates to existing emerging risks (i.e. those we have previously reported but were awaiting more clarity or decisions on what actions should be taken).

Government Reform

The pace and scale of government reform continues to be challenging to Council. This impacts on our ability to plan, requires additional resourcing to assess, understand impacts and respond, it can also affect decision making. The pace of the change is impacting on our ability to engage with iwi and the community in relation to the reforms.

The Government has released a 43-point plan for Q4 2024². Of these at least sixteen are of interest to Council. There are three which are likely to be of significant interest, including passing the first Resource Management Amendment Bill, the introduction of the second RMA reform Bill, and the measures to get local councils "back to basics".

As more information becomes available on the reforms and government direction, the impact will be able to be assessed more accurately. Functions directly impacted by the changes continue to engage with the reforms.

Actions: Monitoring and proactive engagement by affected teams.

Government Funding

There are expected to be challenges in receiving the same levels of government funding in the coming years. Council continues to engage with other councils and Government to understand where the impacts may be.

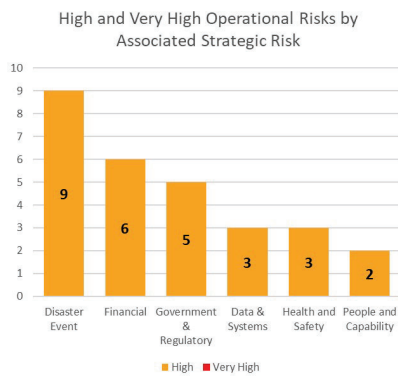
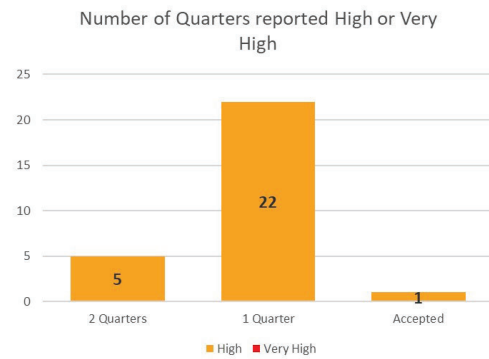
Actions: Monitoring and proactive engagement by affected teams.

¹ An emerging risk is a risk that is evolving in areas and ways where the body of available knowledge is weak. Emerging risks are newly developing or evolving risks that can affect the achievement of an organisation's strategic objectives. It may be difficult to fully articulate or assess their likelihood or consequence, given they are newly developing.

² [Q4 Action Plan.pdf](#)

1.0 Operational Risk Dashboard

This section provides information on operational risks with High or Very High residual risk ratings.



5

4.1 Operational Risks

Across Council, managers report risks related to wellbeing, resourcing and ability to meet objectives. This includes mismatches between workplans and approved FTE, the inability to recruit, and reliance on key persons.

While there is a relatively low number of risks identified in relation to the current financial situation, there are expected to be further risks identified to reflect the impact on service delivery and compliance with legislation.

Risks associated with disaster events have been identified, however there is analysis to be carried out by risk owners to determine possible mitigations before action can be taken.

This section presents the operational risks which have been reported to Risk and Assurance which have residual ratings of High or Very High. We have implemented quarterly meetings with SLG and ELT and are continuing to identify risks and build risk registers. The risks identified reflect the order of the groups attending risk catch ups, with Finance, Service & Strategy and Environmental Assurance scheduled for November and December. The accuracy and completeness of this risk report will improve over time.

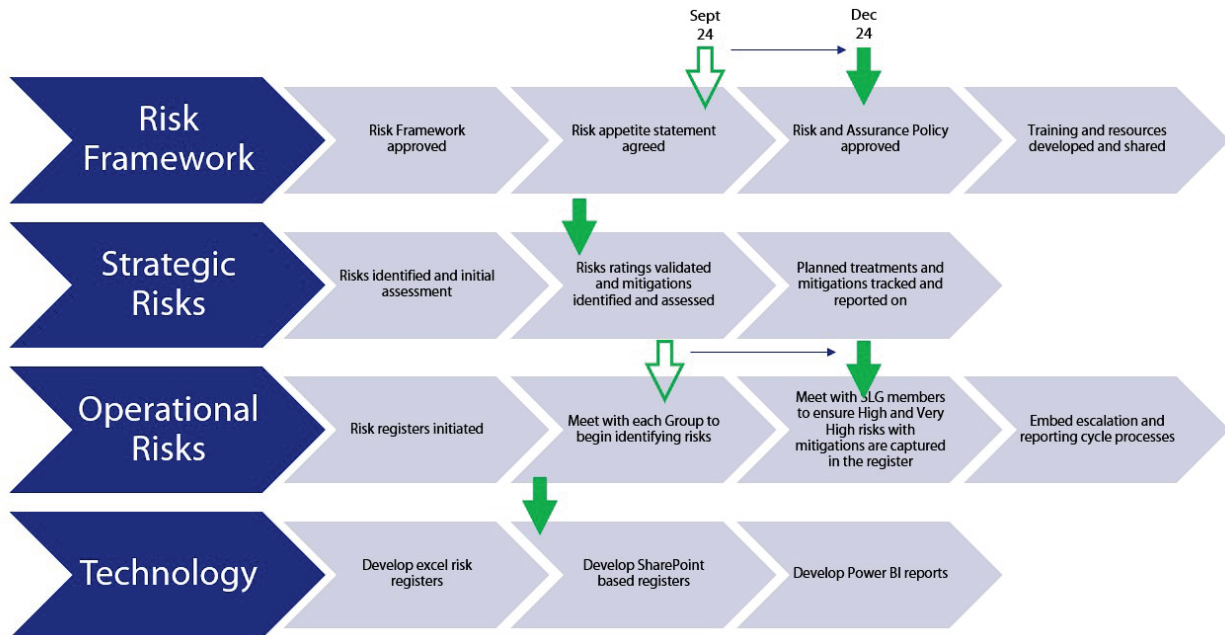
5.0 ‘No Surprises’ Notifications

Any incidents, events or risks which have occurred which either have already or may need notification on a ‘no surprises’ basis.

1. A report into the potential operating deficit over and above budget will be presented to the ARC on 12 December 2024.

6.0 Risk Management Progress

We continue to progress in developing our risk management maturity.



The [risk appetite statement](#) (RAS) was approved by Council on 24 October 2024. The ARC has requested a plan for embedding this in risk practice. This includes:

- ✓ Updating the Risk Framework to include the approved RAS
- ✓ Making the RAS available on the intranet
- Including the RAS in the ARC Agenda for reference
- Reflecting risk appetite in Quarterly Reporting
- Explaining risk appetite to SLG at individual catch ups
- Making the RAS available on the Councillors Lounge
- Updating guidance for the Risk section in Council Reports to consider the risk appetite

The [Risk and Assurance Policy](#) has been drafted, will be presented to ARC on 12 December for endorsement with submission to Council for approval in early 2025.

While there has not been significant progress in the strategic risks space this quarter, links between high/very high rated operational risks and strategic risks have been included in this report.

Twenty quarterly risk catch ups have been held with another fifteen expected by the end of the quarter. The first sessions have been holistic discussions on risk, the Q1 2025 catch ups will focus on capturing and rating the High and Very High Risks in the Group Risk Registers.

No further work has been undertaken on developing a SharePoint based risk register.



Proposal and plan for a performance audit of flood protection

About Performance Audit

Our audits are conducted in accordance with the Auditor-General's Auditing Standard 5 Performance Audits. This standard establishes principles and requirements, and provides application guidance, where appropriate, for auditors carrying out performance audits under section 16 of the Public Audit Act 2001 (the Act).

Under Section 16(1) of the Act (Performance audit), the Auditor-General may at any time examine:

- the extent to which a public entity is carrying out its activities effectively and efficiently.
- a public entity's compliance with its statutory obligations;
- any act or omission of a public entity, in order to determine whether waste has resulted or may have resulted or may result;
- any act or omission showing or appearing to show a lack of probity or financial prudence by a public entity or one or more of its members, office holders, and employees.

The Auditor-General's Auditing Standard 5 Performance Audits can be found on our [website](#).

Background to this work

Flooding is New Zealand's most frequent natural hazard. Flooding is caused by several factors, including heavy rainfall from weather systems, geography, climate change and land use changes. It can have significant social, environmental, and economic implications when it is not managed well.¹

For example, according to the Insurance Council of New Zealand, from 2020 to 2023, claims for storms and floods cost almost \$4.7 billion.² Treasury estimated the damage from the Auckland Anniversary weekend floods and Cyclone Gabrielle to cost between \$9 billion and \$14.5 billion. Of this, about \$5 billion to \$7.5 billion is estimated to relate to central and local government infrastructure.³

¹ OAG (December 2018) [Managing stormwater systems to reduce the risk of flooding](#), page 7.

² Insurance Council of New Zealand website, www.icnz.org.nz/industry/cost-of-natural-disasters/.

³ New Zealand Government (May 2023) [Wellbeing Budget 2023 - Support for Today, Building for Tomorrow](#), page 24.

Climate change is expected to lead to increases in the frequency and intensity of extreme rainfall and storms. Therefore, the costs of managing flood risks are likely to increase in the future.

Research suggests that investment in flood risk reduction and mitigation can have positive and high returns on investment. For example, New Zealand’s first National Adaptation Plan cites a benefit-cost ratio of 6:1 from investment in flood mitigation.⁴

Despite these benefits, councils may be underinvesting in flood protection infrastructure. A 2022 report by Te Uru Kahika – Regional and Unitary Councils Aotearoa estimated that regional and unitary councils invest about \$200 million each year in flood protection schemes. This was estimated to fall short of what was then needed by \$150 million per annum. Over the ten years, that would be \$1.5 billion of under-investment in critical flood protection schemes.⁵

Councils face several challenges that affect their ability to effectively manage flood protection infrastructure. These include aging infrastructure, funding constraints and affordability, a complex regulatory landscape, climate change, complex ownership and responsibilities, and a lack of technical expertise.

An example of these challenges is highlighted in the Wairoa Cyclone Gabrielle Review. The Review noted that significant technical work was undertaken on flood protection options for the Wairoa township by Hawkes Bay Regional Council between 1994 and 2000 including assessment of riverbank risks, stop bank options, and river mouth management options. However, none of the hard infrastructure options were progressed in part due to complexity, cost, and community affordability.⁶

Why we should do this performance audit

The objectives of this work are to:

- provide local authorities with observations on how they might improve their planning for managing flood protection infrastructure to mitigate the risk of flooding; and
- assure Parliament and the public that the Councils understand flood risks, are planning to reduce the risks by managing flood protection infrastructure well and are transparent with their communities about the flood risks, levels of services offered by flood protection infrastructure and residual flood risk.

We will do this by looking at two councils, Waikato Regional Council and Tasman District Council. We will also collect information about the broader New Zealand context for reducing flood risk and managing flood protection infrastructure.

The audit results will identify good practice and areas for improvement in Waikato Regional Council’s and Tasman District Council’s flood protection activities. These results, and the system-wide information we will collect and review, present an opportunity for other councils to learn from and improve their planning using the relevant findings.

⁴ Ministry for the Environment (August 2022) [Aotearoa New Zealand’s first national adaption plan](#), page 88.

⁵ Te Uru Kahika – Regional and Unitary Councils Aotearoa (January 2022) [Central Government Co-investment in Flood Protection Schemes – Supplementary Report](#), page 7.

⁶ Wairoa District Council (April 2024) [Wairoa Cyclone Gabrielle Review](#), page 16.

This topic supports the Office’s strategic objective of increasing our impact with public organisations by promoting a long-term view in public organisations’ planning and decision-making to strengthen the public sector’s response to New Zealand’s long-term challenges.

Why we chose to focus on Waikato Regional Council and Tasman District Council

We chose to focus on Waikato Regional Council for the following reasons:

- The Waikato region frequently experiences river flooding. The region is susceptible to storms of tropical origin, and includes many steep river catchments that get intense, localised rainfall that are difficult to predict. It also has large river systems, such as the Waikato, Waiho, and Piako rivers, as well as large areas of low-lying flood plains near sea-level that are intensely farmed or developed.
- Between 2015 and 2023, the Council was in the top five councils for spending on flood protection, and this is expected to increase in the future. The significant investment in flood protection reflects the fact that the Council operates an extensive network of flood protection assets and systems across a large area, including stop-banks, floodgates, pump stations, spillways and channels, all linked and managed by computer monitoring of river levels and flows. Many of the schemes are over 50 years old.
- The Council works with ten territorial local authorities within the region covering both rural and large urban settlements, with a total population of over 500,000. Coordinating and managing flood protection activities and flood protection assets across a large, diverse region with multiple territorial authorities can be challenging and requires significant investment.

We chose to focus on Tasman District Council for the following reasons:

- The Tasman region is vulnerable to flooding from both river and coastal flooding. It has several major rivers, including the Motueka, Riwaka, and Takaka rivers. The proximity of the coast means that river flooding can be exacerbated by high tides and storm surges.
- Tasman District Council is a unitary authority and spends significantly less on flood protection compared to Waikato Regional Council. Reviewing a smaller unitary authority will provide insights into the unique challenges and benefits that a smaller unitary authority encounters compared to a larger regional council. These insights might include differences in their understanding of community needs and flood risks, decision-making processes, responsiveness, transparency with their communities, and resource allocation for managing flood protection infrastructure.

The performance audit will complement other reviews

Existing reviews, like the review into the Management of the Wairoa River Bar by Hawke’s Bay Regional Council, typically occur after flood events where infrastructure has already failed and tend to focus on a single council. This performance audit provides an opportunity to assess how well the

two councils are proactively managing flood risk, setting levels of service, and maintaining flood protection infrastructure before an event occurs.

Additionally, the New Zealand Lifelines Council recently published a National Vulnerability Assessment, identifying flood protection as a critical infrastructure sector (being an essential and enabling lifeline utility). The report highlights knowledge gaps, including the limited understanding of cumulative impacts of climate change on infrastructure, particularly coastal and river flooding, intense rainfall, and compound hazards. Our performance audit complements the assessment by providing a more in-depth review of how two councils are addressing these challenges.

What we want to audit

Our main audit question for this performance audit is: **“How well are local authorities ensuring that flood protection infrastructure effectively mitigates the risk of flooding from rivers and inland bodies of water?”**

We will investigate and conclude on the following two lines of inquiry:

- How well are local authorities determining levels of service that will be provided?
- How well are local authorities planning to manage flood protection infrastructure to achieve agreed levels of service?

In the context of flood protection, levels of service refer to the standards and performance metrics that determine how well the infrastructure can protect against flooding. These levels of service are used to assess and ensure that flood protection systems are capable of handling specific flood events and providing adequate protection to communities.

How well are local authorities ensuring that flood protection infrastructure effectively mitigates the risk of flooding from rivers and inland bodies of water?		
Lines of Inquiry	Criteria	This will allow us to conclude on
1. How well are local authorities determining levels of service that will be provided?	1.1 Do local authorities have a good understanding of hazards and flood risks ⁷ ?	Whether the Councils are using appropriate processes and information to determine the level of protection to be provided by its flood protection scheme(s), including effectively seeking their communities’ views on the level of acceptable flood risk and the
	1.2 Do local authorities use good information when assessing trade-offs between cost and risk associated with different levels of service?	

⁷ As defined with NZS 9401:2008 Managing Flood Risk – A Process Standard, flood risk is a function of:

- the probability and extent of flooding events;
- exposed assets and their vulnerability (such as the built environment, infrastructure, community facilities, productive lands, recreational lands);
- cultural, environmental, social, and economic values;
- the number of persons exposed.

How well are local authorities ensuring that flood protection infrastructure effectively mitigates the risk of flooding from rivers and inland bodies of water?		
Lines of Inquiry	Criteria	This will allow us to conclude on
	1.3 Do local authorities effectively engage with iwi/Māori, communities, and other stakeholders when determining levels of services?	cost they are willing to incur to reduce flood risk.
2. How well are local authorities planning to manage flood protection infrastructure to achieve agreed levels of service?	2.1 Do local authorities understand the current performance of their flood protection infrastructure in achieving the levels of service, and the risks to sustaining that?	Whether the Councils understand what needs to be done to achieve the agreed levels of service, when, and are organised to deliver.
	2.2 Do local authorities follow robust processes for prioritising investment in flood protection?	Whether the Councils effectively inform their communities on the level of protection they can expect from flood protection infrastructure, and how to manage the residual flood risk.
	2.3 Do local authorities have well informed and credible plans in place to deliver agreed levels of service?	
	2.4 Do local authorities clearly communicate agreed levels of service?	

The scope of our audit may need to be adapted if, during our evidence gathering, we identify additional parties we need to speak with to test the validity of information we have received or to pursue new lines of inquiry.

Out of scope

In this audit, we will not assess:

- the current legislative framework within which local authorities operate when determining how to best provide flood protection, such as the Resource Management Act 1991 and Civil Defence Emergency Management Act 2002;
- the technical appropriateness of infrastructure built by regional councils and other agencies to provide flood protection;
- flood protection infrastructure that is not managed by Councils;⁸
- decisions made on the most suitable structural and non-structural measures to mitigate flood risk;
- how well the Councils deliver on their plans for managing flood protection infrastructure; and
- the adequacy of the civil defence and emergency management responses to specific flood events.

How we will do the audit

Our approach to answering each line of inquiry will involve collecting and reviewing information from both publicly available documents and documents provided by the Councils, interviewing key people within the Councils, and (as needed) interviewing other stakeholders.

The types of documents we expect to review include those relevant to (but not limited to):

- Regulations, standards or legislation detailing the expectations on the Councils for managing flood protection infrastructure.
- Frameworks, strategies, or plans outlining the approach the Councils use to identify and assess flood risks and determine levels of service.
- Frameworks, strategies, or plans outlining the approach the Councils use to prioritise investment in flood protection.
- Frameworks, strategies, or plans (including river floodplain management plans) that outline the approach the Councils use to manage flood protection infrastructure and undertake flood protection activities.
- Frameworks, strategies, or plans that show how the Councils maintain transparency with communities regarding flood risks, levels of service and residual risk.

⁸ Flood protection infrastructure may be owned and provided by private organisations, community members or groups, or agencies like the New Zealand Transport Agency (providing flood protection infrastructure to protect transport infrastructure).

- Minutes from governance meetings that discuss and approve frameworks, strategies, or plans, levels of service and planned levels of investment in flood protection infrastructure and flood protection activities.

We expect to interview the following:

- Staff at the Councils responsible for managing communication and engagement between the Councils, their communities and other relevant stakeholders regarding flood risks, levels of service and residual risks.
- Staff at the Councils responsible for risk management and the management of flood protection infrastructure.
- Staff at the Councils providing support to the flood protection asset management team(s).
- Governance with oversight responsibility for flood protection asset management activities.
- Selection of elected members to give insight on the information they receive to inform their decision-making.

We intend to talk to various regional stakeholders, such as territorial authorities and advocacy groups. We also intend engaging with national organisations involved in flood protection, such as the Ministry for the Environment, and with organisations like Te Uru Kahika – Regional and Unitary Councils Aotearoa.⁹

We will also use financial information collected by the Office to inform the performance audit.

We will work with the Councils to ensure that we receive the appropriate documents and can interview the right people in the most effective and timely way possible.

As we gather this evidence, we may identify other documents to review and other potential interviewees to speak to.

What the audit will deliver

The main deliverable for this work will be an audit report that will be tabled in Parliament and be made publicly available on our website in about June 2025.

In addition to the published audit report, we may share the audit results through a video, press releases, and/or blogs. We will decide on the best approach closer to the publication date to ensure that the chosen methods align well with our findings.

Who will do the audit

Charles Fitzgerald, Senior Performance Auditor, will lead this audit.

⁹ As a collective, Te Uru Kahika – Regional and Unitary Councils Aotearoa (representing the 16 regional and unitary councils) works together to apply its expertise and local knowledge for the wellbeing of environments and communities.

Charles will be supported by Suzanne Merriott and Nicol Stevens, Associate Directors, from Audit New Zealand’s Specialist Audit and Assurance Services.

The team will be supported by Evaan Aramakutu, Performance Audit Manager.

Other staff from the Office of the Auditor-General and/or Audit New Zealand will support the audit as required.

How long the audit will take

We plan to deliver the report in June 2025. Timeframes are indicative and may change. We will keep Waikato Regional Council and Tasman District Council informed of any changes to our timeframe.

Selected milestones	Indicative dates
Audit proposal and plan finalised and sent to audit entities	5 November 2024
Document analysis and fieldwork start	5 November 2024
Consultation on preliminary audit results (2 weeks)	Early February 2025
Consultation on draft report with audit entities (2 weeks)	Early April 2025
Tabling	June 2025

6.5 RISK AND ASSURANCE POLICY

Information Only - No Decision Required

Report To:	Audit and Risk Committee
Meeting Date:	12 December 2024
Report Author:	Amy Clarke, Risk & Assurance Advisor
Report Authorisers:	Deidre Hemera, Assurance and Improvement Manager; Steve Manners, Chief Operating Officer
Report Number:	RFNAU24-12-10

1. Summary / Te Tuhinga Whakarāpoto

- 1.1 The Risk and Assurance Policy (**Attachment 1**) is provided to the Audit and Risk Committee for review and recommendation to Council.

2. Recommendation/s / Ngā Tūtohunga

That the Audit and Risk Committee

1. receives the Risk and Assurance Policy report RFNAU24-12-10; and
2. recommends the Risk and Assurance Policy (**Attachment 1 to the agenda report**) to Council.

Recommendation to Council

That the Tasman District Council

1. approves the Tasman District Council Risk and Assurance Policy in **Attachment 1 to the agenda report**.

3. Risk and Assurance Policy

- 3.1 The Risk and Assurance Policy (attached) sets the principles for risk management and internal audit at Council. This replaces the Risk Management Policy.
- 3.2 As a core risk for council is continuity of essential services, the policy includes requirements for Business Continuity, Data Recovery and Organisation Emergency Crisis Management Plans.
- 3.3 As the policy underpins risk management, internal audit and business continuity activity within Council, any communication and training will be related to these specific activities rather than the policy itself.

4. Attachments / Tuhinga tāpiri

1. [↓](#) Risk and Assurance Policy

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Risk and Assurance Policy

Category	<i>Governance</i>
Type	Policy
Approved by	Approving body and date
Date Policy Took Effect	Effect date
Last approved revision	May 2020 (Risk Management Policy)
Sponsor	Assurance and Improvement Manager
Responsible Officer	Risk and Assurance Advisor
Review Date	February 2027

Purpose

To set out the principles that will enable Tasman District Council (Council) to manage risk well and uphold high standards of risk governance, management and assurance.

Organisational Scope

This is a Council wide policy.

Definitions

Assurance	An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management and control processes within Council.
Business Continuity Plan	A plan which identifies how to resume operations in the event of loss of resources resulting in an unacceptable slow down or loss of business operation or during a time of disruption.
Data Recovery Plan	A plan which identifies the process and structure for recovering Information Service’s assets and services to the Council in the event of an unacceptable disruption.

Organisation Emergency Crisis Management Plan	A plan which sets out the key required actions for Council to effectively support the internally facing Council response to an emergency or business interruption.
Internal Audit	An independent, objective assurance activity which adds value by improving Council operations through a systematic, disciplined approach to evaluate and improve the effectiveness of Council processes to achieve their objectives.
Internal Audit Charter	The formal document that defines purpose, authority, and responsibility for internal audit within Council.
Internal Audit Function	Either an 'in-house' internal audit service delivery model, 'co-sourced' or an 'out-sourced' internal audit service delivery model. The service delivery model selected will provide assurance, independent from operational management, risk management, control, and governance processes.
Risk	An uncertainty that, if it occurs, will impact on the strategic and operational objectives of Council. Risk is expressed in terms of risk source, potential event, consequence, and likelihood.
Risk Management	Coordinated activity to direct and control an organisation regarding risk.
Risk Management Framework	The foundational risk document outlining organisational arrangements for designing, implementing, monitoring, reviewing and continuously improving risk management throughout Council.

Principles

1. Risk is inherent in all activities and at all levels across Council. Risk management is everybody's business.
2. Good risk management enables Council to effectively identify and manage risks that could prevent (or enable) the organisation achieving its strategic and operational objectives.
3. Council will manage and regularly update its risk information at a strategic, operational, and project level to address uncertainty and facilitate continuous improvement.
4. Risk management practices will be aligned with International Standards.
5. Council will maintain a Risk Management Framework that applies Council-wide and describes the process for identifying, assessing and managing risks and supports a consistent approach to risk.
6. Risk registers will be maintained to enable documenting, review and reporting of risks.

7. A core risk to Council is continuity of essential services. Guiding documents for Business Continuity, Data Recovery and Emergency Crisis Management Plans will provide the mechanism to ensure the appropriate Business Continuity, Data Recovery and Emergency Crisis Management Plans are in place.
8. Risk registers will be maintained to document the management and mitigation of risk at the Council.
9. Internal audit is a key component of the risk and assurance function at Council.
10. The internal audit function will be responsible for carrying out (or procuring external support to carry out) risk-based internal audits to provide independent assurance on matters of risk, compliance and internal control.
11. Council will maintain an Internal Audit Charter which defines the purpose, authority and responsibility of all internal audit activity within Council.
12. Internal audit activities will be conducted in accordance with:
 - a. relevant professional standards
 - b. International Standards for the Professional Practice of Internal Auditing as issued by the Institute of Internal Auditors (IIA)
 - c. Council Internal Audit Charter; and
 - d. Audit and Risk Committee Terms of Reference

Responsibilities

Role	Responsibilities
Council	To be assured that appropriate activities are undertaken for risk and audit management assurance at the Tasman District Council.
Audit and Risk Committee (ARC)	The provision of oversight of the audit and risk functions as identified in the specific roles and responsibilities in the ARC Terms of Reference.
Chief Executive	To ensure the effective and efficient management of the Tasman District Council.
Chief Operating Officer	To oversee the recruitment and retention of appropriate staff to achieve the objectives of the risk and audit functions.
Executive Leadership Team (ELT)	To support, advocate and enable the risk management and internal audit functions across Council. To ensure that business continuity, technology recovery and organisation emergency crisis management plans are in place.

Risk and Assurance Advisor	To provide objective and independent assurance and advice to ELT, ARC and Council in relation to the adequacy of the processes and systems of internal controls within the organisation’s environment.
Staff	To engage with the risk and assurance function as requested. To follow risk management practice as set out by the Framework and guided by the risk and assurance function. To act on recommendations from the risk-based reviews.

Related policies, procedures and forms

- [Risk Management Framework](#)
- [Internal Audit Charter](#)
- Guiding Documents for Business Continuity, Data Recovery and Emergency Crisis Plans

Contact for further information

If you have any queries regarding the content of this policy or need further clarification, please contact:

Email: risk@tasman.govt.nz

Keywords

[for use in policy metadata]

Risk Management; Internal Audit; Assurance

Consultation

[this will not appear in the published policy]

Review was undertaken by Risk and Assurance Advisor and Assurance and Improvement Manager.

Implementation Process

[this will not appear in the published policy]

All Policies, Procedures, Guidelines and Codes of Practice must include an implementation plan, which should respond to each of the following headings:

Person responsible

Risk and Assurance Advisor

Communication Strategy

The Policy will be provided to ELT and ARC for noting. No other specific communication will occur, but the policy will be used to direct efforts in risk management and internal audit.

Other actions/tasks

Guiding Documents for Business Continuity, Data Recovery and Organisational Emergency Crisis Management Plan pending endorsement.

Resources

None

Completion Date

31 March 2025

7 CONFIDENTIAL SESSION

7.1 Procedural motion to exclude the public

The following motion is submitted for consideration:

That the public be excluded from the following part(s) of the proceedings of this meeting. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

7.2 Nelson Tasman Civil Defence and Emergency Management Group Capability Assessment

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(d) - The withholding of the information is necessary to avoid prejudice to measures protecting the health and safety of members of the public.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

7.3 Legal Services Report

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

7.4 External Audit Matters

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason

	who supplied or who is the subject of the information.	for withholding exists under section 7.
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7.5 Risk and Assurance Report Confidential Attachments

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	<p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to damage the public interest.</p> <p>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.</p>	<p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>

7.6 Cybersecurity Update

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	<p>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.</p> <p>Certain cybersecurity details are withheld to ensure threat actors can't obtain an advantage or intelligence that can be used by them to attack the Council systems</p>	<p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>