

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

**Date:** **Wednesday 1 October 2025**  
**Time:** **1.30pm**  
**Meeting Room:** **Tasman Council Chamber**  
**Venue:** **189 Queen Street, Richmond**  
**Zoom conference link:** <https://us02web.zoom.us/j/87513979207?pwd=zAu2jkyQtUE4KZuZBoVYdvHwJxKsKg.1>  
**Meeting ID:** **875 1397 9207**  
**Meeting Passcode:** **696087**

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## **Audit and Risk Committee**

### **Komiti Tatari me te Tuponotanga**

## **AGENDA**

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#### **MEMBERSHIP**

<b>Chairperson</b>	Mr G McGlinn
<b>Deputy Chairperson</b>	Ms A Elstob
<b>Councillors</b>	Deputy Mayor S Bryant Councillor C Butler
<b>Ex-Officio</b>	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 the 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, 12 June 2025, 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, 12 June 2025, be confirmed as a true and correct record of the meeting.

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**8 CLOSING KARAKIA**

## 6 REPORTS

### 6.1 RISK AND ASSURANCE

Information Only - No Decision Required

<b>Report To:</b>	Audit and Risk Committee
<b>Meeting Date:</b>	1 October 2025
<b>Report Author:</b>	Amy Clarke, Acting Assurance & Improvement Manager
<b>Report Authorisers:</b>	Joanna Cranness, People and Wellbeing Manager
<b>Report Number:</b>	RFNAU25-10-1

#### 1. Summary / Te Tuhinga Whakarāpoto

- 1.1 This report and attachments outline key risk and assurance activities for Q1 2025/26. Strategic risks remain prominent, with financial sustainability rated Very High and recent flooding events underscoring the interconnected nature of Council's risk profile.
- 1.2 Assurance activities focused on governance and service delivery, with audits such as the Harakeke CRM review identifying both strengths and areas for improvement.
- 1.3 A refreshed reporting format now supports clearer tracking of progress and challenges across Council's risk and assurance landscape.

#### 2. Recommendation/s / Ngā Tūtohunga

**That the Audit and Risk Committee**

1. **receives the Risk and Assurance report RFNAU25-10-1.**

#### 3. Risk Report

- 3.1 The Quarterly Risk Report (**Attachment 1**) for Q1 2025/26 highlights the continued prominence of strategic risks, particularly financial sustainability, which remains rated as Very High. The June/July 2025 flooding events were a defining feature of the quarter, testing Council's disaster preparedness and highlighting the interconnected nature of strategic and operational risks. These events have led to increased infrastructure maintenance needs, financial strain, and broader economic disruption, reinforcing the importance of resilience-building and sustainable recovery planning.
- 3.2 Operational risks also remain significant. The report notes that many risks are longstanding and increasingly interlinked, with external stressors such as extreme weather amplifying vulnerabilities.
- 3.3 Additionally, the report introduces improvements in risk reporting through SharePoint and Power BI, aiming to enhance transparency and reduce manual processes. A strategic risk review and further deep dives are planned to support ongoing maturity in risk management.













#### 4. Strategic Risks Deep Dives

- 4.1 In response to a request from the Audit and Risk Committee, Strategic Risk Owners have been invited to attend ARC meetings to present and discuss their respective risks. This quarter, the focus will be on the Financial Strategic Risk (**Attachment 2**) and Health and Safety Strategic Risk (**Attachment 3**). Summaries of each are attached to provide additional context and background.

#### 5. Assurance Report

- 5.1 The Quarterly Assurance Report (**Attachment 4**) for Q1 2025/26 provides an overview of completed, ongoing, and planned audits and reviews across Council, with a focus on strengthening governance, systems, and service delivery.
- 5.2 Key highlights include the Independent Quality Assurance review of the Harakeke CRM project (**Attachment 5**), which identified both strong leadership and areas for improvement, and the ongoing implementation of recommendations from audits such as LIM, Aerodrome Assessments, and Procure to Pay. The report also outlines upcoming assurance activities including external audits and an integrity survey led by Audit New Zealand.
- 5.3 The attached report introduces a refreshed format for quarterly Assurance Reporting, designed to support more efficient circulation and consideration by ELT, ARC, and, where required, Council.

#### 6. Attachments / Tuhinga tāpiri

1. <a href="#"></a> 	Quarterly Risk Reporting - Q1 25-26	6
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# Quarterly Risk Report

**Author:** Amy Clarke, Risk and Assurance Advisor

**Date:** 1 September 2025

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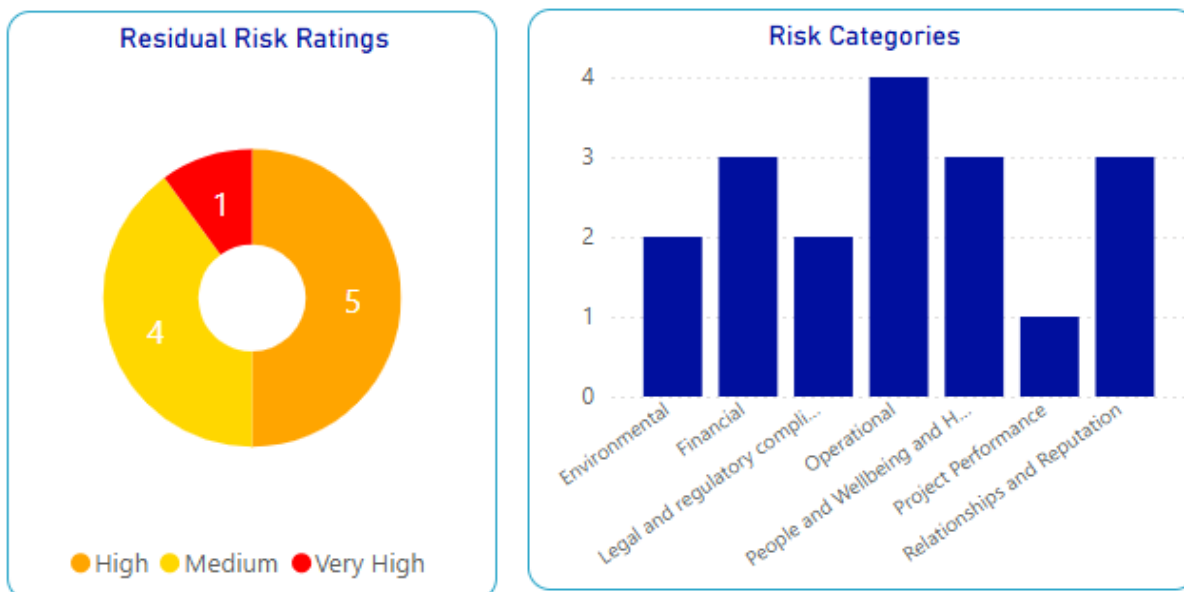
## 1.0 Summary

Overall, strategic risk ratings remain largely unchanged, with the Financial Strategic Risk continuing to be rated Very High. The quarter, however, was significantly shaped by the June/July 2025 flooding events, which tested Council’s disaster readiness and placed pressure on operations, resourcing, and community wellbeing. While the response demonstrated strong coordination and resilience, the events highlighted interconnections between strategic and operational risks—particularly financial sustainability, infrastructure resilience, and community safety.

The floods also continue to have ongoing impacts, with increased infrastructure maintenance needs, complex river management decisions, financial and insurance challenges, and wider economic disruption across the community. These pressures highlight how disaster events amplify interconnected risks and reinforce the importance of resilience-building and sustainable recovery planning.

This report also marks a shift in presentation, with graphs and tables starting to be generated from SharePoint and Power BI, improving automation, consistency, and transparency of reporting.

## 2.0 Strategic Risks



Residual Risks Heatmap

Risk Matrix ▼	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Extreme
5 Almost Certain				1	
4 Likely		1	1	4	
3 Possible			3		
2 Unlikely					
1 Rare					

## 2.1 Residual Risk Rating Changes

ID	Risk Name	Risk Description	Residual Risk Rating	Previous Rating	Change	Reporting Commentary	Link
3	Financial	Council is unable to maintain financial sustainability, compromising service levels, asset quality, and intergenerational equity.	Very High	20 Very High	20 — Unchanged	The risk description has been refined to more accurately reflect Council's financial risk. The risk remains very high given the constrained fiscal environment, despite mitigation through prudent financial management, strategic prioritisation, and adherence to the Financial Strategy. Work is underway on the Financial Roadmap and updated strategy, the implementation of which is expected to progressively reduce the level of risk.	<a href="#">🔗</a>
9	Data and Systems	Impact or loss suffered due to a failure in data quality, integrity or system inefficiency or integration.	High	16 High	16 — Unchanged	Risk remains High. Completion of Digital Innovation Programme projects over the coming years is expected to lower the risk level.	<a href="#">🔗</a>
8	Disaster Event	Impact or loss suffered due to Council being unprepared or unable to respond to or recover from major natural or human-induced disaster events.	High	16 Very High	20 ▼ Reduced	This risk has been reframed around Council's readiness for disaster events, allowing a stronger focus on preparedness and continuous improvement. Recent flood events have provided a real-world test of our readiness and response capability. While important lessons have been identified, the overall response was effective.	<a href="#">🔗</a>
7	Government and Regulatory	Impact or loss suffered due failure to adhere to laws or regulations.	High	16 High	16 — Unchanged	Risk remains High. Central government reforms and legislative changes create uncertainty and require significant organisational attention. The scale and pace of change increase residual risk. Regular monitoring of reforms and early response planning are underway.	<a href="#">🔗</a>
10	Health and Safety	Impact or loss suffered due to a failure to meet our health and safety obligations.	High	16 High	16 — Unchanged	Risk remains High. A health and safety improvement plan is being progressed, with focus on critical risks and contractor management. The nature of Council's activities means this risk is likely to remain high.	<a href="#">🔗</a>
5	People and Capability	Impact or loss suffered due to inability to fund, recruit, or retain skilled competent staff.	High	12 High	12 — Unchanged	"Risk remains High. Many roles within Council are held by a single staff member. While not always specialist, these positions often carry critical knowledge of processes, systems, and organisational history. This creates vulnerability if staff are unavailable or leave. Workforce planning, succession planning, and improved knowledge management are being progressed where possible to reduce this risk.	<a href="#">🔗</a>

ID	Risk Name	Risk Description	Residual Risk Rating	Previous Rating	Change	Reporting Commentary	Link
6	Contracts and Procurement	Impact or loss suffered due to a failure in procurement or contracting.	Medium	9 Medium	9 — Unchanged	Risk remains Medium. Implementation of the new Procurement Policy and Procurement Panel provides stronger governance and transparency. Risks remain around contract management maturity, but improvements are expected as processes embed.	<a href="#">🔗</a>
2	Iwi Relationships	Impact or loss suffered from an inability to establish and maintain successful relationships with iwi.	Medium	9 Medium	9 — Unchanged	Rated as Medium, as a reflection of established relationships, with the ongoing focus now on maintaining and deepening these partnerships. However, teams are aware that there could be impacts related to elections and associated induction programmes, and the Māori Ward Referendum.	<a href="#">🔗</a>
4	Projects and Programmes	Impact or loss suffered as a result of the failure to deliver projects and programmes.	Medium	9 Medium	9 — Unchanged	Risk remains Medium. Council is successfully delivering a significant capital works programme, supported by strengthened governance and reporting. Ongoing focus on programme oversight will help manage risks around scope, cost escalation, and capacity.	<a href="#">🔗</a>
1	Community Support	Impact or loss suffered due to a loss or decline in community support.	Medium	8 Medium	8 — Unchanged	The 2025 Resident Survey identified a decline in community trust and reputation, influenced by national pressures and local concerns about engagement. In response, work is underway on an Engagement Framework, and the Significance and Engagement Policy will be reviewed as part of the LTP. These initiatives aim to strengthen relationships and rebuild trust. The risk remains assessed as Medium.	<a href="#">🔗</a>

## 2.5 Strategic Risks Updates

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

### Deep Dives

This quarter, deeper dives have been undertaken for the Financial, Health and Safety, and Disaster Event risks. Summaries for Financial and Health and Safety Strategic Risks are attached to this report and will be presented by the respective risk owners. The Disaster Event risk deep dive is scheduled to be presented at the next ARC meeting.

The Financial and Disaster Event risk descriptions have been updated to incorporate feedback from ARC and insights gained through the recent deep dives with the risk owners.

	Previous	New
<b>Disaster Event</b>	Impact or loss suffered due to a natural or human induced disaster event including long-term events such as drought and sea level rise.	Impact or loss suffered due to Council being unprepared or unable to respond to or recover from major natural or human-induced disaster events.
<b>Finance</b>	Insufficient funds to deliver services and functions required by legislation and Long-Term Plan / Annual Plan.	Council is unable to maintain financial sustainability*, compromising service levels, asset quality, and intergenerational equity.

\* Financial Sustainability: is our ability to manage our finances in a way that ensures we can meet our current and future service delivery obligations, while maintaining the quality of our assets and infrastructure, without imposing an unmanageable financial burden on current or future ratepayers.

### Disaster Event Risk

The risk description has been reframed around Council's readiness for disaster events, providing a clearer focus on preparedness and continuous improvement. As a result, the overall risk rating has decreased, reflecting greater confidence in Council's ability to manage and respond effectively.

This readiness was tested during the June/July 2025 flooding events. While the scale of the events created major disruption, the response demonstrated resilience, strong coordination, and effective partnerships. Lessons identified around communication, recovery processes, and community preparedness are being incorporated into future planning, ensuring Council continues to strengthen its prevention, response, and recovery capability.

It was requested we consider Climate Change as a separate strategic risk (from the disaster event risk) and discussions are scheduled for late September with the Senior Climate Change Policy Advisor to explore this further.

### Tasman Floods June/July 2025 Recovery

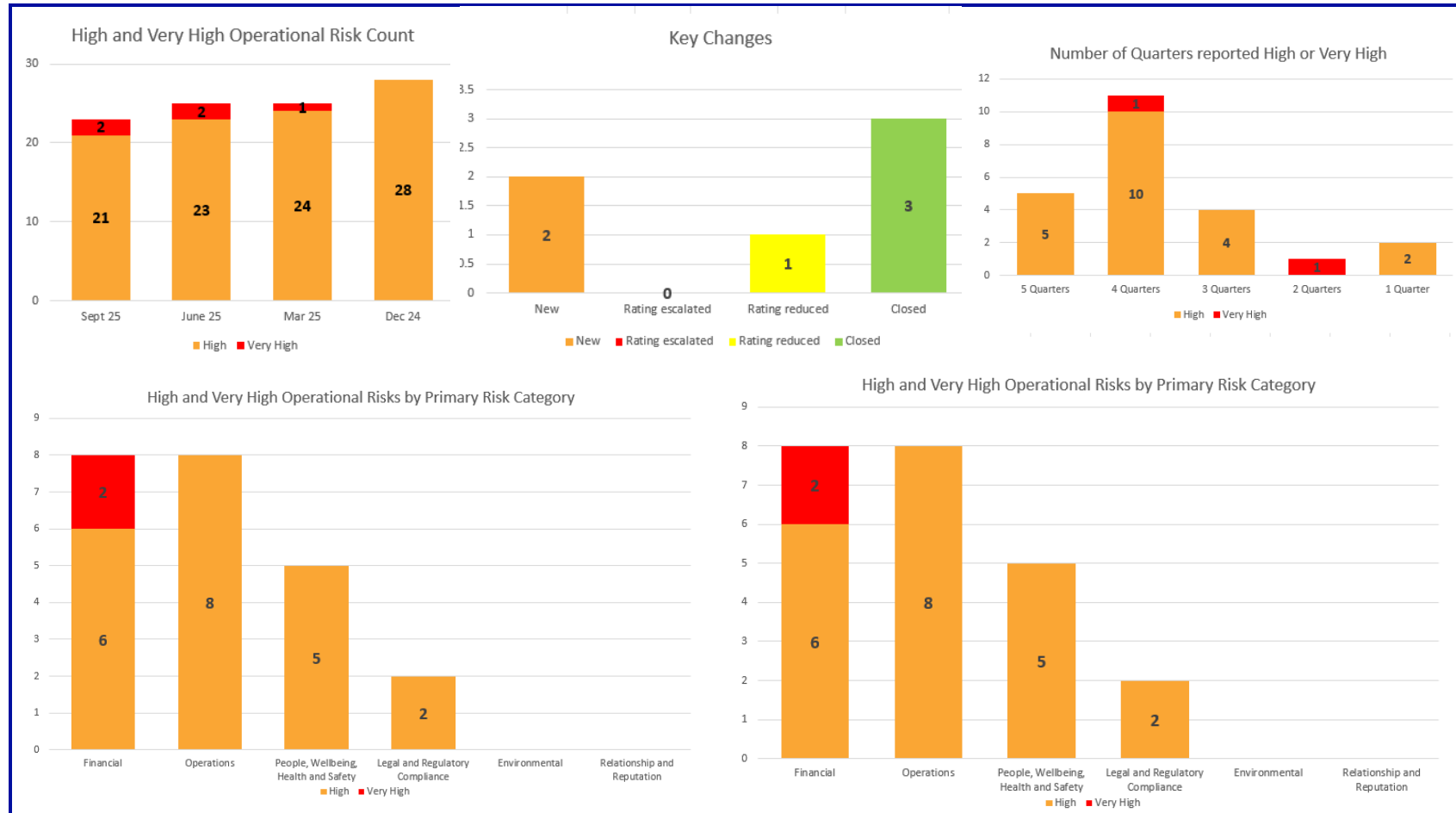
The June/July 2025 floods continue to create challenges for Council operations and have highlighted the interconnected nature of Council's risk profile. The scale of damage has increased the likelihood of reactive maintenance across roading, water, and other infrastructure. Extensive work is required in the river space to repair flood damage and address changes in river courses. Financial considerations, including a need to

secure external funding for recovery, and manage insurance claims, has added to the challenges facing Council. These pressures demonstrate how disaster events can simultaneously drive operational, financial, and strategic risks.

The wider economic impact on the Tasman community compounds these challenges, with potential prolonged disruption to key sectors such as horticulture, aquaculture, forestry, livestock, and tourism likely to affect employment, household income, and long-term resilience.

### 3.0 Operational Risks

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





### 3.1 Operational Risk Commentary

The most significant concentration of high and very high risks continues to sit within Financial and Operational categories, each with eight active risks. These cover issues such as potential operating deficits, financial controls, insurance, and resource/workload pressures, alongside operational challenges in water services, infrastructure resilience, and system reliability. This points to ongoing vulnerabilities in Council's ability to sustain financial stability while delivering services reliably.

The second key theme relates to People, Wellbeing, Health and Safety. Risks here include community safety (e.g. flood isolation events), staff wellbeing, and emerging societal challenges such as sovereign citizen activity. These reflect the broader pressures on both Council staff and the community environment in which Council operates.

Finally, Legal and Regulatory Compliance risks highlight ongoing exposure in statutory functions such as Land Information Memoranda (LIMs) and Privacy, underlining the importance of compliance capability and oversight.

Across the portfolio, several trends are evident. First, many risks are longstanding, with repeated appearance across consecutive quarters, suggesting that while mitigations are in place, residual exposure remains material. Second, risks are increasingly interconnected: for example, financial pressures flow into resourcing constraints, which in turn impact service delivery, compliance, and staff wellbeing. Finally, external events—such as extreme weather or shifts in community behaviour—are acting as stress tests, amplifying both operational and strategic risks.

Together, these trends suggest that resilience-building, cross-functional risk management, and investment in financial, operational, and people systems will remain central priorities for Council in the year ahead.

## 4.0 Horizon Scan: Risks and Trends

### NZSIS — New Zealand's Security Threat Environment 2025

→ [View the report](https://www.nzsis.govt.nz/our-work/new-zealands-security-threat-environment) or <https://www.nzsis.govt.nz/our-work/new-zealands-security-threat-environment>

The third annual assessment by the New Zealand Security Intelligence Service highlights national security threats including violent extremism, foreign interference, espionage, and insider threats.

#### *Why this matters*

- The report describes threat activity that can touch council decision-making, information, people and partnerships.
- It highlights channels (online radicalisation, community gate-keeping, co-optees, offers of travel/relationship-building) through which threat actors may seek access, influence or information.

#### *Commentary*

The NZSIS 2025 assessment notes that New Zealand's security environment is becoming more complex, with ongoing risks from foreign interference, espionage, and online radicalisation. While the likelihood of major incidents remains low, local government is recognised as one area where foreign actors may seek influence, including through international relationships and community networks. Councils that are connected to, or have oversight of, strategically important assets such as ports, airports, energy, water or transport infrastructure may attract greater attention. For Tasman District Council, the relevance lies less in direct threat

and more in understanding that councils form part of the wider national security landscape. Awareness of these issues helps ensure that governance, relationships, and information are managed with an eye to resilience and integrity.

## 5.0 Risk Management Maturity Progress

With the new triennium approaching, preparations are underway for inductions and a risk workshop. A review of strategic risks with ELT is also planned, with continued deep dives into each strategic risk.

Progress has been made in developing SharePoint-based registers and Power BI reports to replace the current Excel spreadsheets. The existing spreadsheets are difficult to view, hard to consolidate, and prone to being overwritten. The new system will streamline risk management and reporting and will reduce reliance on the Risk Advisor for updates by enabling teams to manage their own risks directly. The system is currently being piloted and will be rolled out to staff over the next two reporting periods.

## Strategic Risk Summary – Financial

Last updated: 24/6/2025

RISK ID	RISK TITLE	RISK OWNER
S-03	Financial	Mike Drummond – Chief Financial Officer

### 1. Risk Description

Council is unable to maintain financial sustainability<sup>1</sup>, compromising service levels, asset quality, and intergenerational equity.

### 2. Risk Rating Summary

	INHERENT RISK	RESIDUAL RISK	TARGET RISK
LIKELIHOOD	Likely (4)	Almost Certain (5)	Possible (3)
CONSEQUENCE	Major (5)	Major (4)	Major (4)
RATING	<b>HIGH (16)</b>	<b>VERY HIGH (20)</b>	<b>HIGH (12)</b>

### 3. Risk Overview

The Council's ability to achieve long term financial sustainability is under increasing pressure due to growing infrastructure demands, limited revenue-raising capacity, inflationary cost pressures, and evolving legislative requirements. Failure to manage these pressures will result in not meeting agreed service levels, deferred maintenance or renewal of assets, and inequitable outcomes for future generations. The residual risk remains very high due to the constrained fiscal environment, despite mitigation through prudent financial management, strategic prioritisation, and adherence to the current Financial Strategy. Continued monitoring, scenario planning, and governance oversight are critical to moving toward the target risk profile.

### 4. Link to Strategic Objectives

	2025/26 STRATEGIC PRIORITIES AND KEY INITIATIVES	ORGANISATIONAL PRIORITIES
<b>STRONGLY LINKED</b>	<ul style="list-style-type: none"> <li>Financial Sustainability</li> <li>Infrastructure Development</li> <li>Community Engagement</li> <li>Environmental Stewardship</li> </ul>	<ul style="list-style-type: none"> <li>Valuing our staff</li> <li>Embracing Change</li> <li>Partnering with Iwi</li> </ul>
<b>LINKED</b>		

<sup>1</sup> Financial Sustainability: is our ability to manage our finances in a way that ensures we can meet our current and future service delivery obligations, while maintaining the quality of our assets and infrastructure, without imposing an unmanageable financial burden on current or future ratepayers

## 5. Key Risk Causes and Consequences

### CAUSES

- Reduced economic activity
- Inflationary pressures and rising interest rates
- Unplanned emergency expenditure
- Not fully funding depreciation / insufficient renewals funding
- Global economic shock
- Short term political focus

### CONSEQUENCES

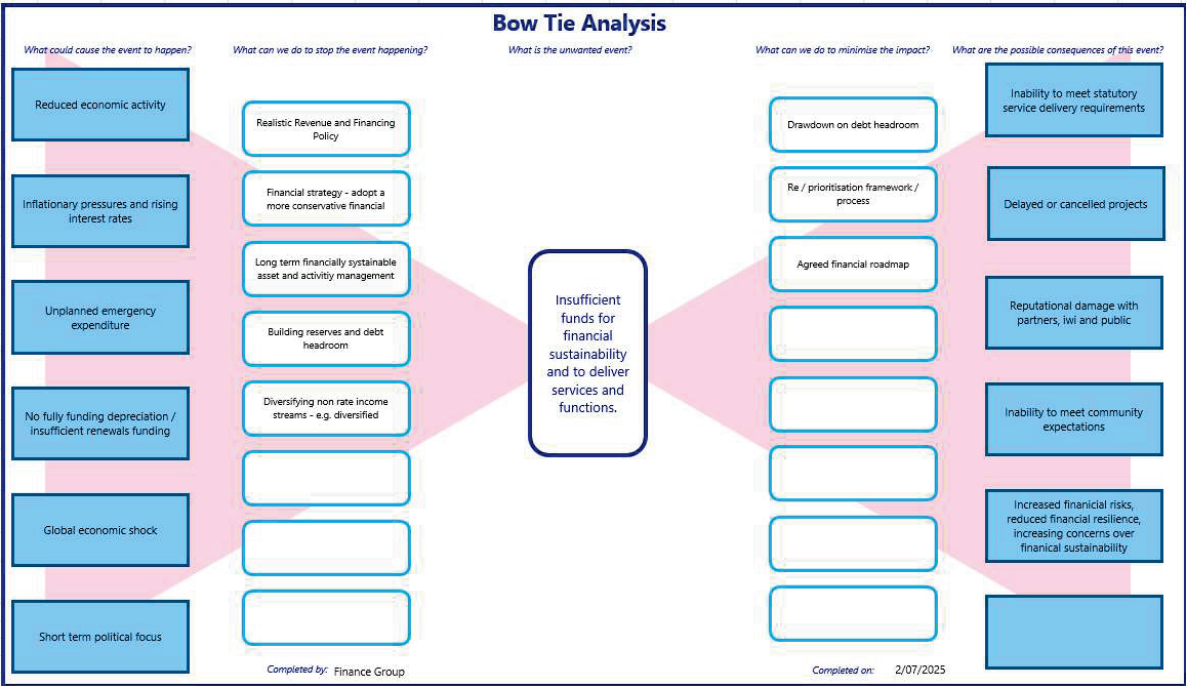
- Inability to meet statutory service delivery requirements.
- Delayed or cancelled projects
- Reputational damage with partners, iwi and public
- Inability to meet community expectations
- Increased financial risks, reduced financial resilience, increasing concerns over financial sustainability
- Increasing debt level with shrinking debt headroom

## 6. Controls, Mitigations and Actions

	<b>CONTROL / MIGITATION / ACTION</b>	<b>DESCRIPTION</b>	<b>OWNER</b>	<b>STATUS</b>	<b>CURRENT EFFECTIVENESS</b>	<b>COMMENTS</b>
1	Revenue and Financing Policy	Policy to provide predictability and certainty about sources and levels of council funding.	CFO/ Revenue Manager	In place	Partially effective	The Revenue and Financing policy must be a realistic reflection of the sources and levels of Council funding.
2	Financial Roadmap	Tasman District Council's 10-Year Financial Road Map outlines a strategic approach toward achieving long-term financial sustainability amidst demographic growth, aging infrastructure, and regulatory reforms. This comprehensive plan emphasizes prudent financial management, resilience and equity to ensure ongoing service delivery and infrastructure renewal, without imposing undue burdens on current or future ratepayers.	CFO/CEO	In development	Not effective	<p>This will be a long term foundational basis for the next and future long term plans. It will require a significant change in approach to council's financial governance and management. Including a high level of discipline from both staff and elected members.</p> <p>Draft expected to be available Q2 FY 25/26.</p>

	CONTROL / MIGITATION / ACTION	DESCRIPTION	OWNER	STATUS	CURRENT EFFECTIVENESS	COMMENTS
3	Financial strategy	This is a guide prudent financial decision-making over the long term. It sets out how the Council will manage its revenues, expenses, debt, and investments to deliver essential services and infrastructure in a sustainable, affordable, and transparent manner. The strategy balances community needs and expectations with financial constraints, helping ensure the Council can meet both current and future demands while maintaining financial resilience.	CFO/CEO	In place due for review to a line with the financial roadmap and 2027-37 LTP	Partly effective	This will be based on the Financial Roadmap.
4	Long term financially sustainable asset and activity management	Part of Financial Roadmap and reflected in the Asset/Activity Management plans	ELT/SLT	In place due for review to a line with the financial roadmap and 2027-37 LTP	Partly effective	
5	Building reserves and debt headroom	Part of the Financial Roadmap	CFO/CEO /Governance	Not in place	Not effective	
6	Diversifying non-rate income streams e.g. diversified resilience fund	Part of the Financial Roadmap	CFO/CEO /Governance	In Development	Not effective	
7	Ability to drawdown on headroom	Part of BAU Treasury Management	CFO	In Place	Partially effective	
8	Prioritisation framework	Develop as part of the Financial Roadmap	CFO	In Development	Not effective	

7. Bowtie Analysis<sup>2</sup>



<sup>2</sup> [Financial Risk BowTie 2025.xlsx](#)

## Strategic Risk Summary – Health and Safety

Last updated: 11/6/2025

RISK ID	RISK TITLE	RISK OWNER
10	Health and Safety	Steve Manners, Chief Operating Officer

### 1. Risk Description

Impact or loss suffered due to a failure to meet our health and safety obligations.

### 2. Risk Rating Summary

	INHERENT RISK	RESIDUAL RISK	TARGET RISK
LIKELIHOOD	Almost Certain (5)	Likely (4)	Unlikely (2)
CONSEQUENCE	Extreme (5)	Major (4)	Moderate (4)
RATING	<b>VERY HIGH (25)</b>	<b>HIGH (16)</b>	<b>MEDIUM (6)</b>

### 3. Risk Overview

The health and safety strategic risk remains high, reflecting the potential for serious harm to staff, contractors, or the public and the significant consequences of non-compliance under the Health and Safety at Work Act 2015. While Council has frameworks, policies, and reporting processes in place, gaps remain in consistent practice across departments, contractor management, and visibility of wellbeing risks. Recent improvements, including a stronger focus on key risks and system reviews, indicate progress, but ongoing attention is needed to embed a proactive safety culture and ensure assurance processes provide governance with clear, actionable insights.

### 4. Link to Strategic Objectives

	2025/26 STRATEGIC PRIORITIES AND KEY INITIATIVES	ORGANISATIONAL PRIORITIES
<b>STRONGLY LINKED</b>	<ul style="list-style-type: none"> <li>Infrastructure Development</li> </ul>	<ul style="list-style-type: none"> <li>Valuing our Staff</li> </ul>
<b>LINKED</b>	<ul style="list-style-type: none"> <li>Environmental Stewardship</li> <li>Community Engagement</li> <li>Financial Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Partnering with Iwi</li> <li>Leading Change</li> </ul>



## 5. Key Risk Causes and Consequences

### CAUSES

- Failure to properly identify/assess and manage workplace risk
- Workers or others are not adequately trained or competent to manage risk
- Poor safety culture
- Lack of worker engagement or organisational emphasis on H&S Leadership
- Failure to follow procedures
- Poor contractor management
- Contractors failing to meet required risk management standards
- Lack of monitoring
- No clear means to identify & respond to near misses, incidents or report on trends
- Unexpected events
- Changes in legalisation or scope of works

### CONSEQUENCES

- Harm to others or workers
- Legal/regulatory penalties, prosecution, enforcement action, enforceable undertakings
- Loss of worker engagement/morale
- Operational disruption
- Damage to property/plant
- Increased costs
- Reputational damage
- Financial losses

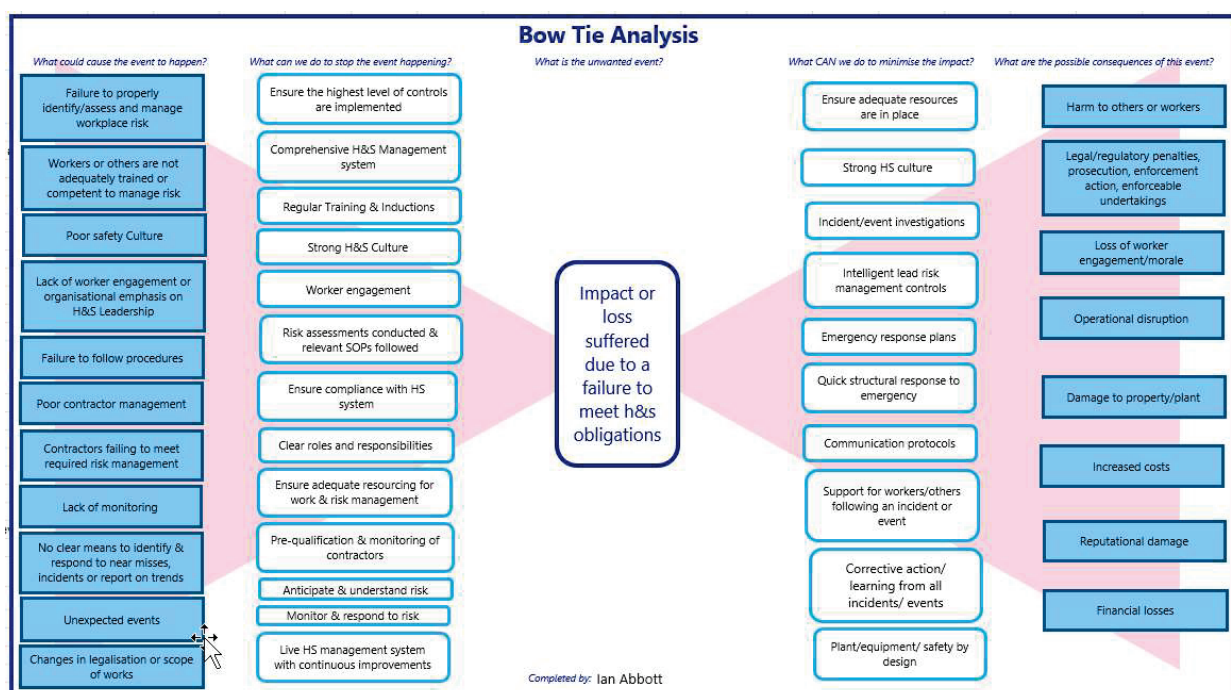
6. Controls, Mitigations and Actions

	MIGITATION / ACTION	DESCRIPTION	OWNER	STATUS	CURRENT EFFECTIVENESS	COMMENTS
1	Comprehensive Health and Safety Management System	Council currently use DAMSTRA as the health and safety system.	Ian Abbott	Under review	Partially Effective	Over the past 6 months updates have been made, and continue to be made, to improve functionality. Ongoing reviews will be undertaken to ensure it meets all requirements.
2	Training and Inductions	Council provides inductions to staff, contractors, elected members etc on H&S, driving, conflict, first aid etc.	Ian Abbott	Under review	Partially Effective	Training requirements are reviewed on an ongoing basis. Currently there is a focus on ensuring the driver training is risk based and fit for purpose.
3	Contractor Management	Ensuring contractors working on behalf of Council have appropriate H&S practices	Ian Abbott	Ongoing	Partially Effective	Controls include pre-qualification and reporting processes. Staff are proactively engaging with contractors to enhance communication, with a focus on improved reporting.
4	Risk Management	H&S risks identified and managed	Ian Abbott	Ongoing	Partially Effective	The H&S risk register has been reviewed and updated. In the coming year, there will be a particular focus on vehicle safety and aggressive or abusive behaviour.
5	Reporting	Reporting on H&S to responsible managers, ELT and ARC	Ian Abbott	Under review	Partially Effective	Quarterly reporting to ELT and ARC has been improved, and work is being undertaken to improve reporting to managers and regular reporting to ELT. Improvements in data collection are being made, which will enhance reporting.

3

6	Resourcing	Resourcing for the H&S function.	Steve Manners	Completed	Effective	The H&S function has a Team Leader, Advisor and Co-ordinator, this has enabled the team to significantly improve support to the organisation.
7	Safety Observations	Visits by managers to understand and monitor safety practices	Steve Manners	Ongoing	Partially Effective	Ongoing promotion and reporting on safety observations is a focus, particularly for senior leaders.
8	Worker engagement	H&S Committee and Representatives	Ian Abbott	Ongoing	Partially Effective	The committee and representatives meet regularly, but a focus on outcomes is expected to improve engagement.

7. Bowtie Analysis<sup>1</sup>



<sup>1</sup> Health and Safety BowTie



# Quarterly Assurance Report

**Author:** Amy Clarke, Risk and Assurance Advisor

**Date:** 1 September 2025

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The purpose of this quarterly report is to provide a view of assurance activity. It covers completed, in-progress, and planned audits and reviews, and tracks how recommendations are being put into practice to support ongoing improvements across Council.

## 1.0 Recently completed Audits and Reviews

### Customer Relationship Management (CRM) Independent Quality Assurance Review

The Independent Quality Assurance (IQA) review by McHale Associates of the Harakeke CRM project—Tasman District Council's largest Digital Innovation Programme (DIP) initiative—provided high-level assurance over governance, planning, and delivery during its Planning/Discovery phase. While the review highlighted strong leadership, collaborative vendor relationships, and improvements such as clearer governance structures and enhanced change management, it also identified key risks including unclear decision-making pathways, capacity constraints, and integration challenges. Several recommendations were made to strengthen future project phases, many of which have already been actioned, such as improved onboarding, clearer role definitions, and enhanced project planning. **A summary of the review [is attached](#).**

### Localise – Long Term Plan Review

Included as a separate report to ARC.

## 2.0 Planned and in progress Audits and Reviews

Ref	Name	Auditor	Report Due	Update
1	Flood Protection Audit	OAG	April 2025	Draft report received, staff are preparing comments.
2	NZTA Technical investment audit	NZTA	May 2025	Draft report received, staff are preparing comments.
3	Insurance Review	Internal	June 2025	Draft report not received
4	Asset Management Evaluation	Internal	June 2025	Draft report not received
5	Building Consent Authority Assessment	IANZ	October 2025	
6	Community Funding Review	Internal	June 2026	
7	Fraud Controls Review	Internal	Q3 25/26	

### Audit New Zealand Integrity Survey

Council recently participated in Audit New Zealand's Integrity Practices Survey. The purpose of this survey is to promote strong integrity practices across the public sector by supporting organisations to reflect on their current approach, recognise areas of strength, and identify opportunities for improvement.

A number of Council staff, including Legal, People & Wellbeing and Assurance & Improvement contributed feedback to the survey process.

The survey closed on Friday, 8 August. Audit New Zealand will now analyse the responses and prepare an organisation-specific report, which Council will have the opportunity to review for factual accuracy. Audit New Zealand will also produce an aggregated, anonymised sector report that highlights system-wide insights. This public report will be published on Audit New Zealand's website. All responses are confidential, and individual organisations will not be identified in the published results.

### 3.0 Improvement Programme

These are completed audits and reviews with open recommendations or actions to improve our systems and processes.

	Name	Lead Team	Audit Completed	RAG Status
1	LIM Review	LIM & Property Information	May 2023	On track
2	Motueka Aerodrome Assessment Audit	Enterprise	Feb 2024	On track
3	Takaka Aerodrome Assessment Audit	Enterprise	Feb 2024	On track
4	Procure to Pay Audit	Assurance & Improvement	Feb 2022	On track
5	Reimagining Health and Safety	Health & Safety	Oct 2024	On track
6	Customer Relationship Management Project Review	Information Services	May 2025	On track
7	Localise – Long Term Plan Review	Strategic Policy	Mar 2025	On track

**RAG Status:** **On track** – work is progressing as expected, **Progressing** – work is underway but delays or uncertainty are currently affecting the progress, **Off track** – work has stalled or there are significant issues affecting progress, **Not started** – work has not yet begun.

**Recommendation Key:** ▲▼ - positive change in # of recommendations. ● - No change in # of recommendations. (X) – number of recommendations previously reported.




#### LIM Review

Status: On track

Recommendations	Completed	9 ▲ (8)	In Progress	9 ▲ (5)	Not Started	7 ▼ (12)
<b>What has been achieved since last update</b> <ul style="list-style-type: none"><li>LIM and Property Information (L&amp;PI) Team Leader appointed</li><li>L&amp;PI team resourced and initial training completed</li><li>Risks identified and prioritised</li></ul>			<b>What is planned for next quarter</b> <ul style="list-style-type: none"><li>Compliance with new Natural Hazard legislation achieved</li><li>Review completed of Manual and Process Maps</li><li>LIM Policy drafted</li></ul>			
<b>Challenges:</b> <ul style="list-style-type: none"><li>Prioritising improvements to meet capacity of organisation to deliver change.</li></ul>						

Motueka Aerodrome Assessment Audit

Status: On track

Recommendations	Completed	0  (0)	In Progress	4  (3)	Not Started	1  (2)
<b>What has been achieved since last update</b> <ul style="list-style-type: none"><li>Draft changes to the Management Plan received.</li></ul>			<b>What is planned for next quarter</b> <ul style="list-style-type: none"><li>Enact recommendations and finalise Management Plan.</li><li>Work on the development plan</li></ul>			
<b>Challenges:</b> <ul style="list-style-type: none"><li>NA</li></ul>						

Takaka Aerodrome Assessment Audit

Status: On track

Recommendations	Completed	1 ● (1)	In Progress	9 ▲ (4)	Not Started	0 ▼ (5)
What has been achieved since last update <ul style="list-style-type: none"><li>Draft changes to the Management Plan received.</li></ul>			What is planned for next quarter <ul style="list-style-type: none"><li>Enact recommendations and finalise Management Plan.</li></ul>			
Challenges: <ul style="list-style-type: none"><li>NA</li></ul>						

Procure to Pay Review

Status: On track

Recommendations	Completed	17 ▲ (12)	In Progress	4 ▼ (9)	Not Started	2 ▼ (2)
<b>What has been achieved since last update</b> <ul style="list-style-type: none"><li>Procurement Policy approved</li><li>Quarterly procurement reporting</li></ul>			<b>What is planned for next quarter</b> <ul style="list-style-type: none"><li>Procurement workshop/inductions for elected members</li><li>Procurement processes updated</li></ul>			
<b>Challenges:</b> <ul style="list-style-type: none"><li>NA</li></ul>						



## Reimagining Health and Safety

Status: **On track**

Recommendations	Completed	NA	In Progress	NA	Not Started	NA
<b>What has been achieved since last update</b> <ul style="list-style-type: none"><li>Improvements in systems, training and support for management of harmful interactions.</li></ul>			<b>What is planned for next quarter</b> <ul style="list-style-type: none"><li>Improvements in training, monitoring and controls for driving for work and occupational health risks.</li></ul>			
<b>Challenges:</b> <ul style="list-style-type: none"><li>NA</li></ul>						

## Harakeke CRM Review

Status: **On track**

Recommendations	Completed	6 (NA)	In Progress	4 (NA)	Not Started	0 (NA)
<b>What has been achieved since last update</b> <ul style="list-style-type: none"><li>Closure of the DIP Governing Board with a simpler governance structure through management lines.</li><li>The Harakeke Board being empowered to make more decisions.</li><li>Clearer role definition, team structure and accountability definition.</li><li>Onboarding of key resources to support integration, business process mapping and testing.</li><li>Ongoing change readiness assessments to inform project stage design and Go Live planning.</li><li>Improved collaboration with the Vendor to manage the project as a whole, not two workstreams.</li><li>Development of a requirements gathering / business analysis framework and upskilling of our team in using the framework.</li></ul>			<b>What is planned for next quarter</b> <ul style="list-style-type: none"><li>Approval of new terms of reference for DIP workstream boards to empower boards.</li><li>Implementation of BA framework with Animal Control as test case.</li><li>Templating of project RASCI and role descriptions for future large projects.</li><li>Project Readiness Assessment for Modern Finance</li></ul>			
<b>Challenges:</b> <ul style="list-style-type: none"><li>NA</li></ul>						

## Localise – Long Term Plan Review

Status: **On track**

Recommendations	Completed	NA	In Progress	NA	Not Started	NA
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<p><b>What has been achieved since last update</b></p> <ul style="list-style-type: none"> <li>• A plan to implement the recommendations for the review has been agreed by ELT.</li> <li>• Project teams have been established.</li> </ul>	<p><b>What is planned for next quarter</b></p> <ul style="list-style-type: none"> <li>• Workshop with ARC around role in LTP.</li> <li>• Progressing the recommendations with monthly reporting to ELT.</li> </ul>
<p><b>Challenges:</b></p> <ul style="list-style-type: none"> <li>• NA</li> </ul>	

## Customer Relationship Management Independent Quality Assurance Review

The Harakeke Customer Relationship Management (CRM) project represents the largest initiative within Tasman District Council's Digital Innovation Programme (DIP), aimed at transitioning to a modern digital platform. McHale Associates were appointed to undertake an Independent Quality Assurance (IQA) Review focused on the Planning/Discovery stage (May to September 2024), and assessed governance, management, planning, and lessons learned. The review was conducted in March/April 2025 and provides high-level assurance over the project's arrangements and processes.

Several positive aspects were identified during the review. Over 40 design workshops were conducted collaboratively with HCL, resulting in a comprehensive Solution Blueprint. Governance leadership was evident, with the DIP Governing Board Chair ensuring alignment with TDC's Digital Blueprint and providing strong leadership during critical phases. Collaborative relationships between HCL and TDC teams were noted, particularly in the implementation phase. The appointment of a DIP Change Manager early in 2024 has also strengthened issue escalation and support mechanisms.

Key themes emerged from the review, including a disconnect between governance and management, with escalation pathways and decision-making responsibilities not well defined. Capacity and capability constraints within TDC affected project delivery and staff wellbeing. Integration and testing challenges were noted due to late engagement of integration partners and lack of detailed process documentation. The early absence of a dedicated Change Manager limited proactive engagement and impact assessment.

The review outlined several recommendations to enhance future project phases and DIP initiatives. These include performing Project Readiness Assessments at the conclusion of each major stage, preparing and communicating detailed Project Plans specific to each stage prior to commencement, and clearly defining RASCI roles throughout governance layers. Additionally, it is recommended to evaluate governance and project control groups to better support operational decision-making.

Establishing the role of Technical Product Owner will be essential to ensure effective technical integration in future projects. Comprehensive end-to-end process mapping should be completed before implementation, and scheduling a pause between stages will allow for review of Statements of Work and provide an opportunity for team recovery. Integration of Council activities with Vendor Statements of Work will further support successful project delivery.

Many of these issues were known to the project team and governance groups by the time the IQA was done, and changes have been implemented to improve the delivery of the CRM and inform future projects. This includes:

- Closure of the DIP Governing Board with a simpler governance structure through management lines.
- The Harakeke Board being empowered to make more decisions.
- Clearer role definition, team structure and accountability definition.
- Onboarding of key resources to support integration, business process mapping and testing.
- Ongoing change readiness assessments to inform project stage design and Go Live planning.
- Improved collaboration with the Vendor to manage the project as a whole, not two workstreams.
- Development of a requirements gathering / business analysis framework and upskilling of our team in using the framework.

The IQA, alongside our CRM retrospectives and lessons capture, has lifted our capability for future project work. For example, the organisation is much more aware of the need for good current-state analysis and end-to-end process mapping before embarking on solution design and implementation. The experience of the CRM project has also highlighted the challenges of managing capability mismatches between the Council and large Vendors. Project resourcing to balance cost with the need for the necessary capability and capacity remains a challenge.

The current status of the CRM project is amber owing to resourcing pressures and the issues created by some of the inadequacies in the start-up phase. However, the project is on track to deliver the CRM by 20 October.

**Appendix – IQA Recommendations**

	<b>Item</b>	<b>Status</b>	<b>Action</b>
1	Conduct a Project Readiness Assessment at the close of each major stage, especially before major procurements or change initiatives.	Open	Readiness assessments are being taking place throughout CRM. Add Project Readiness Assessment as a start-up item in our templates and initiation gate checklist
2	Develop and communicate a detailed project plan for each formal stage before commencement.	Closed	Project planning now robust – top level project plan and detailed plans for each functional area
3	Review and clarify the CRM project RASCI to remove overlaps between the programme sponsor, SRO, and Workstream SRO.	Closed	RASCI now provides a template for future projects
4	Ensure the Programme Manager adheres to the RASCI and escalates decisions only to the lowest practical level.	Closed	Harakeke Board ToR updated and DIPGB closed. New governance route to COO and CE.
5	Establish a Project Control Group (PCG) with subject matter experts to support operational decision-making.	Closed	Harakeke Board ToR updated. DIP Coordination Group being established to replace DIPGB and focus on operational delivery.
6	Include specific deliverables and delegations in future Statements of Work or position descriptions for project management.	Open	Consider in future SoWs
7	Develop a formal onboarding programme for TDC staff and external suppliers, including handover documentation.	Closed	There is onboarding documentation that was made available to the project manager in the start up phase.
8	Appoint a Technical Product Owner to attend all design workshops and moderate business decisions impacting the Tech Team.	Open	Role Description complete. Included in RASCI template.
9	Complete end-to-end process documentation before the Development/Build/Implementation stage.	Closed	New framework developed and being implemented by Senior BA
10	Build in a pause between project stages to review and amend the Statement of Work and allow teams to recharge.	Open	Future projects to plan sufficient time for reviewing a stage of work or large deliverable.

## 6.2 INTERNAL AUDIT CHARTER AND PLAN

Information Only - No Decision Required

<b>Report To:</b>	Audit and Risk Committee
<b>Meeting Date:</b>	1 October 2025
<b>Report Author:</b>	Amy Clarke, Acting Assurance & Improvement Manager
<b>Report Authorisers:</b>	Joanna Cranness, People and Wellbeing Manager
<b>Report Number:</b>	RFNAU25-10-2

### 1. Summary / Te Tuhinga Whakarāpoto

- 1.1 This paper presents an updated Internal Audit Charter (**Attachment 1**) and Internal Audit Plan (**Attachment 2**). The documents have been developed to reflect current expectations of internal audit, strengthen alignment with Office of the Auditor-General (OAG) guidance and ISO standards, and ensure a practical and fit-for-purpose approach appropriate to Tasman District Council's size and maturity.
- 1.2 The Committee is asked to endorse the Charter and Plan, ahead of them being submitted to Council for final approval.

### 2. Recommendation/s / Ngā Tūtohunga

**That the Audit and Risk Committee**

1. receives the Internal Audit Charter and Plan report RFNAU25-10-2; and
2. supports the Internal Audit Charter and Internal Audit Plan.

**Recommendation to the Tasman District Council**

**That the Tasman District Council**

1. approves the Internal Audit Charter and Internal Audit Plan.

### 3. Background

- 3.1 Tasman District Council is committed to improving its internal assurance and risk management practices. As part of this effort:
  - An updated Internal Audit Charter has been drafted to align with best practice standards (Office of the Auditor-General, ISO 19011, Institute of Internal Auditors), while being practical and understandable for a smaller organisation.
  - A new Internal Audit Plan has been developed, based on Council's strategic risks, known areas of concern, and available resources.

- 3.2 Both documents support the assurance and oversight role of ARC and Council, while promoting transparency, accountability, and continuous improvement.

#### **4. Internal Audit Charter**

- 4.1 The revised Internal Audit Charter replaces the previous version approved in May 2020. While many of the principles remain aligned, the new Charter reflects improvements in clarity, structure, and relevance for Tasman District Council today.
- 4.2 Notable changes include:
- 4.2.1 Plain English and Practical Focus: The Charter is more accessible for managers and staff, particularly those unfamiliar with internal audit concepts.
  - 4.2.2 Updated Roles and Responsibilities: Clearer articulation of the responsibilities of Internal Audit, the Executive Leadership Team (ELT), Chief Operating Officer, and ARC.
  - 4.2.3 Strengthened Independence: Dual reporting lines, safeguards, and professional standards are outlined to ensure objectivity despite organisational constraints.
  - 4.2.4 Scope and Access Rights: Clarifies Internal Audit's authority to access systems, data, and personnel.
  - 4.2.5 Connection to Internal Controls: Explains how internal audit supports compliance with legislation, regulations, contracts, and external standards.
  - 4.2.6 Reference to the Three Lines Model: Introduces and explains the Three Lines Model with a diagram to show the role of internal audit within wider governance.
- 4.3 A tracked change version has not been provided due to significant formatting and structural differences between the 2020 and 2024 versions.

#### **5. Internal Audit Plan**

- 5.1 The attached Internal Audit Plan outlines the proposed reviews for the 2024–25 and 2025–26 financial years. The plan reflects:
- Current resource levels, while retaining flexibility to undertake additional reviews if needed.
  - Alignment to strategic risks, with a mapping of audits to TDC's top risks (e.g., financial sustainability, disaster event preparedness, data and systems resilience).
- 5.2 The audit approach balances improvement and assurance, and encourages a proactive, non-punitive culture of learning and accountability.

#### **6. Next Steps**

- 6.1 Endorsement by the Audit and Risk Committee is sought at this meeting.
- 6.2 Council approval will be sought following ARC endorsement.
- 6.3 Internal audit activities will continue as per the approved plan and updates will be reported back to ARC regularly.

<b>7. Attachments / Tuhinga tāpiri</b>
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- |    |   |                                |    |
|----|---|--------------------------------|----|
| 1. | <a href="#"></a>  | Internal Audit Charter - DRAFT | 37 |
| 2. | <a href="#"></a>  | Internal Audit Plan - DRAFT    | 42 |



## Internal Audit Charter

<b>ID</b>	76
<b>Function</b>	Governance
<b>Approved by</b>	Approving body and date
<b>Date Policy Took Effect</b>	30 October 2014 (CN14-10-1)
<b>Last approved revision</b>	21 May 2020 (CN-20-05-7)
<b>Sponsor</b>	Chief Operating Officer
<b>Responsible Officer</b>	Risk and Assurance Advisor
<b>Next Review Date</b>	Next Review Date

### 1. Purpose

This Charter outlines the purpose, role, and responsibilities of the internal audit function at Tasman District Council. It provides clarity for staff and leadership on how internal audit supports good governance, compliance, and continuous improvement. It aligns with guidance from the Office of the Auditor-General (OAG), ISO 19011 (International Standard for Auditing Management Systems), and the Institute of Internal Auditors (IIA) where applicable.

### 2. What Internal Audit is and why it matters

Internal audit is an independent and objective function that provides advice and assurance on how well Council's systems, processes, and risks are being managed. It aims to support Council in achieving its goals by identifying areas for improvement, strengthening internal controls, and reducing risk exposure.

**Internal audit focuses on improvement, not blame. It helps ensure that processes are effective, resources are well used, and risks are managed appropriately.**

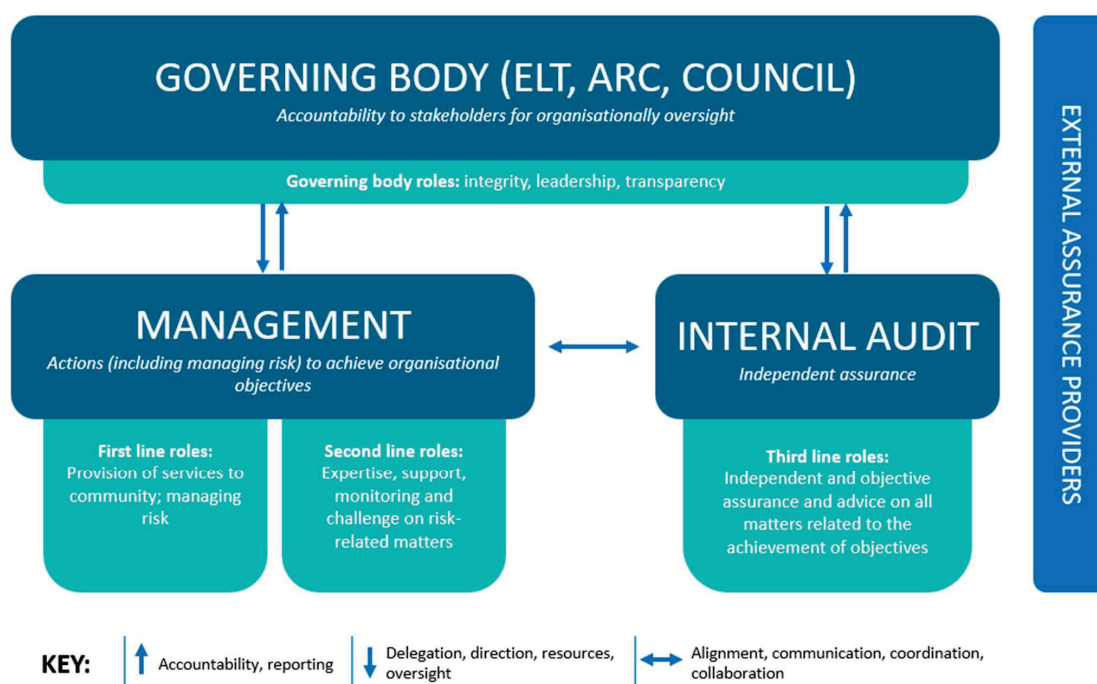
### 3. Internal controls and the role of Internal Audit

Internal controls are the systems, processes, and behaviours that help ensure things are done properly. They include checks and balances that make sure decisions are approved, risks are managed, policies are followed, and errors or fraud are prevented or detected. They also help ensure that the Council complies with relevant laws, regulations, contracts, and external standards or guidance.

Internal audit helps assess whether these internal controls are working as intended and recommends improvements if they are missing or weak. This includes testing how effectively controls support compliance and protect the Council from legal, reputational, or financial risk.

Internal audit also supports good governance through alignment with the Three Lines Model. Internal audit is part of the third line and works collaboratively with the first and second lines while maintaining objectivity.

### Three Lines Model (Institute of Internal Auditors)



## 4. Reporting lines and strengthening independence

Internal audit responsibilities are delivered by the Risk and Assurance Advisor, who reports to the Assurance and Improvement Manager within the Office of the Chief Operating Officer. While internal audit is embedded within the organisation, independence is supported through a dual reporting structure: the role reports operationally to the Chief Operating Officer and functionally to the Audit and Risk Committee (ARC). This structure provides both day-to-day support and independent oversight.

In a smaller organisation, full structural independence is not always feasible. To uphold the objectivity and credibility of internal audit, the following safeguards are in place:

- The ARC endorses the internal audit plan and receives all final reports
- The Risk and Assurance Advisor may meet privately with the ARC Chair when required
- Audit scopes will be clearly defined, documented, and agreed with relevant managers before work begins

- Any actual or perceived conflicts of interest will be declared and appropriately managed
- External peer support or review may be sought for selected audits or to benchmark practice
- Findings and recommendations will be reported transparently to both management and the ARC.

These measures ensure that internal audit remains a trusted and independent source of assurance.

## 5. Responsibilities of Internal Audit

Internal audit responsibilities are primarily carried out by the Risk and Assurance Advisor.

Key responsibilities include:

- Preparing and delivering an annual internal audit plan based on risk, strategic priorities, and known areas of concern
- Conducting (or engaging auditors to conduct) audits and reviews that are fair, proportionate, and aligned with agreed scope
- Recommending practical improvements that strengthen controls, reduce risks, or improve efficiency
- Reporting findings and recommendations to the Executive Leadership Team (ELT) and Audit and Risk Committee (ARC)
- Tracking agreed actions and reporting progress regularly
- Supporting a culture of learning, improvement, and accountability

The following roles also have key responsibilities in relation to internal audit:

<b>Chief Operating Officer (COO)</b>	Ensures operational support for audit activity and enables access to systems, data, and personnel.
<b>Executive Leadership Team (ELT)</b>	Provides input into the audit plan, supports implementation of recommendations, and ensures organisational responsiveness.
<b>Audit and Risk Committee (ARC)</b>	Provides independent oversight, endorses the audit plan, reviews findings, and monitors the implementation of actions.
<b>Council</b>	Council approves the Internal Audit Charter and Plan and supports the independence and resourcing of the internal audit function. It sets governance expectations and delegates detailed oversight to the Audit and Risk Committee, ensuring that internal audit findings are considered as part of Council's commitment to transparency and continuous improvement.

## 6. Authority and access to information

Internal audit is authorised to have full, free, and unrestricted access to all records, systems, data, premises, and personnel relevant to the performance of its duties. This includes any information necessary to assess the design or effectiveness of controls, verify compliance, or investigate concerns.

All staff are expected to cooperate fully with internal audit activities and provide timely access to requested materials or explanations. Where necessary, access to confidential or sensitive information will be managed in accordance with legal and policy requirements.

The Risk and Assurance Advisor will exercise this authority with professionalism, discretion, and respect for confidentiality.

## 7. Audit scope and planning

### Internal Audit Plan

The Risk and Assurance Advisor will prepare a draft internal audit plan. This plan is developed using a risk-based approach, considering the Council's Strategic and Operational Risk Registers, recent incidents or audit findings, legislative obligations, management input, and known areas of concern or complexity.

The draft plan is discussed with senior leadership and refined through internal consultation. It is then submitted to the Audit and Risk Committee (ARC) for review and endorsement. The plan may include both full audits and lighter-touch reviews, such as self-assessments or targeted evaluations.

The audit plan is flexible and may be adjusted during the year to respond to emerging risks or changes in Council priorities. Any significant updates to the plan will be reported to the ARC.

### Individual Audits

For each audit or review, the scope will be clearly defined in writing, including objectives, boundaries, and responsibilities. The scope will be confirmed with the relevant manager before fieldwork begins. Any significant changes to the agreed scope must be documented and communicated to leadership and the ARC.

## 8. Standards

Internal audit activities will be guided by relevant professional standards including:

- Office of the Auditor-General (OAG) guidelines and expectations
- ISO 19011 (guidelines for auditing management systems)
- Institute of Internal Auditors (IIA) standards where applicable
- COSO Enterprise Risk Management Framework

- AS/NZS ISO 31000 and SNZ HB 436:2013 (Risk Management Standards)
- Other relevant sector-specific guidance (e.g. MBIE, OAG sensitive expenditure)

Where capacity, technical complexity, or independence is a concern, external providers may be engaged to perform or support internal audit activities.

## 9. Awareness and Culture

Internal audit also supports the development of a strong assurance culture. This includes promoting awareness of internal controls, risk management, ethical conduct, protected disclosures, and appropriate use of delegations. The Risk and Assurance Advisor may provide training, resources, or guidance to support staff and leaders in understanding their roles in maintaining integrity.

## 10. Reporting

Internal audit will provide draft findings to relevant managers for feedback. Final reports will be presented to the Executive Leadership Team and ARC. All recommendations will be tracked, with progress updates provided periodically. Priority will be given to issues posing higher risk or where controls are weak or missing.

## 11. Review of this charter

This Charter will be reviewed at least every three years, or earlier if required. Updates will be submitted to the Audit and Risk Committee for review and endorsement and may be submitted to the Council for final approval if required.

## Related policies, procedures and forms

- Internal Audit Plan available on the [Assurance](#) Intranet Page

## Contact for further information

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

Email: [amy.clarke@tasman.govt.nz](mailto:amy.clarke@tasman.govt.nz)

## Authorised by

Endorsed by ARC XXXXX

Approved by Council XXXX



# Internal Audit Plan

**Plan Period: until June 2026**

This Internal Audit Annual Plan outlines the key audit and review activities planned for the coming period. It is based on Council's risk profile, strategic priorities, and available resources. The plan provides targeted and proportionate assurance to the Executive Leadership Team and Audit and Risk Committee, supporting good governance, accountability, and continuous improvement.

## 1. Objectives

The internal audit plan aims to:

- Support continuous improvement and accountability
- Provide independent assurance over key risks, controls, and processes
- Focus on priority areas aligned with the risk profile and Council strategy
- Deliver pragmatic, value-adding recommendations within existing resourcing constraints

## 2. Audit Planning Approach

This plan was developed using a risk-based approach. It draws on the following inputs:

- Council's Strategic and Operational Risk Registers
- Feedback from ELT, ARC, and relevant business units
- Legislative and compliance obligations
- Internal and external resourcing levels (more reviews may be added if resourcing allows)

Where appropriate, the plan also seeks to align with or leverage external review opportunities, such as participation in sector-wide audits (e.g. the OAG Flood Protection audit), to maximize value and insight without duplicating effort.

### Links to Risks

The internal audit plan has been developed with direct reference to Council's strategic risks. Each planned review addresses one or more of the highest-rated risks identified in the Strategic Risk Register, including Financial, Disaster Event, Government & Regulatory and Community Support.

This alignment ensures that internal audit provides assurance and insight where it is most needed and supports the Council's risk management efforts.

### Future Focus

Future Internal Audit plans will continue to prioritise high-impact risks. Emerging risks and changes in the external environment will also guide future audit activity.

## 3. Planned Audits and Reviews

Audit Topic	Scope	Timing	Resources	Strategic Risk
<b>Flood Protection Audit</b>	Review of flood protection assets and controls	Dec 2024 – June 2025	External – OAG	Disaster Event
<b>Asset Management Data Evaluation</b>	Review quality, completeness, and reliability of asset management data	Oct 2024 – July 2025	Internal – Deidre Hemera, Assurance & Improvement Manager	Financial, Disaster Event
<b>NZTA Technical Investment Audit</b>	Audit of Council's use of NZTA investment	April – May 2025	External – NZTA	Financial
<b>Insurance Evaluation</b>	Review adequacy of insurance coverage and risk exposures	Feb 2025 – July 2025	Internal – Deidre Hemera, Assurance & Improvement Manager + Broker	Financial, Disaster Event
<b>Community Funding Review</b>	Review funding processes, equity, alignment with strategy	April 2025 - June 2026	Internal – Amy Smith, Senior Community Policy Advisor	Financial, Community Support
<b>IANZ Building Consent Authority Accreditation</b>	Compliance with IANZ accreditation requirements	October 2025	IANZ	Government and Regulatory
<b>Fraud Controls Review</b>	Assess top fraud risks and existing controls	Jan-Mar 2026	Internal – Amy Clarke, Risk & Assurance Advisor	Financial, Government and Regulatory

## 4. Completed Audits and Reviews

Audit Topic	Scope	Timing	Resources	Strategic Risk	Open items <sup>1</sup>
<b>Long Term Plan Review</b>	Evaluate LTP development process and assumptions	Aug 2024 – Mar 2025	External – Localise (consultant)	Financial, Community Support	22
<b>Health and Safety Audit</b>	Evaluate health and safety management systems	Oct 2024	Internal – Deidre Hemera, Assurance & Improvement Manager	Health & Safety	24
<b>Procure-to-Pay</b>	Evaluate procurement procedures and strategies	2022	External - Crowe	Financial, Contracts and Procurement	11
<b>LIM Review</b>	Evaluate LIM processes and risks.	2023	External – Simpson Grierson	Government & Regulatory	17
<b>Aerodrome Assessments – Motueka, Takaka</b>	Evaluate aerodrome documentation and activities	2024	External – Lockie Airport Management	Government & Regulatory, Health & Safety	14

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<sup>1</sup> As at 14 July 2025



## 5. Rolling Reviews / On-Demand Projects

Some audits or reviews may be initiated outside the scheduled plan. These may include:

- Reactive reviews triggered by risk events, complaints, or requests from ARC or ELT
- Reviews of major projects or programmes on completion or material risk events
- Post-incident or issue-specific reviews

## 6. Tools and Methods

A range of tools and methods will be used to carry out the audits and reviews. These will be tailored to the specific objectives and scope of each engagement, and will reflect the nature, risk, and maturity of the area being reviewed.

## 7. Reporting and Follow-Up

Audit findings and recommendations will be:

- Reported to the Executive Leadership Team and Audit and Risk Committee
- Accompanied by action plans agreed with relevant teams
- Tracked for implementation, with follow-up reporting as required

## 8. Notes and Constraints

- External providers will only be used where required due to technical complexity or regulatory requirements
- The plan is flexible and may be adjusted in response to emerging priorities or risks
- The approach prioritizes value and practicality, with a focus on supporting a maturing assurance environment
- Parts of this Internal Audit Plan were developed with the support of generative AI tools. These tools were used to assist with drafting, editing, and formatting, under the guidance of the Risk and Assurance Advisor. All content has been reviewed and tailored to reflect the specific needs, risks, and context of Tasman District Council.

### 6.3 HEALTH AND SAFETY

Information Only - No Decision Required

<b>Report To:</b>	Audit and Risk Committee
<b>Meeting Date:</b>	1 October 2025
<b>Report Author:</b>	Ian Abbott, Health and Safety Senior Advisor
<b>Report Authorisers:</b>	Amy Clarke, Acting Assurance & Improvement Manager; Joanna Cranness, People and Wellbeing Manager
<b>Report Number:</b>	RFNAU25-10-3

#### 1. Summary / Te Tuhinga Whakarāpoto

- 1.1 Quarterly Health, Safety and Wellbeing Report Q4 24/25 **Attachment 1.**

#### 2. Recommendation/s / Ngā Tūtohunga



**That the Audit and Risk Committee**

1. receives the Health and Safety report RFNAU25-10-3.

#### 3. Health, Safety and Wellbeing

- 3.1 The details of the quarterly trends, lead and lag performance indicators are attached to this report.

#### 4. Attachments / Tuhinga tāpiri

1.   Quarterly Health Safety and Wellbeing Report - Q4 24-25

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# Quarterly Health, Safety and Wellbeing Report

## Q4 – 24/25

**Contributors:** Ian Abbott, Team Leader – Health & Safety; Joanna Cranness, People & Wellbeing Manager, Kelly Holmes, Health & Safety Co-ordinator

**Date:** 1 September 2025

### HSWA Section 36: Primary duty of care

(1) A PCBU must ensure, so far as is reasonably practicable, the health and safety of—

(a) workers who work for the PCBU, while the workers are at work in the business or undertaking; and

(b) workers whose activities in carrying out work are influenced or directed by the PCBU, while the workers are carrying out the work.

### What is Reasonably Practicable?

Risks that arise from work must be eliminated so far as is reasonably practicable. If a risk can't be eliminated, it must be minimised so far as is reasonably practicable.

WorkSafe guidance puts the **financial cost of controlling the risk as the last consideration**, after assessing likelihood of the risk causing harm, What should be reasonably known about the risks and ways of eliminating or minimising the risk, and what is the availability of control measures and how suitable control measures are for the work.

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## 1.0 Summary

This report primarily covers Q4 24/25 but also includes insights from Q1 25/26 to reflect the current risk profiles. During Q4, the team made significant progress in embedding risk management processes and evaluating Damstra's capabilities, identifying areas for improvement. The reporting data highlights ongoing active participation from workers in proactive risk management, with a noticeable increase in the quality of information provided.

There is clear evidence of increasing momentum across the organisation regarding engagement with risk management. The Health & Safety Team continues to find it rewarding to be proactively approached for support with risk assessments and risk management initiatives, reflecting growing awareness and collaboration.

Looking ahead, a key challenge will be to consolidate the various risk management processes currently operating across the Council into a more centralised system. This system will provide greater visibility, enable systematic information sharing across functions, and enhance coordination to strengthen overall risk management.

## 2.0 Governance and Leadership

### Health and Safety Leadership activities

The Executive Leadership Team (ELT) has committed to undertaking at least one site visit each quarter. Details and insights from these visits will be included in future reports.

These visits formed part of an ELT initiative to increase leadership visibility and awareness of Health, Safety, and Wellbeing (HS&W) practices across active worksites in the region. The goal was to observe HS&W implementation in the field, engage with site personnel, and reinforce the importance of safety leadership.

### Site Visit Observations

*Richmond South Lower-Level Reservoir by Steve Manners, Chief Operating Officer*

**Date of Visit:** 15/05/2025

**Site Contact:** Site Project Manager, Fulton Hogan

#### Site Briefing & Observations

- Inducted on arrival, including site register and safety briefing.
- Key hazards identified: heavy machinery, trip hazards, active work zones.
- First aid, staff amenities, and safety facilities clearly identified.
- Walked the site to observe reservoir construction and associated works.
- Workers followed PPE and safety protocols.

#### Office Review

- Reviewed project plans and safety documentation.
- Discussed Fulton Hogan's Living Safely manual – updated regularly, accessible on-site in hard copy and digitally via QR code.
- Manual serves as the primary HS&W reference for all site activities.

### Summary

The site demonstrated a strong commitment to HS&W, with clear communication, active hazard management, and accessible safety resources.

*Chemical Shed visit by Rob Smith, Group Manager - Environmental Science*

**Date of Visit:** 13/05/2025

**Purpose of Visit:** Routine site observation to assess storage and safety practices at the chemical shed.

### Observation Summary

- Shed was clean, tidy, and securely locked.
- Exterior signage present: flammable liquid signage may require review.
- Emergency shower tested and found to be functional.
- Older chemicals under review for disposal or retention.
- Frequently used chemicals stored near the entrance for safe access.
- Flammable liquids (91 octane, mineral turpentine) had been removed; a small quantity of mentholated spirits (<2L) remained.
- Shelves are wired in and stable, avoiding penetration of external walls—fit for purpose.

### Summary

Good chemical storage practices observed. Appropriate access, emergency systems, and organisation are in place.

### KPIs

The following KPIs relate to Council employees.

Lagging KPIs (outcome-focused)	Q1	Q2	Q3	Q4
Number of Lost Time Injuries (LTI)	0	1	0	0
Number of Medical Treatment Injuries (MTI)	3	4	0	1
Number of Notifiable Events	0	0	0	0

Leading KPIs (proactive management)	Q1	Q2	Q3	Q4
Near Miss Reporting Rate (near miss/staff) <sup>1</sup>	1.0%	2.4%	3.6%	4.5%
Safety observations	12	24	26	56
	2022	2023	2024	2025
Staff survey score on safety culture <sup>2</sup>	71%	79%	77%	-

<sup>1</sup> Near Miss Reporting Q1 - 4 / 410, Q2 - 10 / 413, Q3 - 15 / 416, Q4 - 19 / 421

<sup>2</sup> As part of the annual 'Ask Your Team' Survey: "The health, safety, and wellbeing of staff is important in how we do things"

### Progress on ‘reimagining H&S’ Action plan

The Reimagining Health & Safety action plan has progressed through several iterations, with the Health & Safety Team continuing to analyse incident reports, risk management observations, and risk assessments across Council operations. This data-driven approach is helping to identify priority areas where targeted interventions can drive measurable improvements and demonstrate a clear pathway toward achieving the plan’s objectives.

Notable progress has been made in strengthening systems, training, and support related to harmful interactions, particularly in customer service settings. The introduction of Good Drills training is beginning to show positive impact, as reflected in recent event reporting. Despite these gains, this remains a priority risk area due to the inherently unpredictable nature of public interactions and the multiple touchpoints across Council services.

This year, the team has identified two performance goals to drive a step change in risk management:

- **Driving for work**
- **Occupational health risks**

These areas were selected due to their potential for wide-reaching impact. By developing accessible, relevant training, enhancing the monitoring of safe work behaviours, and implementing stronger controls, the Council can demonstrate progress while also raising safety standards more broadly.

Driving for work has been identified as a *strategic mover risk*—an area where improvements can influence other high-risk activities such as lone working. As driving is central to many field roles, a systematic approach here enables clear reporting by work group and creates a scalable model for addressing other operational risks.

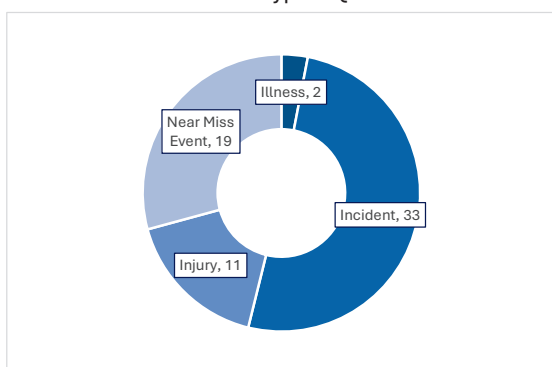
### 3.0 Risk Profile

Top 5 Risks	Description	Controls in place	Updates
<b>Aggressive or Abusive Behaviour</b>	Workers may be exposed to aggressive or abusive behaviour from customers, clients, or the public, leading to potential harm or distress.	<ul style="list-style-type: none"> <li>De-escalation training for staff</li> <li>Reporting incidents and identifying high risk areas where additional controls may be required. (i.e. two up, police assistance)</li> <li>Access to support services (Telus Health EAP) for affected employees.</li> </ul>	<ul style="list-style-type: none"> <li>The use of good drills techniques has come through in reporting, including communicating the line, buddy up and practical working knowledge of lockdown procedures.</li> </ul>
<b>Vehicle Safety</b>	Accidents or injuries involving vehicles, especially for employees driving as part of their role.	<ul style="list-style-type: none"> <li>Use of vehicles with high safety ratings and safety features.</li> <li>Regular vehicle maintenance and safety checks.</li> <li>Driver training and adherence to road safety guidelines.</li> <li>Monitoring of driving behaviours (e.g., speed, safety compliance).</li> </ul>	<ul style="list-style-type: none"> <li>Key focus area for the team, including development of E learning Modules.</li> <li>Reviewing driver training to include internal capability to have gateway screening, training and ongoing assessment of driving to ensure more timely and targeted training.</li> </ul>
<b>Workload Impacts on Wellbeing (Psychosocial Risks)</b>	High workload or pressure can contribute to employee stress, burnout, and overall wellbeing and mental health challenges.	<ul style="list-style-type: none"> <li>Wellbeing support programs, including Employee Assistance Programs (Telus).</li> <li>Flexible work arrangements where applicable.</li> </ul>	<ul style="list-style-type: none"> <li>Launch of new EAP service Telus.</li> <li>Wellbeing Ambassadors introduced.</li> <li>Wellbeing Tick Culture Check assessment under way.</li> </ul>
<b>Working Alone</b>	Employees working alone are at greater risk of accidents or incidents due to limited immediate support or assistance.	<ul style="list-style-type: none"> <li>Lone worker policies, including regular check-ins and emergency protocols.</li> <li>Personal protective equipment (PPE) and communication tools for remote employees.</li> </ul>	<ul style="list-style-type: none"> <li>Trial initiated with Mount Campbell and Get Home Safe for Community Compliance, which may assist to find a consistent system across the work groups.</li> <li>CallCare procedures for afterhours lone workers has been working.</li> </ul>
<b>Contractor Safety Management</b>	Contractors may face safety hazards in high-risk environments or while working on Council premises, or worksites they manage.	<ul style="list-style-type: none"> <li>Pre-qualification processes for contractors.</li> <li>Programme Delivery Office compliance monitoring during contractor work.</li> </ul>	<ul style="list-style-type: none"> <li>The benefits of having a project manager based at the Lower Queen Street Bridge site in relation to risk management and event oversight have been proven.</li> <li>See '6.0 Contractor Management'</li> <li>Increased focus on assessing worksite risk management practices continues.</li> </ul>

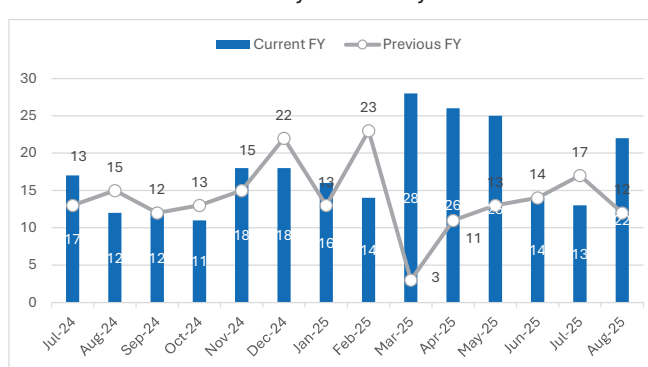
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#### 4.0 Incident Reporting and Trends

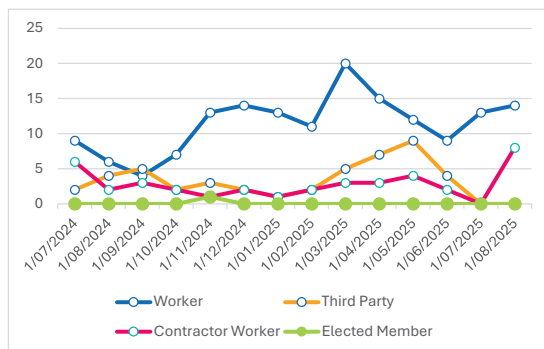
Event type – Q4



Current year vs last year



Events by person type



Top event categories

	Q1	Q2	Q3	Q4	Change
Activity/Task causing unsafe conditions	3	3	7	2	↓
Vehicle	5	7	6	11	↑
Insect bite / Insect Sting	0	1	6	0	↓
Equipment malfunctions / Or incorrect use of equipment	1	3	4	1	↓
Unsafe Conditions	1	3	4	4	–
Abusive/aggressive/intimidating behaviour	6	7	2	15	↑
Slip, trip, fall	4	3	1	4	↑



## Commentary

- April 2025 saw a dramatic increase to 26 reported events, up from just 3 in April of the previous FY.
- May 2025 continued this strong performance with 23 reports, compared to 11 the year prior.
- June 2025 closed the year with 14 reports, exceeding last year's 13, and maintaining the upward trend.

This final quarter surge highlights improved awareness and engagement across teams in identifying and reporting health and safety events. It reflects the impact of targeted initiatives such as:

- Reinforced messaging on the importance of reporting all incidents and near misses.
- A cultural shift toward proactive safety behaviours.

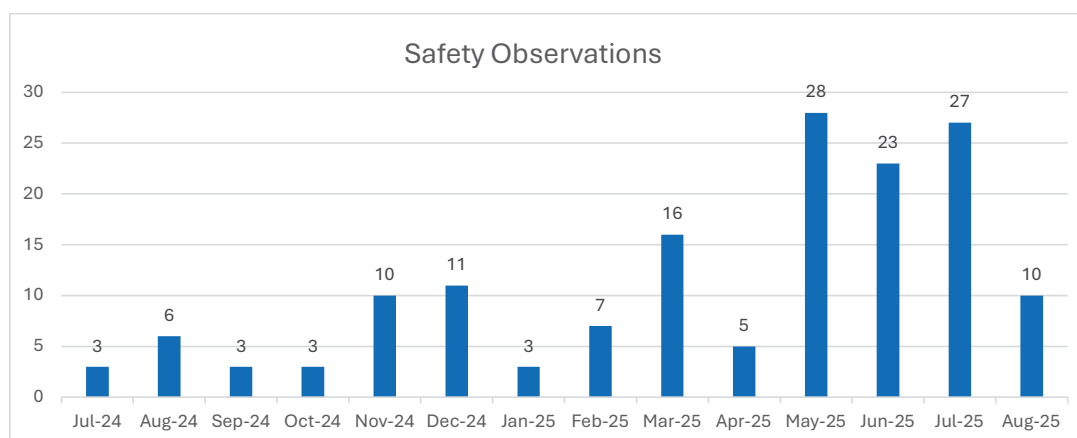
The year-end results are particularly promising and demonstrate that continuous efforts in communication, training, and accessibility of reporting systems are translating into measurable improvements.

There has been an increase in trips and falls with one resulting in a lost time injury after a worker injured their shoulder after tripping over a box on the floor in their work area. The team promoted a safety alert with messaging on slip, trip fall prevention and have been working with Property where areas such as uneven pavers have been identified as a contributing factor.

A sensitive event was reported, for which further information will be provided to the Audit and Risk Committee in a confidential report.

## 5.0 Compliance and Assurance

### Safety Observations

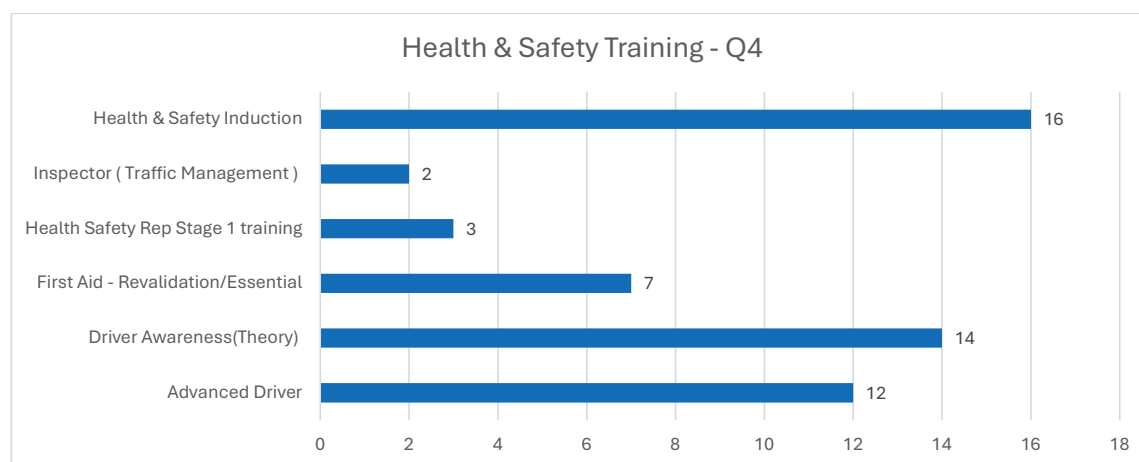


### Safety Observations – April to June 2025 Overview

The final quarter of the reporting year showed a strong uplift in safety observation reporting. While April saw a brief dip with only 5 observations, this was followed by a sharp increase in May, reaching a record high of 28 observations. June continued the momentum with 23 observations.

This upward trend reflects increased staff engagement, particularly around site visit observations and proactive safety behaviours. The improvement is attributed to recent safety awareness campaigns and improved communication around the use of the Damstra Check App during site visits. Continued promotion and visibility of these tools will be key to sustaining and building on this progress.

### Health and safety training



#### Upcoming training Q1 Financial year FY25/26

- One Forty One Forestry Induction 25 Attendees. Completed
- Tasman Pine Forestry Induction 20 Attendees. Completed
- TM Inspector Training (4 Attendees) Investigate training options as COPTTM changes
- Health and Safety Rep stage 1 training (1 Attendee)
- Advanced Driver Training August
- 4WD driver training August

The H&S team took the opportunity to include supplementary Tasman District Council training to the external forestry inductions to ensure that there was consistent messaging across the relevant teams in relation to conducting risk assessments, required controls, lone working and safe driving practices.

The Temporary Traffic Management (TTM) training framework has been cancelled across the country due to the changes to COPTTM and the change to risk based TTM. Worker's training qualifications will be valid for an additional 12 months under the transition period, and Council is required to develop an inhouse training programme to fill the void.

### WorkSafe Interactions

1. The improvement Notice issued requiring the Richmond Water Treatment Plant to obtain a Stationary Container Certificate, was listed as complied with on 06 June 2025.
2. WorkSafe requested to undertake a proactive assessment of the Councils management of work-related risks on 03 September 2025, with a focus on Occupational Health. The Assessment was

conducted with two WorkSafe inspectors and comprised of a deep dive into Councils risk identification, assessment and prevention systems across the organisation. They acknowledged the current focus on identifying Occupational health risks, reviewing risk management and steps already taken to initiate health monitoring for hazardous substance users.

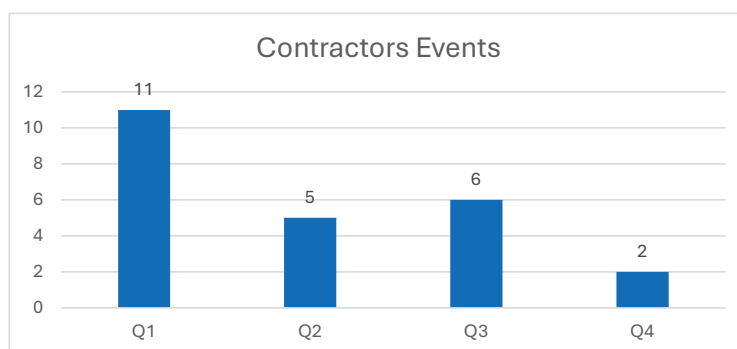
A Directive Letter was then issued with the following steps that could be taken to ensure continued compliance with HSWA section 36(1)(a) “Establish an annual process to monitor workers health. This should include engaging a competent person to conduct relevant testing to monitor worker health and providing the report to workers as soon as practicable. There should also be a process where results are compared to previous years, and results of concern are referred on to an appropriate healthcare provider. E.g., GP and/or audiologist”

## 6.0 Contractor Management

### Pre-Qualification Focus

- The team has included some gateway screening to ensure that contractors have appropriate HSW systems prior to being able to submit a pre-qualification application. This has ensured that the team can still provide guidance to potential contractors while streamlining the actual prequalification review process.
- This process ensures contractors have appropriate health and safety systems in place before beginning work for Council.
- While the Council acknowledges other Prequalification providers such as SiteWise/ ISO and other systems in our Prequal process, we still require certified contractors to submit evidence of how their systems will be applied to the Council’s work. This allows for better oversight of compliance to their own systems and maintain visibility of work imagined vs work delivered.
- Nine contractors were successfully pre-qualified this quarter.

### Incident & Event Reporting



Contractors are expected to report health and safety incidents to Council, even if they conduct their own internal investigations.

The HS teams' involvement with contractors' risk management has been met with differing receptions from both contractors and contract managers. This has ranged from extremely welcoming and seeking to use the teams' involvement as a resource and thankful for support, to the other end of the spectrum where engagement has been more limited, with some reluctance to share information.

A focus for the next quarter will be to use functions in Damstra to assign actions allowing contract managers to provide updates through the system, and track and report progress. The functions have been tested, and guidance/training will be developed.

#### **Ongoing Engagement**

Council is reinforcing the need for open communication and shared responsibility in health and safety.

The Health and Safety team is planning to launch Contractor Drop-in sessions later in the year, targeted at the smaller contractors, to promote risk management and consistency of messaging to our contractors. The vision is that contractors are proud to have achieved Tasman District council pre-qualification, and value the pre-qualification.

## **7.0 Worker Engagement and Participation**

### **Health, Safety and Wellbeing Committee and Representatives**

The committee operates within a defined Terms of Reference structure, is chaired by the Chief Operating Officer, includes Senior Leadership Group (SLG) members, Health and Safety team members, People and Wellbeing Manager, and a set number of Health and Safety Representatives and Wellbeing Ambassadors. This collaborative structure allows for comprehensive discussions on improving workplace health, safety, and wellbeing.

The Health, Safety, and Wellbeing (HS&W) Committee met on Wednesday, 20<sup>th</sup> August 2025, to discuss incidents, training, wellbeing initiatives, and other general business. The Minutes of the meeting are posted on the Intranet in the Health, Safety & Wellbeing Page.

The next meeting is scheduled for 15<sup>th</sup> October, with meetings scheduled every 8 weeks to ensure ongoing oversight and prompt action on relevant matters.

### **Initiatives and Campaigns**

- Shake Out coming in October

## 8.0 Employee Wellbeing

### Telus Health EAP

The Telus Health platform continues to receive good feedback from users who are utilising the online programmes and resources. The monthly free lunchtime 30-minute webinars are also getting some good participation numbers.

### Wellbeing Ambassadors

Our Wellbeing Ambassadors have identified a range of wellbeing initiatives that they will be promoting across the calendar year. Initiatives include:

- Promotion of Men's Health Week and Women's Health Week on the Intranet including sharing some of our employee's own journeys and stories.
- A 'winter wellness' campaign focusing on indoor activities that promote wellbeing during the colder months. Participation in Mental Health Awareness Week in October.
- A campaign on 'reducing stigma' with a focus on taking leave and break.
- Confidence and skills to conduct meaningful wellbeing check-in conversations.

### Wellbeing Tick

The Council has now completed its Wellbeing Tick Culture Check self-assessment and this is being reviewed by Philly Powell, Founder of Wellbeing First and creator of the Wellbeing Tick. Wellbeing Tick is a New Zealand based accreditation programme and Culture Check is the first level of accreditation.

One of the recommendations that has been signalled to us is updating our psychosocial risk and hazard language in Damstra (HSIS) to enable us to have a greater understanding, analysis and mitigation of psychosocial risks that our employees are reporting.

Once we have received the full assessment report and recommendations, we will prepare an action plan / programme to progress the recommendations.

## 9. Priorities for Next Quarter

Refining the various risk management processes across the work groups to achieve consistency across the Council.

Once the Organisational change is completed, the Health and Safety Representative cover across the work groups will be reassessed and elections held for new Reps if required.

Refining the Sensitive Event reporting process, to ensure adequate support for investigating and managing events is available, while managing the event in an appropriate manner for the circumstances. Guidelines and intranet news article published 29/08/25.

Increasing capability for People Leaders and contract managers to manage aspects of event investigations, this will include reviewing and updating event investigation information and training, assigning actions for investigation actions and tracking and reporting on action progress.

The Health and Safety Team is prioritizing health and driving for work risk management this quarter and is working with the Community Compliance Team to trial a remote worker RT and App based communication system, with emergency alert functions.

**Maintain Momentum.**

**6.4 REPORT ON THE 2024-2024 LONG TERM PLAN REVIEW****Information Only - No Decision Required**

<b>Report To:</b>	Audit and Risk Committee
<b>Meeting Date:</b>	1 October 2025
<b>Report Author:</b>	Pip Jamieson, Principal Planner - Strategic Policy
<b>Report Authorisers:</b>	John Ridd, Group Manager - Service and Strategy
<b>Report Number:</b>	RFNAU25-10-4

**1. Summary / Te Tuhinga Whakarāpoto**

- 1.1 This report provides background to the review of the 2024-2034 Long Term Plan which was undertaken from August 2024 through to March 2025, a summary of the review recommendations, and an outline of the plan to address the recommendations.
- 1.2 The report also highlights the recommendation to review an appropriate role for the Audit and Risk Committee in relation to the Long Term Plan.

**2. Recommendation/s / Ngā Tūtohunga****That the Audit and Risk Committee**

1. receives the Report on the 2024-2024 Long Term Plan Review (LTP) report RFNAU25-10-4; and
2. notes the future Long Term Plan recommendations outlined; and
3. notes the recommendation to review an appropriate role of the Audit and Risk Committee including an early workshop to establish their role in the Long Term Plan process for example:
  - 3.1 reviewing preliminary assumption; and
  - 3.2 reviewing the draft Consultation Document; and
  - 3.3 reviewing the supporting documents prior to Audit NZ commencing their review.

**3. Purpose of the Long Term Plan Review**

- 3.1 After the adoption of the 2024-2034 Long Term Plan (LTP) on 27 June 2024, the Council engaged the firm Localise to review the LTP documents and process to be able to improve the design and planning for the next LTP. The objectives of the review were to:
  - 3.1.1 reflect the community's aspirations and to manage risk;
  - 3.1.2 enable the Council to consider needs and preferences of different community groups;
  - 3.1.3 effectively support the Council in strategic decision-making and civic leadership;

3.1.4 ensure integration and line-of-sight from vision to assets, services and financial forecasts; and

3.1.5 provide user-friendly narrative with right-sized documentation that avoids unnecessary low value detail.

#### **4. Review Process**

4.1 The LTP review was conducted between August 2024 and March 2025 involving:

4.1.1 compilation of key background information (legislative requirements, existing processes, documents);

4.1.2 stakeholder surveys, interviews (telephone, online) with the Motueka and Golden Bay Community Boards, Community Associations, Youth Council, Chamber of Commerce, Institute of Directors Regional Committee, Nelson City and Marlborough District Councils, Audit NZ and Nelson Regional Development Agency;

4.1.3 Te Rūnanga of Ngāti Kuia, Te Rūnanga o Ngāti Rārua;

4.1.4 staff feedback and an ideas board; and

4.1.5 workshops with the Council's Executive Leadership Team (ELT) and the Council.

4.2 The review considered four key aspects:

4.2.1 narrative, process design and management;

4.2.2 engagement, consultation and associated communication;

4.2.3 purpose, strategic direction and prioritisation; and

4.2.4 documents and key inputs

4.3 Staff have developed a proposed plan, structure and timeline in order to progress the recommendations from the review. This has been considered by relevant managers and the Executive Leadership Team, with the final plan approved and Project Management Office resource has been engaged to help manage this process.

4.4 Establishment of the appropriate members for roles on the LTP review project has taken time as workloads have been adjusted to enable focus on the work.

4.5 The final plan and structure are outlined under 10.

#### **5. Key Review Findings**

5.1 The review noted commitment of the Council, ELT, Managers and Council staff to effective long term planning, clearly evident genuine community engagement and that the LTP process is highly intensive requiring substantial effort.

5.2 The Review identified areas for improvement with the LTP process and documentation:

5.2.1 A highly intensive process requiring substantial effort and starting late;

5.2.2 uncertainty if the result is commensurate with the effort required;

5.2.3 engagement information not always fully integrated into work programmes;

5.2.4 iwi not always being recognised as partners;

5.2.5 not all the key choices in the Consultation Document being fully considered;



- 5.2.6 overwhelming and unclear information presentation with unclear linkage to objectives and financial implications;
- 5.2.7 unclear role boundaries and responsibilities;
- 5.2.8 an unhelpful narrative leading to the Council not providing vision and strategic priorities;
- 5.2.9 confusion of the purpose of Activity Management Plans (assets or activity focused)
  - 5.2.9.1 time consuming to produce and repetitive content;
  - 5.2.9.2 not always meeting the standard for traditional asset management plans; and
  - 5.2.9.3 not fully understanding assets resulting in inappropriate planning and investment.
- 5.2.10 not fully aligning aspirations with affordability;
- 5.2.11 hurried preparation of the accompanying documents;
- 5.2.12 lack of full clarity of the impacts and consequences of Levels of Service and the measures;
- 5.2.13 overwhelming activity budget information not always being considered collectively;
- 5.2.14 specific financial factors identified were:
  - 5.2.14.1 moving away from a balanced budget;
  - 5.2.14.2 not identifying all of the funding gaps between LTPs;
  - 5.2.14.3 parameters for budget managers not fully clarified;
  - 5.2.14.4 exception budgets not always being reinforced;
  - 5.2.14.5 total budget options not being considered collectively or linked to strategic objectives; and
  - 5.2.14.6 financial modelling taking time to develop meaningful options.

## 6. Key Review Recommendations

6.1 Twenty two recommendations were made, and grouped around four focuses:

### **Narratives, process design and management**

6.2 Adaptions to timing of LTP processes, resourcing, resetting the narrative about LTPs, clearer LTP governance structures, addressing accountabilities, greater risk management and partnership with iwi.

### **Engagement, consultation and associated communication**

6.3 Continuing good outreach, integrating results of early engagement feedback and improving the process for identifying key questions in the Consultation Document.

### **Purpose, strategic direction and prioritisation**

6.4 Clearly engaging and agreeing on the purpose and benefits of the LTP, undertaking a series of steps early in the new triennium for the Council visioning and strategy process, mapping activities against community outcomes and strategic priorities, preparing baseline budgets to

identify underlying financial shortfalls and providing clear guidance and instructions to budget managers prior to preparing baseline budgets.

- 6.5 Not entering new costs into first cut budgets without Executive Leadership Team sign off, identifying and scheduling key service reviews, Executive Leadership Team and the Council taking a strong leadership approach in balancing strategic choices and affordability, developing templates for an 'activity compendium and workshop presentations.

## Documents and key inputs

- 6.6 Considering options to improve financial modelling capability and resourcing, retiring the current Activity Management Plans to create traditional asset management plans and streamlined activity statements for all activities, restricting the LTP documents into a shortened Volume One with Volume Two for rates and financial information and Volume Three for all the remaining policies and assessments as required.

## 7. Review Recommendations on the Audit and Risk Committee

- 7.1 A recommendation for greater risk management proposed a workshop be held with the Audit and Risk Committee to establish their role in the LTP process. Potential areas where the Committee might be involved are:
  - 7.1.1 reviewing preliminary assumptions; and
  - 7.1.2 reviewing the draft Consultation Document before it goes to Audit NZ to review.

## 8. Future Business State Outcomes

- 8.1 The following outcomes are anticipated as a result of implementing the recommendations from the LTP review:
  - 8.1.1 an effective ongoing process of hearing from the community;
  - 8.1.2 continuous improvement of reliable, high-quality data and information;
  - 8.1.3 strategic and systemic asset management;
  - 8.1.4 clear strategic priorities, budgets and organisational structure;
  - 8.1.5 appropriate revenue generation and utilisation of resources and expertise; and
  - 8.1.6 clear policies to ensure work programmes and ways of working across Council will effectively achieve stated outcomes.

## 9. Agreed Purpose of the Long Term Plan

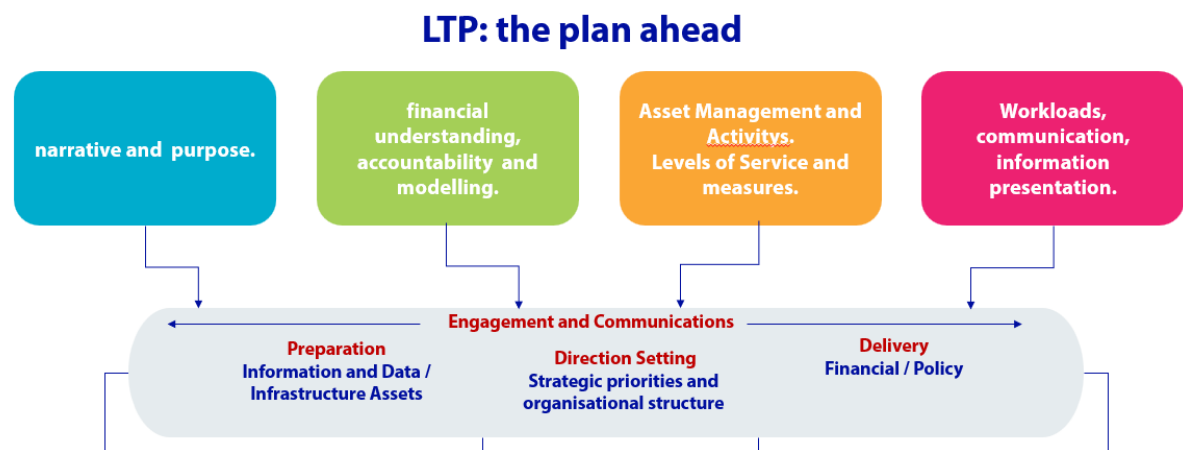
- 9.1 As a result of the LTP review highlighting the need for the ELT to agree and then communicate clearly, what the purpose of the LTP is, the following definition was agreed:  
*A clear line of sight from community outcomes to priorities, to activities and resourcing.*
- 9.2 It was also agreed that the aim of implementing the recommendations from the LTP review could be summarised as a process that delivers a product – with two focus areas:
  - 9.2.1 a process – cyclical, ongoing process of change, improvements, and financially sustainable business as usual, that produces -
  - 9.2.2 a product – documentation of a clear line of sight from community outcomes to priorities, to activities and resourcing. That includes key objectives and how they are

achieved across 10 years, levels of service, key products, financial impacts, and funding approaches.

## 10. Plan to Address Recommendations

10.1 A plan to implement recommendations from the review has been agreed by the ELT, addressing four key focus areas:

- 10.1.1 narrative and unclear purpose;
- 10.1.2 financial understanding, accountability and modelling;
- 10.1.3 asset and activity management, levels of service and measures; and
- 10.1.4 workloads, communication and information presentations.



10.2 Key project teams, each with a project lead, have been established and their work plans, actions, timelines have been confirmed. The project teams are:

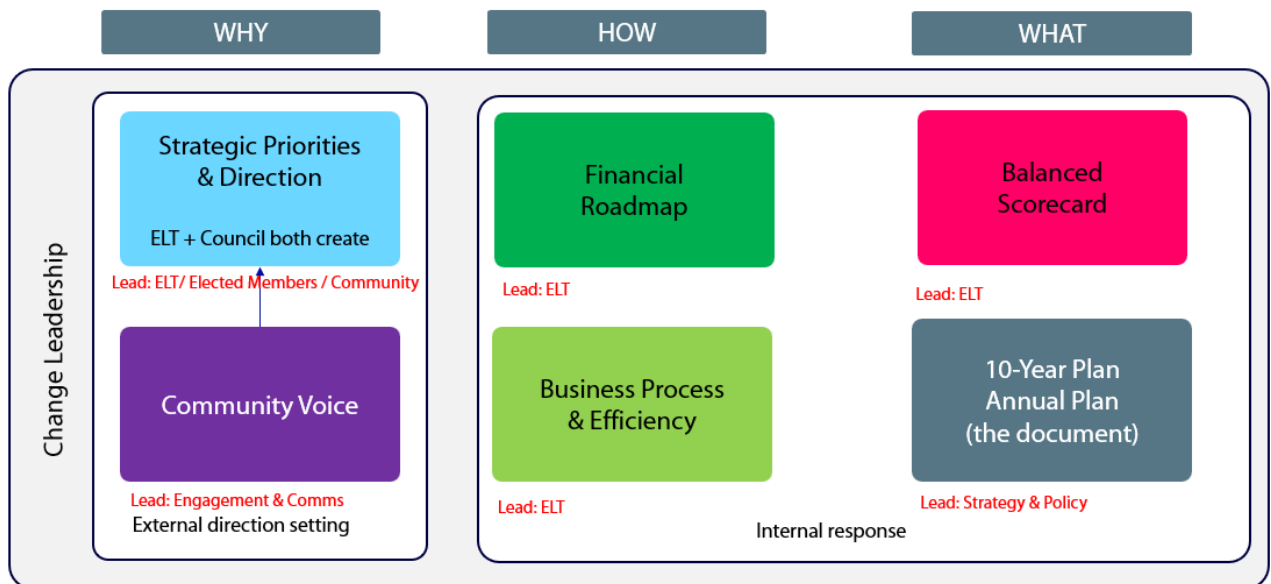
- 10.2.1 Infrastructure Planning;
- 10.2.2 Delivery;
- 10.2.3 Directions;
- 10.2.4 Information and Data; and
- 10.2.5 Engagement and Communications, which is to be considered and integrated across all the project teams work.

## Governance Structure



- 10.3 A project team, steering group and a sponsor have been established with agreed terms of reference and a dedicated project manager from the Projects Management Office has been assigned to manage the actions of each project team, report to project team meetings, the LTP Review Steering Group, and to administer Project and Steering Group meetings.
- 10.4 Progress of the LTP Review is now considered as one of the six programmes of work within the Council's key portfolio "Planning the Future".

## The scope of work



- 10.5 The progress of this portfolio is reported to the ELT monthly along with the other three portfolios (Financial Roadmap, Digital Improvement Program, Local Water Done Well).

## 11. Next Steps

- 11.1 Monthly reporting to the ELT on the progress of the Planning the Future portfolio (including the LTP) will continue.
- 11.2 The recommended workshop with the Audit and Risk Committee regarding their role in the LTP has been scheduled for 1 October 2025 with a focus on:
  - 11.2.1 the Audit and Risk Committee's role with Audit NZ;
  - 11.2.2 risk assessment and management;
  - 11.2.3 review of the preliminary assumptions; and
  - 11.2.4 review of the draft Consultation Document before it goes to Audit NZ to review.
- 11.3 Following the workshop staff will incorporate feedback into a draft terms of reference and prepare reporting for future Audit and Risk Committee meetings as appropriate.

## 12. Attachments / Tuhinga tāpiri

- 1.   Long Term Plan Review Report Final April 2025

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# REVIEW OF TASMAN DISTRICT COUNCIL LONG TERM PLAN – PROCESS AND DOCUMENTS



FINAL REPORT, APRIL 2025



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## Acknowledgements

The input from Tasman District Council Elected Members, Executive Leadership Team and staff and a range of other key organisations and stakeholders is acknowledged with appreciation. In saying that, any errors are the responsibility of the authors. See Appendix 1 for a list of contributors.

## RECOMMENDATIONS

The Tasman District Council (TDC) adopted its current Long Term Plan (LTP) on 27 June 2024. While still fresh in mind, the Council reviewed the process and documentation, in order to include any improvements in the design and planning of the next LTP process.

The recommendations are as follows:

### Narratives, process design and management

1. That the timing and overall design of the LTP process be adopted, in accordance with the attached excel timeline
2. That a cyclical approach be adopted, with an adequately resourced programme that addresses key improvements and strategic work needed to underpin the LTP process (full implementation of this approach to commence after the adoption of the next LTP)
3. That the ELT reset the narrative around the LTP, in conjunction with articulating its purpose (see also recommendation 11)
4. That project governance and management arrangements consist of three groups with clear Terms of Reference, reporting and escalation as follows:
  - a. ELT: Approves formal LTP project plan including resourcing. Provides high level direction on content and process. Facilitates Council's vision, strategic intent and priorities. Directs budgeting parameters. Resolves major issues or tensions as identified by the ELT or referred by Council or the Steering Group.
  - b. Steering Group: Establishes project plan (including staff communication). Oversees project manager and implementation. Addresses issues and roadblocks. Escalates issues to ELT as required. Ensures effective internal communication.
  - c. Project Team: Provides inputs to project plan. Manages and coordinates implementation. Escalates issues to the Steering Group as required.
5. That Executives are given clear accountability for signing off their individual budgets, with the expert advice of their managers, to ensure budgets are 'owned' and to reduce the risk that consequences get missed
6. That a stronger and more explicit risk assessment and risk management framework for the project be adopted, traversing both internal and external risks to project delivery, including Audit New Zealand approval, and provide for clear mitigation actions for any perceived risk. Particular focus should be on:
  - a. internal robustness and timeliness of budget and other information, including forecasting assumptions and sensitivity testing



- b. issues around reliance on externally provided data and budgets and contingencies if information is delayed
  - c. process with Audit New Zealand, including timeline, mapping their involvement against key inputs and milestones, risk approach etc, and maintaining close communication throughout
  - d. appropriate involvement of the Audit and Risk Committee, including an early workshop to establish their role in the process (eg reviewing preliminary assumptions, and review of the draft Consultation Document and supporting documents prior to Audit NZ commencing their review)
7. That a clear partnership-driven approach is agreed separately with each individual iwi and hapu organisation, having regard to the existing partnership agreement, as a basis for interaction and input into the LTP process.

#### Engagement, consultation and associated communication

8. That Council continues with its good outreach practice, with a continual improvement approach, taking into account the feedback on processes identified from this review.
9. That the results of early engagement are integrated more effectively with Council visioning and strategic direction-setting processes.
10. That the process for identifying key questions in the Consultation Document is improved, with a focus on testing the costs and benefits of real choices.

#### Purpose, strategic direction and prioritisation

11. That there is early and clear engagement and agreement on the purpose and benefits of a good LTP across ELT, relevant staff and the elected Council, which is socialised across the organisation and built into an empowering LTP narrative with consistent messages.
12. That the Council visioning/strategy process be seen as a series of steps undertaken early in the new triennium and consisting of the following:
- a. an LTP induction briefing which engages all Councillors in the concept and their role, including how the process for articulating their collective vision and strategic intent, and making the hard choices, will unfold
  - b. a preliminary session on the proposed early engagement process and approach before end of 2025 and how this will feed into their decision-making
  - c. first Council visioning/strategy session in the new year (2026), giving a broad overview of the current state from a strategic and financial perspective, and eliciting their ideas and views on direction and focus of engagement
  - d. second vision workshop (post early engagement) to firm up Council's strategic direction – to include early engagement feedback and a map of the contribution of existing activity towards the emerging vision

13. That in preparation, TDC create a map of its activities against community outcomes and strategic priorities, that can be adapted for purposes within and beyond the LTP process
14. That a baseline budget be prepared (i.e. adjusted for subsequent Annual Plans, other decisions, updated assumptions etc) to identify any underlying financial shortfall, and determine how the LTP process will be used to address this (ie from a 'big picture' perspective)
15. That prior to the first cut budgeting round, the ELT provides clear guidance/instructions on fiscal envelope and approach for first cut budget: e.g. exceptions based, criteria for possible inclusion, requirement to identify impacts on service levels etc. These instructions to be based on understanding of the baseline impacts and strategic guidance from the elected Council
16. That no new costs, including major project costs, are entered into the first cut budget without relevant ELT member sign-off
17. That as part of the recommended cyclical approach to the LTP process, key service reviews are identified and scheduled into future LTPs, to be undertaken in time for the LTP following
18. That the ELT takes a strong leadership role and works closely with the elected Council in balancing strategic choices and affordability
19. That templates are developed both for an 'activity compendium' (or similar) and workshop presentations for Council which balance detail with comprehension and ensure the key points and issues are highlighted

#### Documents and key inputs

20. That the ELT consider options/timing to improve the financial system and financial modelling capability and resourcing
21. That the current Activity Management Plans be retired and the following approach be adopted:
  - a. traditional Asset Management Plans be prepared for asset-based activities
  - b. streamlined Activity Statements (or similar) be included in the LTP for all activities – asset-based or non-asset-based; external or internal
  - c. improving the consistency and quality of levels of service statements
22. That the LTP structure is divided into the following for the next LTP cycle:
  - a. Volume One summary document with a target of around 50 pages, focused on providing clear line of sight from vision to priorities to action to resourcing (summarised financial information), with links to the detailed supporting information
  - b. Accompanying Volumes consisting of:
    - i. Volume Two: detailed rates and financial information (as per pages 178 – 264 of current Volume 1 and most of current Volume 2)
    - ii. Volume 3: all other required policies, assessments etc

# INTRODUCTION

## Background

Tasman District Council (TDC) adopted its current Long Term Plan (LTP) on 27 June 2024. While still fresh in mind, TDC reviewed the process and documentation, in order to include any improvements in the design and planning of the next LTP process.

### Long Term Plan Objectives

TDC wishes to ensure that the LTP is a clear, meaningful and achievable plan that:

- reflects the community's aspirations, and manages risk
- enables the elected Council to consider the needs and preferences of different groups in the community
- effectively supports the elected Council in strategic decision-making and civic leadership
- ensures integration and 'line of sight' from vision to assets, services and financial forecasts
- provides a user-friendly narrative, with 'right sized' documentation that avoids unnecessary low value detail

## Review Process

The review was conducted between mid-August 2024 and mid-March 2025, with a number of phases:

- Project inception activities were undertaken to ensure clarity of objectives, provide relevant documentation and confirm the detailed project plan
- Key background information was compiled, including the legislative requirements and existing process
- Stakeholder surveys, interviews and engagements by telephone and online (see Appendix 1)
- Workshops with the Executive Leadership Team and elected Council
- Assessment and report preparation

The review considered the following four key aspects, which are covered below:

- Narratives, process design and management
- Engagement, consultation and associated communication
- Purpose, strategic direction and prioritisation
- Documents and key inputs

## NARRATIVES, PROCESS DESIGN AND MANAGEMENT

### Narratives

The commitment of the elected Council, Executive Leadership Team, Managers and staff of TDC to effective long term planning and genuine community engagement is very evident. The LTP process is highly intensive and takes a substantial effort.

However, the process is not without its frustrations. The organisation questions whether the result is commensurate with the effort. Would it be possible to produce a better result for the same or less effort?

Our findings suggest that the answer is yes.

One of the things that struck us in our internal engagement was the number of times we heard the dilemma posed by the desire to make a bigger contribution to community outcomes, when the rates requirement to maintain current activity is already challenging.

The underlying assumption is that improving the Council's contribution to community outcomes requires strategic initiatives on top of business as usual, whereas it feels like the Council can only stand still or go backwards.

This is a disempowering narrative, which has the ability to stifle creativity and miss real choices, especially with a ten year horizon. The LTP is an opportunity to revisit the link between the Council's activities and strategic intent. Work in between LTPs can identify where shifts in approaches, service delivery models, and/or service levels offer the potential for innovation and significant community benefits.

### Process design

Four aspects of the overall process design warrant particular consideration: cyclical versus periodic approach; timing of intensive phase; design for the gap between aspirations and affordability, and creating a funnel. There are more detailed recommendations in these areas in the following sections of the report.

#### Cyclical versus periodic approach

The starting point is redefining the LTP as part of an ongoing cycle of planning and monitoring, rather than a periodic process with breaks in between. This would give TDC the opportunity to prioritise and conduct the improvement initiatives (eg financial modelling process) and strategic work (eg service reviews) that would be ready for each LTP to move TDC and the District forward.

In our experience, this will help to ‘smooth out’ the resources required, create efficiencies through more effective prioritisation, and streamline the intensive phase of the LTP process.

In the coming LTP round, we suggest a focus on restructuring the Activity Management Plans into Asset Management Plans (for activities that are asset-based) and Activity Statements (or similar) for all groups of activities (whether asset-based or not). Then include service reviews in future rounds. This is to avoid overloading the relevant staff in the short term, while the recommendations of this report, if accepted, are implemented.

### Timing of intensive phase

The starting point of the intensive phase of the LTP provided limited headroom when risks began to emerge, and created significant pressure towards the end of the process. As part of the overall smoothing of the organisation’s workload, we suggest the intensive phase should start earlier.

### Design for the gap between aspirations and affordability

The current design of the intensive phase of the LTP process doesn’t sufficiently connect one LTP to the next. A review of progress against the current LTP and an up to date financial and activity baseline would have shown there was already a substantial gap between current rates and the resources to ‘stand still’.

This shortfall came to light in the first round of budgeting. It included both the gap between current rates and the future rates needed to continue current activity (ie the actual baseline), plus additional expenditure that was desired to meet known aspirations. It was a substantial shortfall. A hasty response was required. The organisation rose to the occasion with the introduction of the ‘must, should, could’ prioritisation process.

While the response was commendable given the circumstances, it was of necessity *ad hoc* and performed under high pressure. We believe the situation strained the LTP process in terms of strategic decision-making and prioritisation, both within the organisation and with Councillors.

### Creating a funnel

A funnel approach anticipates a shortfall and includes steps to both minimise and manage it. More detail on this is included in a later section, but in summary:

- an up to date baseline as the starting point – that will shape the rest of the process
- ELT issues guidance at each stage on budget parameters that is strong and clear, along with procedures to ensure adherence (with accountability sitting with Executives)
- strategic direction is a key driver, reflecting Council’s vision and priorities, informed by the community
- note that in the future, we recommend that strategic work in between LTPs (such as service reviews) be undertaken to open up a wider set of choices within available resources

## Project governance and management

The last LTP benefitted from a highly committed and capable project team. The addition of a project manager was generally well supported. Whilst the process itself posed challenges as discussed above, it was well documented and socialised, up to the point that it needed to be adapted to address the budget shortfall.

However, the need for strong leadership of the process was underestimated from the early stages of establishing strategic direction and financial parameters. The robustness of project governance and management was tested when the shortfall in the first budget round emerged and also later when additional financial challenges were revealed (eg reduced transport funding and increased costs such as insurance).

A key issue appears to be role clarity among the levels of project governance and management, including when, how and to whom critical issues are escalated as they arise.

### Role clarity

There were different levels involved in managing the process and/or content at different times. In some cases, it was unclear who was responsible for what. This issue was particularly problematic when the process came under pressure as described above.

The ELT did not have a strong enough hand in driving direction, and ensuring alignment between Council's strategy and the organisation's input (on the one hand) and response (on the other).

This 'hand on the tiller' is essential to successfully navigating the balancing act between aspirations and affordability. It needs to include resolution of key issues and choices, respecting the relative roles of the elected Council and ELT.

The assessment suggests that the ELT's role in governance and leadership needs to be strengthened. This would be supported by two other clear levels – a steering group level, which is the pivot point between the ELT and the project team, and the project team, which is responsible for undertaking the work.

There appears to have been some blurring of authority over budgets at the manager level. This needs to be addressed. Further, executive level accountability of the budgets was not always managed when the process came under pressure. The organisation was vulnerable to unintended consequences from mistakes in the budget that needed to be corrected at a later point.

### Staff awareness and input

As noted above, there was good initial planning at the early stages of the process and good communication. However, key difficulties emerged in the following areas:

- clarity of parameters (both strategic and financial) around what should be included in the first budget round
- staff understanding of the role of Councillors in setting vision and strategic direction and how this flows into budgeting decisions
- feedback to and input from key staff as the budgeting issues difficulties escalated
- inhibition of creative problem solving when the shortfall emerged

## Audit and risk

Audit NZ acknowledges the capability and professionalism of the staff they interacted with in the LTP process. However, as issues emerged through the preparation of the Consultation Document, including matters where Audit NZ deemed it necessary to independently test TDC's analysis, the relationship between the parties became strained. Audit NZ considered that TDC's process did not start early enough to allow the final draft Consultation to be completed in a timely manner (ie to allow Audit NZ enough time for their audit).

There are of course cost considerations for Audit New Zealand involvement. However, this is more likely to be minimised with a more structured approach. Early discussion of any emerging risks and mitigation etc has the potential for greater overall control of costs than a more reactive environment.

From a risk management perspective, there was limited early identification and management of emerging issues around both costs and revenue as mentioned above. The process became largely reactive at key points.

For example, in the face of uncertain transport funding, Audit NZ enquired as to what would happen under different scenarios. The response was that this would be a matter that would go back to Council for decision at the time. This does not give sufficient assurance that TDC is planning ahead. Determining project cut off points corresponding to different funding scenarios could have been built into the Council's decision-making process.

It appears the potential contribution of the Audit and Risk Committee to help with these issues was not understood, and the Committee was therefore underutilised in the process. Our assessment supports a key role for the Committee, particularly in scrutinising the financial assumptions, projections and risks, prior to Audit NZ's review.

## Recommendations

1. That the timing and overall design of the LTP process be adopted, in accordance with the attached excel timeline
2. That a cyclical approach be adopted, with an adequately resourced programme that addresses key improvements and strategic work needed to underpin the LTP process (full implementation of this approach to commence after the adoption of the next LTP)

3. That the ELT reset the narrative around the LTP, in conjunction with articulating its purpose (see also recommendation 11)
4. That project governance and management arrangements consist of three groups with clear Terms of Reference, reporting and escalation as follows:
  - a. ELT: Approves formal LTP project plan including resourcing. Provides high level direction on content and process. Facilitates Council's vision, strategic intent and priorities. Directs budgeting parameters. Resolves major issues or tensions as identified by the ELT or referred by Council or the Steering Group.
  - b. Steering Group: Establishes project plan (including staff communication). Oversees project manager and implementation. Addresses issues and roadblocks. Escalates issues to ELT as required. Ensures effective internal communication.
  - c. Project Team: Provides inputs to project plan. Manages and coordinates implementation. Escalates issues to the Steering Group as required.
5. That Executives are given clear accountability for signing off their individual budgets, with the expert advice of their managers, to ensure budgets are 'owned' and to reduce the risk that consequences get missed
6. That a stronger and more explicit risk assessment and risk management framework for the project be adopted, traversing both internal and external risks to project delivery, including Audit New Zealand approval, and provide for clear mitigation actions for any perceived risk. Particular focus should be on:
  - a. internal robustness and timeliness of budget and other information, including forecasting assumptions and sensitivity testing
  - b. issues around reliance on externally provided data and budgets and contingencies if information is delayed
  - c. process with Audit New Zealand, including timeline, mapping their involvement against key inputs and milestones, risk approach etc, and maintaining close communication throughout
  - d. appropriate involvement of the Audit and Risk Committee, including an early workshop to establish their role in the process (eg reviewing preliminary assumptions, and review of the draft Consultation Document and supporting documents prior to Audit NZ commencing their review)



## ENGAGEMENT, CONSULTATION AND ASSOCIATED COMMUNICATION

### Tangata Whenua

The feedback from a range of iwi and hapu manawhenua organisations, and consultation with some other local groups, indicated that good information was provided at a general level. This included mapping back to iwi and hapu priorities and their existing strategic documents where relevant. There was some feedback that consultation was not as focused as it might have been on particular concerns and priorities (ie was more general). The level of commentary and input varied, in both the amount, level and nature of the content. It ranged from detail about marae development and waka housing, to some discussion about overall direction for the region and overall issues. The wider iwi and hapu based documents and strategies were a useful input.

While there was reasonable satisfaction with the practical consultation processes to date, participants in the review indicated that the level and extent of partnership was unclear. Some groups would like to see an early interaction which discussed and shaped the way Council worked with iwi and hapu, and an involvement in designing this front end relationship and interaction for the LTP. Early discussion and feedback from iwi and hapu should be understood as occurring between partners rather than with stakeholders or community groups.

Finally, it was also clear that different organisations had different kinds and levels of priorities and interests, ranging from exploring the general direction of the overall district and region to, as mentioned earlier, specific aspirations and needs for marae and taonga. Therefore, a multi-layered or multi-pronged approach to interaction would be welcomed.

### General community, Localities, Demographic groups, Community Boards and Associations and Other Stakeholders

Good effort was put into outreach to a range of organisations and groups throughout the LTP engagement and consultations. TDC should be pleased with the quality and commitment around processes and engagement. Key points from feedback were:

- earlier engagement with Community Boards to gain their advice on processes which might best fit their communities would be useful
- it was important to ensure that there is a consistency of staff messaging and engagement with key demographic groups, in particular youth
- in designing workshops and sessions, there should be some flexibility around using staff and elected members to lead/ facilitate those sessions. This applies particularly to the early engagement which should be more open ended but also to the later, more formal consultation sessions

- careful calibration of the level of information delivered to fit each audience is important. This includes early consideration of the issues and ideas that may be of central concern or interest

The results of early engagement and their input into the Council’s visioning and strategic direction setting process was perhaps not as well integrated as desirable and the opportunity to shape the Council discussion with that input was relatively weak.

Finally, some feedback suggested that the Consultation Document choices were not as well thought through as they could have been. Some felt a number of identified choices were ‘Washington monuments’<sup>1</sup>, unlikely to be acted on while generating anxiety and demanding a response.

### Recommendations

7. That a clear partnership-driven approach is agreed separately with each individual iwi and hapu organisation, having regard to the existing partnership agreement, as a basis for interaction and input into the LTP process.
8. That Council continues with its good outreach practice, with a continual improvement approach, taking into account the feedback on processes identified from this review.
9. That the results of early engagement are integrated more effectively with Council visioning and strategic direction-setting processes.
10. That the process for identifying key questions in the Consultation Document is improved, with a focus on testing the costs and benefits of real choices.

## PURPOSE, STRATEGIC DIRECTION AND PRIORITISATION

### Purpose of LTP

Within the organisation at all levels, there are differing views about what an LTP is, what it is for and how it can be used. There is a practical focus on compliance and completing the task of preparation, which under-values the benefits a good LTP can have.

As a consequence, the current document, while well written, does not provide the best possible articulation of the long-term focus for the decisions of the local authority, with a clear and compelling line of sight from outcomes to priorities to activities and resourcing.

The lack of an agreed purpose, beyond compliance, affects both how the organisation views the task of preparing an LTP and the approach to the final documents, and end use. It is also mirrored in

<sup>1</sup> The term ‘Washington monument’ is used where an authority proposes an unacceptable sacrifice of a highly valued asset or service in the face of pressure to cut budgets.

inconsistent understanding by Council of their role in setting strategic direction and determining service levels and priorities.

Staff also express confused views regarding the role of the LTP and how the strategic direction set by Council and the service level decisions actually drives their service delivery.

By way of reference, the Office of the Auditor General states:

*[The] LTP gives a long-term focus for [the Council's] decisions and activities. The LTP also provides accountability to the community – having considered their feedback during the LTP consultation period.*

*LTPs outline the activities a council does and how these activities fit together. They cover what activities will be completed over the LTP's 10-year period, why the council chose those activities, and the costs of those activities to the community.*

*There are long-term issues ... such as climate change, water quality, and infrastructure renewal ... This reinforces the importance of long-term planning, community engagement, and accountability for decisions and transparency about any trade-offs.*

The LTP allows a Council to set out (for itself, the community and staff) its strategic focus for a 10 year period, link this to community outcomes and stated levels of service and key projects, and show the financial impacts and approach to funding this programme.

## Council's strategic direction

The LTP process starts early in a new triennium which makes the process of initiating the Council's strategic direction-setting role both critically important and particularly challenging. Process design and facilitation needs to:

- engage the Councillors in painting a vivid picture of the purpose and role of the LTP
- open the way for new ideas, while being grounded in the reality of resource constraints
- encourage visionary thinking, while leaving room for the community's input
- identify preliminary priorities, while connecting to the existing plan and achievements
- synthesise diverse levels (from big picture to specific actions) into common themes

These design parameters were not evident in the last LTP. Our assessment suggests that a more effective environment is required for the elected Council to understand and exercise its strategic leadership role fully. In our experience, elected members will perform this role capably with the right process and inputs.

Strong strategic input by the elected Council needs to be met by a high organisational commitment to the Council's vision and strategic priorities. The two parties need to work together in partnership to develop a balanced budget in this context.

## Stage 1 Baseline Budget and first cut (Administration)

The extent of the funding gap in a baseline budget (i.e. previous LTP provisions adjusted for subsequent Annual Plans, intervening decisions, updated assumptions etc) was not identified prior to the first round of budget input. This was therefore not considered in advance by ELT, and wasn't factored into the budget guidance for managers.

The parameters for managers were limited and the instruction for providing/justifying exceptions was generally unenforced. There was a sense that budget owners were competing for resources. The result was a budget shortfall of around 22%, of which a substantial portion could have been identified in advance.

In other words, there was already a substantial financial predicament, which had been increasing over several years. The LTP process should have been able to help address this proactively and strategically, rather than throwing the organisation into a reactive cost reduction exercise under high pressure.

Further, the intensive LTP process is not well suited to undertaking major service reviews. We suggest that as part of the recommended cyclical approach, that each LTP identify and schedule the significant service reviews and other strategic work that will be undertaken prior to the next LTP.

## Stage 2 Budget process: prioritisation (Administration)

This is the stage where the administration finalises a complete draft budget (with identified options) for presentation to Council.

The process of scrutiny within and across each area needs to be focused on ensuring the best possible trade-off between aspirations and affordability. As noted above, addressing the large shortfall dominated the process and inevitably prioritised the status quo plus unavoidable cost increases.

Key consequences included:

- budget options became atomised and the link between strategic direction, 'business as usual', and service level options got lost, with insufficient guidance for staff as the process advanced
- scenarios for the Consultation Document were selected under pressure, and arguably did not provide meaningful options for community input into key trade-offs
- some impacts and consequences for existing levels of service were missed

In addition, the financial modelling of alternative scenarios was slow and clunky. This made forecasting and timely sensitivity testing extremely difficult.

## Council budget/prioritisation process

Relevant, comprehensive activity information was provided to the Council in a series of workshops. The presentations were overwhelming for some and made their participation more difficult. One thing to

consider is the production of a ‘activity compendium’ or similar that Councillors can use as a reference, while keeping the presentations to higher level summaries and key issues that impact on strategic prioritisation. Again, the ability to rapidly model and test alternative scenarios is a key issue.

### Recommendations

11. That there is early and clear engagement and agreement on the purpose and benefits of a good LTP across ELT, relevant staff and the elected Council, which is socialised across the organisation and built into an empowering LTP narrative with consistent messages.
12. That the Council visioning/strategy process be seen as a series of steps undertaken early in the new triennium and consisting of the following:
  - a. an LTP induction briefing which engages all Councillors in the concept and their role, including how the process for articulating their collective vision and strategic intent, and making the hard choices, will unfold
  - b. a preliminary session on the proposed early engagement process and approach before end of 2025 and how this will feed into their decision-making
  - c. first Council visioning/strategy session in the new year (2026), giving a broad overview of the current state from a strategic and financial perspective, and eliciting their ideas and views on direction and focus of engagement
  - d. second vision workshop (post early engagement) to firm up Council’s strategic direction – to include early engagement feedback and a map of the contribution of existing activity towards the emerging vision
13. That in preparation, TDC create a map of its activities against community outcomes and strategic priorities, that can be adapted for purposes within and beyond the LTP process
14. That at the beginning of the budgeting stage a baseline budget (i.e. adjusted for subsequent Annual Plans, other decisions, updated assumptions etc) is prepared to identify any underlying financial shortfall, and determine how the LTP process will be used to address this (ie from a ‘big picture’ perspective)
15. That prior to the first cut budgeting round, the ELT provides clear guidance/instructions on fiscal envelope and approach for first cut budget: e.g. exceptions based, criteria for possible inclusion, requirement to identify impacts on service levels etc. These instructions to be based on understanding of the baseline impacts and strategic guidance from the elected Council
16. That no new costs, including major project costs, are entered into the first cut budget without relevant ELT member sign-off
17. That as part of the recommended cyclical approach to the LTP process, key service reviews are identified and scheduled into future LTPs, to be undertaken in time for the LTP following

18. That the ELT takes a strong leadership role and works closely with the elected Council in balancing strategic choices and affordability
19. That templates are developed both for an 'activity compendium' (or similar) and workshop presentations for Council which balance detail with comprehension and ensure the key points and issues are highlighted

## DOCUMENTS AND KEY INPUTS

### Growth modelling

This seems to have proceeded successfully in the last LTP cycle and no changes are recommended.

### Financial modelling

As identified above, the financial modelling aspect was an issue. It is generally agreed that financial scenarios testing took too long at each iteration which undermined/limited the ability to develop meaningful options for discussion with Councillors and later consultation.

It appears that a full solution to this problem would involve a reset of the whole financial system from the chart of accounts upwards. Data is required to be translated backwards and forwards from the financial modelling software, which in itself is arguably in need of replacement. These difficulties impose a significant burden on the LTP process in terms of resourcing, timely delivery of budgets, the amount of time available to test options and the capacity to manage financial risks to the process.

It is also essential to ensure that this critical process is not reliant on a single staff member.

We believe it is essential for the organisation to plan to address these issues, bearing in mind that any significant changes should be implemented outside of the intensive phase of the TLP.

### Activity documents

The key supporting documents that are used by the Council in the LTP process are the Activity Management Plans. There is a level of confusion in the organisation about their purpose, frustration with the amount and repetition of detail, and concern about the resources needed to prepare these documents. For asset-based activities, they miss the mark of traditional Asset Management Plans which are primarily tools for asset managers, and form the basis for accurate input into long term financial forecasts to ensure adequate resources for asset management, particularly renewals.

At the same time, some Activity Management Plans neglect some non-asset based aspects of service provision. Service level statements are at varying levels of detail and relevance.

We suggest that all asset-based Activity Management Plans be replaced with traditional Asset Management Plans.

We also suggest that the remaining Activity Management Plans do not add value sufficient to offset the effort in producing them, are mismatched with the activity information in the LTP, and should be retired.

The requirements of the legislation, and good practice in terms of information for the community, can be met by streamlined Activity Statements (or similar term) in the LTP itself, covering all groups of services, asset-based and non-asset-based; external and internal. With some expansion, these would naturally form the basis for the Activity Compendium (or similar term) recommended to be produced for Councillors.

## Final LTP Document

While there is a lot of excellent content in the LTP document, the amount of information provided is overwhelming. It is difficult to grasp the essence of what is being promised and to what end and with what financial implications. This limits the use of the LTP document to the wider community, Councillors and staff. We hasten to add that this problem is not confined to TDC.

### Recommendations

20. That the ELT consider options/timing to improve the financial system and financial modelling capability and resourcing
21. That the current Activity Management Plans be retired and the following approach be adopted:
  - a. traditional Asset Management Plans be prepared for asset-based activities
  - b. streamlined Activity Statements (or similar) be included in the LTP for all activities – asset-based or non-asset-based; external or internal
  - c. improving the consistency and quality of levels of service statements
22. That the LTP structure is divided into the following for the next LTP cycle:
  - a. Volume One summary document with a target of around 50 pages, focused on providing clear line of sight from vision to priorities to action to resourcing (summarised financial information), with links to the detailed supporting information
  - b. Accompanying Volumes consisting of:
    - i. Volume Two: detailed rates and financial information (as per pages 178 – 264 of current Volume 1 and most of current Volume 2)
    - ii. Volume 3: all other required policies, assessments etc

## APPENDIX 1: CONTRIBUTORS

### Tasman District Council

Mayor and Councillors

Golden Bay Community Board

Motueka Community Board

Youth Council

Executive Leadership Team

Staff - with a range of responsibilities and levels of involvement in the LTP process

### Tangata Whenua

Te Rūnanga of Ngāti Kuia

Te Rūnanga o Ngāti Rārua

Tapawera & Districts Community Council

### Stakeholders

Audit New Zealand - John Mackey and Yvonne Yang

Nelson Regional Development Agency

Nelson City Council

Institute of Directors (Nelson)





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## 6.5 CHIEF EXECUTIVE OFFICER FINANCIAL DELEGATIONS

Decision Required

<b>Report To:</b>	Audit and Risk Committee
<b>Meeting Date:</b>	1 October 2025
<b>Report Author:</b>	Doug Moffet, Procurement Specialist
<b>Report Authorisers:</b>	Steve Manners, Chief Operating Officer
<b>Report Number:</b>	RFNAU25-10-5

### 1. Purpose of the Report / Te Take mō te Pūrongo

- 1.1 To provide feedback and consideration on the item left to lie at the Tasman District Council meeting, held on 25 September 2025.

### 2. Summary / Te Tuhinga Whakarāpoto

- 2.1 At the Tasman District Council, 25 September 2025 meeting, the below item was left to lie on the table:

*That the Tasman District Council*

1. *receives the Chief Executive Officer Financial Delegations report, RCN25-09-27; and*
2. *approves an increase in the Chief Executive Officer's financial delegation from \$1 million to \$6 million, with the understanding that:*
  - 2.1 *all procurement must remain within the funding already approved through the Long-Term Plan, Annual Plan, or separate Council resolution.*
  - 2.2 *the Tenders/Procurement Panel retains oversight of procurements above the Chief Executive Officer's delegation or of high strategic significance or community interest; and*
3. *updates the Schedule of Financial Delegations to reflect the changes to the Chief Executive and Tenders/Procurement Panel delegations.*
- 2.2 The Council requested that the report go to the Audit and Risk Committee's 2 October 2025 meeting for feedback and consideration before being brought back to the Tasman District Council Extraordinary 2 October 2025 meeting.

### 3. Recommendation/s / Ngā Tūtohunga

**That the Audit and Risk Committee**

1. **receives the Chief Executive Officer Financial Delegations report RFNAU25-10-5; and**
2. **supports an increase in the Chief Executive Officer's financial delegation from \$1 million to \$6 million, with the understanding that:**
  - 2.1 **all procurement must remain within the funding already approved through the Long-Term Plan, Annual Plan, or separate Council resolution;**

- 2.2 the Tenders/Procurement Panel retains oversight of procurements above the Chief Executive Officer's delegation or of high strategic significance or community interest.**

**AND/OR**

- 3. provides the following feedback to Council:**

<b>4. Background / Horopaki</b>
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- 4.1 Refer to **Attachment 1**.

<b>5. Attachments / Tuhinga tāpiri</b>
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1.   Chief Executive Officer Financial Delegations Report - Council 25 September 2025

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**7.3 CHIEF EXECUTIVE OFFICER FINANCIAL DELEGATIONS****Decision Required**

<b>Report To:</b>	Tasman District Council
<b>Meeting Date:</b>	25 September 2025
<b>Report Author:</b>	Doug Moffet, Procurement Specialist; Amy Clarke, Acting Assurance & Improvement Manager
<b>Report Authorisers:</b>	Steve Manners, Chief Operating Officer
<b>Report Number:</b>	RCN25-09-27

**1. Purpose of the Report / Te Take mō te Pūrongo**

- 1.1 The purpose of this report is to seek the Council's decision on proposed changes to the Chief Executive Officer's financial delegations, to support the effective operation of procurement activity, as documented in the new Procurement Policy (**see Attachment 1**) and Internal Procurement Panel Terms of Reference (**see Attachment 2**). The report provides background information, outlines options, and assesses the risks, transparency, and governance implications of adjusting the delegation limit.

**2. Summary / Te Tuhinga Whakarāpoto**

- 2.1 In July 2025, the Council considered a proposal to increase the Chief Executive Officer's financial delegations from \$1 million to \$10 million, to better align with whole-of-life procurement values and the scale of the Council's major contracts. The Council requested further information before deciding.
- 2.2 This report outlines how the Procurement Policy and the introduction of an Internal Procurement Panel and revised Tenders/Procurement Panel (Tenders Panel) processes are designed to improve consistency, transparency, and organisational maturity in procurement. It also sets out the advantages and disadvantages of maintaining the current delegation or increasing it.
- 2.3 Having considered the Council's feedback, Chief Executive Officer delegations of \$1 million, \$6 million and \$10 million have been considered.
- 2.4 Officers recommend that the Council increase the Chief Executive Officer's financial delegation to \$6 million. This represents a pragmatic middle ground that enables the Internal Procurement Panel to operate effectively while ensuring that the largest and most strategically significant procurements remain subject to elected member oversight.

**3. Recommendation/s / Ngā Tūtohunga****That the Tasman District Council**

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1. receives the Chief Executive Officer Financial Delegations report, RCN25-09-27; and
2. approves an increase in the Chief Executive Officer's financial delegation from \$1 million to \$6 million, with the understanding that:
  - 2.1 all procurement must remain within the funding already approved through the Long-Term Plan, Annual Plan, or separate Council resolution.
  - 2.2 the Tenders/Procurement Panel retains oversight of procurements above the Chief Executive Officer's delegation or of high strategic significance or community interest; and
3. updates the Schedule of Financial Delegations to reflect the changes to the Chief Executive and Tenders/Procurement Panel delegations.

**4. Background / Horopaki**

- 4.1 A report was presented to the Council on 31 July 2025 seeking approval for a change to the Chief Executive's financial delegations. At that meeting, the Council requested further information on both the delegation request and the Procurement Policy. A workshop with the Council was subsequently held on 11 September 2025 to provide an overview of the procurement process and policy.
- 4.2 The Council also requested that a follow-up report be brought back in this triennium to address the questions raised in July 2025 and to enable a decision on the proposed delegation change.
- 4.3 The Council requested that this matter be considered by the Audit and Risk Committee (ARC), however the timing of the meetings does not allow for this. A new quarterly report on procurement will be presented to the ARC in the new triennium.
- 4.4 The Tenders/Procurement Panel Terms of Reference will need to be updated to reflect any changes to the Chief Executive Officer's delegations. This update will be brought to the Council for approval in the new triennium, alongside the other committee Terms of Reference.

**5. Analysis and Advice / Tātaritanga me ngā tohutohu****5.1 Procurement Policy**

- 5.1.1 The Procurement Policy was approved by the Executive Leadership Team in June 2025.
- 5.1.2 The draft policy was provided to Audit NZ who reviewed it against recognised good practice standards, and found that overall, it aligns well with their expectations.
- 5.1.3 The Council's Procurement Policy sets out how Tasman District Council procures goods, services, and works on behalf of the community. The policy ensures that all procurement decisions are fair, transparent, and deliver the best long-term value for ratepayers. **Importantly, the Council can only procure what has been approved**

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**through the Long-Term Plan (LTP), Annual Plan (AP), or a separate Council resolution.**

- 5.1.4 Procurement is not just about choosing the lowest price – the policy requires staff and elected members to consider the total cost of ownership of contracts, including future operating and maintenance costs, risk, and broader outcomes such as sustainability, environmental impact, and support for local businesses and iwi partnerships.
- 5.1.5 The policy provides clear approval thresholds to match the level of oversight with the size and risk of the purchase. Smaller procurements can be approved by budget holders, while larger procurements require review by the staff-based Internal Procurement Panel, chaired by an Executive Leadership Team (ELT) member. Procurements above the Chief Executive Officer's delegation, or of high strategic significance, must be approved by the Tenders/Procurement Panel made up of elected members. Where there is no allocated budget, approval must come from the Council.
- 5.1.6 The policy also contains strong requirements around conflicts of interest, probity, health and safety, and record keeping. Independent probity assurance is required for high-value or high-risk procurements, and all procurement decisions must be documented and auditable. These measures provide assurance to both the Council and the community that procurement is being carried out responsibly and with integrity.

**5.2 Internal Procurement Panel and Tenders Panel**

- 5.2.1 The introduction of an Internal Procurement Panel is an important step in lifting the Council's organisational maturity in procurement. By providing a consistent review process for procurement plans and supplier recommendations above \$100,000 and below the Chief Executive Officer's delegation limit, the Panel helps ensure that each procurement is well-planned, risk-managed, and aligned with Council policy before commitments are made. This approach enables procurements to progress efficiently and effectively, reducing delays while providing assurance that probity, sustainability, and broader outcomes have been considered.
- 5.2.2 The Internal Procurement Panel will consist of two Executive Leadership Team members and four rotating staff members. This rotation creates an opportunity for staff across the organisation to build capability and confidence in procurement, spreading good practice and strengthening overall organisational maturity. Members will gain practical experience in applying the policy, assessing risk, and embedding total cost of ownership thinking into decisions, which in turn will lift procurement knowledge across the Council.
- 5.2.3 The Tenders/Procurement Panel will remain in place for higher value or strategically significant procurements. The key change is that the Tenders/Procurement Panel will now receive both the procurement plan and supplier recommendation for review and/or approval, where previously it only received the supplier recommendation. This ensures elected members have visibility of the procurement approach and evaluation process before a decision is made.

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- 5.2.4 Both panels, and the Procurement Specialist, may escalate (including to the Council) a procurement where they consider the level of risk to be greater than suggested by its monetary value.

**5.3 Transparency**

- 5.3.1 Elected members requested further information on how transparency would be ensured under the new Procurement Policy. There are several measures that strengthen transparency and provide greater visibility of procurement decisions.
- 5.3.2 Firstly, the Internal Procurement Panel will receive both the procurement plan and the supplier recommendation for all procurements above \$100,000 and below the Chief Executive Officer's delegation. This provides the six Panel members with oversight not just of the outcome, but also of the planned approach, evaluation criteria, and risk management considerations that underpin each procurement. Because the panel brings together staff from across the Council, it gives visibility of procurement decisions and how they are made across different activities.
- 5.3.3 Secondly, the Tenders/Procurement Panel will now receive both the procurement plan and the supplier recommendation for all procurements above the Chief Executive Officer's delegation. This provides elected members with oversight not just of the outcome, but also of the planned approach, evaluation criteria, and risk management considerations that underpin each procurement.
- 5.3.4 Thirdly, a quarterly procurement report will be presented to the Audit and Risk Committee. This report will summarise procurement activity, highlight exceptions to the policy (such as approved deviations), and provide assurance that processes are being followed consistently. This is a new layer of oversight which strengthens visibility at the governance level.
- 5.3.5 It should also be noted that the Tenders/Procurement Panel continues to operate in confidential session, meaning the information provided is available to elected members but not to the public, reflecting the commercial sensitivity of procurement processes. However, the Council already has existing public reporting channels – the Programme Delivery Office provides regular reports to the Operations Committee on tenders awarded, ensuring visibility of outcomes.
- 5.3.6 Together, these measures strike a balance between protecting commercially sensitive information and ensuring that elected members and the wider Council maintain oversight of procurement activity.

**5.4 Chief Executive Officer Financial delegations**

- 5.4.1 Increasing the Chief Executive Officer's financial delegations is an essential step in strengthening the Council's strategic focus and financial stewardship. By enabling management to progress routine procurements efficiently, the Council can concentrate its governance oversight on the most strategic and high-risk procurements—where elected member input provides the greatest value. Higher delegations also embed whole-of-life value considerations into decision-making,

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ensuring that the Council's investments deliver sustainable benefits for the community over the long term.

- 5.4.2 The Internal Procurement Panel (IPP) has been established as a management-level body to provide consistent, expert review of procurement plans and supplier recommendations for procurements above \$100,000 and below the Chief Executive Officer's delegation. In contrast, the Tenders/Procurement Panel provides governance oversight, ensuring that the highest value, highest risk, and most strategic procurements receive elected member visibility and assurance. Increasing the Chief Executive Officer's delegation strengthens this distinction, giving the IPP meaningful scope to operate at the management level while keeping the Tenders/Procurement Panel focused on the procurements where governance oversight provides the greatest value.
- 5.4.3 The consistent use of total cost of ownership (TCO) assessments means more procurements now sit in higher value categories, as lifecycle costs such as operation, maintenance, renewals, and disposal are included alongside the initial purchase price. This does not represent an increase in the Council's spending or risk appetite. Rather, it reflects a more diligent and accountable approach, ensuring that today's decisions are made with full visibility of their long-term impacts. Without an uplift in delegation, many routine procurements would unnecessarily escalate to the Tenders/Procurement Panel, creating delays, reducing efficiency, and diverting attention away from the genuinely strategic procurements that warrant governance oversight.
- 5.4.4 An increased delegation empowers the Internal Procurement Panel to operate as intended—supporting organisational maturity, ensuring probity and value-for-money, and enabling efficient procurement decisions that reflect the Council's financial stewardship obligations. This shift also ensures that elected members can focus on setting direction and overseeing procurements of greatest strategic significance, rather than being drawn into operational matters.
- 5.4.5 The Tenders/Procurement Panel will retain a critical role under the uplifted delegation. It will continue to oversee:
- Procurements above the Chief Executive Officer's delegation.
  - Procurements of high risk or high sensitivity.
  - Procurements of high strategic importance or community interest, where governance visibility is essential.
- 5.4.6 This preserves the Council's assurance that major decisions are subject to appropriate scrutiny, while freeing the Tenders/Procurement Panel to focus its efforts on the matters that carry the greatest financial, reputational, or strategic consequence.
- 5.4.7 The Chief Executive Officer's current financial delegation of \$1 million no longer reflects the scale or complexity of the Council's operations. Officers initially proposed an uplift to \$10 million, which would align with the value of many of the



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Council's larger infrastructure and service contracts and ensure effective operation of the Internal Procurement Panel. However, recognising the Council's preference for a balanced approach, a delegation of \$6 million is recommended. This represents a pragmatic step that enhances efficiency and strengthens financial stewardship, while preserving the Council's strategic focus by keeping the largest and most significant procurements within the remit of the Tenders/Procurement Panel.

- 5.4.8 At present, around 65% of procurements reviewed by the Tenders/Procurement Panel are project-based. With an increase in the Chief Executive Officer's delegation to \$6 million, it is expected that most project-based procurement will be able to effectively managed by the IPP, with only those projects with high strategic or community interest going to the Tenders/Procurement Panel.
- 5.4.9 While only 35% of procurements reviewed by Tenders/Procurement Panel are for ongoing or operational services procurements, the introduction of total cost of ownership (TCO) assessments will increase the number above the current \$1 million threshold. Increasing the Chief Executive Officer's delegation balances the consistent application of TCO with the need for effective governance, allowing the Tenders/Procurement Panel to focus on high-risk or strategically significant procurements, while lower-risk, routine procurements are managed through the Internal Procurement Panel.
- 5.4.10 The following table provides high-level examples of the types of procurements that would be approved at each level **if the \$6million delegation** is given. The examples are indicative only, based on historical procurements, and actual approval requirements will depend on the specific costs, risks, and circumstances of each procurement.

<b>Budget holder (up to \$100,000)</b>	<b>Internal Procurement Panel (\$100,000 - \$6m)</b>	<b>Tenders Panel (\$6m +)</b>
Routine operating expenses (e.g. office supplies, safety equipment etc).  Low-value service procurements (e.g. minor repairs or maintenance).	Software procurements (includes Microsoft Cloud Services).  Maintenance procurements (e.g. cleaning services, air-conditioning).  Infrastructure procurements (e.g. includes most water and roading projects).  Communications services procurements.	Significant infrastructure procurements.  Significant software procurements (includes CRM).  Significant service delivery procurements (includes Waste Management Services, Rivers Maintenance and Operations, Reserves and Facilities).

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	Electricity provision.	
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- 5.4.11 If the delegation is not increased, the Internal Procurement Panel's scope will remain limited, creating inefficiencies and diverting the Tenders/Procurement Panel from its intended governance role. With an uplift in delegation, the Panel can fulfil its role as a management-level assurance body—supporting organisational maturity, ensuring probity and value-for-money, and enabling timely procurement decisions. Elected members will still retain governance oversight of the most significant procurements through the Tenders/Procurement Panel, ensuring the Council's stewardship and strategic focus are maintained.
- 5.4.12 Because the Tenders/Procurement Panel will now approve the procurement plan and the supplier recommendation for each procurement process above the Chief Executive Officer's financial delegation, retaining the current \$1 million delegation would effectively double the number of papers and decisions required of elected members. This creates a significant increase in workload for the Panel.
- 5.4.13 The chart below shows New Zealand Council dollar value approval requirements for their procurements. Dunedin City Council has provided the basis of our new procurement policy and endorsement/approval processes.

<b>NZ Council Approval Dollar Levels &amp; Estimated Populations</b>	
Council approval not required	Environment Canterbury (Pop. 687,100) Gisborne District Council (Pop. 53,000) Invercargill City Council (Pop. 57,600) Otago Regional Council (Pop. 254,600)
Council approval required above \$10 million	Dunedin City Council (Pop. 131,800) Hastings District Council (Pop. 61,696)
Council approval required above \$5 million	Napier City Council (Pop 66,800)
Council approval required above \$3 million	Hamilton City Council (Pop. 192,000) Nelson City Council (Pop. 59,200)
Council approval required above \$2 million	Kapiti District Council (Pop. 58,500)



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Council approval required above \$1 million	Central Otago District Council (Pop. 25,500) Far North District Council (Pop. 73,500) Kaipara District Council (Pop. 26,800) Rotorua Lakes Council (Pop. 74,058) Selwyn District Council (Pop. 85,200) Tasman District Council (Pop. 59,800) Western Bay of Plenty District Council (Pop. 60,800)
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**6. Financial or Budgetary Implications / Ngā Ritenga ā-Pūtea**

- 6.1 The proposed change to the Chief Executive Officer's financial delegations, alongside the establishment of the Internal Procurement Panel, has no direct budgetary impact and no impact on rates and/or fees and charges. All procurement must still be within the funding already approved through the Long-Term Plan, Annual Plan, or by separate Council resolution.
- 6.2 The change is procedural rather than financial, aimed at improving efficiency and consistency in procurement decision-making.
- 6.3 Indirectly, the use of the Internal Procurement Panel and the consistent application of total cost of ownership values is expected to support better value-for-money outcomes and reduce delays that can increase project costs.
- 6.4 The additional reporting requirements (to the Tenders/Procurement Panel, Audit and Risk Committee, and Operations Committee) can be met within existing resources.

**7. Options / Kōwhiringa**

- 7.1 The table below outlines three possible options: retaining the current \$1 million delegation, increasing it to \$6 million, or increasing it to \$10 million. Each option has advantages and disadvantages in terms of efficiency, transparency, and governance oversight.
- 7.2 The options are outlined in the following table:

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Option		Advantage	Disadvantage
1.	Increase the Chief Executive Officer's financial delegation to \$10 million.	<p>Aligns delegation with the larger Council contracts.</p> <p>Reduces the number of procurements requiring Tenders/Procurement Panel approval.</p> <p>Enables faster decision-making on procurements up to \$10 million.</p>	<p>Significantly reduces elected member oversight of many high-value procurements.</p> <p>Concentrates decision-making authority with management.</p> <p>Could raise concerns about transparency if reporting is not robust.</p>
2.	Increase the Chief Executive Officer's financial delegation to \$6 million.	<p>Provides more scope for the Procurement Panel, improving efficiency compared to \$1m.</p> <p>Retains Tenders Panel oversight of very large procurements.</p> <p>Represents a middle ground between efficiency and governance control.</p>	<p>Still shifts a notable portion of decision-making from elected members to staff.</p> <p>Procurements between \$1m and \$6m would no longer be reviewed by the Tenders/Procurement Panel, reducing elected member involvement in medium-to-large procurements</p> <p>Less efficiency gain compared to a \$10m delegation.</p>
3.	Status Quo - do not increase the Chief Executive Officer's financial delegation.	<p>Ensures strong elected member oversight of procurements above \$1m.</p> <p>Maintains the existing balance between staff and governance roles.</p> <p>Provides high visibility of larger spending decisions.</p>	<p>Increases the number of procurements that must go to the Tenders/Procurement Panel, creating potential delays.</p> <p>Limits the scope of the Procurement Panel, potentially rendering it ineffective.</p> <p>Total cost of ownership means more contracts will exceed \$1m, increasing the workload for elected members.</p>

- 7.3 Option 2 is recommended. On balance, **an increase to \$6 million (Option 2)** appears to provide a pragmatic middle ground. It allows the Internal Procurement Panel sufficient scope



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to operate effectively, while still reserving oversight of the largest and most strategic procurements for the Tenders/Procurement Panel. However, the Council may determine another value that it considers appropriate, based on its desired balance between operational efficiency and governance visibility.

**8. Legal / Ngā ture**

- 8.1 There are no specific legal or legislative requirements that mandate the level of financial delegation set for the Chief Executive Officer. Under the Local Government Act 2002, the Council retains responsibility for governance, while the Chief Executive Officer is responsible for the efficient and effective management of Council operations within the delegations set by the Council. The level of financial delegation is therefore a matter for the Council to determine.
- 8.2 The establishment of an Internal Procurement Panel and the delegation of decision-making to the panel members and the Chair sit within the Chief Executive Officer's management responsibilities and are consistent with the Act.
- 8.3 All procurement activities must continue to comply with relevant legislation (such as the Public Records Act 2005, Health and Safety at Work Act 2015, and Local Government Official Information and Meetings Act 1987), as well as Auditor-General guidance and the Government Procurement Rules, where applicable.

**9. Iwi Engagement / Whakawhitiwhiti ā-Hapori Māori**

The proposed change to the Chief Executive's delegation and the establishment of the Internal Procurement Panel are internal governance matters, so no direct engagement with iwi has been undertaken. Engagement will continue to occur at the policy, planning, and project level where procurement decisions may affect Māori interests or present partnership opportunities.

**10. Significance and Engagement / Hiranga me te Whakawhitiwhiti ā-Hapori Whānui**

The proposal is assessed as having a low level of significance, as it relates to internal governance and procurement processes, has no direct impact on levels of service, strategic assets, or Council finances, and has only limited public interest.

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	Low-Moderate	This is an internal governance/decision-making matter, not a public-facing service change. There may be moderate interest from those focused-on transparency or governance, but overall public interest is likely low.

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	<b>Issue</b>	<b>Level of Significance</b>	<b>Explanation of Assessment</b>
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	Low	The decision affects internal processes only. Impacts on community well-being are indirect through improved procurement efficiency and value for money.
3.	Is there a significant impact arising from duration of the effects from the decision?	Low	Effects are ongoing but procedural in nature, relating to governance efficiency and oversight.
4.	Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	NA	This decision does not relate to or affect a strategic asset.
5.	Does the decision create a substantial change in the level of service provided by Council?	NA	No change to levels of service.
6.	Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	NA	No effect on debt, rates, or overall Council finances. Procurement remains subject to existing budgets in the LTP and AP.
7.	Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	NA	Not applicable — this decision does not relate to a CCO or CCTO.
8.	Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	NA	The decision is about internal delegations and processes.
9.	Does the proposal or decision involve Council exiting from or entering into a group of activities?	NA	This is a governance/process decision only and does not involve the Council entering or exiting activities.
10.	Does the proposal require particular consideration of the obligations of Te Mana O Te Wai (TMOTW) relating to freshwater or particular consideration of current legislation relating to water	NA	Not applicable — this decision relates to governance processes, not water infrastructure or services.



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	Issue	Level of Significance	Explanation of Assessment
	supply, wastewater and stormwater infrastructure and services?		

**11. Communication / Whakawhitiwhiti Kōrero**

- 11.1 The Procurement Policy changes have been shared with staff, and a workshop has been run for Elected Members.
- 11.2 Following the Council's decision staff will begin work to establish the internal Procurement Panel, implementing changes required by the policy, and communicate delegation changes.

**12. Risks / Ngā Tūraru**

- 12.1 Increasing the Chief Executive Officer's financial delegations carries some risks. The most significant is a perceived reduction in elected member oversight of procurement decisions that would previously have gone to the Tenders/Procurement Panel, which could raise concerns about transparency and governance control. There is also a public perception risk, with ratepayers potentially questioning whether large sums of money are being committed without sufficient scrutiny. This shift is further emphasised by the new requirement to consistently apply total cost of ownership values (including operating, maintenance and disposal costs), which increases the assessed value of many procurements and therefore changes the thresholds at which they are considered.
- 12.2 It is important to note that staff – including the Chief Executive Officer – can only procure goods, services, and works that are already approved in the Long-Term Plan (LTP), Annual Plan (AP), or by separate Council resolution. No new or unbudgeted spending can occur under delegation.
- 12.3 Mitigations more broadly include requiring the Tenders/Procurement Panel to approve procurement plans and supplier recommendations above the Chief Executive Officer's delegation; providing quarterly procurement reporting to the Audit and Risk Committee; continuing Operations Committee reporting on tenders awarded; and appointing probity auditors for high-value or high-risk procurements. These measures ensure that efficiency and organisational maturity are strengthened, while governance visibility and accountability are preserved.

**13. Conclusion / Kupu Whakatepe**

- 13.1 Adjusting the Chief Executive Officer's financial delegations is a necessary step to realise the benefits of the new Procurement Policy and the Internal Procurement Panel. Without an increase, the Panel's scope will remain limited, creating inefficiencies and diverting the Tenders/Procurement Panel from its intended governance role. An uplift to \$6 million provides a balanced approach—empowering management to deliver more efficient and



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consistent procurement decisions, embedding whole-of-life value and financial stewardship into practice, and ensuring the Council retains oversight of the most significant and high-risk procurements through the Tenders/Procurement Panel. This change strengthens organisational maturity, improves service delivery, and enhances transparency and accountability to the community.

**14. Next Steps and Timeline / Ngā Mahi Whai Ake**

14.1 Subject to Council approval, officers will:

- 14.1.1 Immediately update the Delegations Register to reflect the new financial delegation for the Chief Executive Officer.
- 14.1.2 Establish the Internal Procurement Panel and implement supporting processes by November 2025.
- 14.1.3 Provide the first quarterly procurement report to the Audit and Risk Committee in the new triennium.

**15. Attachments / Tuhinga tāpiri**

- 1. Procurement Policy 2025
- 2. Internal Procurement Panel TOR



## 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 WorkSafe Report - Confidential

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)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased 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 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 Draft Annual Report 2025 - Confidential

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	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the	s48(1)(a)  The public conduct of the part of the meeting would be likely to

for withholding exists under section 7.	information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	result in the disclosure of information for which good reason for withholding exists under section 7.
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## 7.5 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.	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.	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.

## 7.6 Risk and Assurance 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>	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.