

# Komiti o te Mōrearea me te Tūmaru | Risk & Assurance Committee



## Kaupapataka Wātea | Open Agenda



Notice is hereby given that an ordinary meeting of Komiti o te Mōrearea me te Tūmaru | Risk & Assurance Committee will be held on:

**Ko te rā | Date:** Tuesday 25 February 2025  
**Wā | Time:** 09:00  
**Wāhi | Venue:** Council Chambers  
35 Kenrick Street  
TE AROHA

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### Ngā Mema | Membership

#### Tiamana | Chairperson

Jaydene Kana

#### Independent Member

Joanne Aoake

#### Koromatua | Mayor

Adrienne Wilcock, JP

#### Koromatua Tautoko | Deputy Mayor

James Thomas

#### Kaunihera ā-Rohe | District Councillors

Bruce Dewhurst

Kevin Tappin

Gary Thompson

**Waea | Phone:** 07-884-0060  
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**Īmēra | Email:** [governance@mpdc.govt.nz](mailto:governance@mpdc.govt.nz)  
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**1 Whakatūwheratanga o te hui | Meeting Opening**

Chairperson to welcome members and open the meeting.

**2 Karakia**

The opening karakia is to be performed.

**3 Ngā whakapāha/Tono whakawātea | Apologies/Leave of Absence**

At the close of the agenda no apologies had been received.

**4 Pānui i Ngā Take Ohore Anō | Notification of Urgent/Additional Business**

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-
  - (i) The reason why the item is not on the agenda; and
  - (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
  - (i) That item is a minor matter relating to the general business of the local authority; and
  - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

**5 Whākī pānga | Declaration of Interest**

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

**6 Whakaaetanga mēneti | Confirmation of Minutes**

Minutes, as circulated, of the Ordinary meeting of Komiti o te Mōrearea me te Tūmaru | Risk & Assurance Committee, held on 10 December 2024

7 Pūrongo me whakatau | Decision Reports

## 7.1 Chair's Update

CM No.: 2995227

### Te Kaupapa | Purpose

The purpose of this report is for the Chairperson to update the Committee on activities following the last meeting.

### Rāpopotonga Matua | Executive Summary

Risk and Assurance Committee Chairperson, Jaydene Kana, to present the Chair's Update report. The report to be circulated separately.

### Tūtohunga | Recommendation

That:

1. The information be received.

### Ngā Tāpiritanga | Attachments

[A↓](#). MPDC - Chair Report - 070225

### Ngā waitohu | Signatories

Author(s)	Marsha McMillan <b>Kaitohu Kāwana   Governance Advisor</b>	
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Approved by	Tamara Kingi <b>Kaiārahi Kāwana   Governance Team Leader</b>	
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TE KAUNIHERA AA-ROHE O MATAMATA-PIAKO DISTRICT COUNCIL

KOMITI O TE MOOREAREA ME TE TUUMARU/RISK AND ASSURANCE COMMITTEE

FEBRUARY 2025 – CHAIR REPORT

Teena koutou,

Rau rangatira maa, ngaa mihi nui o te tau hou 2025.

2025 will be another busy year in local government and I'm looking forward to continued collaboration with Risk and Assurance Committee Members and the Matamata-Piako District Council Team, to carry out the responsibilities outlined in the Committee's Terms of Reference.

Alongside the other Chairs of Audit and Risk/Risk and Assurance Committee's for Waikato Region Councils, I have attended briefings/hui hosted by Co-Lab, to better understand the Coalition Government's plan, Local Water Done Well, to address Aotearoa New Zealand's water infrastructure challenges. These briefings have included discussion about Council Controlled Organisations, Waikato Water Done Well and associated risks to Councils. I expect Matamata-Piako District Council's approach to Local Water Done Well and risks, will feature prominently on our Committee's 2025 agenda.

The Office of the Auditor-General's first Forum for Chairs of Audit and Risk/Risk and Assurance Committees will be held in mid-February and cover Insights from the Treasury. Any reflections will be shared verbally at our February hui.

And finally, thanks to Don McLeod for his service to this Committee, Council and the Matamata-Piako community. Also, a warm welcome to new CEO Manaia Te Wiata with whom I look forward to continuing to collaborate with on matters pertaining to this Committee.

No reira rau rangatira maa, teena koutou, teena koutou, teena koutou katoa.

**Recommendation**

That the Risk and Assurance Committee receives the report.

Jaydene Kana  
Chair, Risk and Assurance Committee  
07 February 2025

8 Ngā Pūrongo Whakamārama | Information Reports

## 8.1 Chief Executive Update

CM No.: 2995205

### Te Kaupapa | Purpose

The purpose of this report is for the Chief Executive to update the committee on activities following the last meeting.

### Rāpopotonga Matua | Executive Summary

Chief Executive, Manaia Te Wiata, to present the Chief Executive Update report. The report will be circulated separately.

### Tūtohunga | Recommendation

That:

1. The information be received.

### Ngā Tāpiritanga | Attachments

There are no attachments for this report.

### Ngā waitohu | Signatories

Author(s)	Marsha McMillan <b>Kaitohu Kāwana   Governance Advisor</b>	
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Approved by	Tamara Kingi <b>Kaiārahi Kāwana   Governance Team Leader</b>	
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## 8 Ngā Pūrongo Whakamārama | Information Reports

# 8.2 Audit Management Report - Annual Report 2023/24 and Audit Recommendations Register

CM No.: 2991972

### Te Kaupapa | Purpose

The purpose of this report is to:

- 1) Receive the Audit Management Report for the Annual Report 2023/24 and provide any feedback if desired (to be circulated separately).
- 2) Receive the Audit Recommendations Register and provide any feedback if desired (attached).

### Rāpopotonga Matua | Executive Summary

Audit New Zealand (Audit) is Council's external auditor appointed by the Office of the Auditor General to conduct the auditing of Council's Annual Report and reporting process on their behalf.

Audit issue an Audit Management Report following each Annual Report with recommendations on processes and issues that can be fixed or improved for future auditing processes. This report for the 2024/25 Annual Report will be circulated separately with accompanying staff comments.

Staff maintain a register of all Audit recommendations from previous reports and how we are tracking against these. Staff have identified improvements in the way this report is produced and will be reviewed prior to the next scheduled reporting to Risk and Assurance meeting.

### Tūtohunga | Recommendation

That:

1. **The Committee note the recommendations made by Audit New Zealand in the Audit Management Report on the Annual Report 2023/24.**
2. **The Committee provide any feedback on the Audit Management Report if desired *[feedback to be specified]*.**
3. **The Committee note the Audit Recommendations Register and note staff will be making improvements to this register.**
4. **The Committee provide any feedback on the Audit Recommendations Register if desired *[feedback to be specified]*.**

### Horopaki | Background

Audit New Zealand provided an unmodified opinion for the Annual Report 2023/24 on 27 November 2024, meaning Audit NZ were satisfied with the financial and non-financial information and data in the report.

#### Audit Management Report

The Audit Management Report details areas where improvement is needed, this report including staff comment is circulated separately.

Six new recommendations were made, with two recommendations classed as ‘urgent’ and four are classed as ‘necessary’. There are 18 open recommendations in total.

‘Urgent’ recommendations are expected to be addressed urgently, ‘necessary’ recommendations are expected to be addressed within six months so Council can meet best practice standards, and ‘beneficial’ recommendations are expected to be addressed between 6 to 12 months.

A summary of recommendations is as below:

Priority	Priority			
	Urgent	Necessary	Beneficial	Total
Open matters from 2023 report	1	10	1	12
Open matters from 2024 interim report	-	4	2	6
Implemented or closed during 2024 final audit	1	3	1	5
<b>Total matters considered</b>	<b>2</b>	<b>17</b>	<b>4</b>	<b>23</b>

#### Audit Recommendations Register

Staff maintain a register of all Audit recommendations from previous reports and how we are tracking against these. This register is attached for the Committees information. Staff have identified improvements in the way this report is produced and will be reviewed prior to the next scheduled reporting to Risk and Assurance meeting.

#### **Mōrearea | Risk**

There is a risk that actions undertaken to address internal control deficiencies may not be considered sufficient or appropriate to address Audit New Zealand’s concerns.

In order to mitigate this risk, the internal teams have regular open discussions with Audit New Zealand to ensure that matters are being progressed to Audit New Zealand’s satisfaction.

#### **Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement**

No communications is planned. Council will continue to work on resolving and clearing the outstanding issues.

#### **Ngā Tāpiritanga | Attachments**

[A↓](#). Audit Recommendations Register as at 14 February 2025

#### **Ngā waitohu | Signatories**

Author(s)	Olivia Picard <b>Kaitohu Kaupapahere Paetahi   Graduate Policy Advisor</b>	
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Approved by	Sandra Harris <b>Pou Kaupapahere, Rāngai Mahitahi me te Kāwana   Policy, Partnerships and Governance Manager</b>	
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Focus area/issue	Year First raised	Recommendations	Priority	Status	Staff Comments
Assets under construction	2021/22	That Assets under construction should be reviewed at year end and be reflected within the appropriate Property, Plant and Equipment line item to the financial statements when it is available for use. There were a number of assets that should have been capitalised in the prior years held in work in progress at 30 June 2024. During the audit management evaluated work in progress and adjusted the financial statements.	Urgent	In progress	<p>2022/23 comment: It is most efficient for asset staff to capitalise assets in the asset management systems when they are finally complete with all costs captured, which may come after the point at which the asset is actually in use. We reviewed any such projects for 30 June 2023 and capitalised these 'on the books' to ensure that they are accounted for in the correct line of the PPE note to the financial statements, and depreciated from the correct date. Their formal capitalisation is in progress.</p> <p>2023/24 comment: Confirm that we will review assets that are under construction and ensure financial statements reflect when the assets are available for use. (Assets and Projects Manager)</p>

Focus area/issue	Year First raised	Recommendations	Priority	Status	Staff Comments
Payroll Controls - Timely review of Masterfile changes	2022/23	Management should ensure that the Masterfile changes are reviewed on a regular basis or at least once every month to prevent any unauthorised changes to the Masterfile not being detected and corrected in a timely manner. This should be an independent review by someone who does not have access to make Masterfile changes.	Urgent	In progress	As set out in the management comments to the Audit Report, we have a differing opinion on the potential for risk in our existing procedures, and are comfortable that our processes are robust. We have however identified opportunities to further refine our process and will implement these going forward from now.

Focus area/issue	Year First raised	Recommendations	Priority	Status	Staff Comments
Quality and timeliness of information – PPE	2023/24	The quality of supporting listings and evidence in relation to property, plant and equipment needs significant improvement. We recommend that management implements quality control processes to ensure that listings provided to audit reconcile to the financial statements and relevant supporting information is available in a timely manner.	Urgent		<p><u>Bank reconciliations</u></p> <p>The bank reconciliation module in our Authority software is excellent in terms of generating an automated daily bank reconciliation that give us assurance that all transactions in the bank account and cashbook are captured. Beyond that, the module provides insufficient transaction information to enable a smooth matching of items between the bank account and the cashbook. The system is also incapable of producing an automated reconciliation at a specified date, which therefore requires staff to manually produce the year end bank reconciliation. These issues have been raised with our software provider Civica on an individual basis, and in conjunction with other local authority users. Since Audit NZ’s interim Report, staff have met with other users and the module expert from Civica, and have gained assurance that we are utilising the module to its current potential. As a result of the combined user issues raised, Civica have provided some enhancements in recent patches, however we have not found them to provide any benefit for the process of matching transactions. The module expert from Civica also noted that they have spent considerable time trying to develop an automated retrospective trial balance, but have found the process to be overly complex, and we were not given a strong indication that this enhancement would be forthcoming. As such, staff have recently spent significant time</p>

Focus area/issue	Year First raised	Recommendations	Priority	Status	Staff Comments
					<p>developing and testing their own tool outside of the Authority system that we have found to be significantly beneficial in the process of matching transactions. We expect that this will greatly improve the timeliness of the matching, although noting that there are always transactions that take longer to resolve as they may require further investigation. Staff are also trialling processes to help make the manual bank reconciliation process at year end more efficient.</p> <p><u>Property, plant and equipment</u></p> <p>There are many staff involved in the administration and development of the supporting information for property, plant and equipment. Going forward, we will assign responsibility to an individual to coordinate and ensure that the information provided to the Audit team reconciles to the financial statements and is provided in a timely manner.</p>

Focus area/issue	Year First raised	Recommendations	Priority	Status	Staff Comments
Timely capitalisations - PPE	2023/24	Management should tighten the procedures and controls around asset capitalisations to ensure that assets are correctly classified for inclusion in the financial statements	Urgent	In progress	Council has enhanced its processes and capitalisations over the past couple of years, particularly in Parks and Facilities and Roading. However, we acknowledge that some older projects, especially in the Three Waters sector, still need to be capitalised which we are currently working on this year to prevent any impact on our depreciation calculations.
Variances in PPE WIP and additions listings	2021/22	That management perform reconciliations of the PPE WIP and additions listings to the general ledgers on a regular basis. Variances should be investigated and resolved timeously.	Urgent	In progress	Reconciliations between the final listing of WIP and the general ledger were prepared for 30 June 2023. We are currently working on making the capital spreadsheets more comprehensive as a single source of information for the Finance, Strategy and Delivery teams, rather than each team relying on their own version for different purposes. Once this is bedded down we will ensure regular monthly reconciliations are undertaken between spending in capital work orders and the general ledger. We have planned to implement a detailed quarterly review of capital work orders for 2023/24 to improve the financial monitoring of capital projects and timeliness of

Focus area/issue	Year First raised	Recommendations	Priority	Status	Staff Comments
					capitalisations. This has been delayed at this point due largely to staff commitments with the LTP project but will be a focus for the six month reporting. We've also updated the process for employee exits to ensure that when an employee leaves that there is a formal process to ensure any capital work orders they have been managing are either capitalised or transferred to an appropriate person to take-over.
Accounting for financial instruments – LGFA borrower notes	2022/23	Ensure the LGFA borrower notes are measured at fair value and accounted for in line with the standard. This balance was not material for the financial year. As the District Council enters more loans going forward, this balance may become material. The District Council should still ensure that the accounting complies with the standards.	Necessary	In progress	Noted (Finance and Business Services Manager)

Focus area/issue	Year First raised	Recommendations	Priority	Status	Staff Comments
Broken Authority Reports (performance reporting)	2022/23	The District Council should resolve the issues within the system causing performance reports to be broken. The District Council's ability to generate the raw data deteriorated and processes were put in place to ensure that the data was available for audit in the form of pdf documents extracted throughout the year. We performed additional alternative audit work to confirm the completeness of data. However, the issues within the system remain unresolved.	Necessary	Not yet progressed	2023/24 comment: There has been some progress to address this. There has been delays due to the prioritisation of resolving critical system performance issues. In the meantime, we have implemented an ad-hoc process to address the most important Crystal Reports. The Digital Enablement team has been working diligently to fix these critical reports, but the process remains slow. In the short-term we will continue with the current ad-hoc process to ensure critical reports are addressed. For the long-term, we will focus on: Completing the upgrade to the latest release version of the system. Streamlining report generation processes, moving towards more automated, self-service reporting options, which will reduce reliance on ad-hoc fixes. (Information Technology Manager)



Focus area/issue	Year First raised	Recommendations	Priority	Status	Staff Comments
CRM Reliability for substantiating the response time (performance reporting)	2022/23	We recommend that Council introduce a job card where Trello is used. Based on the sample tested we noted, the majority of jobs had job cards with only a small portion not having job cards.	Necessary	In progress	2023/24 comment: Work has been done to establish integration between Council's corporate customer request system and the assets system which is to be accessible by staff in the field. This integration is critical to ensuring that the data being entered into the request system, from which reports are drawn, is accurate and complete and correctly formatted. This will lead to more reliable reports in the future. We are currently entering the testing phase of this integration so that we can iron out any wrinkles. (Digital Manager).
Depreciation not correctly backdated	2023/24	Management should investigate the reasons why the system is not calculating depreciation correctly using the install date (date when asset was actually completed) rather than the found date (when asset was capitalised) and take appropriate action.	Necessary	In progress	Unfortunately, AssetFinda cannot backdate depreciation for found assets. As a result, the end-of-year depreciation does not include any backdated amounts. However, staff can manually review this annually to ensure there are no significant impacts. As we work on reducing our backlog and WIP, fewer assets will be added with a found date.  We conduct annual or bi-annual valuations, which trigger the asset to be correctly valued, providing a written-down value reflective of the asset's age. The asset will then continue to depreciate based on this updated value.

Focus area/issue	Year First raised	Recommendations	Priority	Status	Staff Comments
Expected credit loss assessment	2022/23	Ensure that the report for the aged trial balance is generated on balance date each year and consider whether updates to the system can be made to enable aged debtors reports to be generated at specific dates.	Necessary	In progress	2023/24 comment: We do not expect this to be an issue in the coming 2025 year as the 30 June will fall on a working day, so the aged trial balance can be run at the close of business. (Finance and Business Services Manager)
Fraud risk assessment	2022	That Council updates its fraud risk assessment, which was last reviewed in 2018, to gain a better understanding of the fraud risks that may impact the District Council.	Necessary	Not yet progressed	Some work has been undertaken during 2023 in the area of assessing the fraud risks associated with cash-handling in preparation for the internal audit that was completed over cash-handling in May 2023. It is unlikely that we will be able to complete a full review of the fraud risk assessment in 2023/24 due to other priorities. This will be placed on the schedule of corporate priorities to be timetabled.

Focus area/issue	Year First raised	Recommendations	Priority	Status	Staff Comments
Internal charges for NZTA claim	2023/24	We recommend the District Council reviews its processes for recording labour time for internal charges for workorders (which form part of the NZTA claim) to ensure that the labour time is captured in a timely manner for labour charges to be included as part of the NZTA claims.	Necessary	Not yet progressed	Internal Roding labour charges are generally claimed in a timely manner, and NZTA audits have not identified any issues with our process. While some charges are backdated, they are very minor. Due to overlapping work and budget changes with Transport Choices and General Roding subsidised work, some adjustments were necessary at the end of the year as NZTA changed the funding sources. We will follow up with departments charging to the roading work orders to ensure they stay on top of their timesheet charges and review these regularly.
Lapses in New User onboarding process	2022/23	Follow due process for all new staff appointed through the completion/approval of the "Computer User Form".	Necessary	Not yet progressed	2023/24 comment: We've adjusted the user onboarding process, but recent review/feedback shows that gaps still exist. Due to limited staff resources, long-term plans to streamline the process have been delayed. In the short-term we are planning to address immediate compliance gaps while transitioning to the new ITSM-based process. (Information Technology Manager)

Focus area/issue	Year First raised	Recommendations	Priority	Status	Staff Comments
Property, plant, and equipment – Depreciation	2020/21	We recommend management consult with other local authority users of AssetFinda, or the software company itself, to better understand the rationale for the AssetFinda approach to depreciation and confirm this remains appropriate. It is important that the Council's underlying accounting records are the basis of the depreciation used in the financial statements to align with the applicable accounting standards rather than the valuers' reports. In section 4.1.2 to this report, we noted several instances of the AssetFinda system not correctly backdating depreciation.	Necessary	Disagree	We do not agree that the current calculation would result in a material error in the financial statements.

Focus area/issue	Year First raised	Recommendations	Priority	Status	Staff Comments
Register of pecuniary interest	2022	All interests should be declared by elected members to ensure that the District Council complies with the Local Government Act pecuniary interests' requirements.	Necessary	In progress	Declarations of interest have been updated.
Segregation of duties – Journals	2021/22	Consider implementing an electronic system to allow for delegations to be incorporated into the journals system (Authority) and to implement a control to ensure journals are approved before they are posted.	Necessary	Not yet progressed	Due to the IT complexity of the matter, we have not had an opportunity to progress this.
Segregation of duties – Journals	2022/23	Consider implementing an electronic system to allow for delegations to be incorporated into the journals system (Authority) and to implement a control to ensure journals are approved before they are posted.  2023/24 Audit: Due to the IT complexity of the matter, the	Necessary	Not yet progressed	2023/24 comment: The Authority system as it stands does not have functionality to utilise delegations or a pre-approval process for journals. We will look at available options to improve electronic controls in this area. In the meantime, the risk that journals could be posted before approval remains, mitigated slightly by staff being aware of the expectation to seek approval before posting, and being motivated to ensure their journals are correct before posting to avoid additional re-work. In the absence of an electronic control, we note that our current process includes an independent review of journals subsequent to posting in which the

Focus area/issue	Year First raised	Recommendations	Priority	Status	Staff Comments
		District Council has not had an opportunity to progress this.			approval of the journal is checked and confirmed along with the details and supporting documentation for the journal. (Finance and Business Services Manager)
Sensitive expenditure policies	2020/21	We recommend management update sensitive expenditure policies to include recent guidance	Necessary	Not yet progressed	The review of the Sensitive Expenditure Policy has been delayed due to competing priorities. With the LTP and other projects currently underway, the most realistic timing for the work to undertake this review is April-May 2024, unless other resourcing options are identified.
Suspense account reconciliations not prepared and reviewed monthly	2018/19	Monthly reconciliations of suspense accounts should be prepared and independently reviewed. Reconciliations were prepared and reviewed on an ad hoc basis.	Necessary	In progress	Council has a number of suspense accounts that are used for a range of purposes, and across a range of activities of Council (eg unidentified receipts, allocation of costs, planning deposits, external rebates, inventory control, payroll etc). Some suspense accounts are used daily, and are dependent on manual intervention in order to clear the suspense balance. Other suspense accounts are used only occasionally and/or are largely self-clearing (eg rates rebates, payroll). Currently regular effort is focused mostly on reconciling the suspense accounts that require manual intervention.

Focus area/issue	Year First raised	Recommendations	Priority	Status	Staff Comments
					Extending the effort to cover regular review of all suspense accounts and the formalised independent review process has been a sticking point to date due to workloads. (Finance and Business Services Manager)
Test organisational business continuity and disaster recovery plans	2017/18	The District Council should document and test its organisational business continuity and IT disaster recovery plans. IT has developed an IT Disaster Recovery Plan (DRP) and we understand that Council has started work to develop a (BCP). Neither the BCP nor DRP have been tested fully. Management have indicated that this is a project that is to be finalised during the 2025 financial year	Necessary	In progress	We're undergoing a comprehensive review of our BCP/DRP for IT infrastructure. This includes considerations for cyberattacks, natural disasters, and hardware failures. As part of this process, we've identified both short-term and long-term action plans. One key initiative is aimed at enhancing the resilience of our network and IT systems. The BCP/DRP will be revised immediately after completing the short-term plan, and then further updated once the long-term plan has been fully implemented. (Information Technology Manager)
Useful lives disclosed for accounting policy	2023/24	The Council should review the accounting policy for useful lives included in the financial statements and ensures that it is consistent with the useful lives adopted.	Necessary	In progress	The useful lives of PPE are reviewed as part of a revaluation process, and following that the accounting policy is updated to reflect any changes made. Staff will review any updates required following the 30 June 2025 revaluation.







## 8.3 Six Month Report July - December 2024

CM No.: 2984048

### Te Kaupapa | Purpose

To provide the Six Month Report July – December 2024 to the Committee for information and feedback.

### Rāpopotonga Matua | Executive Summary

The Six Month Report provides an update on financial and non-financial performance from July to December 2024 and shows how we are tracking against our targets and measures set out in the 2024-34 Long Term Plan.

The Six Month Report will be circulated separately.

### Tūtohunga | Recommendation

That:

1. The Committee receives the Six Month Report 2024.
2. The Committee provides feedback if desired *[feedback to be specified]*.

### Horopaki | Background

Council is required to produce an Annual Report by 31 October each year under the Local Government Act 2002 (LGA) and report on its financial and non-financial performance. The Annual Report is externally audited each year.

The Six Month report is produced by staff each year to provide an indication on how Council has performed between July and December 2024. This report is not required to be produced under legislation, and is not externally audited. The report is produced to maintain good practice and a 'no surprises' approach.

Each year, Council's survey provider contacts residents in the district to gauge how well it is delivering a range of services, and what can be improved going forward. Key Research is Council's provider as of 2024/25 and will conduct the customer survey until 2026/27. Key Research invite 100 residents to share their views each quarter (400 per year) via post, with each letter containing a link to the online survey and a unique code allowing residents to access the survey. Residents can also opt to fill out a hard copy survey.

Each survey question has a 10-point scale, with 1 being the lowest and 10 being the highest. Following the development of the Long Term Plan 2024-34, Council resolved to remove the 'neither/nor' option in the survey. Dissatisfaction is counted as 1 – 5 and satisfaction is counted as 6 – 10 and there is a separate 'don't know' option available for respondents which is excluded from the final results for accuracy. The satisfaction results will therefore differ from previous years Annual Reports.

### Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

An Audit engagement plan for the 2024/25 Annual Report audit process is being developed. A draft plan is expected to be received by staff in February/March, and will be brought to the Committee at the next meeting. The plan will include the Annual Report work programme and the expected date of adoption for the 2024/25 Annual Report.

### Ngā Tāpiritanga | Attachments

There are no attachments for this report.

### Ngā waitohu | Signatories

Author(s)	Olivia Picard <b>Kaitohu Kaupapahere Paetahi   Graduate Policy Advisor</b>	
	Larnia Rushbrooke <b>Pou Pūtea, Ratonga Pakihi   Finance &amp; Business Services Manager</b>	

Approved by	Sandra Harris <b>Pou Kaupapahere, Rāngai Mahitahi me te Kāwana   Policy, Partnerships and Governance Manager</b>	
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## 8.4 Update on Policy Register

CM No.: 2992824

### Te Kaupapa | Purpose

The purpose of this report is to:

- Update the Risk and Assurance Committee on the updated policy register.
- Discuss the particular policies proposed for inclusion on the Risk and Assurance Committee work programme for 2025.

### Rāpopotonga Matua | Executive Summary

In 2024, the Risk and Assurance Committee (the Committee) identified the need for a comprehensive review of the policy register (the Register). As part of this initiative, the Register is currently undergoing a thorough validation process to ensure that all required fields are completed accurately. Additionally, work is underway to explore the potential automation of the Register, which would enable managers to receive workflow notifications when policies under their responsibility are approaching their review date.

By updating the Register, the Committee will receive accurate and up-to-date information on policies scheduled for review, facilitating their inclusion in the work programme for discussion at Committee meetings. This will help ensure that policies are reviewed within the appropriate timeframes.

The policies that are currently overdue for review are:

Policy Name	Due Date
Procurement Policy	01/12/2019
Managing Conflict of Interest	01/08/2021
Sensitive Expenditure 2019	01/07/2022

The policies that are due for review in 2025 are:

Policy Name	Due Date
Pre-Election Report	26/07/2025
Health and Safety Policy	08/08/2025
Transportation Procurement Strategy	01/09/2025
Code of Conduct	01/11/2025

Attached to this document are PDF version exports from the Register.

Attachment A is all of the active policies that have been indicated to go to the Committee. The orange highlight are policies that are overdue for review, and the green highlight are the policies that are due for review in 2025.

Attachment B is all of the active policies that have been indicated not to go to the Committee.

## Tūtohunga | Recommendation

That:

1. The information be received.
2. The Committee provide feedback on the policy register and policies to be incorporated into the Committee Work Programme [*feedback to be specified*].

## Ngā Take/Kōrerorero | Issues/Discussion





The Committee are invited to provide feedback to staff on the Register, including those policies to be included in future work programmes for the Committee.

## Mōrearea | Risk

The Register has been developed to assist in oversight of policy reviews to ensure that regular review is undertaken and statutory timeframes for review are complied with. The risk of not reviewing the policies could result in policies not reflecting best practice and they may fail to comply with new legislation/regulations where relevant.

## Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

Matamata-Piako District Council's Community Outcomes are set out below:

MATAMATA-PIAKO TŌ MĀTOU WĀHI NOHO   OUR PLACE		MATAMATA-PIAKO DISTRICT COUNCIL TE ARA RAUTAKI   STRATEGIC DIRECTION	
<b>TŌ MĀTOU WHAKAKITENGA   OUR VISION</b>			
Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds. 'The heart of our community is our people, and the people are the heart of our community.'			
<b>TŌ MĀTOU WHĀINGA MATUA   OUR PRIORITIES (COMMUNITY OUTCOMES)</b>			
			
He wāhi kaingākau ki te manawa   A place with people at its heart	He wāhi puawaitanga   A place to thrive	He wāhi e poipoi ai tō tātou taiao   A place that embraces our environment	He wāhi whakapapa, he wāhi hangahanga   A place to belong and create

The community outcomes relevant to this report are as follows:

- A place with people at its heart.
- A place to thrive.
- A place that embraces our environment.
- A place to belong and create.

### Ngā Tāpiritanga | Attachments

[A↓](#). Final RAC Policy Register

[B↓](#). Final Non-RAC Policy Register

### Ngā waitohu | Signatories

Author(s)	Charlotte Walker <b>Kaitohu Kaupapahere Paetahi   Graduate Policy Advisor</b>	
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Approved by	Sandra Harris <b>Pou Kaupapahere, Rāngai Mahitahi me te Kāwana   Policy, Partnerships and Governance Manager</b>	
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## 8.5 Risk Report February 2025

CM No.: 2997415

### Te Kaupapa | Purpose

The purpose of this report is to provide an update on risk management and the proposed work programme for 2025 reporting year.

### Rāpopotonga Matua | Executive Summary

David Robson, a Risk and Insurance Specialist working for AON New Zealand, is engaged by MPDC to provide risk management advice and support.

David developed a risk management report that outlines the work programme for 2025 and is in attendance.

### Tūtohunga | Recommendation

That:

1. the report is received.

### Horopaki | Background

David Robson, a Risk and Insurance Specialist working for AON New Zealand, has been engaged by MPDC to provide risk management advice and support for the next two years. He provides this service to four other rural Councils as well.

David has developed the attached report as a brief update on risk management at MPDC, and to outline a proposed risk management work programme for 2025.

David will be in attendance to meet the Risk and Assurance committee, present the report and answer any questions. Feedback from committee members will also be sought on the report format.

### Ngā Tāpiritanga | Attachments

[A↓.](#) Risk and Assurance Report February 2025 pdf

### Ngā waitohu | Signatories

Author(s)	Kelly Reith <b>Hautū Tāngata, Kāwana me ngā Hononga   Group Manager People, Governance &amp; Relationships</b>	
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Approved by	Manaia Te Wiata <b>Tumu Whakarae   Chief Executive Officer</b>	
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## 8.6 Safety and Wellness Reports

CM No.: 2989974

### Te Kaupapa | Purpose

The purpose of this report is to provide the Committee with safety and wellness reporting.

### Rāpopotonga Matua | Executive Summary

The October to December 2024 Quarterly Safety & Wellness Report, and January 2025 Safety & Wellness Update are provided. Kate Stevens, People, Safety & Wellness Manager, and Lucy Longstaff, Safety and Wellness Team Leader in attendance to discuss the reports with the committee.

### Tūtohunga | Recommendation

That:

1. The information be received.

### Ngā Tāpiritanga | Attachments

[A↓](#). Quarterly Safety Wellness Report October - December 2024

[B↓](#). January 2025 Safety Wellness Update

### Ngā waitohu | Signatories

Author(s)	Kate Stevens <b>Pou Tāngata, Haumarū me te Oranga   People, Safety &amp; Wellness Manager</b>	
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Approved by	Kelly Reith <b>Hautū Tāngata, Kāwana me ngā Hononga   Group Manager People, Governance &amp; Relationships</b>	
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## 8.7 Insurance Renewals

CM No.: 2932459

### Te Kaupapa | Purpose

The purpose of this report is to advise the Risk and Assurance Committee of the Matamata-Piako District Council Insurance Premiums for the 12 months commencing 1<sup>st</sup> November 2024. It also advises of changes made to policy conditions.

### Rāpopotonga Matua | Executive Summary

Matamata-Piako District Council currently carries 11 different insurance policies. The insurance year runs from 1<sup>st</sup> November to 31<sup>st</sup> October of the following year.

Allowing for changes and additions during the 2023/24 year the total premium for 12 months was \$1,318,000.

For the year commencing 1 November 2024 this has risen to \$1,554,395.

Changes to Professional Indemnity (PI) and Material Damage/Business Interruption (MDBI) cover have been key drivers of this increase.

Changes to Loss Limits have been successfully secured without increase to premium.

### Tūtohunga | Recommendation

That:

1. The information be received.

### Horopaki | Background

Asset values increase most years particularly from an insurance valuation point of view. Council's infrastructure Insurance Policy have sub-limits. Since 2018 these sub-limits have remained static however the Total Declared Value (TDV) has increased from \$211,400,000 to \$395,156,666 by 2024/25 year.

The current claim limit for council on any one event is \$50,000,000 and for the Waikato Colab a combined limit of \$300,000,000.

Council have single assets that insurance valuation exceed \$50,000,000 e.g. Morrinsville Wastewater Treatment Plant and once Matamata Wastewater Plant has been upgraded that will also.

It was agreed last year by the Waikato Insurance Advisory Group (IAG) that the AON Team negotiating new policies during September would discuss costs involved in increasing these limits. This did not commit council but any agreed changes would be from 1 November 2024.

### Ngā Take/Kōrerorero | Issues/Discussion

During the course of negotiation council was able to secure a Loss Limit\* increase from \$50,000,000 to \$70,000,000 without any increased in premium.

\*A Loss Limit is a cap on the maximum pay-out an insurer is prepared to pay for any one event.

A more formal Loss Modelling Exercise is planned to be undertaken over the next year to fully understand and document exposure of Waikato Councils to a major event.

The Insurance Policies that council hold are to cover:

- Material Damage and Business Interruption
- Infrastructure
- Commercial Motor
- Employers Liability
- Statutory Liability
- Fidelity/Crime
- Cyber Liability
- Aviation Hull
- Airport Owners and Operators Liability (New Policy)
- Professional Indemnity
- Public Liability

## **Mōrearea | Risk**

With the change in Loss Limit there is minimal risk of under insurance.

The general Public Liability policy that council holds does not include airports.  
A separate Airport Owners and Operators Liability policy was taken out 1 July 2024 when the brokerage was changed from Marsh to AON.

## **Ngā Whiringa | Options**

The option to insure or not has previously been considered by this committee and the status quo was agreed.

## **Recommended option**

No options are being recommended. Report for information only

## **Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations**

None

## **Timeframes**

<b>Key Task</b>	<b>Dates</b>
N/A	N/A

## **Ngā take ā-lhinga | Consent issues**

None

### **Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source**

The premiums are recorded as prepayment insurance costs and journaled across all departments on a monthly cycle.

The total cost for the year commencing 1 November 2024 is \$1,554,395.63 inc. GST is recoverable in part dependant on country of placement.

### **Ngā Tāpiritanga | Attachments**

[A↓.](#) 2024 MPDC Renewal Premium Summary - Waikato LASS

### **Ngā waitohu | Signatories**

Author(s)	Roger Lamberth <b>Pou Papanoho me ngā Kaupapa ā-Hapori   Property &amp; Community Projects Manager</b>	
Approved by	Fiona Vessey <b>Hautū Whakahaere   Group Manager Operations</b>	



## 8.8 Procurement Report Six Monthly FY2024/25

CM No.: 2996967

### Te Kaupapa | Purpose

The purpose of this report is to provide an update to the committee on procurement performance for the period one and two of the financial year 2024/25.

### Rāpopotonga Matua | Executive Summary

The effectiveness of the Procurement Policy (Policy) is measured by auditing the procurement activities to ensure they comply with Council's policy and standard operating procedures for procurement, the Office of the Auditor General's 'Good Practice Guide and NZTA's Procurement Policy.

The internal procurement audit for procurement activities for the quarter one and quarter two of 2024/25 reveals:

- Significant improvement to compliance to procurement framework –97 % of the orders audited met all procurement requirements. The remaining was minor non-compliance where the quotations were not attached to the purchase on the system (Authority). The pass rate recorded for the same period last financial year was 59%.
- Top ten suppliers by value – met all the procurement requirements. All the suppliers have valid contracts in place.
- MPDC awarded ten tenders for the reporting period. All tenders were done in compliance to the policy requirements and recorded good response, and price competition. 80% of the tenders awarded were with suppliers within the Waikato region.
- 110 active contracts have been recorded on the contracts register in authority. There has been improvement around contracts administration on Authority.
- Continuous improvement with procurement manual – Executive Team (E-team) approved changes to be implemented to the procurement manual to enhance procurement efficiency. The changes were consulted with All Staff.
- Matamata-Piako District Council (MPDC) joined two shared contracts – second generation Professional Services Panel and All of Government External Services Panel.

### Tūtohunga | Recommendation

That:

1. The committee receives the Procurement Report.

## Ngā Tāpiritanga | Attachments

[A↓.](#) Procurement Report\_Six Monthly\_2024/25

## Ngā waitohu | Signatories

Author(s)	Sangeeta Singh <b>Mātanga Hokohoko   Procurement Specialist</b>	
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Approved by	Larnia Rushbrooke <b>Pou Pūtea, Ratonga Pakihi   Finance &amp; Business Services Manager</b>	
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## 8.9 Project Management Update - February 2025

CM No.: 2997250

### Te Kaupapa | Purpose

This report aims to update the Committee on Project Reporting Progress, ensuring that project management teams are effectively monitoring costs, activities, timelines, and risks to meet Council objectives. Progress reports enhance transparency, keeping stakeholders and management informed about the project schedule and status, and allowing for necessary adjustments based on resource availability.

### Rāpopotonga Matua | Executive Summary

In 2023, MPDC introduced the Project Management Framework with a transition period until July 1, 2024. The Project Delivery Lead supports this framework by providing standardized templates and tools, collecting data for reporting, and offering guidance. The Monthly Project Progress Report, compiled from individual project managers' reports, is presented to the Executive Team to support management decisions, identify projects needing additional support, clarify project statuses, balance workloads and budgets, and highlight projects requiring further analysis. It also provides an overview of risks to ensure alignment with the Risk Management Framework.

Recent achievements include improved quality of information in Monthly Progress Reports, positive feedback from a tailored project management training session, and the development of a continuous improvement plan based on an independent review and feedback. Priorities for the next quarter include resuming project auditing, developing a generic list of key project risks, and collaborating with team leaders to clarify requirements for upcoming projects in the 2025/26 fiscal year.

### Tūtohunga | Recommendation

That:

1. The information be received;

### Horopaki | Background

MPDC introduced the Project Management Framework in 2023 with a transition period up to 1 July 2024, from this date, all projects are expected to follow the new framework, process and templates. The Project Delivery Lead is a supportive function for the framework, collects and collates the data for reporting, supplies standardised project templates and tools, provides guidance acting as a consulting role and has a low level of control over the project.

The Monthly Project Progress Report provides a summary of project progress, Project Delivery Lead, in attendance discusses the report with the Executive Team and is collated from project manager's individual monthly progress reports.

The report aims to provide information to support management decisions and identify:

- Projects that may require additional support to achieve objectives
- Clarity for project status and to balance realistic workloads and budget of what can be achieved with resourcing levels.
- Projects that have been identified but require additional analysis (pre-project – options, feasibility) before they can move to initiation stage.

- Providing an overview of risks and their trend to ensure there is alignment with our Risk Management Framework as well as the Project Lead is supporting individual Project Managers

### Ngā Take/Kōrerorero | Issues/Discussion

The project progress report is expected to evolve over time as project management matures within the organisation.

Focus and achievements for the last quarter are as following:

- Overall the quality of information provided by Project Managers for the Monthly Progress Reports has improved over the last quarter. Focus for improvement will be Project Managers regularly meeting with their sponsor to review, discuss project progress, issues or actions that require decisions or support.
- An external provider specialising in Project Management tailored a 2 day project management training session in December 2024 where the Project Managers in attendance provided positive feedback about the training.
- A continuous improvement plan was created using insights from an independent review of our Project Management Framework, along with feedback from management and project managers.

Priorities and improvements for the next quarter:

- Project auditing to recommence and Project Deliver Lead to prepare a compliance report that represents the Project Management Framework, Process, Templates and tools compliance and compares results from Initial and Subsequent audits during each quarter, commencing next quarter March – June 25
- Risk registers will be a focus over the coming months. The Project Delivery Lead is currently working on developing a generic list of key project risks that project managers can use for efficiency and ease of use when completing their risk register.
- Upcoming projects for 25/26 f/y. Clarity of requirements, working with the Asset Team Leaders and Project Management Team Leader with a focus on what the objectives are to enable scoping to be initiated by project managers.

### Ngā Tāpiritanga | Attachments

[A↓](#). Pre-Project Progress: January 2025

[B↓](#). Project Progress: January 2025

### Ngā waitohu | Signatories

Author (s)	Rachel Norman <b>Kaiārahi Kaupapa   Project Lead</b>	
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Approved by	Susanne Kampshof <b>Pou Rawa me ngā Kaupapa   Assets &amp; Projects Manager</b>	
	Manaia Te Wiata <b>Tumu Whakarae   Chief Executive Officer</b>	













## 8.10 Top Risks Deep Dive - Failure of essential services/infrastructure/assets/systems, initially focusing on water/wastewater

CM No.: 2996443

### Te Kaupapa | Purpose

To facilitate a discussion on the top risks deep dive – Failure of essential services/infrastructure/assets/systems in relation to water/wastewater.

### Rāpopotonga Matua | Executive Summary

The deep dive into the Failure of essential services/infrastructure/assets/systems in relation to water/wastewater provides an overview of the risk environment, various risk controls and mitigations. The inherent rating for this risk is extreme and despite various risk controls, the residual rating is very high. The information in this report and attachments provide further detail on the risks, risk controls and improvement actions. This is an opportunity for the committee to consider the current controls and what is an acceptable level of risk.

### Tūtohunga | Recommendation

That:

1. The Information be received.

### Horopaki | Background

Risk management is about identifying, evaluating, planning for and responding to threats. The aim is to be prepared for what may happen and have a plan in place to respond.

The Top Risks Register provides the Risk & Assurance Committee with key insights to oversee the organization's most significant risks. This includes evaluating the overall risk profile, assessing whether the level of risk is appropriate, ensuring risks are accurately described, and confirming that the register is regularly reviewed and updated.

For this specific top risk deep dive—the failure of essential services/infrastructure/assets/ systems for water and wastewater (Attachments A & B)—the risk has evolved significantly over the past decade. Given its complexity, multiple layers of risk must be considered. This risk spans various aspects of council risk management, from project-level and operational risks to also intersecting with other identified top risks, including the loss of data and business systems and inadequate response to local natural disasters, extreme weather events, and pandemics.

### Ngā Take/Kōrerorero | Issues/Discussion

When essential services fail there is the potential for widespread service disruption, public health impacts, regulatory breaches, financial losses, and reputational damage. If failure occurs public health, the environment and resourcing are at risk.

Failure of essential services for water and wastewater relates to the provision of water and the collection of wastewater:

- Provision of Water (abstraction, treatment, reticulation, storage)
  - Abstraction failure (raw water / bore)
  - Treatment plant failure (process or asset)
  - Reticulation failure
  - Reservoir / dam failure
  - Distribution mains failure
  
- The collection of Wastewater (reticulation, wastewater pump stations, treatment and disposal)
  - Trunk/bulk main failure
  - Wastewater Pump station failure
  - Treatment plant failure (process or asset)

The deep dive process looked to validate the risk description, impact of the risk, effectiveness of the controls and that controls are consistent with risk tolerance levels. There are multiple controls in place for this risk. The controls have been assessed as Partially Effective 60%. The combination of existing controls and ongoing improvements demonstrates how Council is currently managing risk and progressing improvements.

### **Mōrearea | Risk**

The risk of Failure of essential services/infrastructure/assets/systems, initially focusing on water/wastewater has been assessed as having a Very High residual risk. This means that even after implementing risk controls and strategies Councils risk remains Very High.

Currently, the team are working on reducing the residual rating to High. Operationally the key risks for water and wastewater essential services have been identified as public health, environmental and resourcing. The work in progress has the potential to reduce the residual risk rating from Very High to High.

A key piece of work towards this outcome is the risk based approach project to make improvements to operational water treatment services. A review has been completed of the water treatment plant sites and associated documentation. An operational risk register (Attachment C) has been developed and the development of Standard Operating Procedures (Attachment D) and Emergency Response Plans (Attachment E) are under way.

Once we have completed the operational treatment waters risk assessment we will move to progressing the water/wastewater reticulation risk assessment and operational wastewater treatment risk assessment. The information from these assessments will be used to amend the top risk assessment controls.

Currently, we are also considering options as required by law to publish a Water Services Plan that outlines how Council will deliver water services in the future in a sustainable manner. In preparing for this council are undertaking a review of the current state and looking to find opportunities for improvement. This review may also provide invaluable insights that can be used to amend the top risk assessment controls.

The work currently in progress may result in a change to the residual rating from Very High to High.

Achieving a residual risk rating less than high for the failure of essential services/infrastructure/assets/systems is highly unlikely given:

- **essential nature of the service with failure having a severe consequence** – external threats, regulatory and compliance pressures
- **aging infrastructure** – pipes, treatment plants, pump stations are at increased vulnerability and likelihood of failure
- **external threats** – earthquakes, floods, power outages and cyber-attacks outside our control
- **regulatory and compliance pressures** – stringent water and wastewater standards / regulations (Taumata Arowai and Waikato Regional Council). Any system failure is now a high priority risk
- **complexity** – reliance on workforce and suppliers

To achieve a lower than high rating would require:

- **Multiple Redundant Systems** – backup pumps, alternative treatment facilities, emergency power supplies, and bypass systems, to reduce the likelihood of total failure.
- **Advanced Predictive Maintenance & Monitoring** – real-time SCADA monitoring, AI-based predictive analytics, and condition-based maintenance reducing the risk of unexpected failures.
- **Extensive Emergency Preparedness** – detailed contingency plans, rapid response teams, and emergency contracts with suppliers and repair services.
- **Stronger Investment in Upgrades & Resilience** – Ongoing **capital investment** in upgrading infrastructure (rather than reactive fixes) can shift the risk downward.

While building in redundancy, advanced systems and emergency preparedness for some parts of the system may reduce the residual risk ranking. The likelihood of a "**Medium**" or "**Low**" residual risk rating for water and wastewater is exceptionally rare and would require significant investment in capital upgrades, technology and contingency planning. This was emphasised in the work led by the Department of Internal Affairs on Three Waters Reform.

## Ngā Whiringa | Options Options

There practical options for the committee to consider given three water reforms are the:

- **Status Quo:** Continue with current controls and ongoing improvements. This maintains existing strategies but may not significantly reduce risk levels in the short term.
- **Emergency Preparedness Strengthening:** Conduct more frequent emergency response drills, review contingency plans, and establish stronger supplier agreements for rapid repairs.
- **Risk Appetite Definition:** consider the committee's risk tolerance levels for water and wastewater service failures.

More advanced options for consideration include:

- **Increased Investment in Infrastructure & Redundancy:** Prioritize funding for capital upgrades, backup systems, and resilience projects. This could lower the residual risk over time but requires significant financial commitment and may not reduce the risk below High.
- **Enhanced Risk-Based Maintenance Strategy:** Shift from reactive maintenance to predictive analytics-driven asset management. This option leverages technology to anticipate failures before they occur.

However, as these two options require integration into the Long-Term Plan, the 1 July 2026 Local Waters Done Well timeline does not align and therefore are unachievable.

### Next Steps

- **Implement the Operational Risk Based Approach for Water Treatment:** Water Treatment and Implement
- **Further Deep Dive Risk Assessments:** Develop a project scope for the assessment of water/wastewater reticulation and wastewater treatment to refine risk controls.
- **Develop a Water Services Plan:** Align long-term strategy with legislative requirements and sustainability objectives.
- **Risk Appetite Statements:** consider tolerances for service disruptions, balancing costs with acceptable risk levels.
- This structured approach provides the committee with actionable options and strategic next steps to strengthen risk management for water and wastewater services

### Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

There are no legal or policy considerations

### Local Government Act 2002 (LGA 2002) Decision-making requirements

Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is assessed as having a low level of significance.

All Council decisions, whether made by the Council itself or under delegated authority, are subject to the decision-making requirements in sections 76 to 82 of the LGA 2002. This includes any decision not to take any action.

Local Government Act 2002 decision making requirements	Staff/officer comment
Section 77 – Council needs to give consideration to the reasonable practicable options available.	Options are addressed above in this report.
Section 78 – requires consideration of the views of Interested/affected people	The relevant views are those from Council, Risk and Assurance Committee and staff.
Section 79 – how to achieve compliance with sections 77 and 78 is in proportion to the significance of the issue	The Significance and Engagement Policy is considered above. This issue is assessed as having a low level of significance.
Section 82 – this sets out principles of consultation.	Consultation is not considered necessary.

### Policy Considerations

1. To the best of the writer's knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any

policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

### Ngā Tāpiritanga | Attachments

- [A](#). RAC Risk Deep Dive Failure of essential services Feb25 - full
- [B](#). Failure of Essential Services\_Infrastructure\_Assets\_Systems
- [C](#). Ops Water Risk Register Full
- [D](#). COAG-SOP-003 Coag Pump Dose Time and Checks
- [E](#). GEN-ERP-002 Coagulation or Flocculation Failure

### Ngā waitohu | Signatories

Author(s)	Fiona Vessey <b>Hautū Whakahaere   Group Manager Operations</b>	
Approved by	Manaia Te Wiata <b>Tumu Whakarae   Chief Executive Officer</b>	







































































## 8.11 Top Risks Deep Dive - Inadequate response to local level natural disasters, extreme weather events and pandemics

CM No.: 2994313

### Te Kaupapa | Purpose

Council over the last year has identified the tops risks to the organisation as a whole. The Risk and Assurance Committee have requested that we undertake a deep dive into the top ten risks. This item explores the risk, inadequate response to local level natural and human induced disasters, extreme weather events and pandemics and outlines the controls we have in place to reduce this risk.

### Rāpopotonga Matua | Executive Summary

Inadequate response to local level natural and human induced disasters, extreme weather events and pandemics has been identified as one of Council's top risks. The inherent risk rating for this risk is extreme and after considering the controls we have in place, the residual rating drops to very high. The information in this report provides further detail on the risks, risk controls and the focus of improvement actions. The purpose of this item is to provide the Risk and Assurance Committee the opportunity to dive deep into this risk so they have the assurance that our focus and actions are appropriate for this risk.

### Tūtohunga | Recommendation

That:

1. That the information be received.

### Horopaki | Background

Risk management is about identifying, evaluating, planning for and responding to threats. The aim is to be prepared for what may happen and have a plan in place to respond.

Deep diving into the top ten risks enables the Risk & Assurance Committee to have oversight of the top risks to Council. This includes being able to critique the risk profile, appropriateness of the level of risk, whether the risk is correctly described and ensuring the register is reviewed and updated.

This risk is about Council's legislative responsibilities to plan for and response to natural and human induced disasters, extreme weather events and pandemics as outlined in the Civil Defence and Emergency Management Act 2002 (CDEMA).

As detailed on the NEMA website the purpose of the CDEMA includes to:

- Improve and promote the sustainable management of hazards in a way that contributes to the social, economic, cultural and environmental wellbeing and safety of the public and also to the protection of property;
- Encourage and enable communities to achieve acceptable levels of risk;
- Provide for planning and preparation for emergencies and for response and recovery in the event of an emergency;

- Require local authorities to coordinate, through regional groups, planning, programmes and activities related to civil defence emergency management across the areas of reduction, readiness, response and recovery, and encourage cooperation and joint action within those regional groups;
- Provide a basis for the integration of national and local civil defence emergency management planning and activity through the alignment of local planning with a national strategy and national plan
- Encourage the coordination of emergency management, planning and activities related to civil defence emergency management across the wide range of agencies and organisations preventing or managing emergencies under this Act.

### **Structure of CDEM**

#### **National Emergency Management Agency:**

The National Emergency Management Agency (NEMA) is the Government lead for emergency management. Their goal is to help build a safe and resilient Aotearoa, New Zealand by empowering communities before, during and after emergencies.

Emergencies can have consequences for people, communities, property, infrastructure, the economy and the environment. NEMA works with central and local government, communities, iwi, and business to make sure responses to and recoveries from emergencies are effective and integrated.

Depending on the emergency, NEMA leads or supports the response and recovery. NEMA's key functions are steward, operator and assurer of the emergency management system. As steward, they provide strategic leadership for risk reduction, readiness, response and recovery activities, and build emergency management capability and capacity. As operator, they lead or support the response to, and recovery from, emergencies while also supporting the operation of the emergency management system. As assurer, they will provide assurance that the emergency management system is fit for purpose.

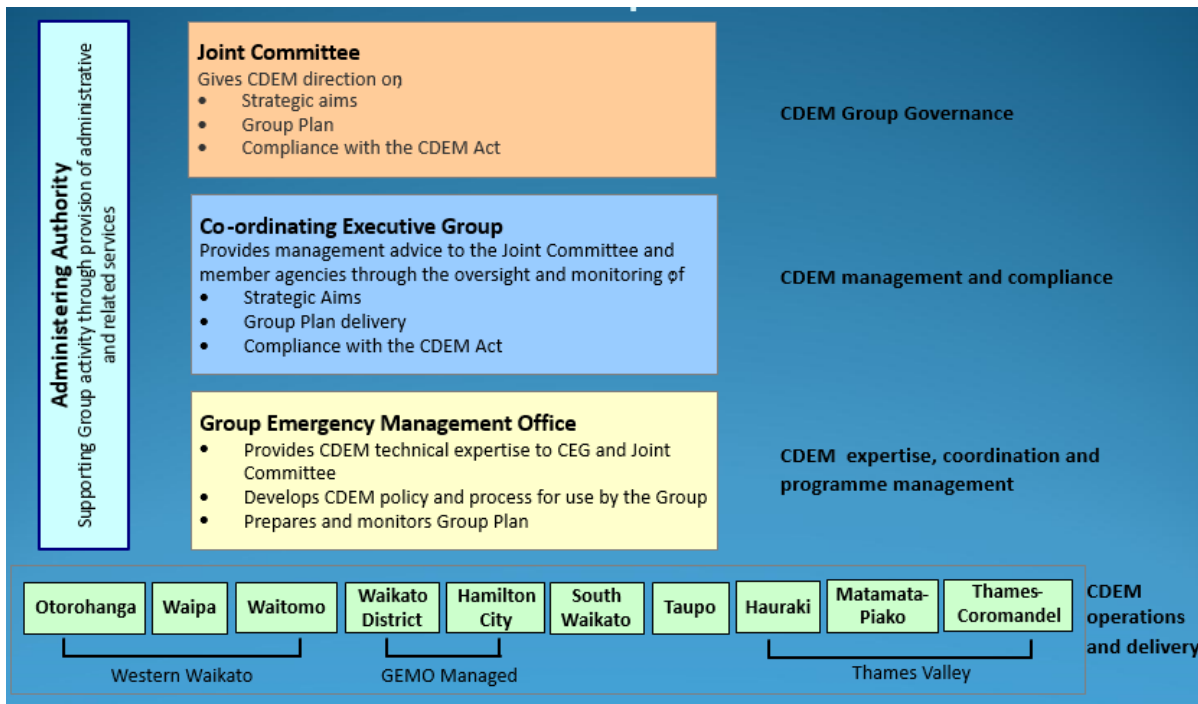
#### **CDEM Groups:**

Civil Defence Emergency Management Groups (CDEM Groups) are a core component of the CDEM Act 2002. Sixteen (16) CDEM Groups have been formed across New Zealand as committees of elected councillors from each council within regional boundaries.

The Group delivers CDEM through its executives, planners and operational staff of the many agencies involved in CDEM. Groups can be viewed as a consortium of the local authorities in a region working in partnership with emergency services, lifeline utilities and government departments, amongst other things, to:

- identify and understand hazards and risks
- prepare CDEM Group plans and manage hazards and risks in accordance with the 4R's (reduction, readiness, response and recovery).

Waikato CDEM Group Structure



Russell Smith is on the Joint Committee and the committee is made up of Elected Members.

The Coordinating Executive Group (CEG) is made up of Executive Officers and our representative is Ally van Kuijk.

Local Authorities (MPDC)

Specifically, under the Civil Defence Emergency Management Act 2002, local authorities must undertake the following duties:

*Section 64 - Duties of local authorities*

(1) A local authority must plan and provide for civil defence emergency management within its district.

(2) A local authority must ensure that it is able to function to the fullest possible extent, even though this may be at a reduced level, during and after an emergency.

In addition to the above, although Section 17 focuses on CDEM Groups not Local Authorities, it also notes; “..and each of its members”.

Given the above, it is clear from this that the functions that apply to the CDEM Group, apply equally to the MPDC (and other councils). The importance of this underpins the fact that the controls for the risk not only come from the actions of MPDC but the combined actions of the collective which makes up the CDEM Group as well. An example is the policy which requires MPDC to contribute to and benefit from the Group Deployment Policy which enables sharing of trained personnel between Group members.

**Ngā Take/Kōrerorero | Issues/Discussion**

The deep dive process looks to validate the risk description, impact of the risk, effectiveness of the controls and that controls are consistent with risk tolerance levels. The combination of existing controls and ongoing improvements demonstrates to the Committee how Council is currently managing the risks.



The overview attached, alongside this report provides a summary on how Council is managing this risk and improvements that we are progressing. There are multiple controls in place for this risk. The majority of controls we have in place have been assessed as partially effective. The aim is to facilitate a discussion on what the Committee may wish further information on, suggested changes and/or recommendations.

### Mōrearea | Risk





This risk has been identified as one of Council’s top ten risks and undertaking a deep dive on each of the top ten risks will facilitate discussion and assurance that there are appropriate controls in place to mitigate the risk.

### Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

As outlined in this report, Council under the Civil Defence and Emergency Management Act 2002, have a responsibility to plan for and provide (to the fullest extent possible) emergency management for the District.

### Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

Matamata-Piako District Council’s Community Outcomes are set out below:

MATAMATA-PIAKO TŌ MĀTOU WĀHI NOHO   OUR PLACE		MATAMATA-PIAKO DISTRICT COUNCIL TE ARA RAUTAKI   STRATEGIC DIRECTION	
<b>TŌ MĀTOU WHAKAKITENGA   OUR VISION</b>			
Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds. ‘The heart of our community is our people, and the people are the heart of our community.			
<b>TŌ MĀTOU WHĀINGA MATUA   OUR PRIORITIES (COMMUNITY OUTCOMES)</b>			
			
He wāhi kaingākau ki te manawa   A place with people at its heart	He wāhi puawaitanga   A place to thrive	He wāhi e poipoi ai tō tātou taiao   A place that embraces our environment	He wāhi whakapapa, he wāhi hangahanga   A place to belong and create

The community outcomes relevant to this report are as follows:

- He wāhi kaingākau ki te manawa | A place with people at its heart
- He wāhi puawaitanga | A place to thrive

- He wāhi e poipoi ai tō tātou taiao | A place that embraces our environment
- He wāhi whakapapa, he wāhi hangahanga | A place to belong and create

### **Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source**

The Civil Defence and Emergency Management activity is provided for within existing budgets.

### **Ngā Tāpiritanga | Attachments**

[A↓.](#) Risk deep dive for RAC 25 February 2025

### **Ngā waitohu | Signatories**

Author(s)	Ally van Kuijk <b>Hautū Tipu me te Whakamatua   General Manager Growth &amp; Regulation</b>	
Approved by	Manaia Te Wiata <b>Tumu Whakarae   Chief Executive Officer</b>	















## 8.12 Risk and Assurance Work Programme 2025 - Update February

CM No.: 2995263

### Te Kaupapa | Purpose

The purpose of this report is to provide an update to the committee on the work programme.

### Rāpopotonga Matua | Executive Summary

Staff have updated the work programme format for the Committee based on feedback from the Risk and Assurance Chair.

An update on scheduled reports and standing items for February is included in the work programme.

### Tūtohunga | Recommendation

That:

1. The information be received.

### Horopaki | Background

Prior to the commencement of each calendar year the Committee sets a work programme.

While priorities can shift during the year as unexpected issues arise, the work programme is a useful tool to enable Committee members to set their direction and to allow staff to understand the work priorities that need to be achieved.

Staff have updated the work programme for the Committee based on feedback from the Risk and Assurance Chair. The work programme is now more streamlined and is presented on one page.

An update on scheduled reports and standing items for February is included in the work programme.

### Ngā Tāpiritanga | Attachments

[A↓](#). Risk and Assurance Work Programme February update

### Ngā waitohu | Signatories

Author(s)	Marsha McMillan <b>Kaitohu Kāwana   Governance Advisor</b>	
Approved by	Tamara Kingi <b>Kaiārahi Kāwana   Governance Team Leader</b>	
	Sandra Harris <b>Pou Kaupapahere, Rāngai Mahitahi me te Kāwana   Policy, Partnerships and Governance Manager</b>	



