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 17 June 2025**
**Wā	Time:**	**09:00**
**Wāhi	Venue:**	**Council Chambers**
	35 Kenrick Street
	TE AROHA

Ngā Mema | Membership

Tiamana | Chairperson

Jaydene Kana

Independent Member

Joanne Aoake

Manuhuia | Mayor

Adrienne Wilcock

Koromatua Tautoko | Deputy Mayor

James Thomas

Kaunihera ā-Rohe | District Councillors

Bruce Dewhurst

Kevin Tappin

Gary Thompson

**Waea	Phone:**	07-884-0060
**Wāhitau	Address:**	PO Box 266, Te Aroha 3342
**Īmēra	Email:**	governance@mpdc.govt.nz
**Kāinga Ipuranga	Website:**	www.mpdc.govt.nz

1   Whakatūwheratanga o te hui | Meeting Opening

2   Karakia | Prayer

3   Ngā whakapāha/Tono whakawātea | Apologies/Leave of Absence
At the close of the agenda no apologies had been received.

4   Pānui take ohorere | Notification of Urgent 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 25 February 2025

7.1   Chair's Update

CM No.: 3039528

Te Kaupapa | Purpose

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

Rāpopotonga Matua | Executive Summary

Risk and Assurance Committee Chairperson, Jaydene Kana, in attendance to present the Chair's Update report (attached).

Tūtohunga | Recommendation
That:

1.   **The information be received.**

Ngā Tāpiritanga | Attachments

A⇩.   MPDC - Chair Report - 060625

B⇩.   External vs Internal Audit - IIA Global and IIA NZ 2024 overview

Ngā waitohu | Signatories

Author(s)	Stephanie Hutchins	
	**Kaitohu Mātāmua Kāwana	Senior Governance Advisor**	

Approved by	Sandra Harris	
	**Pou Kaupapahere, Rāngai Mahitahi me te Kāwana	Policy, Partnerships and Governance Manager**	

TE KAUNIHERA AA-ROHE O MATAMATA-PIAKO DISTRICT COUNCIL
KOMITI O TE MOOREAREA ME TE TUUMARU/RISK AND ASSURANCE COMMITTEE

JUNE 2025 – CHAIR REPORT

Teenaa koutou rau rangatira maa,

Welcome to our penultimate Committee meeting for the current triennium. We have an extensive agenda today, so the focus of my report is to provide my reflections on hui I've attended for the Committee's consideration:

Forum	Summary Reflections
2025 New Zealand Economics Forums *13 & 14 February 2025* Speaker from **New Zealand Treasury** **Insights from the Treasury** *14 February 2025* Speaker from **New Zealand Treasury**	New Zealand needs to bend two curves: 1. Long term economic growth trajectory, needs to bend upwards to expand our productive capacity and national real incomes. 2. Net public debt trajectory, needs to bend downwards to rebuild the fiscal buffers that have been a major source of New Zealand's resilience and ability to respond to shocks in recent decades. Attached is a link to the full session: 2025 NZ Economics Forum - NZ Treasury and a Going for Growth Report referenced by the New Zealand Treasury in the OAG Forum: https://www.goingforgrowth.govt.nz/. In the OAG Forum, the Treasury also focussed on central government needing a sustainable balanced fiscal position given a forecast of the number of people (150,000/17%) in New Zealand turning 65 in the next 5 years and becoming eligible for NZ Superannuation.
Spotlight on internal audit *21 March 2025* Speakers from the **Institute of Internal Auditors** and **Audit New Zealand**	Internal Audit standards changed recently, including: ▪ Expectation of connection between the internal audit function and Council/Risk and Assurance Committee. ▪ Requirement for Council/Risk and Assurance Committee to own/direct the internal audit function, including updating the internal audit charter. ▪ Important for the internal audit function to have an external quality assessment/audit every 5 years. ▪ External versus Internal Audit *(See Agenda Attachment B).*
Audit New Zealand Client Event 5 May 2025 **Horizon IT (UK post office) scandal**	Link to session Here are my AI assisted takeaways from webinars attended on the UK post office scandal: **1. Technology ≠ Infallibility** ▪ Treat all critical systems (especially financial and operational platforms) as potential points of failure. ▪ Commission independent audits for major IT systems. ▪ Ensure real-time reporting and escalation paths for system errors. **2. Create a Culture of Listening** ▪ Foster psychological safety: staff must feel safe to raise concerns. ▪ Implement and promote robust whistleblower protections. ▪ Require executive reporting on complaint trends and unresolved issues. **3. Board Independence and Challenge** ▪ Directors must critically assess executive assurances, especially on "infallible" systems. ▪ Encourage external reviews where internal interests may conflict. ▪ Be proactive in managing risk and implementing strong risk and assurance committees **4. Avoid Conflict in Legal Oversight** ▪ Where the organisation acts as investigator or enforcer, ensure external legal review and independent oversight. ▪ Re-examine internal disciplinary and prosecution protocols for fairness and impartiality. **5. Act Fast on Credible Warnings** ▪ Don't delay action or review when serious concerns are raised.

Item 7.1

Attachment B

	▪ Investigate recurring patterns of failure thoroughly.
	▪ Transparency with stakeholders is critical in crisis response.
	6. Public Trust Is Fragile
	▪ State-owned or public-facing bodies are held to higher standards — act accordingly.
	▪ Regularly review the organisation's accountability frameworks.
Key observations and insights from the OAG's recent work 16 May 2025 **Assistant Auditors-General, Leeanne McAviney (Sector Performance) and Melanie Webb (Legal, Policy, and Inquiries)**	*Oranga Tamariki: Inquiry into procurement/contract management (Full report, summary)* ▪ Lack of a strategic approach to procurement. ▪ Decision-making was late, poorly documented and not adequately informed by evidence of impact on children and families. ▪ Procurement was not in line with good practice e.g. an open, transparent and competitive process. ▪ Risk and Assurance Committee's should consider if they have a good understanding of the strategic issues and projects the organisation is engaged in, and the associated risks. *Reliability of public transport in Auckland (Full report, summary)* ▪ Auckland Transport could do more to understand passengers' experiences and expectations. Consider the passenger being front and centre, for example the congruence of performance and complaints. Performance reporting could be more detailed and better reflect the way passenger's use services. ▪ Risk and Assurance Committee's should consider how confidence is gained on whether there's a good use of resources. *How public organisations are fulfilling Treaty settlements (Full report, summary)* ▪ Public sector arrangements do not adequately support public organisations to meet commitments or fulfil settlements' overall intent including planning, prioritising, and monitoring work to meet settlement commitments. Some public organisations also had limited access to support and advice. ▪ The lack of adequate monitoring and reporting means that there is not enough information to fully understand the risks associated with failing to provide redress, whether for an individual settlement or for settlements generally. ▪ There has been little effective accountability. The lack of adequate monitoring and reporting also means that Ministers, Parliament, and the public do not have enough information to hold public organisations to account for their settlement responsibilities. ▪ Risk and Assurance Committee's should consider if the organisation knows their commitments, if they're being met and how they're being monitored and reported.

As the end of the current triennium approaches, I invite Committee members to:
▪ Complete the annual Committee self-evaluation which will be sent out by the Governance Team. We will consider the results at our next meeting.
▪ Review the Committee's terms of reference, in preparation for providing feedback on any changes required at our next meeting

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

Recommendation
That the Risk and Assurance Committee receives the report.

Jaydene Kana
Chair, Risk and Assurance Committee
6 June 2025

INTERNAL VS. EXTERNAL AUDIT

Internal audit

Objective Assurance Independent from Management

- Internal audit is a function, led by a Chief Audit Executive, **independent from management** that reports directly to the governing body (e.g., board). It is a fundamental element of sound corporate governance.

- Internal audit continuously evaluates **organizational risk** across an entire organization.

- Internal audit maintains visibility on operational, reporting, and compliance internal controls; provides **objective recommendations** on mitigating risk; and supports the achievement of organizational goals.

External audit

Impartial Verification of Financial Statements and Controls

- External audit is a service in which a qualified accounting firm conducts an annual impartial verification of corporate **financial statements and financial reporting controls**.

- In accordance with laws such as the U.S.'s Sarbanes-Oxley Act – as well as other rules and laws around the world – the scope of an **external audit is generally limited to** evaluating a company's financial statements and related internal controls.

The Institute of **Internal Auditors**

theiia.org

7 Pūrongo me whakatau | Decision Reports

7.2 Chief Executive's Update

CM No.: 3040107

Te Kaupapa | Purpose

The purpose of this report is for the Chief Executive to update the Committee on organisational matters relevant to the Risk and Assurance Committee's Terms of Reference.

Rāpopotonga Matua | Executive Summary

Chief Executive, Manaia Te Wiata, in attendance to present the Chief Executive's Update which is attached to the agenda.

Tūtohunga | Recommendation
That:

1.   The information be received.

Ngā Tāpiritanga | Attachments

A⇩.   Chief Executive Risk & Assurance Committee Update - June 2025

Ngā waitohu | Signatories

Author(s)	Manaia Te Wiata	
	**Tumu Whakarae	Chief Executive Officer**	

Approved by	Manaia Te Wiata	
	**Tumu Whakarae	Chief Executive Officer**	

Chief Executive Report to the Risk and Assurance Committee – June 2025

Introduction

This report provides an update on current issues related to the Risk and Assurance Committee, excluding agenda items.

1. Te Ohu Takatū Anamata | Future Ready Group Summary

Te Ohu Takatū Anamata (Future Ready Group) is an internal group formed to manage legislative reforms affecting local government. This group coordinates the Council's response to changes such as the Resource Management Act and Local Government Act amendments, while overseeing legislation tracking and submissions. The main goals are to guide MPDC through change with staff involvement, monitor legislative impacts, ensure compliance with new requirements, and maintain strategic oversight focused on community interests.

Key discussions since January have focused on potential changes to:

- The delivery of water and wastewater services
- Building consent processes
- Resource Management Act legislation.

Risk registers have been developed and processes implemented to track proposed legislation and establish formal submission procedures. The group has also been considering change management frameworks to support staff through transitions.

Key Risks

- The impact of uncertainty on staff morale and retention
- The threat to the delivery of services and projects arising from the additional demands of the change processes
- Unbudgeted or unforeseen costs arising from the various changes

2. Local Waters Done Well

Council will be making a decision on the option for the delivery of water and wastewater services at the June meeting. Irrespective of the option selected, water services delivery plans (WSDP) must be completed and submitted to Department of Internal Affairs by 3 September 2026.

In developing the 2024-2034 Long Term Plan (LTP), Council decided to include only "Must Do" projects to maintain rates at an acceptable level. Projects categorised as "Should Do" and "Could Do" were excluded. The requirement to prepare water services delivery plans has led to a review of levels of compliance, risk and resilience of our water and wastewater services.

Item 7.2

Attachment A

This has resulted in projects that were previously considered "Should Do" now being regarded as "Must Do" and needing to be included in the WSDP.

Operational costs have also been reviewed and are projected to be higher than the estimates in the LTP.

Key Risks

- Reputational risk as the cash-flow in the WSDP will present forecast rate increases higher than the LTP
- Compliance risk, as we're already challenged to deliver the capital programme in the LTP, let alone an increased capital work programme.
- Financing risk – an increased capital programme will negatively impact the Debt/revenue ratio

3. New Shared Service Arrangements

Co-Lab Building Services Processing Hub

Council has joined Co-Lab Building Services, a collaborative processing hub designed to optimise building consent workloads across participating Building Consent Authorities (BCAs). This shared service will distribute consents to BCAs with available capacity or external providers during peak demand periods. Currently, we engage consultants directly to handle consent overflow. In that respect, the new arrangement does not represent a major change. The initiative is seen as providing opportunities such as improved workforce flexibility, enhanced collective bargaining power with contractors, reduced duplication of efforts, and expanded professional development opportunities for staff without necessitating changes in employment.

Key Risks

Council remains fully liable for regulatory compliance, regardless of the consent processing method. Since third parties will be engaged by Colab and not by the Council, potential accountability gaps may arise. Council has contributed to the establishment costs of the shared service arrangement ($52,000 over two years). There is no guarantee that this will be recovered via savings within that timeframe. Council's expectations of eventual investment recovery have been clearly communicated throughout the shared service establishment process.

Emergency Management Shared Service

The Council has entered into a shared service agreement with South Waikato and Hauraki District Councils to deliver Emergency Management functions. This replaces the current arrangement that these Councils have with Waikato Regional Council. Our Council will serve as the lead agency, employing all Emergency Management Officers and the Emergency Management Manager across the three councils. This shared service will address resilience gaps that would exist with standalone CDEM operations, provide economies of scale, enable resource sharing among councils with similar demographics and hazards, and ensure consistent emergency management approaches.

Key Risks

Statutory compliance responsibility remains with each individual council, despite shared delivery; the risk of partnership dissolution could leave the Council employing staff for other councils. Lead agency employment challenges may arise from managing staff who work at other councils. Consequently, we are ensuring that there are robust governance and oversight mechanisms, strong contractual protections, and clear leadership frameworks.

4. Department of Internal Affairs Performance Metrics

The Government will publish annual reports on key council performance metrics from mid-2025, including:

- Rate levels and forecasts

- Council debt metrics

- Capital expenditure by activity

- Balanced budget indicators

This aligns with the Government's drive for councils to focus on essential services and infrastructure while cutting "unnecessary" spending. The publication of the performance metrics is intended to ensure councils operate under greater scrutiny.

Key Risk

Potential reputational impacts from comparisons of performance metrics

5. Riskpool Update - Insurance and Risk Transfer

Riskpool has indicated that a further call for funding is anticipated in August 2025, estimated at $3.3-3.7 million across the membership to cover the 2025/26 operating costs. This additional call is driven by two primary factors: ongoing domestic litigation outcomes and reinsurance coverage negotiations. The organization is currently managing significant domestic litigation following the Supreme Court's decision on mixed weathertightness claims, with two critical cases scheduled for trial in September 2025. Concurrently, Riskpool continues to pursue reinsurance coverage through English law-governed policies.

Riskpool is also proposing amendments to its 1997 Trust Deed to address governance deficiencies, particularly the lack of clear indemnity provisions for directors, which currently exposes them to personal liability. The administrator has scheduled member engagement activities, including the Annual Members Meeting on 13 June 2025, a July webinar, and formal consultation on Trust Deed amendments in August 2025.

Item 7.2

Attachment A

Key Risk

The primary financial risk to our Council is the uncertainty surrounding future funding calls, with the potential for additional contributions beyond the anticipated August. The timing and amount of these calls present budgeting challenges. The extended timeframe for reinsurance negotiations and potential English court proceedings creates ongoing financial exposure and uncertainty for the scheme's wind-up process.

6. Water and Wastewater Services

At the February meeting, the Committee reviewed a report on essential services' failure risks, specifically water and wastewater.

The meeting discussed the excessive overtime worked by water and wastewater staff.

Fatigue management has been a focus for the unit over the past two years. While occasional events have significantly contributed during this period, operational changes are necessary to bring overtime down to acceptable levels.

The Three waters team had identified three focus areas to improve the situation and provided an update to the Executive Team in April:

- Resourcing – recruitment of a Team leader (complete) and two additional operators from 1 July (approved)
- Alarms – review and rationalisation of after-hours alarms – as a result alarms are trending down
- Engineering improvements where possible to improve system resilience – medium term solution.

This matter will remain a focus until we achieve a satisfactory outcome.

Key risks
Failure in the primary duty of care to ensure worker health and safety

7. Financial reporting

The Council's financial position has demonstrated resilience through February and March 2025, with operating results consistently exceeding budget expectations by $3.8 million and $3.4 million, respectively. This positive variance has been driven primarily by the receipt of Better-off funding ($800,000) and delayed operational expenditure, particularly in desludging activities ($1 million). However, revenue challenges persist in community facilities operations, which remain $610,000 to $689,000 under budget across both months, alongside trade waste revenue shortfalls of $269,000. These operational shortfalls have been substantially offset by development contributions performing $1.7 million above budget and resource consent income exceeding expectations by $321,000, reflecting increased development activity within our district.

Capital programme delivery is experiencing some timing delays, particularly with the Matamata wastewater treatment plant project, resulting in capital expenditure tracking $12.2 million under budget

Our financial reporting and treasury management frameworks continue to operate within established risk parameters, with all treasury policy limits maintained and debt requirements tracking $17.7 million lower than budgeted levels. The counterparty credit exposure ratio of 117% remains within acceptable limits.

Expenditure control and budget management processes have been functioning as expected. The production of monthly financial reports to Council this calendar year has been delayed by one month. This delay is due to the work required for the Local Waters Done Well programme.

Key Risk

Failing to manage revenues, expenses, assets, liabilities, and investments prudently can jeopardize the Council's financial stability and compromise its ability to serve both current and future needs. It can also adversely impact the predictability of the rates, and fees and charges that ratepayers are required to pay, and the affordability of those charges. Effective financial stewardship is essential for long-term sustainability.

7   Pūrongo me whakatau | Decision Reports

7.3   Standing Orders

CM No.: 3036298

Te Kaupapa | Purpose

The purpose of this report is to seek agreement to amend the Standing Orders adopted by the Risk and Assurance Committee on 6 December 2022, to:

- include the provision for members to attend meetings via audio and visual links, and be counted towards a quorum
- extend the timeframe for requesting public forums from one clear working day to three clear working days
- extend the timeframe for requesting deputations from five clear working days to eight clear working days.

Rāpopotonga Matua | Executive Summary

The adoption of Standing Orders and any amendment to Standing Orders must be made by a vote of not less than 75% of the members present. Standing Orders apply to all meetings of the local authority, its committees, subcommittees and subordinate decision-making bodies.

The Standing Orders can be found here: [Standing Orders]. Matamata-Piako District Council adopted the suggested amendments to Standing Orders at their meeting on 26 March 2025.

Tūtohunga | Recommendation
That:

1.   **The information be received.**

2.   **Standing Orders are amended to reflect Schedule 7 or the Local Government Act, clause 25A, which now allows provision for Council and Committee members to attend meetings by audio / visual link as follows:**

   - **Clause 13.8: Member's status: quorum – Provided conditions in 13.1, 13.7, 13.11 and 13.12 of the Standing Orders have been satisfied, and in accordance with Schedule 7 of the Local Government Act, clause 25A (4), a member of the local authority or committee who attends a meeting by means of audio link or audio-visual link, is to be counted as present for the purpose of a quorum.**

3.   **Standing Orders are further amended to:**

   - **Clause 15.1: Time limits to request to speak at a public forum – requests to speak at a public forum must be made to the Chief Executive, or their delegate, at least three clear working days before the meeting (previously one clear day). However, the requirement of notice may be waived by the Chairperson.**

   - **Clause 16.1: Deputations – requests to speak at a deputation must be made to the Chairperson, or their delegate, at least eight working days before a meeting (previously five working days). However, the requirement of notice may be waived by the Chairperson.**

Horopaki | Background

Standing Orders contain rules for the conduct of the proceedings of local authorities, committees, sub-committees and subordinate decision-making bodies. Their purpose is to enable local authorities to exercise their decision-making responsibilities in a transparent, inclusive and lawful manner.

Matamata-Piako District Council (MPDC) adopted its Standing Orders on 9 November 2022 and adopted the amendments on 26 March 2025. The Risk and Assurance adopted its Standing Orders on 6 December 2022

The decision to amend Standing Orders requires a vote of not less than 75% of its members. This equates to a minimum of five members required if all members are present to agree for a decision to be carried.

Ngā Take/Kōrerorero | Issues/Discussion

Right to attend by audio or audio-visual link

Standing Orders adopted by MPDC in 2022, do not allow for attendance by elected / committee members via audio or audio-visual link to be counted towards a quorum as this was not allowed under legislation at the time.

Schedule 7 of the Local Government Act 2002 clause 25A, now allows provision for a member of a local authority, unless lawfully excluded, the right to attend any meeting of the local authority or committee by means of audio link or audio-visual link to be counted towards a quorum. This only applies where Council adopt Standing Orders equivalent to:

- Provided all required conditions are met, members of the local authority and its committees (and members of the public for the purpose of a deputation approved by the chairperson), have the right to attend meetings by means of an audio or audio-visual link, unless they have been lawfully excluded.

- Noting the above, the chairperson may give approval for a member to attend meetings by audio or audio-visual link, either generally or for a specific meeting. Examples of situations where approval can be given include:

  i)   Where the member is at a place that makes their physical presence at the meeting impracticable or impossible;

  ii)   Where a member is unwell; and

  iii)   Where a member is unable to attend due to an emergency.

- Where possible, a member will give the chairperson and the Chief Executive Officer (CEO) at least two business days' notice when they want to attend a meeting by way of audio or audio-visual link. Should, due to sickness or emergency, this is not possible the member may give less notice. Where such request is made, and the technology is available, the CEO will take reasonable steps to enable the member to attend by audio or audio-visual link. MPDC has no obligation to make the technology available. Therefore, if the member's request cannot be accommodated, or there is a technical issue with the link, it will not invalidate any acts or proceedings.

- Where an audio or audio-visual link fails, or there are other technical issues that prevent a member who is attending via an audio or audio-visual link from participating in a meeting, that member must be deemed to be no longer attend the meeting.

- A member who is attending a meeting by audio or audio-visual link must ensure that the meeting's proceedings remain confidential during any public excluded items. At such time, the chairperson may require the member to confirm that no unauthorised people are able to hear or view the proceedings. Should the chairperson not be satisfied, they may direct that an audio or audio-visual link be terminated.

Public Forum

The current Standing Orders state that requests to speak to a public forum must be received by the CEO (or their delegate) at least one clear day before the meeting. There is an opportunity to extend this timeframe. It is suggested that this timeframe be extended to 3 clear working days for scheduling purposes.

Deputations

In contrast to public forums, deputations allow individuals or groups to make a formal presentation to a meeting as an item on the agenda. The current Standing Orders state that requests to speak to a deputation must be received by the chairperson, or an official with delegated authority, 5 working days before a meeting. However, this requirement may be waived. Agendas close 7

working days before a meeting. It is suggested that this timeframe be extended to 8 working days to align with the closing of the agenda.

<u>Adoption of Standing Orders</u>

The adoption of Standing Orders and any amendments to Standing Orders must be made by Council/Committees of not less than 75% of the members present.

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

23 Quorum of councils and committees

(1) A meeting is duly constituted if a quorum is present, whether or not all of the members are voting or entitled to vote.

(2) Business may not be transacted at any meeting unless at least a quorum of members is present during the whole of the time at which the business is transacted.

(3) The quorum at a meeting of—

(a) a local authority consists of—

(i) half of the members if the number of members (including vacancies) is even; or

(ii) a majority of members if the number of members (including vacancies) is odd; and

(b) a committee—

(i) is not fewer than 2 members of the committee (as determined by the local authority or committee that appoints the committee); and

(ii) in the case of a committee other than a subcommittee, must include at least 1 member of the local authority.

25A Attendance at meetings by audio link or audiovisual link

(1) A member of a local authority, or of a committee of a local authority, has, unless lawfully excluded, the right to attend any meeting of the local authority or committee by means of audio link or audiovisual link if—

(a)   the standing orders of the local authority permit attendance at that meeting by means of audio link or audiovisual link; and

(b)   the presiding member at that meeting is satisfied that all conditions and requirements in the standing orders in relation to attendance at that meeting by means of audio link or audiovisual link are met.

(2) A person other than a member of a local authority, or committee, may participate in a meeting of the local authority or committee by means of audio link or audiovisual link if—

(a) the standing orders of the local authority permit participation at that meeting by persons other than members by means of audio link or audiovisual link; and

(b)   the presiding member at that meeting is satisfied that all conditions and requirements in the standing orders are met in relation to—

(i) participation at that meeting by persons other than members; and

(ii) the use of audio link or audiovisual link for that participation.

(3) The person presiding must, for the purposes of subclause (1) or (2), ensure that—

(a)   technology for the audio link or audiovisual link is available and is of suitable quality; and

(b) the procedure for the use of that technology in all the circumstances of the particular meeting will ensure that—

(i) all those participating in the meeting can hear and be heard by each other; and

(ii) in relation to subclause (1), the attendance of a member by means of audio link or audiovisual link does not reduce the accountability or accessibility of that person in relation to the meeting; and

(iii) the requirements of Part 7 of the Local Government Official Information and Meetings Act 1987 are met.

(4) A member of the local authority or committee who attends a meeting by means of audio link or audiovisual link, in accordance with this clause, is to be counted as present for the purposes of clause 23.

(5) Nothing in this clause requires a local authority to make technology for an audio link or audiovisual link available.

(6) A document may be given or shown to, or by, a person appearing at a meeting by way of audio link or audiovisual link—

(a) by transmitting it electronically; or

(b) by use of audiovisual link (if the person is appearing by audiovisual link); or

(c) by any other manner that the person presiding thinks fit.

(7) In this clause,—

audio link means facilities that enable audio communication between participants at a meeting when 1 or more of them is not physically present at the place of the meeting

audiovisual link means facilities that enable audio and visual communication between participants at a meeting when 1 or more of them is not physically present at the place of the meeting.

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.

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
TŌ MĀTOU WHAKAKITENGA | OUR VISION 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.	

**TŌ MĀTOU WHĀINGA MATUA	OUR PRIORITIES (COMMUNITY OUTCOMES)**			
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

All of the above community outcomes relevant to this report.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Tamara Kingi **Kaiārahi Kāwana	Governance Team Leader**	

Approved by	Sandra Harris **Pou Kaupapahere, Rāngai Mahitahi me te Kāwana	Policy, Partnerships and Governance Manager**	

7   Pūrongo me whakatau | Decision Reports

7.4   Review of Top Risks

CM No.: 3036610

Te Kaupapa | Purpose

To provide the Top Risks 2025/26 document to the Committee for endorsement and recommendation to Council for approval.

Rāpopotonga Matua | Executive Summary

A Top Risks 2025/26 document has been developed and is attached to this report for the Committee's consideration.

This document builds on work previously done within the organisation and by the Risk and Assurance Committee, to identify and rate the Top Risks of the organisation.

That work has now been reflected, and extended, in a register that provides fairly comprehensive detail for each of the Top Risks identified, including Inherent, Residual and Risk Appetite ratings, detail of controls already in place, Key Risk Indicators that assist in determining the effectiveness of those controls, and further controls that could be implemented to further mitigate the risks.

There are 11 Top Risks proposed. A 'Top Risk' is seen as a risk of any nature – strategic, operational, project – so significant, that it could result in the non-achievement of any or all of Council's strategic objectives. It is important that these Top Risks are contained to a manageable number, and 11 Top Risks are considered manageable.

The Risk and Assurance Committee will closely monitor these risks on an ongoing basis. A summary table of these risks including an assessment of any change in trend of that risk is proposed to feature in each Quarterly Risk Report, together with a heat map visual showing where the Residual Risk sits relative to Risk Appetite. Future Quarterly Risk Reports will also include Key Risk Indicator information and indicated progress on the implementation of additional controls. In addition to this reporting the Committee will also carry out a 'deep dive' on each of these Top Risks, on a cyclical basis over the course of the year, providing the opportunity for further detailed examination of the management of the risk.

Because responsibility for Enterprise Risk should be with the governors of the organisation, staff ask that the Committee confirm these risks and the proposed management of the risks, endorse the Top Risks 2025/26 document (including the risk and appetite ratings assessed within it), and recommend it to Council for approval.
A full review of the Top Risks document is proposed to be carried out annually.

Tūtohunga | Recommendation
That:

1.   **The Committee receives and endorses the Top Risks 2025/26 document including any changes agreed by the Committee.**

2.   **The Committee recommends the Top Risks 2025/26 document, including any changes agreed by the Committee, for the approval of Council.**

Horopaki | Background

In clause 6.5.1 of its Charter, the Risk and Assurance Committee has the responsibility to *"Review the effectiveness of Council's framework to identify, treat, monitor, and report on risks to Council's activities, Annual Plan and Long-Term Plan."*

A key means of assisting in fulfilling this responsibility is for the key risks to achieving Council's strategic objectives to be identified, and the controls for managing those risks to be agreed and closely monitored on an ongoing basis at Committee level.

The Top Risks 2025/26 document attached to this report has been developed to assist this.

The document is proposed to have a life of a year, before it is comprehensively reviewed and re-agreed at this time next year. During the course of that year it sets the framework for the Committee's oversight of these key risks and much of the quarterly reporting to the Committee will be built around this framework.

It is recommended that following review and endorsement of the document by the Committee that it be recommended by the Committee for Council's approval. This is important in ensuring that the governors of the organisation take ownership responsibility of risk in the organisation, as they should, with the Committee assisting in this.

Ngā Take/Kōrerorero | Issues/Discussion

This document builds on work previously done within the organisation and by the Risk and Assurance Committee, to identify and rate the top risks of the organisation. That work has now been reflected, and extended, in a register that provides fairly comprehensive detail for each of the Top Risks identified, including:

- A Risk Owner

- A description of the risk and its consequences, noting it is crucial to properly understand the nature of a risk, in order to manage it

- An Inherent Risk Rating, the assessment of the level of risk if no controls were in place to mitigate the risk

- Detail of the Controls that are already established and in place to manage the risk

- A set of Key Risk Indicators for each of the risks which are designed to assist in determining the effectiveness of the controls already in place. It is intended that these Key Risk Indicators are reported in Quarterly Risk Reports to the Committee, to assist the Committees ongoing monitoring of the risk mitigation

- The Residual Risk Rating which is the assessment of the level of risk with the existing controls in place

- The Risk Appetite Rating which is an assessment of the level of risk the governors of the organisation are prepared to accept, noting the cost / benefit considerations and trade-offs in implementing further controls. It is important the Committee, and ultimately Council, is comfortable with the assessment of Risk Appetite and it is suggested that some focus is given to this at the meeting

- A Tolerance indication which essentially shows whether the assessed Residual Risk is within Risk Appetite or not

- Detail of additional controls that could be implemented to further mitigate the risk and potentially either reach Risk Appetite or otherwise strengthen Council's Risk mitigation position. It is proposed that these be built into work plans throughout the organisation with

implementation progress monitored where it is determined that implementation be within the year.

The risk ratings – Inherent, Residual and Appetite – are determined based on the conventional standard approach of determining likelihood and consequence, both determined on a five-point scale, and the assessed risk rating coming from the combination of those two factors as set out in a risk rating matrix.
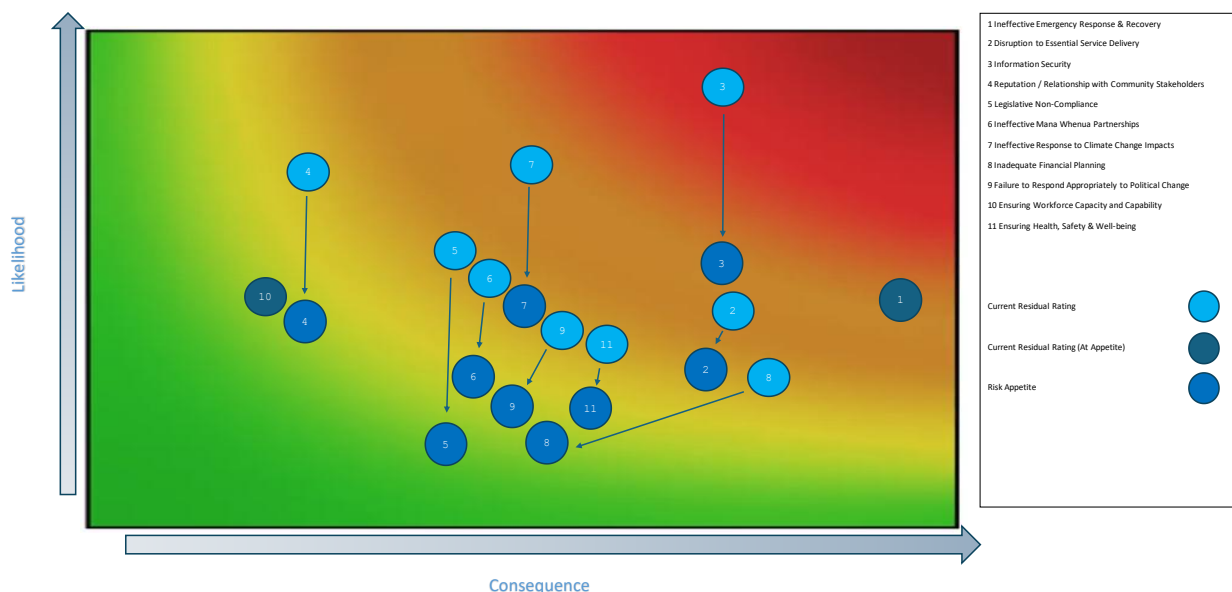
There are 11 Top Risks proposed, with the addition of two key people-related risks added as risks 10 and 11. Those risks are 'Ensuring Workforce Capacity and Capability' and "Ensuring Health, Safety and Well-being'. Both meet the test of being so significant, that they could result in the non-achievement of any or all of Council's strategic objectives. It is important that these Top Risks are contained to a manageable number, and 11 Top Risks are considered manageable.

The Risk and Assurance Committee will closely monitor these risks on an ongoing basis. A summary table of these risks including an assessment of any change in trend of that risk is proposed to feature in each Quarterly Risk Report, together with a heat map visual showing where the Residual Risk sits relative to Risk Appetite. These are both shown below:

SUMMARY OF TOP RISKS

	1 Ineffective Emergency Response & Recovery	2 Disruption to Essential Service Delivery	3 Information Security	4 Reputation / Relationship with Community Stakeholders	5 Legislative Non-Compliance	6 Ineffective Mana Whenua Partnerships	7 Ineffective Response to Climate Change Impacts	8 Inadequate Financial Planning	9 Failure to Respond Appropriately to Political Change	10 Ensuring Workforce Capacity and Capability	11 Ensuring Health, Safety & Well-being
INHERENT RISK RATING											
Consequences	Extreme	Very High	Very High	High	High	High	High	Very High	High	High	Extreme
Likelihood	Almost Certain	Almost Certain	Almost Certain	Likely	Likely	Almost Certain	Likely	Possible	Likely	Likely	Likely
INHERENT RISK RATING	EXTREME	EXTREME	EXTREME	VERY HIGH	VERY HIGH	VERY HIGH	VERY HIGH	VERY HIGH	VERY HIGH	VERY HIGH	EXTREME
CURRENT RESIDUAL RISK RATING											
Consequences	Extreme	Very High	Very High	Moderate	High	High	High	Very High	High	Moderate	High
Likelihood	Possible	Possible	Almost Certain	Likely	Possible	Possible	Likely	Unlikely	Possible	Possible	Possible
CURRENT RISK RATING	VERY HIGH	VERY HIGH	EXTREME	HIGH	HIGH	HIGH	VERY HIGH	HIGH	HIGH	MODERATE	HIGH
RISK APPETITE											
Consequences	Extreme	Very High	Very High	Moderate	High	High	High	High	High	Moderate	High
Likelihood	Possible	Unlikely	Possible	Possible	Rare	Unlikely	Possible	Unlikely	Unlikely	Possible	Unlikely
RISK APPETITE RATING	VERY HIGH	HIGH	VERY HIGH	MODERATE	LOW	MODERATE	HIGH	MODERATE	MODERATE	MODERATE	MODERATE
TREND IN RISK STATUS											
TREND	↔	↔	↔	↔	↔	↔	↔	↔	↔	↔	↔

TOP RISKS HEAT MAP

1 Ineffective Emergency Response & Recovery
2 Disruption to Essential Service Delivery
3 Information Security
4 Reputation / Relationship with Community Stakeholders
5 Legislative Non-Compliance
6 Ineffective Mana Whenua Partnerships
7 Ineffective Response to Climate Change Impacts
8 Inadequate Financial Planning
9 Failure to Respond Appropriately to Political Change
10 Ensuring Workforce Capacity and Capability
11 Ensuring Health, Safety & Well-being

Current Residual Rating

Current Residual Rating (At Appetite)

Risk Appetite

The Quarterly Risk Reports will also show Key Risk Indicator information and an indication of progress on the implementation of additional controls.

The Committee will also carry out a 'deep dive' on each of these Top Risks, on a cyclical basis over the course of the year, providing the opportunity for further detailed examination of the management of the risk.

Ngā Tāpiritanga | Attachments

A⇩.   Top Risk Document 2025-26

Ngā waitohu | Signatories

Author(s)	Ken Morris	
	Consultant Risk and Business Excellence Advisor	

Approved by	Kelly Reith	
	Hautū Tāngata, Kāwana me ngā Hononga | Group Manager People, Governance & Relationships	

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MATAMATA-PIAKO DISTRICT COUNCIL
TOP RISKS 2025/26
June 2025

RISK #1	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
INEFFECTIVE EMERGENCY RESPONSE AND RECOVERY	**GM Growth & Regulation**						**Residual Risk Rating**	**Risk Appetite**	**What can we do to reach appetite / strengthen our position?**
	Failure to meet our legislative responsibilities to be ready for, and to respond to, an environmental incident, disaster event, or other crisis; that could endanger lives and property, and negatively impact the district economy and its ability to recover.	**Extreme**	• Established sub-regional CDEM arrangements, plans and strategies, noting that these are currently in process of transitioning into a new group arrangement • Active involvement in Joint Committee (JC) and Coordinating Executive Group (CEG) • Annual full activation exercise with post-exercise scoring by approved assessor • Operational Plans in place for our three most likely events, tested via annual exercises • Investment in local environmental knowledge including significant investment into flood mapping • Programmed visual testing of bridges throughout the district every year, and annual structural testing undertaken on priority bridges on a programmed cyclical basis • Active participation in sub-regional 'Lifelines' utilities planning with its focus on identifying critical infrastructure vulnerabilities and improving resilience • Loss modelling to ensure insurance cover is adequate to aid reinstatement	Graded score from annual activation exercise, determined by approved assessor (MPDC focus on improving score) Achievement / non-achievement of actions in work plans (identifies key actions / focus, linked to Group Plan)	Findings from post-incident reviews as an opportunity to learn and improve Critical positions in CDEM (Controller, Recovery Manager, EMO, Welfare Manager and Response Manager) are filled	Involvement of MPDC trained staff in response and recovery efforts in other districts (enhancing their knowledge and experience) Quarterly reporting to Council and Te Manawhenua Forum	**Very High** **Tolerance** **Within Appetite**	**Very High**	**Council is within appetite, noting that appetite is set at 'Very High'** There are difficulties setting the risk appetite at a lower level than this given our very limited control over the occurrence and severity of any event, incident or crisis. Resourcing up to cover all eventualities is arguably not achievable. Additional mitigations have been identified to strengthen our position: • Successful transition into the new sub-regional shared service arrangement with Hauraki and South Waikato districts, this should assist cross-boundary resilience • The development of Community Response Plans (including marae response plans) as per our work programme • Ensuring a full contingent of trained staff, including the full quota of people for critical Emergency Operating Centre (EOC) roles • Identification and response to any requirement for change arising from current review of CDEM legislation • Ensuring budget commitment to Group Plan and Five-Year Action Plan, with the Five-Year Action Plan reviewed annually

RISK #2	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
DISRUPTION TO ESSENTIAL SERVICE DELIVERY	**GM Operations**						**Residual Risk Rating**	**Risk Appetite**	**What can we do to reach appetite / strengthen our position?**
	Significant or prolonged disruptions to operations through asset failure, natural catastrophes, technology and/or communication failure, power outage, or cyber-attack, which may result in financial loss or reputation damage, loss of trust and confidence in Council and possibly loss of life	**Extreme**	•Performance and condition assessments of all assets • Regulatory oversight by Taumata Arowai, NZTA, WRC️ • Strategies, operational risk assessments and registers, SOPs, compliance monitoring, emergency response plans, staff training and development • Shared service support from Co-Lab for RAMM updates (roading data) • Technical response support (via ready response consultants) for water and wastewater operations (necessary in the absence of a 24/7 process control centre) • Technology in place - scada, telemetry, reporting etc •Business continuity plans and demand management strategy in place (but requiring review)	Performance and condition data held in RAMM and other asset management records Concerns raised by regulatory and other oversight bodies such as Taumata Arowai, NZTA, WRC, Water NZ	Trends in outages and failures of assets and/or technology SOPs up-to-date	Trends / patterns in level of occurrence of external events that may cause or contribute to outages (Weather events etc.) SAM compliance score	**Very High** **Tolerance** **Outside of Appetite**	**High**	**Council is currently operating outside of assessed appetite.** Appetite is considered achievable if the following mitigations are successfully introduced: • Approval of Water Services Delivery Plan (WSDP) by the Minister of Local Government with Water and Wastewater ownership and management transferred to a new Waikato Waters entity • Fully developed operations maintenance strategies in place and funded • Review and re-adoption of Business Continuity Plans • Improved workforce capacity and capability via cadetship programmes and other potential joined up solutions

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Review of Top Risks

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RISK #3	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
INFORMATION SECURITY	Chief Executive						Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
	The threat to organisational digital assets and information through the potential impact of a breach. Potential for significant disruption to delivery of services, financial loss, reputation damage, and loss of trust and confidence in Council	**Extreme**	• Sophos cybersecurity solution in place for network security and unified threat management. Sophos offers constant detection and response, firewall, cloud and managed service solutions providing critical malware, phishing website and ransomware protection. • Other management and maintenance of the digital environment via Access Control, including muti-factor access authentication, and Cloud Services management • Very clear IT security protocols via policy	Detected presence of malware or other security incursions	Trends in occurrence of phishing emails / scams	Incidents of unusual network activity	**Extreme**	**Very High**	**Council is currently operating outside of assessed appetite** There are difficulties setting the risk appetite at a lower level than this given the likelihood of a security breach and our limited control over the severity of consequence of any breach. Appetite is considered achievable if the following mitigations are successfully introduced: • Improved cyber-security awareness through an education programme such as 'phriendly phishing' and testing of staff behaviour via test phishing emails, noting that staff behaviour is a key vulnerability point for cyber-security • Continued focus on improvement of SAM score noting that external security / vendor reliance has been identified as a thing to improve • Scheduled Org-wide introduction of Microsoft 365 in 2025 calendar year will enhance operating environment and data security
				SAM for Compliance' score	Privacy breach incidents and follow-up findings re cause / response		**Tolerance**		
							Outside of Appetite		

RISK #4	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
REPUTATION / RELATIONSHIP WITH COMMUNITY STAKEHOLDERS	GM Customer Experience						Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
	Failure to establish and/or maintain meaningful relationships with key stakeholders and gain the trust of the wider community with potential impact on participation in local democracy, and Council's ability to be an effective connector between our community, iwi, NGOs, and government agencies	**Very High**	• Communications and engagement (C&E) team proactively involved early and throughout development of key documents and key projects • Comms Plans developed for significant projects and documents • Proactive communications across multiple channels • Use of quick polls to obtain community insights, eg removal of pedestrian crossing, urban trail surfacing • Council is participant in 'Key Research Community Views Survey', quarterly wave polling and annual report on community perceptions of Council and Council performance • Newly established 'Community Development Team' actively working with grassroots community • Established partnerships with some community groups and stakeholders e.g. disability access group, Matamata Stadium project • Prompt in Council report templates to use Significance and Engagement Policy to determine level of engagement • Various mechanisms in place to receive complaints such as a Council website interface (with 48 complaints lodged Jan-May 2025)	Trends in score and other findings from Key Research Community Views Survey	Level and quality of community interaction or involvement in engagement processes, including antenno and quick polls (a measure of trust)	Participation in triennial election - numbers of candidates, voter turnout %	**High**	**Moderate**	**Council is currently operating outside of assessed appetite.** Appetite is considered achievable if the following mitigations are successfully introduced : • Completion of planned stakeholder mapping exercise, establishing key relationship holder for all significant stakeholders • Adoption of planned Comms and engagement strategy • Education / Awareness campaigns around everyone's role in stakeholder relationship and the importance of appropriate behaviour
				Level of valid complaints about Council performance / service via the various complaint mechanisms			**Tolerance**		
							Outside of Appetite		

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RISK #5	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
LEGISLATIVE NON-COMPLIANCE	GM Growth & Regulation						Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
	The potential for Council to fall short of meeting its legal obligations, leading to fines, penalties, damages, personal liability, or even imprisonment. These risks arise from various sources, including misunderstandings of legislative clauses or regulations, inadequate internal controls, or failures in monitoring and enforcement.	**Very High**	• Knowledge of well qualified, professional staff • Annual compliance attestation using a spreadsheet tool developed by Legal Counsel • Specific delegations in place for various decision-making actions • Horizon scanning for change via Legal Counsel and via established relationships with external legal providers, professional memberships and sector knowledge forums such as Taituara • Te Ohu Takatū Anamata (Future Ready Group) reviews impact of proposed legislative changes assists with submissions, etc • Identified changes incorporated into SOPs, policies, strategies, plans and processes • Legal issues arising or already actioned reported to E Team on a bi-monthly schedule • Training and development of our staff • Established performance measures monitor compliance with some of our key legislative requirements • Internal and external reporting such as NMS, consent monitoring, etc	Annual compliance attestation outcomes Negative media attention to specific breach/incident	Issues identified from various compliance audits - Building Act, Waters, etc	Number of legal claims made against Council, adverse findings by the Ombudsman	**High**	**Low** **Tolerance** **Outside of Appetite**	**Council is currently operating outside of assessed appetite.** Achieving appetite is challenging given the wide ambit of legislation that Council is subject to and the reliance on key staff to ensure compliance. It is however considered achievable **over time** if the following mitigations are successfully introduced: • Investigation into and possible introduction of a more developed, systemised tool for comprehensively identifying key legislative requirements (including new legislative changes) and running and reporting on an annual attestation of whether or not they've been complied with. One possible tool in that regard that is well-utilised in NZ local government is 'Comply With'. A tool like this would draw on a fuller and wider sector knowledge-base than what could be built in-house. • Continued education programmes on the importance of legislative compliance. These could include, for example, education on privacy requirements and the consequences of these being breached. Another example where general staff education would be valuable is in the LGOIMA space and the requirements for openness and transparency that this drives.

RISK #6	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
INEFFECTIVE STRATEGIC PARTNERSHIPS WITH MANA WHENUA, IWI, HAPŪ AND MĀORI	GM People, Governance & Relationships						Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
	Negative outcomes associated with a failure to proactively develop and maintain partnership, meet legislative responsibilities, and understand and mitigate shared risks. Adverse outcomes may involve difficulty delivering key projects, lost opportunity, and compromise of the ongoing partnership for all involved.	**Very High**	• Some partnering on key projects, plans and strategies and ensuring of early involvement • Dedicated Te Ohu Tūhono team in place (2 persons), with on-going commitment to relationships with 12 iwi • Te Manawhenua Mo Matamata-Piako forum established and running to provide some means of shared information and input • Māori Ward Councillor in place • Recent commencement of regular Rangatira to Rangatira meetings with active iwi • Some aligning of processes, communications and decisions to Treaty Principles • Support of community-focussed events that celebrate Te Ao Māori, either through collaborative partnership support of events like hauora days or grant funding for events like the celebration of Matariki	Level of appropriate representation at discussion /decisions, including TMF Events being supported by grant or partnership	Negative feedback or concerns raised by Mana Whenua, Iwi , etc	Number of Rangatira to Rangatira meetings in quarter	**High**	**Moderate** **Tolerance** **Outside of Appetite**	**Council is currently operating outside of assessed appetite.** Appetite is considered achievable if the following mitigations are successfully introduced : • Adoption of a Tangata Whenua Engagement Policy, which will direct specific engagement action and better ensure legislative compliance • Review of work programme and terms of reference for Te Manawhenua Mo Matamata-Piako forum, and reconstitution of this forum in the new triennium • Development of a Partnership Agreement with the Te Manawhenua Mo Matamata-Piako forum that would commit to joint aspirations • Review of iwi capacity and in-house resource availability at MPDC, including potential forward ability to respond to potential settlement agreement requirements • Potential focussed education programmes for staff and elected members on Tikanga and Te Reo knowledge and competency • Identify what the Tiriti / Treaty principles mean to Council

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RISK #7

RISK #7	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
							Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
INEFFECTIVE RESPONSE TO CLIMATE CHANGE IMPACTS	**GM People, Governance & Relationships**								
	Council's response may not be sufficient for the district to effectively adapt to the effects of climate change, or mitigate our own climate impact. This may result in a reduction in levels of service, an increase in community vulnerability, and/or financial and reputational damage.	**Very High**	**Adaptation:** • Senior Policy Advisor resource committed into this area and actively involved in regional knowledge-sharing • Climate Change Rivermap developed with clearly articulated priorities and funded strategic actions • Focus groups on Climate Change, Energy and Carbon Management • Investment in scientific hazard, loss and network modelling to ensure knowledge is up to date • Plans and strategies are aligned to consider Climate Change at a high level (LTP, Infrastructure Strategy, Climate Change Rivermap, Future Proof Strategy, Operational Resilience Water Strategy, Water Master Plan, Waste Management and Minimisation Plan) • Tonkin + Taylor engaged to develop an organisational Climate Change Risk Assessment for Council to identify key climate change risks across our assets, services and people and assess the moderating effect that adaptation can bring over various time periods • CDEM arrangements well developed in case of severe weather event • Ongoing programme to increase climate change knowledge of staff and elected members • District Plan rules changed to encourage water sustainability in new developments **Mitigation:** • Emissions inventory undertaken in FY24 • Food scraps separation at kerbside collection	**Adaptation:** Progress made on Climate Change Rivermap priority actions **Adaptation:** Claims against Council in relation to climate change matters such as development in areas with identified / identifiable hazards	**Adaptation:** Identified gaps in data and in existing plans and strategies **Adaptation:** Customer perception of preparedness for climate change via Key Research survey	**Adaptation:** Rising costs for infrastructure maintenance, repair and renewal (natural hazard) Increase in CRMs related to climate change dynamics, eg storm, flooding, heat **Mitigation:** Emissions inventory showing increase in emissions	**Very High** / **Tolerance** / **Outside of Appetite**	**High**	**Council is currently operating outside of assessed appetite.** Appetite is considered achievable if the following adaptation mitigations are successfully introduced : • Climate change considerations integrated into internal decision making processes for example procurement and project management • Implementation of planned priority actions on Climate Change Rivermap - including completion of current risk assessment work, integration of risk assessment into infrastructure planning processes and development of climate resilience strategy • Development of a programme of strategic work for inclusion in the next Long Term Plan, including budget for a community level climate change risk assessment to prioritise areas of the district in which to carry out local level community adaptation planning • Critical gaps in hazard data identified and work commissioned to fill these gaps (wildfire, heat, wind), potentially in collaboration with others • Developed approach for communication with our communities about flood risk • Ongoing programme to increase climate change knowledge of staff and elected members

RISK #8

RISK #8	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
							Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
INADEQUATE FINANCIAL PLANNING	**Chief Executive**								
	Failing to manage revenues, expenses, assets, liabilities, and investments prudently can jeopardize the Council's financial stability and compromise its ability to serve both current and future needs. It can also adversely impact the predictability of the rates, and fees and charges that ratepayers are required to pay, and the affordability of those charges. Effective financial stewardship is essential for long-term sustainability.	**Very High**	• Plans, Strategies and Policies in place include LTP, Annual Plan, Financial Strategy, Infrastructure strategy, Revenue and Financing Policy to guide decision making, Investment and Borrowing • Monthly financial reporting, including treasury policy metrics, for management overview and presentation to Council • Finance team with assigned responsibilities, established relationships with debt collection agency, LGFA, credit facilities in place • External audit of Annual Report and LTP • Risk and Assurance Committee overview of financial policies, audit recommendations and implementation, etc • Triaging and appropriate reporting of any potential and actual legal claims against Council to ensure councils liability is limited and insured position is maximised • Established insurance broker, conducts annual review of insurances on renewal	Monthly financial reporting indicates: • Likelihood of non-achievement of budget through either diminishment of revenue or cost increase • Negative changes in debt metrics Rates collection percentages	Trends in resource and building consent levels / development contribution collection levels. Achievement of key LTP or Annual Plan assumptions	Level of CAPEX delivery vs budget	**High** / **Tolerance** / **Outside of Appetite**	**Moderate**	**Council is currently operating outside of assessed appetite.** Appetite is considered achievable if the following mitigations are successfully introduced : • Approval of Water Services Delivery Plan (WSDP) by the Minister of Local Government with Water and Wastewater ownership and management transferred to a new Waikato Waters entity • Introduction of regular monitoring of key LTP and Annual Plan assumptions and key financial metrics • Active monitoring of Capital Delivery Programme • Regular scan of wider economic and demographic insights data relevant to the district (via sources such as Community Compass, Infometrics) • Strategic review of insurance arrangements

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RISK #9	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
FAILURE TO RESPOND APPROPRIATELY TO POLITICAL CHANGE	**Chief Executive**						**Residual Risk Rating**	**Risk Appetite**	**What can we do to reach appetite / strengthen our position?**
	Failure to anticipate or correctly identify and respond to/accommodate political changes in central government creating misalignment and lack of integration between central government agenda and legislative reforms, and council strategic plans and objectives. There is also potential adverse economic and social impact on the community.	**Very High**	• Active horizon scanning through external legal and technical advisors and professional memberships - LGNZ, Taituara, CEs forum, Zone 2, Rural Provincial • Te Ohu Takatū Anamata (Future Ready Group) reviews impact of proposed legislative changes assists with submissions, etc • Council is an active participant in the various FutureProof forums and working groups alongside Waikato Regional Council, Hamilton City and Waikato and Waipa District Councils • Some monitoring of political climate •Engagement with Iwi Groups and Te Manawhenua Mo Matamata-Piako forum • Full involvement in Waikato Waters Done Well and other regional working groups to optimise wider regional collegial support, lesson learning and efficiencies in approach • Consultation is underway on Waikato Waters Done Well	Te Ohu Takatū Anamata (Future Ready Group) actively operating Analysis of submissions on Waikato Waters Done Well consultation	Active participation in regional and national working groups	Continued watching brief on central government opinion polls and any changes in focus of political parties	**High** / **Outside of Appetite** (Tolerance)	**Moderate**	**Council is currently operating outside of assessed appetite.** Appetite is considered achievable if the following mitigations are successfully introduced : •Submission of Water Services Delivery Plan to Minister by September 2025 in line with legislative requirement •Active transition planning in response to Waters, what do we want MPDC to look like post-waters transition

RISK #10	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
ENSURING WORKFORCE CAPACITY AND CAPABILITY	**GM People, Governance & Relationships**						**Residual Risk Rating**	**Risk Appetite**	**What can we do to reach appetite / strengthen our position?**
	Failure to adequately recruit, retain and develop skilled and capable staff, leading to inadequate workforce capacity and capability, and compromise of ability to deliver on councils objectives and the delivery of services and projects on a timely, cost-effective basis, with flow-on adverse effect to organisational well-being, reputation and finances.	**Very High**	• A strong focus on organisational culture and connection through various initiatives including the weekly bulletin, staff-only facebook group, all staff meetings twice a year. • Three meetings a year held with managers and team leaders across the organisation with focus on culture and empowering and developing leaders. • Belonging Strategy (incorporating diversity, etc) in place • Structured induction programme for new staff • Job-sizing and remuneration system in place to ensure that staff are paid market rates (including MPDC premium) and employee value proposition (EVP)/benefits in place • Well-established performance management processes (2 monthly catch-ups and annual review) to ensure regular performance assessment processes, appropriate reward, and a focus on personal development • Learning and development programme in place with both organisational and individual focus, leadership development programme for anyone with team leadership responsibility • Monthly People, Safety & Wellness focus topics promoted throughout the organisation • Annual staff survey (Ask your Team) results analysed and action-planning processes at organisational level in place • Hauora Mental Health and Wellbeing Strategy • Flexible work practices • Provision of Hamilton - Te Aroha - Hamilton mini-van to assist with travel for people who live outside the district, and pool car share Matamata - Te Aroha - Matamata • Career progression opportunities - established processes to ensure all vacancies are made known internally, allowing good opportunity for internal appointments and career progression. Career pathways within some teams, ie graduate, intermediate and senior roles • Availability of employee support programme • Reach Reps established through the organisation as a means of staff support • Council is an active participant in Colab people and capability managers group and has HRNZ membership • Openness to engaging consultants, contractors or shared services as alternatives where staff cannot be recruited • P&W Team includes a trained HR advisor. Legal advice is sought as required.	Annual Staff Survey engagement results	Staff turnover trends (quarterly)	Exit survey identification of trends and controllable matters	**Moderate** / **Within Appetite** (Tolerance)	**Moderate**	**Council is currently operating within assessed appetite.** The following further mitigations are proposed to strengthen this further: • Remuneration Policy review • Review of induction processes to streamline and ensure that any gaps are identified and remedied • Active transition planning in response to Waters, what do we want MPDC to look like post-waters transition, including focus on optimising staff opportunities / job security • Improved focus on Succession Planning • Potential greater focus on Staff survey response action-planning processes at group manager level, to complement the responses already in place at organisational level • Review of staff survey methodology, for example using pulse surveys • Greater focus on Exit Survey analysis and action response • Consider development of Key Risk Indicator Measure for percentage of roles not recruited in first recruitment round

RISK #11 ENSURING HEALTH, SAFETY AND WELL-BEING	Risk Owner and Risk Description GM People, Governance & Relationships	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
							Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
	A failure to develop a strong health, safety and well-being culture, and any failure to keep staff, elected members, contractors and the public safe and well, can lead to injuries, illness, poor mental well-being, difficulty in maintaining workforce capacity and potentially fatalities, with significant legal, financial service delivery and reputational consequence.	**Extreme**	• Dedicated resource via 3 member S&W team • S&W Management system (Damstra) includes processes and systems for reporting and capturing learnings from events, assessing and managing risk, training, emergency response and injury management • Safety and Wellness Policy in place as well as a Charter for Council • Trained H&S reps throughout organisation, active H&S Committee meets quarterly • Processes in place to identify and focus on critical risks • Monitoring via quarterly and annual safety and wellness reports provided to Council and Eteam (include lag indicators e.g. lost time injuries, medical treatment injuries and notifiable events and lead indicators such as training completion) • Risk reviews are scheduled (currently at least annually) • Critical risk audits conducted by the S&W Team • H&S learning team established with post-event debriefs 3 to 4 times a year), continuous improvement focus • Due Diligence plan for Exec Team and Council • S&W Team meet weekly with Exec Team • Induction and on-going training for staff • Contractor S&W management processes (including pre-qualification)	Identification of trends and significant concerns from Quarterly Safety and Wellness Reporting, including events by severity and analysis of trends	Results of H&S questions in annual staff survey	Results of Critical Risk audits	**High**	**Moderate**	**Council is currently operating outside of assessed appetite.** Council has an objective to minimise any risks to serious injury or harm to any staff member, elected member, contractor or member of the community. However, these risks are of high consequence and impossible to eliminate entirely. For this reason the realistic level of appetite is seen as moderate. Council already has fairly comprehensive strategies and efforts implemented to embed and sustain a health, safety and well-being culture. These will be maintained and continuously improved over time, however it is questionable as to whether appetite can be reached. The following further mitigations are proposed however they are not expected to reduce the risk to appetite levels for the reason noted above: • Review of top 10 critical health and safety risks to ensure the list of top 10 risks adequately reflects our current risk landscape • External H&S audit - to be considered after transition to Local Water Done Well • E-team to complete IOD Health and Safety self-assessment • Review of the safety and wellness induction pathway and accountabilities for managers and team leaders to ensure they have a clear understanding of their responsibilities and are provided with the learning and development needed for their role • Review implications of upcoming HSWA changes in relation to volunteer management
				Damstra reporting of overdue investigations, actions and audits.			**Tolerance** **Outside of Appetite**		

8   Ngā Pūrongo Whakamārama | Information Reports

8.1   Risk Update and Quarterly Risk Report - June 2025
CM No.: 3036667

Te Kaupapa | Purpose

The purpose of this report is to provide a risk management update and a quarterly risk report for the information of the Committee.

Rāpopotonga Matua | Executive Summary

Robust risk management is essential to Council achieving its strategic objectives and this Committee has responsibility for the oversight of enterprise risk management at Matamata-Piako District Council and the effectiveness of Council's risk management framework.

The Quarterly Risk Report, attached, has been developed to aid the Committee in its work. It reports on the progress made in the delivery of the 2025 Risk Management Work Plan together with a Top Risks update and an Emerging Risks update.

This report will continue to be developed in future quarters as a key reporting mechanism for the Committee and Council.

Tūtohunga | Recommendation
That:

1.   The report is received.

Horopaki | Background

As noted at the February meeting of this Committee, David Robson, a Risk and Insurance Specialist working for AON New Zealand, has been engaged by Council to provide risk management advice and support for the next two years. He provides a similar service to four other rural provincial councils.

Council has also engaged Ken Morris, of KM Solutions + Advisory, to among other things drive the implementation of a significantly revamped risk management framework and ensure a sustainable risk management activity beyond that. Ken was until recently the Group Manager Business Support at Waipa District Council and in that role he led a programme of work over a number of years that has resulted in Waipa becoming regarded as an exemplar in the New Zealand local government sector for its risk management approach.

Ken and David have been, and will be, working closely together in this space. They will both be in attendance at the meeting.

Ngā Take/Kōrerorero | Issues/Discussion

The Quarterly Risk Report attached to this report, has been developed to aid the Committee in its work. It reports on the progress made in the delivery of the 2025 Risk Management Work Plan together with a Top Risks update and an Emerging Risks update. It is intended to prompt discussion at the Committee meeting.

The intention is that this report will be further developed in future quarters as a key reporting mechanism for the Committee and Council. For instance, it is intended to build in Key Risk Indicator reporting for the 'Top Risks' in order for the Committee to see that the controls in place to mitigate those top risks are effective. The report can also provide a dashboard update of progress on the implementation of new controls designed to reduce risk further and meet desired risk appetite.

Ngā Tāpiritanga | Attachments

A⇩.   Quarterly Risk Report - June 2025

Ngā waitohu | Signatories

Author(s)	Ken Morris	
	Consultant Risk and Business Excellence Advisor	

Approved by	Kelly Reith	
	Hautū Tāngata, Kāwana me ngā Hononga | Group Manager People, Governance & Relationships	

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Quarterly Risk Report

June 2025

Executive Summary

- Since the previous report to this Committee, staff have continued to focus on delivery of the 2025 Risk Management Work Plan.

- A Risk Maturity Assessment has been completed across the Executive and Manager levels of the organisation with the results included in this report.

- Significant further development work on the 'Top Risks' document has been completed across the organisation and the document is now included elsewhere in this agenda for the Committee's endorsement. This work will provide the base for the Committee's quarterly oversight of the management of these key organisational risks going forward.

- Work continues on the finalisation of a Risk Management Framework (RMF) and associated documentation.

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Attachment A

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Attachment A

Risk Management Work Plan 2025

A road map has been developed for MPDC's Risk Management Work Plan.

The 2025 Work Plan that has been developed to identify the key deliverables for the 2025 reporting year, and an update on progress since the previous report follows:

Risk Maturity Assessment	Gauge current levels of risk maturity to inform the 2025 Risk Management Work Plan	Completed and reported in this report
Organisational and Strategic Risk Register Review	Review format and current content. This will include a review of the 'Top Risks' and their mitigations	'Top Risks' fully reviewed and provided elsewhere on this agenda for Committee endorsement
Risk Management Framework (RMF)	Evaluate current policy level documentation and consider if a RMF would be a suitable alternative to standard management policy	In progress
Business Continuity Management (BCM) Review	Desk-top review and evaluation of current business continuity arrangement.	Yet to commence

Risk Management Work Plan 2025

Risk Maturity Assessment

The goal of the risk maturity self-assessment is to measure MPDC's risk maturity against an industry standard maturity matrix (appendix 1). The assessment was carried out by survey of the executive leadership team and the following table provides the findings:

Criteria	Level
Strategy and Governance	Level 1
Process	Level 1
Systems and Intelligence	Level 2
Monitoring and Review	Level 2
Culture	Level 1

The findings indicate MPDC is operating between level 1 (Initial) and level 2 (Defined). The areas scoring as level 2 positively reflect leadership's tone at the top and how risk forms part of planning. These can be difficult areas to achieve and/or slow to develop, so this is very much a positive for MPDC. The expectation is the areas rated as level 1 will shift to level 2 with the introduction of a revised and comprehensive risk management framework as planned. With level 1 associated with organisations' that are at an initial/entry level of risk management, level 2 provides assurance that MPDC's risk management activity is functional and at comparable common standard with other councils. A re-survey to measure progress is planned for next year. MPDC Tier 3 managers were also surveyed and their results align with the executive team, adding confidence to the accuracy of the findings.

Risk Management Work Plan 2025

Organisational and Strategic Risk Register Review

Significant work has been done on the structure of MPDC's risk register. The 'Top Risks' of the organisation have now been fully reviewed and a new 'Top Risks' document has been provided elsewhere on this agenda for Committee endorsement. This work has had input from right across the organisation and at executive level. It will provide the base for the Committee's quarterly oversight of the management of these key organisational risks going forward. A 'Top Risks' summary table and heat map is provided on the next two pages of this report.

Risk Management Framework (RMF)

An evaluation of the current policy level documentation against a RMF has been completed. Rather than a rules based approach of a policy, an RMF is proposed as a preferred alternative. It will provide a comprehensive blueprint of how MPDC identifies, assesses and manages risk. The development of the RMF will now be a key focus with intention it is provided for endorsement at the September meeting of the Committee.
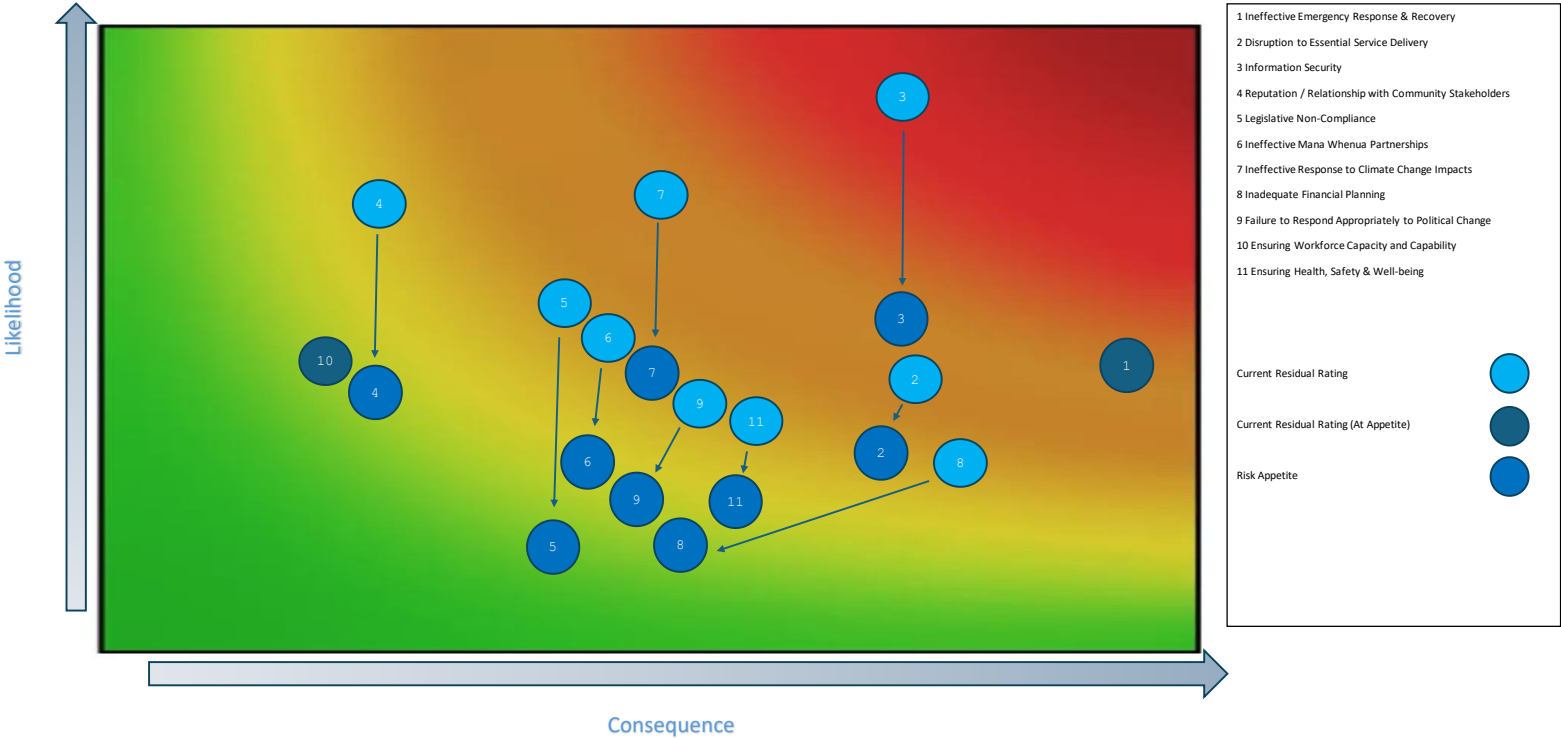
Top Risks Update

SUMMARY OF TOP RISKS

	1	2	3	4	5	6	7	8	9	10	11
	Ineffective Emergency Response & Recovery	Disruption to Essential Service Delivery	Information Security	Reputation / Relationship with Community Stakeholders	Legislative Non-Compliance	Ineffective Mana Whenua Partnerships	Ineffective Response to Climate Change Impacts	Inadequate Financial Planning	Failure to Respond Appropriately to Political Change	Ensuring Workforce Capacity and Capability	Ensuring Health, Safety & Well-being
INHERENT RISK RATING											
Consequences	Extreme	Very High	Very High	High	High	High	High	Very High	High	High	Extreme
Likelihood	Almost Certain	Almost Certain	Almost Certain	Likely	Likely	Almost Certain	Likely	Possible	Likely	Likely	Likely
INHERENT RISK RATING	EXTREME	EXTREME	EXTREME	VERY HIGH	VERY HIGH	VERY HIGH	VERY HIGH	VERY HIGH	VERY HIGH	VERY HIGH	EXTREME
CURRENT RESIDUAL RISK RATING											
Consequences	Extreme	Very High	Very High	Moderate	High	High	High	Very High	High	Moderate	High
Likelihood	Possible	Possible	Almost Certain	Likely	Possible	Possible	Likely	Unlikely	Possible	Possible	Possible
CURRENT RISK RATING	VERY HIGH	VERY HIGH	EXTREME	HIGH	HIGH	HIGH	VERY HIGH	HIGH	HIGH	MODERATE	HIGH
RISK APPETITE											
Consequences	Extreme	Very High	Very High	Moderate	High	High	High	High	High	Moderate	High
Likelihood	Possible	Unlikely	Possible	Possible	Rare	Unlikely	Possible	Unlikely	Unlikely	Possible	Unlikely
RISK APPETITE RATING	VERY HIGH	HIGH	VERY HIGH	MODERATE	LOW	MODERATE	HIGH	MODERATE	MODERATE	MODERATE	MODERATE
TREND IN RISK STATUS											
TREND	↔	↔	↔	↔	↔	↔	↔	↔	↔	↔	↔

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Top Risks Update

TOP RISKS HEAT MAP

Emerging Risk Update

The following table notes some key emerging risks identified across the local government sector via professional networks, the local environment and from a national/global perspective. There may not be sufficient knowledge around the following risks for their formal addition to the organisational risk register, due to their emerging state, but a 'watching brief' should be kept on them:

Risk	Rating	Commentary
Pace of the 'Local Water Done Well' transition	Very High	This is now moving fast and there is risk this pace may result in various transition risks including the readiness of the new water services entities as well as the councils transferring the activity and central government and support agencies such as the LGFA. Robust transition planning will be required for successful transition.
Treaty Principles Bill	Opportunity	All signs suggest the Bill will not be passed by government. The Bill proposed to align Treaty principles with the ACT Party vision of a more 'equal application of rights for all New Zealanders'. It has likely been successfully argued that the proposal undermines Māori rights and disrupts established interpretations of the Treaty. As 'Ineffective Strategic Partnerships with Mana Whenua, Iwi, Hapu and Maori' is one of council's 'Top Risks', this presents the opportunity to consider and recognise the implications of this likely outcome.
Insurance renewals	Opportunity	Signs point to a continuing softening insurance market environment for most of councils insurance programme which presents the opportunity of potential savings in premiums as well as options to review policy limits, terms, and schedule content to ensure council is insuring the right assets at the right level of cover.

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Appendices

Appendix 1 - Risk Maturity Assessment Criteria

Assessment Criteria	Strategy and Governance	Process	Systems and Intelligence	Monitoring and Review	Culture
Optimised	Leading edge aligned risk management and mitigation strategies in place. Accountability and responsibilities for risk management functions clearly defined. Audit and risk committee are committed to regular assessment of the risk management function. Three lines of defence articulated and implemented. Risk management incorporated into daily operations. Risk appetite and tolerance levels are communicated.	Loss prevention and risk management processes are standardised and integrated organisation wide. A proactive audit program of stress testing is conducted regularly on all key risks. Risk management process is auditable. Key risk indicators are used extensively across the organisation.	Highly automated and reliable information sharing which enables organisational-wide quick response, remediation, and mitigation of risk incidents/issues. Fully integrated and advanced enterprise risk management system. Use of sophisticated tools and data collection to quantify risks. Predictive analytics used extensively across the risk management framework.	Aligned strategic methodologies that emphasise continues improvement. Fully implemented formal escalation process for all key risks across the organisation on a real time basis is fully implemented and working. Risk appetite delegations exist for all levels of the organisation and used as a basis for risk acceptance or rejection. Governance and executive oversight and monitoring is visible.	Risk profiles are aligned to corporate and strategic goals. Governance and executives leading in risk management consciousness. Leading in key risk indicators which are related to strategic and corporate goals. There is clear ownership of all risks and controls. Risk is considered an opportunity as well as a threat. Risk management is seen as an enabler. Staff have some component of their personal KPIs related to risk.
Consistent - Implemented	Strategic and risk management plans and policies drive actions in all levels of the organisation. There is organisational buy-in of risk management procedures. A dedicated Risk Manager or equivalent is appointed.	Risk management processes are standardised and enforced at all levels. Stress testing used in risk quantification and contingency planning. Risk management practices deliverables sustained, and key risk indicators are used as an early warning system.	A single main risk management system. High quality reporting of risk incidents and issues available through enabling technology solutions depending on the size and needs of the organisation. Improved controls and compliance reporting available for resource deployment and decision making.	Targeted and specialised programs focussing on elimination of root causes of loss/risk incident implemented. Exception reporting and predictive analysis improves resource allocation.	Governance has a specific focus on risk management in all audit and risk committee meetings. Risk incidents are dealt with consistently. Risk management is an explicit part of business planning. Effective education and communication strategies are integrated into organisational governance and risk programs.
Consistent – Designed	Annual risk management plan is created. Risk appetite and risk tolerance is established. An articulated risk management methodology/policy. The three lines of defence are recognised across the organisation.	Risk and risk components are defined. Risk management processes defined at unit or divisional level.	There is some availability of risk incidents, issues, and trends reports. Risk analytics processes not fully implemented across the organisation.	Formalised risk monitoring and review methodologies allow improved analysis and response for critical decision making. Effective system of formal risk incident reporting and tracking. Formal escalation process for risk related matters exists but not fully operational.	Systematic risk monitoring. The risk management framework includes the requirement for all risks and controls to have an assigned owner. Most employees are neutral regarding the value of risk management as it is not fully understood or practised.
Defined	A high-level risk management methodology is articulated. Internal audit and risk are unconnected functions. Risk appetite is articulated qualitatively.	Risk management processes and control management applied inconsistently. There is a small use of risk management and control assessment templates and risk register. Controls testing on an ad-hoc basis.	A range of systems used with minimum tailoring capability. No integration of risk systems. Limited analytics on historical data. Performance is measured manually on an annual basis.	Simple tools used inconsistently. Risk management captured but with control strategies reliant on verbal assurance. There are areas of the organisation use risk incidents to develop actions but are applied inconsistently.	Governance discusses a range risk matters but there is no specific agenda item for risk. There are risks that are not allocated specific owners. Poorly communicated/reported risk management which could be taken as conservativism/risk avoidance.
Initial	Risk is not addressed as a strategic opportunity. The organisation provides minor risk management direction.	No standard risk management practices and procedures. No definition formalised and communicated to staff. Lack of operational controls lends to uncontrolled risk loss. Risk management is often ad-hoc and reactive. No formal process to track current levels of risk.	No capacity to track risk management and exposure through incidents and events. Risk controls and performance measured sporadically. Manual reporting with limited data integrity. No capability to conduct analytics.	Governance and executive management have no, or low level of involvement in risk related matters. No risk compliance or performance monitoring methodology. No process for continuous improvement for risk management.	No formal risk management and mitigation strategy. No clear ownership of risks and controls. Risk management is considered a hindrance and an overhead.

Maturity (vertical axis label)

8   **Ngā Pūrongo Whakamārama | Information Reports**

8.2   Top Risks Deep Dive: Ineffective Strategic Partnerships wtih Mana Whenua, Iwi, Hapū and Māori

CM No.: 3039204

Te Kaupapa | Purpose

Over the last year, Council 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 risks. This item explores risk #6: *Ineffective Strategic Partnerships with Mana Whenua, Iwi, Hapū and Māori* and discusses the controls in place to reduce this risk.

Rāpopotonga Matua | Executive Summary

Ineffective Strategic Partnerships with Mana Whenua, Iwi, Hapū and Māori has been identified as one of Council's top risks. The inherent risk rating for this risk is very high and after considering the controls we have in place, the residual rating drops to high, which is outside the initial assessed risk appetite for this risk. 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 committee the opportunity to understand the risk in more depth and give them the opportunity to ask questions, or make suggestions to improve Council's response to the risk.

A full extract of the Top Risk document in relation to this risk is provided in Attachment A.

Tūtohunga | Recommendation
That:

1.   **The information be received.**

Ngā Take/Kōrerorero | Issues/Discussion

What is the risk and are its consequences fully understood?

The risk description for this risk is:
Negative outcomes associated with a failure to proactively develop and maintain partnership, meet legislative responsibilities, and understand and mitigate shared risks. Adverse outcomes may involve difficulty delivering key projects, lost opportunity, and compromise of the ongoing partnership for all involved.

Effective partnerships with mana whenua, iwi, hapū, and Māori are vital for Council as they foster mutual respect, trust, and collaboration, which are essential for achieving positive, sustainable outcomes in areas such as land use, environmental management, and economic and social development. By working in partnership, councils can draw on Māori knowledge, such as kaitiakitanga (guardianship), to better manage natural resources and protect cultural heritage. Additionally, these partnerships help meet legal obligations under Te Tiriti o Waitangi (The Treaty

of Waitangi), by ensuring the incorporation of their needs, values, and rights into council processes, policies, and decisions.

This risk includes challenges such as failure to:

- build meaningful and respectful partnerships

- consider interests, perspectives, cultural practices and values

- meet Tiriti obligations

- meet legal obligations (specifically the Local Government Act 2002 (LGA) and Resource Management Act 1991(RMA)) – by failing to include mana whenua, Iwi, Hapū and Māori in decision-making processes, such as resource management, policy development, and planning processes.

If this risk materialises, the consequences can be significant and wide-ranging, including:

- Breach of legal obligations (outlined in the legal section of this report) and/or Tiriti obligations (legal challenges or claims, potential compensation or remediation costs)

- Loss of trust and confidence in Council

- Damage to Council's reputation as a trusted partner

- Could result in decisions that are culturally inappropriate or disrespectful to Māori values, leading to a disconnect between council and iwi/Māori communities.

- The effective use of Māori knowledge could be hindered (such as kaitiakitanga, or guardianship of the environment) in decision-making, which might lead to poor environmental or cultural outcomes

Failure to engage effectively with iwi and Māori can result in missed opportunities for economic development within Māori communities. This includes partnership opportunities in business, tourism, and land development.The inherent risk rating for this risk is very high.

What are the controls in place, and how do they mitigate the risk?

Control	Why is this control in place and how does it mitigate the risk (preventative or corrective)?	Level of Effectiveness (noting this is a subjective rating and has been used to indicate where there is room for improvement or further opportunity)
Some partnering on key projects, plans and strategies and ensuring of early involvement	**Preventative** – This control ensures that mana whenua and iwi are involved from the outset in key decisions, reducing the likelihood of decisions being made without their input. Early engagement promotes collaboration, builds trust, and enables the council to	Partially Effective (70%)

Control	Why is this control in place and how does it mitigate the risk (preventative or corrective)?	Level of Effectiveness (noting this is a subjective rating and has been used to indicate where there is room for improvement or further opportunity)
	address concerns proactively.	
Dedicated Te Ohu Tūhono team in place (2 persons), with on-going commitment to relationships with 12 iwi	**Preventative** – Having a dedicated team focused on iwi relationships ensures consistent and meaningful engagement, improves communication, and cultural understanding.	Fully Effective (100%)
Te Manawhenua Mo Matamata-Piako forum established and running to provide some means of shared information and input	**Preventative** – This forum provides a formal mechanism for mana whenua and iwi to share information, provide input into decision-making and relationship building.	Fully Effective (100%) under the current Heads of Agreement. Further opportunity is available.
Māori Ward Councillor in place	**Preventative** – The Māori Ward Councillor ensures direct Māori representation in local governance, helping the council better understand Māori needs, perspectives, and concerns.	Fully Effective (100%)
Recent commencement of regular Rangatira to Rangatira meetings with active iwi	**Preventative** – These meetings foster high-level, ongoing communication between iwi leaders and the council, promoting alignment on key issues and providing a space to address concerns before they escalate into risks.	Effective (80%) – these hui have just started with some iwi and there is further opportunity available
Some aligning of processes, communications and decisions to Tiriti Principles	**Preventative** – Aligning decision-making to Tiriti principles ensures that Māori rights and interests are respected, reducing the risk of non-compliance and ensuring culturally sensitive and legally sound governance.	Partially Effective (70%)
Support of community-focused events that celebrate Te Ao Māori, either through collaborative partnership support of events like hauora days or grant funding for events like the celebration of Matariki	**Preventative** – By supporting events that celebrate Māori culture, the council demonstrates a commitment to Māori communities, strengthens relationships, and mitigates the risk of cultural disconnect or exclusion.	Partially Effective (70%)

What level of risk is the council prepared to take?

With these controls in place, the risk rating reduces to High.

Council partnerships with mana whenua and iwi have improved over the recent years, especially following the introduction of a dedicated staff member to support these relationships.

However, more work to develop, maintain and support effective partnerships with mana whenua, iwi, hapū and Māori is required. Particularly to ensure Council's legal obligations are met under the LGA, and to ensure opportunities are not lost such as the Hauraki Settlement.

This is why the residual rating (high) is still higher than appetite (medium).

More information on planned activities to reduce the residual rating to medium are included in this report.

Recent changes to risk context

Recent central government changes or proposed changes such as the reinstatement of Māori ward poll provisions, reduced use of Te Reo in public service, funding reductions, the disestablishment of Te Aka Whai Ora (Māori Health Authority) and the proposed Treaty Principles Bill could increase risk to Council if the political climate is misinterpreted as diminishing the importance of mana whenua and iwi partnerships. This could result in Council failing to meet legal obligations and eroding the effort put into partnerships over the years. The current environment requires careful navigation that maintains legal compliance, while continuing to strengthen relationships.

The Hauraki Treaty Settlement, involving 12 iwi of Hauraki some of which reside within Matamata-Piako provides an opportunity for iwi and Council to partner for the benefit of the community. Another reason that Council should continue to strengthen relationships.

Have any incidents occurred that have stress tested the rigor of the above controls?

The following incidents tested the Rangatira to Rangatira (iwi and Council leaders) control.

With the confidence gained from iwi to address concerns at an operational level saw a recent situation involving land near the Tui Domain Track. The Ngāti Rāhiri Tumutumu entity raised an issue regarding earthworks and vegetation clearance being carried out by a third-party lessee on land of significant cultural and environmental value. While the fire hazard management aligned with the District Plan's objectives, the lack of early consultation with mana whenua highlighted the ongoing risk of disconnect between operational decisions and cultural expectations. In response, Council staff promptly engaged with iwi, coordinated internal communications, and initiated site visits to reassess the situation. This incident highlighted the importance of involving iwi early, particularly where land with Treaty settlement significance is concerned. It also demonstrated the value of having a dedicated iwi engagement team in place, which enabled timely responses and facilitated mana whenua input into next steps.

A second incident involved the discovery of contaminants around a water body near the Matamata Waste Water Treatment Plant. Mana whenua, as Kaitiaki of the taiao (environment), raised the critical importance of protecting the environment. Thanks to the strong relationship fostered through Rangatira to Rangatira communications, mana whenua felt comfortable bringing the concern forward. Taking direction from mana whenua, Council staff acted swiftly to resolve the issue, demonstrating the trust and collaboration that has been built through ongoing high-level

engagement. This situation reinforced the value of maintaining open communication channels and aligning operational responses with the cultural responsibilities that mana whenua hold as guardians of the environment. Karakia concluded the event as a way to apologise to the taiao and a show of good faith that there will be an effort made to ensure this would not occur again.

Trends in the Key Risk Indicators

The Key Risk Indicators for this risk have previously not been monitored formally. This will become a focus in the year ahead.

The key risk indicators are as follows:

- Level of appropriate representation at discussion /decisions, including TMF

  o An annual Te Manawhenua Forum survey is undertaken. Of the six questions, one provides data for a performance measure in Council's current Long Term Plan (LTP) - "The percentage of Te Manawhenua Forum mō Matamata-Piako Forum members who complete the survey are satisfied/very satisfied that Tangata Whenua with Mana Whenua status are recognised and have meaningful involvement in decision-making." The survey is currently being reviewed with forum members and consideration being given to how this data and feedback will be used in the future.

- Negative feedback or concerns raised by Mana Whenua, Iwi , etc

  o Consideration to how this will be measured will be a focus in the year ahead.

- Number of Rangatira to Rangatira meetings in quarter

  o In the last quarter (January – March), three Rangatira to Rangatira meetings were held. With Ngāti Hauā, Ngāti Hinerangi and Ngāti Rāhiri Tumutumu. These provided an opportunity to establish relationships with the new CEO and raise any current issues.

- Events being supported by grant or partnership

  o A grant was made available to support iwi led Matariki projects or events.

What actions are planned to further reduce the risk level?

Council is currently operating outside of assessed appetite. Appetite is considered achievable if the following mitigations are successfully introduced:

• Adoption of a Tangata Whenua Engagement Policy, which will direct specific engagement action and better ensure legislative compliance

• Review of work programme and terms of reference for Te Manawhenua Mo Matamata-Piako forum, and reconstitution of this forum in the new triennium

• Development of a Partnership Agreement with the Te Manawhenua Mo Matamata-Piako forum that would commit to joint aspirations

• Review of iwi capacity and in-house resource availability at MPDC, including potential forward ability to respond to potential settlement agreement requirements

• Potential focussed education programmes for staff and elected members on Tikanga and Te Reo knowledge and competency

• Identify what the Tiriti/Treaty principles mean to Council

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

The Local Government Act 2002 requires local authorities to consider Māori interests, foster Māori participation, and ensure that decision-making processes are aligned with the principles of the Treaty of Waitangi. In practice, these provisions require councils to engage with Māori communities meaningfully, consider Māori perspectives on key issues, and provide opportunities for Māori to contribute to the governance of local communities. Some examples of relevant sections within the LGA are outlined below:

77 Requirements in relation to decisions
(1) A local authority must, in the course of the decision-making process,—
> *(a) seek to identify all reasonably practicable options for the achievement of the objective of a decision; and*
> *(b) assess the options in terms of their advantages and disadvantages; and*
> *(c) if any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.*

81 Contributions to decision-making processes by Māori
(1)A local authority must—
> *(a) establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority; and*
> *(b) consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority; and*
> *(c)provide relevant information to Māori for the purposes of paragraphs (a) and (b).*

In addition, the Resource Management Act 1991 (RMA) incorporates a number of provisions that explicitly recognise Māori rights and responsibilities, as well as the importance of Māori involvement in the management of natural resources. The Act requires decision-makers to consider Māori cultural values, take into account the principles of the Treaty of Waitangi, and provide opportunities for Māori to participate in resource management processes.

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

The current iwi partnership functions and activities are provided for within existing budgets. Implementation of further mitigations may require additional funding and would be considered during Councils usual planning and budget setting processes.

Ngā Tāpiritanga | Attachments

A⇩.   Top Risks Deep Dive - Risk 6 Mana Whenua Partnerships

Ngā waitohu | Signatories

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	Manaia Te Wiata	
	Tumu Whakarae | Chief Executive Officer	

Item 8.2

Attachment A

Attachment 1

Extract of Top Risk Register for Risk 6 'Ineffective Mana Whenua Partnerships'

RISK #6	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
							Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
INEFFECTIVE STRATEGIC PARTNERSHIPS WITH MANA WHENUA, IWI, HAPŪ AND MĀORI	**GM People, Governance & Relationships** Negative outcomes associated with a failure to proactively develop and maintain partnership, meet legislative responsibilities, and understand and mitigate shared risks. Adverse outcomes may involve difficulty delivering key projects, lost opportunity, and compromise of the ongoing partnership for all involved.	**Very High**	• Some partnering on key projects, plans and strategies and ensuring of early involvement • Dedicated Te Ohu Tūhono team in place (2 persons), with on-going commitment to relationships with 12 iwi • Te Manawhenua Mo Matamata-Piako forum established and running to provide some means of shared information and input • Māori Ward Councillor in place • Recent commencement of regular Rangatira to Rangatira meetings with active iwi • Some aligning of processes, communications and decisions to Treaty Principles • Support of community-focussed events that celebrate Te Ao Māori, either through collaborative partnership support of events like hauora days or grant funding for events like the celebration of Matariki	Level of appropriate representation at discussion /decisions, including TMF Events being supported by grant or partnership	Negative feedback or concerns raised by Mana Whenua, Iwi , etc	Number of Rangatira to Rangatira meetings in quarter	**High** / **Tolerance** / **Outside of Appetite**	**Moderate**	**Council is currently operating outside of assessed appetite.** Appetite is considered achievable if the following mitigations are successfully introduced : • Adoption of a Tangata Whenua Engagement Policy, which will direct specific engagement action and better ensure legislative compliance • Review of work programme and terms of reference for Te Manawhenua Mo Matamata-Piako forum, and reconstitution of this forum in the new triennium • Development of a Partnership Agreement with the Te Manawhenua Mo Matamata-Piako forum that would commit to joint aspirations • Review of iwi capacity and in-house resource availability at MPDC, including potential forward ability to respond to potential settlement agreement requirements • Potential focussed education programmes for staff and elected members on Tikanga and Te Reo knowledge and competency • Identify what the Tiriti / Treaty principles mean to Council

8   Ngā Pūrongo Whakamārama | Information Reports

8.3   Top Risks Deep Dive: Ensuring Health, Safety and Wellbeing

CM No.: 3037929

Te Kaupapa | Purpose

Over the last year, Council 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 risks. This item explores risk #11: *Ensuring Health, Safety and Wellbeing*, and discusses the controls in place to reduce this risk.

Rāpopotonga Matua | Executive Summary

Ensuring the health, safety and wellbeing of staff, elected members, contractors and the public has recently been added as one of Council's top risks following a recommendation from our Risk Consultant, Ken Morris. The inherent risk rating for this risk is extreme and after considering the controls we have in place, the residual rating drops to 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 committee the opportunity to understand the risk in more depth and give them the opportunity to ask questions, or make suggestions to improve Council's response to the risk.

A full extract of the Top Risk document in relation to this risk is provided in Attachment A.

Tūtohunga | Recommendation

That:

1.   **The information be received.**

Ngā Take/Kōrerorero | Issues/Discussion

What is the risk and are its consequences fully understood?

The risk description for this risk is:

A failure to develop a strong health, safety and well-being culture, and any failure to keep staff, elected members, contractors and the public safe and well, can lead to injuries, illness, poor mental well-being, difficulty in maintaining workforce capacity and potentially fatalities, with significant legal, financial service delivery and reputational consequence.

Ensuring Health, Safety and Wellbeing is a critical risk for Council due to the legal, operational, and reputational consequences of failing to provide a safe and healthy environment for staff, elected members, contractors, and the public. Under the Health and Safety at Work Act 2015 (HSWA)**,** councils are classified as Persons Conducting a Business or Undertaking (PCBUs**)** and hold primary duties of care to ensure, so far as reasonably practicable, the safety of workers and others affected by their operations.

Council has identified its "Top 10" health and safety critical risks that demonstrate the diverse range of risks that need to be managed. These risks are compounded by a reliance on contractors and the need to manage public health and safety in shared spaces and facilities.

The "Top 10" risks are as follows:

Potential consequences of the health, safety and wellbeing risk are as follows:

- Fatality

- Injury or illness

- Legal liability and enforcement action

- Operational disruptions and increased costs (e.g. injury related downtime)

- Loss of public trust and reputational damage

- Financial implications (investigations, fines, compensation)

The initial risk rating for this risk is extreme, due to the potential consequence of loss of life.

What are the controls in place, and how do they mitigate the risk?

Control	Why is this control in place and how does it mitigate the risk (preventative or corrective)	Level of effectiveness (noting this is a subjective rating and has been used to indicate the level of effectiveness of the control)
Safety and Wellness Management system (Damstra)	Preventative and Corrective - includes processes and systems for reporting and capturing learnings from events, assessing and managing risk, training, safety critical plant maintenance, emergency response and injury management.	Effective (80%)
Critical risk audits conducted by the Safety and Wellness Team	Preventative - audits provide an objective check on whether critical risks are being adequately managed and controlled. These audits can uncover weaknesses or non-compliance before they lead to harm, enabling corrective actions to be taken promptly. They reinforce accountability and continuous	Effective (80%)

	improvement.	
Processes in place to identify and focus on critical risks	Preventative - prioritising critical risks (those with the highest potential for harm) ensures that resources are allocated to where they are most needed. Proactively identifying and managing these risks reduces the likelihood of severe incidents and enables more targeted controls and interventions.	Effective (80%)
Risk reviews are scheduled (currently at least annually)	Preventative - regular risk reviews ensure that existing controls remain effective and that new or emerging risks are identified and addressed. Annual reviews are a minimum standard of diligence and help maintain compliance and adapt to changes in work practices, technologies, or regulations.	Effective (80%)
Contractor Safety and Wellness Management processes (including prequalification)	Preventative and Corrective - prequalification processes ensure contractors have systems in place to manage H&S. Pre-start meetings and annual reviews ensure that MPDC's expectations are made clear and both parties work in partnership to ensure that work is completed safely. This is monitored through site visits and audits.	Effective 80%
Dedicated Safety and Wellness Team (3 staff)	Preventative – the team provide dedicated expertise, and specialist advice to support safety culture. The team undertake risk reviews, assist with incident investigations, coordinate health monitoring and pre-employment testing, ensure safety and wellness staff training is current, review safety management plans and much more.	Effective (80%)
Induction and ongoing training for staff	Preventative - Induction and ongoing training is an important control to ensure that staff have the skills and capability to do their work safety.	Effective (80%)
Safety and Wellness Team meet weekly with Executive Team	Preventative and corrective - frequent meetings foster strong communication and alignment between safety professionals and decision-makers. They allow for rapid escalation of issues, quicker decisions, and continuous reinforcement of H&S priorities. It demonstrates visible leadership, which is key in promoting a safety culture.	Effective (80%)
Monitoring via quarterly and annual safety and wellness reports provided to	Preventative - reporting on both lag indicators (what has happened) and lead indicators (what is being done to prevent harm) supports data-driven decision-making. It enables	Partially Effective (70%)

Council and Executive (include lag indicators e.g. lost time injuries, medical treatment injuries and notifiable events and lead indicators such as training completion)	management to track trends, identify gaps, and adjust strategies before incidents occur, while also providing transparency and accountability.	
Trained H&S reps throughout organisation, active H&S Committee meets quarterly	Preventative – having trained representatives ensures that knowledgeable personnel are present in different areas to identify and address hazards proactively. The H&S Committee provides a structured forum for engagement, collaboration, review, and planning, helping to ensure that issues are escalated and resolved.	Partially Effective (70%)
H&S learning team established with post-event debriefs (3 to 4 times a year), continuous improvement focus	Corrective - a learning team approach encourages reflective practice and learning from incidents or near misses in a non-punitive way. Post-event debriefs help identify root causes and system issues, promoting a culture of improvement rather than blame. This leads to stronger, more resilient systems.	Partially Effective (70%)
Safety and Wellness Policy in place as well as a Charter for Council	Preventative – a formal policy and charter sets a clear framework for expected behaviours, responsibilities, and priorities around health and safety. It demonstrates top-level commitment and creates a consistent standard that guides all H&S actions. This promotes a safety-first culture and ensures accountability across the organisation.	Partially Effective (70%)
Due Diligence plan for Exec Team and Council	Preventative - a formal plan ensures the Executive Team and Elected Members are aware of and fulfil their legal obligations under health and safety laws. It encourages active governance and oversight, and ensures leaders are equipped to ask the right questions and support H&S initiatives effectively.	Partially Effective (70%)

What level of risk is the council prepared to take?

With these controls in place, the risk rating reduces to High.

Council has an objective to minimise any risks of serious injury or harm to any staff member, elected member, contractor or member of the community. However, health and safety risks are of high consequence and impossible to eliminate entirely. For this reason, the realistic level of appetite is seen as moderate.

Council already has fairly comprehensive strategies and efforts implemented to embed and sustain a health, safety and well-being culture. These will be maintained and continuously improved over time, however it is questionable as to whether appetite can be reached.

Management continue to strive toward continuous improvement and more information on planned activities is included in this report.

Recent changes to risk context

As reported in the quarterly report there is an increasing trend in abusive/aggressive/threatening behaviour towards staff and elected members. New mitigations including additional training has been put in place to support staff and elected members. There has also been a notable increase in the utilisation of police services, which seems to have proven beneficial in preventing recurrence of this type of behaviour.

Fatigue continues to be a concern for on-call water and waste water operators. We are currently recruiting additional operators and have appointed team leaders to provide improved support and oversight.

Refuse Transfer Stations are a high-risk area of work and the transition from this area being contracted out to KVS could increase risk during the transition period.

Proposed changes to the Health and Safety at Work Act (2015) and the refocus of WorkSafe from an enforcement agency to one that engages early to support businesses and individuals to manage their critical risk may have an impact on how we manage this risk.

Have any incidents occurred that have stress tested the rigor of the above controls?

Safety and Wellness incidents are investigated to determine whether the controls we have in place are effective. Two recent examples include a phone threat to staff and a notifiable incident.

Phone threat - a learning team was held with relevant staff from different parts of the organisation to identify opportunities for improvement. Actions to follow up were discussed with the Executive team and logged in Damstra.

Notifiable incident - an employee sustained an eye injury after being struck by a wire, resulting in temporary loss of sight in one eye. WorkSafe contacted Council for further information about the mitigations planned to prevent recurrence of this injury. WorkSafe advised they will not be taking further action.

Trends in the Key Risk Indicators

Four key risk indicators have been identified for this risk:

- Identification of trends and significant concerns from Quarterly Safety and Wellness Reporting, including events by severity and analysis of trends

- Results of H&S questions in annual staff survey

- Results of Critical Risk audits

- Damstra reporting of overdue investigations, actions and audits

Trends and significant concerns are reported quarterly to the Executive Team, Risk and Assurance Committee, and Council. Including events and analysis of trends. This will be presented separately to the June Risk and Assurance meeting.

The Safety and Wellness team report on overdue investigations, actions and critical risk audits to the Executive Team every quarter. The latest report went to the Executive Team on 3 June (critical risk audits were reported to the Executive team on 20 May). The Executive team are also provided with a report when an incident is logged in Damstra.

A more detailed trend analysis is provided in the Annual Report, which is due in August and will be presented to the September Risk and Assurance meeting.

The results of the relevant health and safety questions in the 2025 annual staff survey were positive with the level of agreement for two questions increasing and one remaining the same as the previous year.

Question	Agree % (total level of agreement)	Difference 2024 to 2025
MPDC places an emphasis on the safety and wellness of its staff and customers	92.6%	0%
MPDC cares about my overall wellbeing	90.5%	1%
I feel safe to tell the truth even when it is unpopular* * *this question relates to psychological safety*	79.2%	3%

What actions are planned to further reduce the risk level?

The following further mitigations are proposed however they are not expected to reduce the risk to appetite levels as health and safety risks are of high consequence and impossible to eliminate entirely.

- Review of top 10 critical health and safety risks to ensure the list of top 10 risks adequately reflects our current risk landscape

- External health and safety audit - to be considered after transition to Local Water Done Well

- E-team to complete Institute of Directors Health and Safety self-assessment

- Review implications of upcoming Health and Safety at Work Act 2015 changes (including in relation to volunteer management)

- Review of the safety and wellness induction pathway and accountabilities for managers and team leaders to ensure they have a clear understanding of their responsibilities and are provided with the learning and development needed for their role.

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

The Health and Safety at Work Act 2015 establishes a framework for managing risks, requiring businesses (PCBUs) to ensure their workers and anyone else affected by their work are not exposed to health and safety hazards.

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

The Health, Safety and Wellbeing function and activities are provided for within existing budgets.

Ngā Tāpiritanga | Attachments

A⇩.   Top Risks Deep Dive - Risk 11 Health, Safety and Wellbeing

Ngā waitohu | Signatories

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	Manaia Te Wiata	
	Tumu Whakarae | Chief Executive Officer	

Attachment 1

Extract of Top Risk Register for Risk 11 'Ensuring Health, Safety and Well-being'

RISK #11	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
							Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
ENSURING HEALTH, SAFETY AND WELLBEING	GM People, Governance & Relationships								
	A failure to develop a strong health, safety and well-being culture, and any failure to keep staff, elected members, contractors and the public safe and well, can lead to injuries, illness, poor mental well-being, difficulty in maintaining workforce capacity and potentially fatalities, with significant legal, financial service delivery and reputational consequence.	**Extreme**	• Dedicated resource via 3 member S&W team • S&W Management system (Damstra) includes processes and systems for reporting and capturing learnings from events, assessing and managing risk, training, emergency response and injury management • Safety and Wellness Policy in place as well as a Charter for Council • Trained H&S reps throughout organisation, active H&S Committee meets quarterly • Processes in place to identify and focus on critical risks • Monitoring via quarterly and annual safety and wellness reports provided to Council and Eteam (include lag indicators e.g. lost time injuries, medical treatment injuries and notifiable events and lead indicators such as training completion) • Risk reviews are scheduled (currently at least annually) • Critical risk audits conducted by the S&W Team • H&S learning team established with post-event debriefs 3 to 4 times a year), continuous improvement focus • Due Diligence plan for Exec Team and Council • S&W Team meet weekly with Exec Team • Induction and on-going training for staff • Contractor S&W management processes (including pre-qualification)	Identification of trends and significant concerns from Quarterly Safety and Wellness Reporting, including events by severity and analysis of trends Damstra reporting of overdue investigations, actions and audits.	Results of H&S questions in annual staff survey	Results of Critical Risk audits	**High** / **Tolerance** / **Outside of Appetite**	**Moderate**	**Council is currently operating outside of assessed appetite.** Council has an objective to minimise any risks to serious injury or harm to any staff member, elected member, contractor or member of the community. However, these risks are of high consequence and impossible to eliminate entirely. For this reason the realistic level of appetite is seen as moderate. Council already has fairly comprehensive strategies and efforts implemented to embed and sustain a health, safety and well-being culture. These will be maintained and continuously improved over time, however it is questionable as to whether appetite can be reached. The following further mitigations are proposed however they are not expected to reduce the risk to appetite levels for the reason noted above: • Review of top 10 critical health and safety risks to ensure the list of top 10 risks adequately reflects our current risk landscape • External H&S audit - to be considered after transition to Local Water Done Well • E-team to complete IOD Health and Safety self-assessment • Review of the safety and wellness induction pathway and accountabilities for managers and team leaders to ensure they have a clear understanding of their responsibilities and are provided with the learning and development needed for their role • Review implications of upcoming HSWA changes in relation to volunteer management

8   Ngā Pūrongo Whakamārama | Information Reports

8.4   Top Risks Deep Dive: Ensuring Workforce Capacity and Capability

CM No.: 3037946

Te Kaupapa | Purpose

Over the last year, Council 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 risks. This item explores risk #10: *Ensuring Workforce Capacity and Capability*, and discusses the controls in place to reduce this risk.

Rāpopotonga Matua | Executive Summary

Ensuring workforce capacity and capability has recently been added as one of Council's top risks following a recommendation from our Risk Consultant, Ken Morris. The inherent risk rating for this risk is very high and after considering the controls we have in place, the residual rating drops to medium, which is within our predicted risk appetite. 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 committee the opportunity to understand the risk in more depth and give them the opportunity to ask questions, or make suggestions to improve Council's response to the risk.

A full extract of the Top Risk document in relation to this risk is provided in Attachment A.

Tūtohunga | Recommendation
That:

1.   **The information be received.**

Ngā Take/Kōrerorero | Issues/Discussion
What is the risk and are its consequences fully understood?

The risk description for this risk is:

Failure to adequately recruit, retain and develop skilled and capable staff, leading to inadequate workforce capacity and capability, and compromise of ability to deliver on councils objectives and the delivery of services and projects on a timely, cost-effective basis, with flow-on adverse effect to organisational well-being, reputation and finances.

This risk refers to Council's potential failure to maintain a workforce that is sufficiently staffed (capacity) and possesses the necessary skills, knowledge, and experience (capability) to meet current and future strategic, operational, and regulatory demands.

It includes challenges such as:

- Inability to attract, retain, and develop competent personnel.

- Inadequate staffing levels to deliver services effectively.

- Skills shortages or gaps in critical roles.

- Poor succession planning and talent management.

- Inadequate skills or knowledge limiting staff capability.

- Insufficient workforce planning in response to changing priorities or external factors.

If this risk materialises, the consequences can be significant and wide-ranging, including:

- Service delivery failures: inability to deliver services to required standards or within expected timeframes.

- Increased operational pressure: overburdening of existing staff, leading to burnout, absenteeism, and further turnover.

- Reduced quality and compliance: increased risk of errors, poor decision-making, or non-compliance with regulatory obligations.

- Strategic impact: inability to achieve strategic objectives due to lack of internal capability.

- Reputational damage: stakeholder confidence may be undermined if the organisation is perceived as ineffective or poorly managed.

- Financial costs: increased reliance on costly temporary or external resources and potential inefficiencies arising from high turnover or retraining needs.

What are the controls in place, and how do they mitigate the risk?

Control	Why is this control in place and how does it mitigate the risk (preventative or corrective)	Level of effectiveness (noting this is a subjective rating and has been used to indicate the level of effectiveness of the control in managing the risk)
Well-established performance management processes (two monthly catch-ups and annual review) to ensure regular performance assessment processes, appropriate reward, and a focus on personal development	Preventative and corrective – supports continuous development, provides clarity on expectations, and promotes motivation and accountability, which improves capability and reduces underperformance.	Effective (80%)
Learning and development programme in place with both organisational and individual focus, leadership development programme for anyone with team leadership responsibility	Preventative – builds internal capability at both individual and organisational levels, enabling the workforce to adapt to change and fill future roles internally. Leadership capability assists with staff retention.	Effective (80%)
Job-sizing and remuneration system in place to ensure that staff are paid market rates (including	Preventative – helps attract and retain skilled staff by offering competitive pay, reducing the risk of losing talent to	Effective (80%)

Control	Why is this control in place and how does it mitigate the risk (preventative or corrective)	Level of effectiveness (noting this is a subjective rating and has been used to indicate the level of effectiveness of the control in managing the risk)
MPDC premium) and employee value proposition (EVP)/benefits in place	better-paying employers. EVP/benefits reinforce why staff choose to stay, strengthening retention and organisational appeal in a competitive labour market.	
Monthly People, Safety & Wellness focus topics promoted throughout the organisation	Preventative – raises awareness of wellbeing, safety and people matters, helping to support staff wellbeing and reduce absenteeism and burnout.	Effective (80%)
P&W Team includes trained HR advisors. Legal advice is sought as required.	Preventive and corrective - The P&W Team provide support and advice for leaders in relation to recruitment and performance management. Following good practice and complying with legislation is both a preventive and corrective control.	Effective 80%
Three meetings a year held with managers and team leaders across the organisation with focus on culture and empowering and developing leaders.	Preventative – these sessions build leadership capability and align organisational culture, which supports consistent leadership practices and strengthens retention and engagement across teams.	Effective (80%)
Belonging Strategy (incorporating diversity etc) in place	Preventative – promotes an inclusive and supportive work environment, helping to attract and retain a diverse workforce. A diverse workforce ensures diversity of thought helping Council to better meet the needs of the community.	Effective (80%)
Flexible work practices	Preventative – increases attractiveness of roles and helps retain staff by supporting work-life balance and accommodating diverse needs.	Effective (80%)
Career progression opportunities - established processes to ensure all vacancies are made known internally, allowing good opportunity for internal appointments and career progression. Career pathways	Preventative – supports career development, and improves retention by showing clear pathways for progression.	Effective (80%)

Control	Why is this control in place and how does it mitigate the risk (preventative or corrective)	Level of effectiveness (noting this is a subjective rating and has been used to indicate the level of effectiveness of the control in managing the risk)
within some teams, ie graduate, intermediate and senior roles		
Availability of employee support programme	Corrective – provides staff with confidential support for personal or professional issues, reducing risk of burnout, absenteeism, or resignation.	Effective (80%)
Council is an active participant in Colab people and capability managers group and has HRNZ membership	Preventative – ensures HR practice is informed by current best practice and peer collaboration, enhancing organisational capability.	Effective (80%)
Provision of Hamilton - Te Aroha - Hamilton mini-van to assist with travel for people who live outside the district, and pool car share Matamata - Te Aroha – Matamata	Preventative – reduces barriers to employment for staff commuting from other areas, expanding the potential workforce and supporting attendance.	Effective (80%)
Structured induction programme for new staff	Preventative – ensures new staff are effectively onboarded, feel welcomed, and are able to contribute quickly, reducing early turnover and performance-related issues.	Effective (80%)
Annual staff survey (Ask your Team) results analysed and action-planning processes at organisational level in place	Corrective – identifies issues and enables targeted improvements, contributing to higher staff satisfaction and addressing risks to workforce stability.	Effective (80%)
Hauora Mental Health and Wellbeing Strategy	Preventative – promotes proactive wellbeing support, reducing the risk of stress-related absences and disengagement.	Effective (80%)
Reach Reps established through the organisation as a means of staff support	Preventative – provides peer-level support particularly for any issues of bullying and harassment. Can assist in the early resolution of issues, and improved morale.	Partially effective (70%)
A strong focus on organisational culture and connection through	Preventative – these initiatives foster a sense of connection, belonging, and	Partially effective (70%)

Control	Why is this control in place and how does it mitigate the risk (preventative or corrective)	Level of effectiveness (noting this is a subjective rating and has been used to indicate the level of effectiveness of the control in managing the risk)
various initiatives including the weekly bulletin, staff-only facebook group, all staff meetings twice a year.	engagement across the workforce, which contributes to retention and morale—key to sustaining workforce capacity and reducing turnover risk.	
Openness to engaging consultants, contractors or shared services as alternatives where staff cannot be recruited	Corrective – provides flexibility to maintain capacity when permanent recruitment is unsuccessful or during peaks in demand.	Partially effective (70%)

What level of risk is the council prepared to take?

With these controls in place, the risk rating reduces to medium.

Council is currently operating within initially assessed appetite.

Recent changes to risk context

In the recent annual staff survey, only 61.5% of staff agreed their pay is considered fair compared to similar roles and organisations in the market place. The ability to attract and retain some specialist roles has decreased. Pay rates have been expressed as one of the areas of concern for some staff.

Issues in relation to pay have also been compounded by the living wage increasing so much. As a living wage employer (all staff are guaranteed the living wage) this has reduced the pay relativity between some roles.

As a result of the above issues Council's Remuneration Policy is currently under review – a focus group with staff throughout the organisation and union representation have met to discuss what is working well, what is not working so well and have identified ideas to explore. A remuneration consultant has also been engaged to explore options.

The current national unemployment rate is 5.1% (March 2025 quarter). This should be of benefit to Council as more people are available in the job market. However, it is still difficult to recruit certain roles such as engineers, planners, and building control staff.

The Local Water Done Well (LWDW) reform has the potential to result in uncertainty for staff. It may deter some applicants from applying to work at Council; Council may also lose staff to other entities such as the Hamilton CCO, or the potential Waikato CCO earlier than planned. Council are mitigating this through strong messaging to staff about their employment security, and keeping them informed and engaged in any processes.

LWDW and other Government reforms can create uncertainty for all staff, which may lead to higher turnover or failure to attract staff.

Another theme highlighted in the annual staff survey was frustration, stress and inefficiency related to inadequate technology. Council are currently moving to 365 as part of the Smarter, Easier, Better, Safer work project. While many staff are looking forward to this, there is a risk that some staff will find the newer/different technology challenging.   Training and support will be provided to staff during the transition.

Have any incidents occurred that have stress tested the rigor of the above controls?

Filling three group manager positions within a year tested the workforce capacity and capability controls. Council demonstrated strong internal resilience by successfully appointing staff to these roles through career progression. This success can be partly attributed to earlier succession planning, and targeted leadership learning and development that was provided. Eight Third Tier Manager positions have also been filled internally since the start of 2024.

The annual staff survey identifies issues and enables targeted improvements. A summary of the targeted actions for 2025 is outlined in the Safety and Wellness monthly report (elsewhere in the agenda).

Trends in the Key Risk Indicators

There are three key risk indicators for this risk:

1)   Staff turnover trends (quarterly)

The People and Wellness Team provide reporting on leave, turnover and other metrics quarterly. The team also provide monthly turnover figures to the Group Manager People, Governance and Relationships and CEO. Turnover is analysed by department and the organisation as a whole.

As at April 2025 the total turnover was 13% (39 staff resigned), compared to April last year the turnover was 9.66% (28 staff resigned in total). This is based on the 12 month period to April.

In December, the team prepared a report on turnover comparing to 13 other Council's that had shared their turnover information. The turnover figures supplied ranged from 5.5% - 20.78%. Council's turnover figure at the time of 14.19% was similar to a number of the other Councils.

2)   Annual staff survey engagement results

The following questions from the 2025 annual staff survey relate to the workforce capacity and capability risk. All results have increased in level of agreement since 2024 except the question relating to resourcing.

As mentioned earlier, one of the themes highlighted in the annual staff survey was frustration, stress and inefficiency related to inadequate technology. Council are currently moving to 365 as part of the Smarter, Easier, Better, Safer work, which will help to alleviate some of these concerns.

Question	2025 Agree %	Difference 2024 to 2025
MPDC is a great place to work	95.7%	1%
I enjoy working for MPDC	94.4%	1%
I have regular catch ups with my manager and receive effective feedback	85.7%	6%
MPDC provides opportunities for me to develop my skills and competencies and actively encourages career development	84.4%	6%
We have effective learning and development that enhances the performance and development of individuals	81.8%	10%
The contribution of individuals is recognised at MPDC	79.7%	7%
MPDC has a culture of empowerment that maximises the performance of staff	75.3%	9%
I consider our pay is fair compared to similar roles and organisations in the marketplace	61.5%	4%
MPDC allocates resources (equipment, tools, staffing etc) effectively to achieve agreed outcomes	59.7%	-1%

3)   Exit survey identification of trends and controllable matters

Exit surveys are checked by the People and Wellness Team and any concerns are raised with the manager of the employee. Trends are monitored but are not currently actively reported on and completion rates are currently low. The P&W Team are looking at ways to increase response rates to allow more effective monitoring of trends. This will be implemented over the next year.

Other reporting:

The Learning and Development team reports to the Executive Team quarterly and provides information on learning and development undertaken. The Team also report weekly to the Executive team on the budget to ensure this is closely monitored and decisions are made to best support workforce capability.

What actions are planned to further reduce the risk level?

Council is currently operating within the initially assessed appetite.

Management continue to strive for improvement in this area and the following further mitigations are proposed:

• Remuneration Policy review

• Review of induction processes to streamline and ensure that any gaps are identified and remedied

• Active transition planning in response to Waters, what do we want MPDC to look like post-waters transition, including focus on optimising staff opportunities / job security

• Improved focus on Succession Planning

• Potential greater focus on staff survey response action-planning processes at group manager level, to complement the responses already in place at organisational level

• Review of staff survey methodology, for example using pulse surveys

• Greater focus on exit survey analysis and action response

• Consider development of key risk indicator measure for percentage of roles not recruited in first recruitment round

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

Employment Relations Act 2000
Employers have a duty to act in good faith, including being active and constructive in maintaining productive employment relationships. Ensuring sufficient staffing and skill levels supports fair workloads and allows employees to perform their duties effectively, which is central to good faith employment practices.

Health and Safety at Work Act 2015 (HSWA)
Council has a duty to ensure worker health and safety: under HSWA, a Person Conducting a Business or Undertaking (PCBU) must ensure, so far as is reasonably practicable, the health and safety of workers. This includes ensuring that workers are not overworked, are competent to carry out tasks safely, and have the training and supervision necessary to perform their roles safely. Failure to maintain appropriate staffing levels or to equip staff with necessary skills can lead to increased health and safety risks, creating potential for legal liability.

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source
The current workforce capability and capacity functions and activities are provided for within existing budgets.

The Remuneration Policy is currently being reviewed and changes (if any) may have a financial impact in the future, which will be considered as part of Council's annual planning and budgeting processes.

Ngā Tāpiritanga | Attachments
A⇩. Top Risks Deep Dive - Risk 10 Workforce Capacity and Capability

Ngā waitohu | Signatories

Author(s)	Kelly Reith	
	Hautū Tāngata, Kāwana me ngā Hononga | Group Manager People, Governance & Relationships	

Approved by	Kelly Reith	
	Hautū Tāngata, Kāwana me ngā Hononga | Group Manager People, Governance & Relationships	
	Manaia Te Wiata	
	Tumu Whakarae | Chief Executive Officer	

Item 8.4

Attachment A

Attachment 1

Extract of Top Risk Register for Risk 10 'Ensuring Workforce Capacity and Capability'

RISK #10 ENSURING WORKFORCE CAPACITY AND CAPABILITY	Risk Owner and Risk Description GM People, Governance & Relationships	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
							Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
	Failure to adequately recruit, retain and develop skilled and capable staff, leading to inadequate workforce capacity and capability, and compromise of ability to deliver on councils objectives and the delivery of services and projects on a timely, cost-effective basis, with flow-on adverse effect to organisational well-being, reputation and finances.	Very High	• A strong focus on organisational culture and connection through various initiatives including the weekly bulletin, staff-only facebook group, all staff meetings twice a year. • Three meetings a year held with managers and team leaders across the organisation with focus on culture and empowering and developing leaders. • Belonging Strategy (incorporating diversity, etc) in place • Structured induction programme for new staff • Job-sizing and remuneration system in place to ensure that staff are paid market rates (including MPDC premium) and employee value proposition (EVP)/benefits in place • Well-established performance management processes (2 monthly catch-ups and annual review) to ensure regular performance assessment processes, appropriate reward, and a focus on personal development • Learning and development programme in place with both organisational and individual focus, leadership development programme for anyone with team leadership responsibility • Monthly People, Safety & Wellness focus topics promoted throughout the organisation • Annual staff survey (Ask your Team) results analysed and action-planning processes at organisational level in place • Hauora Mental Health and Wellbeing Strategy • Flexible work practices • Provision of Hamilton - Te Aroha - Hamilton mini-van to assist with travel for people who live outside the district, and pool car share Matamata - Te Aroha - Matamata • Career progression opportunities - established processes to ensure all vacancies are made known internally, allowing good opportunity for internal appointments and career progression. Career pathways within some teams, ie graduate, intermediate and senior roles • Availability of employee support programme • Reach Reps established through the organisation as a means of staff support • Council is an active participant in Colab people and capability managers group and has HRNZ membership • Openness to engaging consultants, contractors or shared services as alternatives where staff cannot be recruited • P&W Team includes a trained HR advisor. Legal advice is sought as required.	Annual Staff Survey engagement results	Staff turnover trends (quarterly)	Exit survey identification of trends and controllable matters	Moderate Tolerance Within Appetite	Moderate	**Council is currently operating within assessed appetite.** The following further mitigations are proposed to strengthen this further: • Remuneration Policy review • Review of induction processes to streamline and ensure that any gaps are identified and remedied • Active transition planning in response to Waters, what do we want MPDC to look like post-waters transition, including focus on optimising staff opportunities / job security • Improved focus on Succession Planning • Potential greater focus on Staff survey response action-planning processes at group manager level, to complement the responses already in place at organisational level • Review of staff survey methodology, for example using pulse surveys • Greater focus on Exit Survey analysis and action response • Consider development of Key Risk Indicator Measure for percentage of roles not recruited in first recruitment round

8   **Ngā Pūrongo Whakamārama | Information Reports**

8.5   Top Risks Deep Dive: Reputation/Relationships with Community Stakeholders

CM No.: 3035274

Te Kaupapa | Purpose

Over the last year Council 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 risks. This item explores risk #4: *Reputation/poor relationships with community stakeholders*, and discusses the controls in place to reduce this risk.

Rāpopotonga Matua | Executive Summary

Reputation/poor relationships with community stakeholders has been identified as one of Council's top risks. The inherent risk rating for this risk is very high and after considering the controls we have in place, the residual rating drops to 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 understand the risk in more depth and give the committee the opportunity to ask questions, or make suggestions to improve Council's response to the risk.

A full extract of the Top Risk document in relation to this risk is provided in Attachment A.

Tūtohunga | Recommendation
That:

1.   **The information be received**

Ngā Take/Kōrerorero | Issues/Discussion
What is the risk and are its consequences fully understood?

The risk description for this risk is:
Failure to establish and/or maintain meaningful relationships with key stakeholders and gain the trust of the wider community with potential impact on participation in local democracy, and Council's ability to be an effective connector between our community, iwi, NGOs, and government agencies.

This strategic risk recognises that active community participation is a feature of robust democracy. It is important for people to feel connected to decisions that impact them, their whānau and community, and future generations. To enable that, Council must invest in meaningful community engagement processes and strong relationships, building and maintaining trust in the community. The risk also reflects the key role that Council plays in working together with different community groups, iwi, and government agencies on shared challenges.

Potential consequences if this risk eventuates:

- Reduced participation in local democracy (low voter turnout, fewer candidates)

- Loss of community trust and confidence in Council

- Increased conflict and opposition to Council initiatives

- Reduced effectiveness as a connector between community, iwi, NGOs, and government

- Potential for significant reputational damage

- Difficulty implementing strategic initiatives due to community resistance

- Legal challenges to consultation processes

The inherent risk rating for this risk is very high

What are the controls in place, and how do they mitigate the risk?

Control	Why is this control in place and how does it mitigate the risk (preventative or corrective)	Level of effectiveness
Communications and engagement team proactively involved early in projects	**Preventative** - Ensures engagement considerations are built into project design rather than retrofitted	Partially Effective (70%)
Communication plans for significant projects and documents	**Preventative** - Structured approach ensures consistent, appropriate engagement is planned and implemented for topical initiatives – ranging from policy/plan development through to capital projects. Building evaluation into these plans also ensures the learnings are captured and shared	Partially Effective (70%)
Proactive multi-channel communications	**Preventative** – Council uses a mix of print and digital channels to try and reach diverse community segments through their preferred channels. Project updates are timely, and information is often repeated across channels to increase the reach	Partially Effective (65%)
Quick polls for community insights	**Preventative** – Using surveys for community interest topics (e.g Morrinsville crossing, pathway surface in Matamata) gives the community the ability to give rapid feedback on operational decisions that affect them.	Partially Effective (60%)
Key Research Community Views Survey (quarterly)	**Corrective** - quarterly monitoring of community perceptions allows for trend analysis and early intervention where there are consistent or emerging issues	Effective (80%)
Community Development Team	**Preventative** - Direct grassroots engagement builds relationships at community level before issues escalate (i.e. trying to prevent the perception of small initiatives being caught up in red tape)	Partially Effective (60%)
Partnerships with	**Preventative** - Established relationships provide	Partially Effective

community groups	trusted channels for two-way communication	(65%)
Significance and Engagement Policy	**Preventative** - Systematic consideration of engagement requirements reduces risk of inadequate consultation	Partially Effective (55%)
Multiple complaint mechanisms	**Corrective** - Provides outlets for community concerns and early warning of relationship breakdown	Partially Effective (60%

What level of risk is the council prepared to take?

With these controls in place, the risk rating reduces to High.

General public perception is that Council does not communicate enough and needs to be more transparent – this is evidenced through our community views surveys and comments from electoral candidates every triennium, and is a consistent challenge faced by the sector.

This type of commentary highlights that more work is required in this space – and is partly why the residual risk rating (high) is still higher than appetite (medium). It is worth noting that this risk cannot be eliminated - there is likely to always be some level of community dissatisfaction and engagement challenges. Likewise, there is always likely to be a level of distrust in government - in fact, a healthy distrust is considered important to a functional democracy.

The tension to balance here is between cost, value and perceived value. Council could always do more in the Communications & Engagement and/or Community Development spaces to further reduce the risk – however, increasing activity in these areas comes with operational costs, and often these activity areas are perceived by the public as nice to haves (at best) or spin/fluff (at worst).

The current approach is to continue with these activities, with leadership putting a strong emphasis on strategic initiatives that support improved engagement/participation, trust and relationship building to work towards risk appetite. More information on planned activities is included in this report.

Recent changes to risk context

The 2023 Future for Local Government report recommended a number of systemic changes to make local government fit for the future. The report was commissioned by the previous government and was presented in 2023. The subsequent (current coalition) government put the responsibility back on the sector to lead the recommendations that are within their mandate, with government focussing on their own priorities for local government (such as water reform, 'back to basics', and accelerating growth).

One of the core recommendations of that report was 'replenishing local democracy', with a focus on greater citizen-led democracy. The report recommends increasing use of deliberative and participative engagement with citizens to build trust, and involve citizens more directly in decisions that impact them. These shifts are possible within the constraints of the current Local Government Act, and in general the sector is supportive of methods that increase participation. Council reflected this in the most recent review of the Significance and Engagement Policy.

However, the current government are working on changes to the priorities for local government. They are currently reviewing the Local Government Act with an intent to 'get back to basics',

focussing the sector on essential services/core infrastructure, reduce red tape and be more efficient. Specific changes to the Act are still under development, but the narratives of reducing red tape/increasing efficiency often drive the conversation away from relationship building and lengthy public participation processes.

Have any incidents occurred that have stress tested the rigor of the above controls?

Council's reputation and relationships constantly fluctuate, with many different drivers/influences. Examples include:

- A number of our Council Policy/Planning documents such as the Long Term Plan, Annual Plan, Policies, Bylaws and the recent Local Water Done Well consultations require Council to determine a 'preferred option' to the community rather than asking the community to weigh up options and invite feedback from them. This approach is determined by Central Government legislation and can undermine trust, by implying Council has already made a decision.

- Council was compelled to consult on the 2023/24 Annual Plan, because the proposed rates increase was significantly different to what had been consulted on in the Long Term Plan, however, the drivers for the difference were outside Council's control (i.e. interest rates, depreciation, inflation, electricity costs). Consultation was required to meet statutory obligations, but there was little that Council could actually change to alter the rate impact. Situations like this undermine public trust in the value of consultation processes

- Council must consider public opinion in making decisions, but this is only one aspect of decision making - good governance decisions also weigh up risks, long term impacts, financial implications etc. However, this is not well understood by the community – in general, the public perception is "if you asked our opinion, you should do what we tell you". An example of this is when Council chose to consult with the community on the Better Off funding in September 2022. Knowing the strong public opinion on this matter, Council framed the consultation as requesting feedback/input to the decision making process, not a polarised 'yes/no' debate, however, there was a strong 'no' response from the community. Council considered this public feedback, but ultimately chose to apply for this funding, for a number of reasons. While this is considered a good decision and sound process, decisions counter to public opinion do have a negative impact on reputation and trust in Council consultation processes.

- Decisions or projects with unclear goals or deadlines also impact reputation. An example of this was the 'Bubble Zones' that were a place-making initiative to provide open space in the Morrinsville CBD. These were also designed to encourage physical distancing as they were implemented immediately after the Covid-19 lockdown. They were presented to the community as a trial, however, there were not clearly defined measures or review points for the trial. The Bubble Zones remained in place for over two years, despite significant negative feedback.

All of these examples demonstrate why the controls for this risk are only partially effective. All the examples had controls in place (e.g. being assessed against the significance engagement policy, communications plans, being communicated across multiple channels, direct updates to partners). While the controls do ensure Council is proactive, transparent, and accountable, they cannot prevent damage to Council's reputation or relationships.

Trends in the Key Risk Indicators

The Key Risk Indicators for this risk have previously been monitored individually, but not considered collectively to monitor overall reputation. This will become a focus in the year ahead.

It is likely that the key risk indicators and the monitoring and reporting of these will evolve as the Communications & Engagement Strategy is developed.

What actions are planned to further reduce the risk level?

All of the existing controls are planned to continue as part of council 'business as usual'. In addition to these, the following mitigations are planned:

- Stakeholder mapping – this is expected to be completed in the year ahead, identifying key relationships and the Council relationship holder.

- Expanding the above stakeholder map into a Customer Relationship Management system to better capture the interactions with and inter-connections between stakeholders. Based on the current pipeline of digital projects, this mitigation is likely to be at least 2 years away.

- Development of a Communications and Engagement Strategy

- Information in the induction for new Elected Members on decision making processes (including consultation requirements), the Significance and Engagement Policy, good practice in engaging with communities, code of conduct, and Elected Member's role in stakehold relationships

- Redeveloping the Communications induction to include information on stakeholder relationship and the importance of appropriate behaviour

- Education/awareness at staff training days around everyone's role in stakeholder relationship and the importance of appropriate behaviour

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

The Significance and Engagement Policy provides a strong Policy framework for decision making on how and when the community will be involved in decision making

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

The Communications & Engagement and Community Development activities are provided for within existing budgets.

Ngā Tāpiritanga | Attachments

A⇩. Top Risks Deep Dive - Risk 4 Community Reputation

Ngā waitohu | Signatories

Author(s)	Jenni Cochrane	
	**Hautū Wheako Kiritaki	Group Manager**	

	Customer Experience	

Approved by	Jenni Cochrane	
	**Hautū Wheako Kiritaki	Group Manager Customer Experience**	
	Manaia Te Wiata	
	**Tumu Whakarae	Chief Executive Officer**	

Item 8.5

Attachment A

Attachment 1

Extract of Top Risk Register for Risk 4 'Reputation / Relationship with Community Stakeholders'

RISK #4	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
							Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
REPUTATION / RELATIONSHIP WITH COMMUNITY STAKEHOLDERS	**GM Customer Experience**								
	Failure to establish and/or maintain meaningful relationships with key stakeholders and gain the trust of the wider community with potential impact on participation in local democracy, and Council's ability to be an effective connector between our community, iwi, NGOs, and government agencies	**Very High**	• Communications and engagement (C&E) team proactively involved early and throughout development of key documents and key projects • Comms Plans developed for significant projects and documents • Proactive communications across multiple channels • Use of quick polls to obtain community insights, eg removal of pedestrian crossing, urban trail surfacing • Council is participant in 'Key Research Community Views Survey', quarterly wave polling and annual report on community perceptions of Council and Council performance • Newly established 'Community Development Team' actively working with grassroots community • Established partnerships with some community groups and stakeholders e.g. disability access group, Matamata Stadium project • Prompt in Council report templates to use Significance and Engagement Policy to determine level of engagement • Various mechanisms in place to receive complaints such as a Council website interface (with 48 complaints lodged Jan-May 2025)	Trends in score and other findings from Key Research Community Views Survey Level of valid complaints about Council performance / service via the various complaint mechanisms	Level and quality of community interaction or involvement in engagement processes, including antenno and quick polls (a measure of trust)	Participation in triennial election - numbers of candidates, voter turnout %	**High**	**Moderate**	**Council is currently operating outside of assessed appetite.** Appetite is considered achievable if the following mitigations are successfully introduced : • Completion of planned stakeholder mapping exercise, establishing key relationship holder for all significant stakeholders • Adoption of planned Comms and engagement strategy • Education / Awareness campaigns around everyone's role in stakeholder relationship and the importance of appropriate behaviour
							Tolerance		
							Outside of Appetite		

8   Ngā Pūrongo Whakamārama | Information Reports

8.6   Policy, Planning and Reporting Stocktake

CM No.: 3032847

Te Kaupapa | Purpose

To provide an update to the Risk and Assurance Committee on the progress of the Policy, Planning and Reporting Stocktake and any documents due for review.

Rāpopotonga Matua | Executive Summary

In 2024, the Risk and Assurance Committee (Committee) identified the need for a comprehensive review of the Policy, Planning and Reporting Stocktake (Stocktake). Staff have completed an update of the Stocktake and this is presented for review by the Committee.

As discussed through previous Committee meetings, four policies were due for review that were of interest to the Committee:
- Capitalisation Policy
- Procurement Policy
- Conflict of Interest Policy

These policies are addressed in separate reports on this meeting agenda for the Committee's review and consideration.

- Sensitive Expenditure Policy

This policy is scheduled to be reviewed by the Committee at the September meeting.

There are no documents that are overdue for review that Council is required to have through legislation.

Tūtohunga | Recommendation

That:

1.   **The information be received.**

2.   **The Risk and Assurance Committee provide any feedback on the Policy, Planning and Reporting Stocktake [*feedback to be specified*].**

3.   **Staff to report on the documents relevant to the Risk and Assurance Committee (rather than the full Policy, Planning and Reporting Stocktake) twice yearly and this be incorporated into the Risk and Assurance Committee Work Programme.**

Horopaki | Background

In 2024, the Committee identified the need for a comprehensive review of the Policy, Planning and Reporting Stocktake (Stocktake). This was previously called the 'Policy Register'. The name has been amended to avoid confusion with Authority registers which is the corporate system Council uses to hold certain information.

Staff have completed an update of the Stocktake and this is presented for review by the Committee.

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

Ngā Take/Kōrerorero | Issues/Discussion

Council staff have updated the Stocktake, identifying existing documents under three main categories: External Policies, Plans and Reports; Internal Policies, Plans and Reports; and Active Bylaws.

A consistent theme in the Local Government Act 2002 (LGA) is that local authorities are to carry out their duties and make decisions in a transparent manner. In addition, the Local Government Official Information and Meetings Act 1987 (LGOIMA) provides that any person has a right to be given access to any document which contains policies, principles, rules or guidelines in accordance with which decisions or recommendations are made by the Council (s21(1)).

Although this does not necessarily mean the Council has to keep a Stocktake, administratively it is appropriate to do so for the purposes of s21 of the LGOIMA. In accordance with these legislative provisions, it is important that the content of the Stocktake is clear, up-to-date and relevant. This will allow consistent understanding of current policies both internally, and externally of Council.

Understanding of current policies internally is particularly important in terms of s80 of the LGA, which requires that:

> *"if a decision of a local authority is significantly inconsistent with…any policy adopted by the local authority…the local authority must, when making the decision, clearly identify—*
>
> *(a) the inconsistency; and*
> *(b) the reasons for the inconsistency; and*
> *(c) any intention of the local authority to amend the policy or plan to accommodate the decision."*

If the Council has out-dated policies, then it may make decisions that are inconsistent with those policies, but in doing so, it should still comply with s80 each time.

In fact, s80(c) contemplates that the first time such an inconsistent decision is made will be the time when the Council identifies that an out-of-date policy should be revoked or amended. Inconsistency may also arise when a new policy or other Council document has implications for an existing policy, without the older document being revoked.

Maintaining an up to date Stocktake can assist in compliance with the LGA, the LGOIMA (s21), and to make it easier for Council and staff to identify when a decision is being made that is inconsistent with an existing policy or plan.

The latest version of each document has been identified to ensure clear version control. The Stocktake will need to be updated as documents are reviewed, or new documents are adopted to ensure that the most up-to-date version can be found. The Stocktake will be updated regularly and will have regular six-month checks with all responsible Managers on progress.

It is suggested that going forward staff report on the items within the Stocktake that are relevant to the Risk and Assurance Committee (rather than the full Policy, Planning and Reporting Stocktake) twice yearly and this be incorporated into the Risk and Assurance Committee Work Programme. This will allow the Committee to consider the status of the policy documents related to its Charter.

Mōrearea | Risk

The Stocktake has been developed to assist in oversight of policy reviews to ensure that regular reviews are 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.

The Stocktake has no legal standing as such. It is a publication put together for administrative convenience and oversight. Revoking and removing any items are not classed as 'policy', (such as operational procedures) or those that are superseded or obsolete therefore requires no external consultation. This is typically an internal, administrative task. Maintaining an up to date stocktake assists with the requirement to make available policies under which Councils make decisions as outlined in the LGOIMA (s21).

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
**TŌ MĀTOU WHAKAKITENGA	OUR VISION** 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.	
**TŌ MĀTOU WHĀINGA MATUA	OUR PRIORITIES (COMMUNITY OUTCOMES)**	

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

All community outcomes are relevant.

Ngā Tāpiritanga | Attachments

A⇩.   Policy, Plans, Reporting Stocktake - June 2025

Ngā waitohu | Signatories

Author(s)	Charlotte Walker	
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	Policy Advisor	

Approved by	Niall Baker **Kaiārahi Tīma Kaupapahere	Policy Team Leader**	
	Sandra Harris **Pou Kaupapahere, Rāngai Mahitahi me te Kāwana	Policy, Partnerships and Governance Manager**	
	Kelly Reith **Hautū Tāngata, Kāwana me ngā Hononga	Group Manager People, Governance & Relationships**	

Item 8.6

Attachment A

EXTERNAL ACTIVE POLICIES, PLANS AND REPORTS

	Policy Title	Review Cycle	Adopted Date	Review Date	Council Approval	E-Team Approval	RAC Approval/Review	Required by Legislation	
1	Active Reserves Management Plan	As Required	18/10/2013	Not Applicable	No	No	No	No	
2	Annual Plan	Annually	28/06/2023	30/06/2025	Yes	No	Yes	Yes	In development
3	Annual Report	Annually	27/11/2024	27/11/2025	Yes	No	Yes	Yes	
4	Cemeteries Policies and Procedures	3 Yearly	18/10/2013	18/10/2016	No	No	No	No	In development
5	Code of Conduct	3 Yearly - Elections	09/11/2022	09/11/2025	No	No	No	No	
6	Community Facilities and Buildings Activity Management Plan 2021-51	Annually	21/03/2024	21/03/2027	No	No	No	No	
7	Community Group Leases and Licenses Policy	3 Yearly	09/07/2023	09/07/2026	No	No	No	No	
8	Community Leisure Provision Strategy 2009	As Required	10/10/2016	Not Applicable	No	No	No	No	
9	Dangerous, Affected and Insanitary Buildings	5 Yearly	07/05/2025	07/05/2030	Yes	No	No	Yes	
10	Development Manual 2010	As Required	21/10/2015	Not Applicable	No	No	No	No	
11	Digital Strategy	As Required	01/10/2018	Not Applicable	No	No	No	No	
13	District Tree Strategy	As Required	01/01/2010	Not Applicable	No	No	No	No	
14	Dog Control Policy and Practices 2023/2024	Annually	18/10/2024	18/10/2025	Yes	No	No	No	
15	Easter Trading Policy	5 Yearly	11/05/2022	11/05/2027	No	No	No	No	
16	Elected Members' Remuneration, Allowances and Expenses Policy	3 Yearly - Elections	27/03/2024	30/11/2025	Yes	No	No	Yes	
17	Fees and Charges	Annually	07/05/2025	07/05/2026	Yes	No	No	No	
18	Firth Tower and Stanley Landing Management Plan	As Required	18/10/2013	Not Applicable	No	No	No	No	
19	Future Proof Strategy	As Required	01/07/2024	Not Applicable	No	No	No	No	
20	Gambling Venue Policy	3 Yearly	07/05/2025	07/05/2028	Yes	No	No	No	
21	General Policies Reserve Management Plan	10 Yearly	19/12/2023	19/12/2033	Yes	No	No	No	

EXTERNAL ACTIVE POLICIES, PLANS AND REPORTS

	Policy Title	Review Cycle	Adopted Date	Review Date	Council Approval	E-Team Approval	RAC Approval/Review	Required by Legislation	
22	Housing and Business Assessment	3 Yearly	16/10/2023	16/10/2026	No	No	No	No	
23	Infrastructure Code of Practice	As Required	21/10/2015	Not Applicable	Yes	No	No	No	
24	Investment Policy 2024-32	3 Yearly	24/01/2024	24/01/2027	Yes	No	Yes	Yes	
25	Liability Management Policy 2024-34	3 Yearly	24/01/2025	24/01/2027	Yes	No	Yes	Yes	
26	Local Alcohol Policy 2023	6 Yearly	23/08/2023	01/08/2029	Yes	No	No	No	
27	Local Governance Statement	3 Yearly - Elections	04/12/2022	04/12/2025	No	No	No	Yes	
28	Long Term Plan 2024-2034	3 Yearly - LTP	03/07/2024	30/06/2027	Yes	No	Yes	Yes	
29	LTP Development Contributions Policy 2024-2034	3 Yearly - LTP	03/07/2024	30/06/2027	Yes	No	Yes	No	
30	LTP Financial Strategy 2024-34	3 Yearly - LTP	03/07/2024	30/06/2027	Yes	Yes	Yes	Yes	
31	LTP Growth Projections	3 Yearly - LTP	03/07/2024	30/06/2027	Yes	No	No	No	
32	LTP Infrastructure Strategy 2024-34	3 Yearly - LTP	03/07/2024	30/06/2027	Yes	Yes	Yes	Yes	
33	Parks and Open Spaces Strategy 2021-2051	5 Yearly	30/06/2021	30/06/2026	Yes	No	No	No	
34	LTP Remission and Postponement of Rates 2024-34	3 Yearly - LTP	03/07/2024	30/06/2027	Yes	No	Yes	Yes	
35	LTP Revenue and Financing Policy 24-34	3 Yearly - LTP	03/07/2024	30/06/2027	Yes	No	Yes	Yes	
36	LTP Strategic Direction	3 Yearly - LtTP	24/05/2023	24/05/2026	Yes	No	No	Yes	
37	Sustainability Policy	3 Yearly	22/02/2012	22/02/2015	Yes	No	No	No	In development
38	LTP Transportation Procurement Strategy	3 Yearly - LTP	12/09/2022	01/09/2025	Yes	Yes	Yes	No	
39	Matamata Aerodrome Management Plan 2010	10 Yearly	10/11/2010	10/11/2020	No	No	No	No	In development
40	Matamata Place Plan	As Required	01/07/2024	Not Applicable	Yes	No	No	No	
41	Matamata-Piako BCA Complaints Policy	As Required	04/05/2021	Not Applicable	No	No	No	No	

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EXTERNAL ACTIVE POLICIES, PLANS AND REPORTS

	Policy Title	Review Cycle	Adopted Date	Review Date	Council Approval	E-Team Approval	RAC Approval/Review	Required by Legislation	
42	Mayoral Fund Policy	3 Yearly - Elections	21/08/2023	21/08/2026	Yes	No	No	No	
43	Morrinsville Place Plan	As Required	01/07/2024	Not Applicable	Yes	No	No	No	
44	Multi and Single-Year Community Grants Policy	3 Yearly - LTP	27/09/2024	27/09/2027	Yes	No	No	No	
45	Natural, Cultural and Built Heritage Grant Policy 2024	3 Yearly - LTP	24/06/2023	24/06/2026	Yes	No	No	No	
46	Numbering of Properties, Naming of Roads, Access Ways and Open Spaces	Annually	02/10/2019	02/10/2020	Yes	No	No	No	In development
48	Parks and Open Spaces Activity Management Plan 2024-54	3 Yearly - LTP	20/03/2024	20/03/2027	Yes	Yes	No	No	
49	Wastewater Activity Management Plan	3 Yearly - LTP	03/07/2024	30/06/2027	Yes	No	No	No	
50	Stormwater Activity Management Plan	3 Yearly - LTP	03/07/2024	30/06/2027	Yes	No	No	No	
51	Water Management Plan	3 Yearly - LTP	03/07/2024	30/06/2027	Yes	No	No	No	
52	Roading Activity Management Plan	3 Yearly - LTP	12/12/2023	30/06/2027	Yes	No	No	No	
53	Land Transport Activity Management Plan 2024-34	3 Yearly - LTP	11/12/2023	11/12/2026	Yes	No	No	No	
54	Land Transport Activity Management Plan Programme Business Case	3 Yearly - LTP	08/12/2023	08/12/2026	Yes	No	No	No	
55	Land Transport Activity Management Plan Strategic Case	3 Yearly - LTP	08/12/2023	08/12/2026	Yes	No	No	No	
56	Passive Reserves Management Plan 2009	As Required	18/10/2013	Not Applicable	No	No	No	No	
57	Play, Active Recreation and Sport Plan	10 Yearly	22/05/2024	22/05/2034	Yes	No	No	No	
58	Policy on Dogs	10 Yearly	14/09/2016	14/09/2026	Yes	No	No	Yes	
59	Pre-Election Report	3 Yearly - Elections	26/07/2022	26/07/2025	No	No	No	Yes	In development
60	Pride of Place - Community-led Initiatives Grant Policy	Annually	24/01/2024	24/01/2025	Yes	No	No	No	
61	Psychoactive Substances Policy (Local Approved Products Policy) 2024	5 Yearly	22/05/2024	01/07/2029	Yes	No	No	No	
62	Road Naming Strategy	Annually	02/10/2019	02/10/2020	Yes	No	No	No	Due for review

EXTERNAL ACTIVE POLICIES, PLANS AND REPORTS

	Policy Title	Review Cycle	Adopted Date	Review Date	Council Approval	E-Team Approval	RAC Approval/Review	Required by Legislation	
63	Safer Travel - A Road Safety Strategy	3 Yearly	01/05/2012	01/05/2015	No	No	No	No	Due for review
64	Signage Strategy	6 Yearly	13/07/2016	13/07/2022	Yes	No	No	No	In development
65	Significance and Engagement Policy	3 Yearly	23/08/2023	01/08/2026	Yes	No	Yes	Yes	
66	Smoke Free Outdoor Spaces Policy	3 Yearly	03/07/2024	03/07/2027	Yes	No	No	Yes	
67	Standing Orders	3 Yearly	26/03/2025	26/03/2028	Yes	No	No	No	
68	State of the Environment Report	Annually	16/11/2023	16/11/2024	Yes	No	No	Yes	Due for review
69	Stormwater Requirements	As Required	01/12/2019	Not Applicable	No	No	No	No	
70	Submissions Policy	3 Yearly	01/12/2023	01/12/2026	Yes	No	No	No	
71	TAB Venue Policy	3 Yearly	07/05/2025	07/05/2028	Yes	No	No	No	
72	Te Aroha Domain Reserve Management Plan 2006	10 Yearly	01/05/2006	01/05/2016	Yes	No	No	No	Due for review
73	Te Aroha Place Plan	As Required	13/12/2023	Not Applicable	Yes	No	No	No	
74	Town Strategies 2013-2033	10 Yearly	09/10/2013	01/10/2023	Yes	No	No	No	Due for review
75	Waste Management and Minimisation Plan 2021-2027	6 Yearly	30/06/2021	30/06/2027	Yes	No	No	Yes	
76	Waste Minimisation Grants Policy 2021	3 Yearly	08/12/2021	08/12/2024	Yes	No	No	No	
77	Board Appointments and Remuneration Policy	5 Yearly	24/07/2024	24/07/2029	Yes	No	Yes	Yes	
78	Delegation Policy and Delegation Register 2023	3 Yearly - Elections	30/10/2024	31/12/2025	No	No	Yes	No	
79	Growth Strategy 2009	Not Applicable	In Development	In Development	Yes	No	No	No	In development
80	Morrinsville Recreation Ground Framework Plan	As Required	01/11/2022	Not Applicable	Yes	No	No	No	
81	Sponsorship and Naming Rights Policy (25 June 2025).	As Required	25/06/2025	Not Applicable	Yes	No	No	No	
82	Hetana Street Reserve Framework Plan	As Required	25/10/2023	Not Applicable	Yes	No	No	No	

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INTERNAL ACTIVE POLICES, PLANS AND REPORTS

	Policy Title	Review Cycle	Adopted Date	Review Date	Council Approval	E-Team Approval	RAC Approval/Review	Required by Legislation	
1	Asset Management Policy	3 Yearly	01/07/2019	01/07/2022	Yes	Yes	Yes	No	
2	Attending Emergency Response Callouts	3 Yearly	05/04/2016	01/04/2019	Yes	Yes	No	No	
3	Capitalisation Policy	3 Yearly	15/05/2012	15/05/2015	Yes	Yes	Yes	No	In development
4	Child Protection Policy	3 Yearly	In Development	In Development	Yes	Yes	No	No	
5	Council Vehicle Policy	3 Yearly	09/12/2022	01/12/2025	Yes	Yes	No	No	
6	Customer Services Policy	3 Yearly	02/10/2014	02/10/2017	Yes	Yes	No	No	Due for review
7	Family Violence Policy	3 Yearly	15/11/2023	15/11/2026	Yes	Yes	No	No	
8	Drug and Alcohol Policy	3 Yearly	01/04/2025	01/04/2028	Yes	Yes	No	No	
9	Electronic Recordings Policy	3 Yearly	01/01/2020	01/01/2023	Yes	Yes	No	No	In development
10	Employment Relations Policy	3 Yearly	20/03/2015	01/03/2018	Yes	Yes	No	No	Due for review
11	Ending of Employment Policy	3 Yearly	20/03/2015	01/03/2018	Yes	Yes	No	No	Due for review
12	Equal Employment Opportunities Policy	3 Yearly	20/03/2015	01/03/2018	Yes	Yes	No	No	Due for review
13	Fatigue and Stress Management Policy	3 Yearly	02/04/2024	02/04/2027	Yes	Yes	No	No	
14	Flexible Ways of Working Policy	3 Yearly	22/08/2022	01/08/2024	Yes	Yes	No	No	Due for review
15	Fraud and Corruption Policy	3 Yearly	07/02/2023	01/02/2026	Yes	Yes	Yes	No	

INTERNAL ACTIVE POLICES, PLANS AND REPORTS

	Policy Title	Review Cycle	Adopted Date	Review Date	Council Approval	E-Team Approval	RAC Approval/Review	Required by Legislation	
16	Gift Policy 2023	3 Yearly	01/07/2023	01/07/2026	Yes	Yes	No	No	
17	Harassment (including bullying and discrimination) Policy	3 Yearly	07/05/2024	07/05/2027	Yes	Yes	No	No	
18	Health and Exposure Monitoring Policy	3 Yearly	02/04/2024	02/04/2027	Yes	Yes	No	No	
19	Health and Safety Policy	3 Yearly	08/08/2022	08/08/2025	Yes	Yes	No	No	
20	Hours of Work Policy	3 Yearly	20/03/2015	01/03/2015	Yes	Yes	No	No	Due for review
21	Immunisation Policy	3 Yearly	02/04/2024	02/04/2027	Yes	Yes	No	No	
22	Leave Policy	3 Yearly	19/12/2024	19/12/2027	Yes	Yes	No	No	
23	Managing Conflict of Interest	3 Yearly	14/08/2018	01/08/2021	Yes	Yes	Yes	No	In development
24	Māori Language Policy	2 Yearly	11/09/2019	01/09/2021	Yes	Yes	No	No	Due for review
25	Media Policy	3 Yearly	30/06/2021	01/06/2024	Yes	Yes	No	No	Due for review
26	Mobile Phone Policy	3 Yearly	03/11/2014	03/11/2017	Yes	Yes	No	No	Due for review
27	Overtime Policy	3 Yearly	20/03/2015	01/03/2018	Yes	Yes	No	No	Due for review
28	Procurement Policy	3 Yearly	13/12/2016	13/12/2019	No	No	Yes	No	In development
29	Protected Disclosures-Whistle-Blower Policy	3 Yearly	05/03/2024	05/03/2027	Yes	No	No	No	
30	Providing References for Staff Policy	3 Yearly	20/03/2015	01/03/2018	Yes	No	No	No	Due for review
31	Recruitment and Selection Policy	3 Yearly	20/03/2015	01/03/2018	Yes	No	No	No	Due for review

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INTERNAL ACTIVE POLICES, PLANS AND REPORTS

	Policy Title	Review Cycle	Adopted Date	Review Date	Council Approval	E-Team Approval	RAC Approval/Review	Required by Legislation	
32	Relocation Expenses Policy	3 Yearly	20/03/2015	01/03/2018	Yes	No	No	No	Due for review
33	Remuneration Policy	3 Yearly	13/08/2021	01/08/2024	Yes	Yes	No	No	In development
34	Safety and Wellness Policy	3 Yearly	02/04/2025	02/04/2028	Yes	Yes	No	No	
35	Sensitive Expenditure 2019	3 Yearly	24/07/2019	01/07/2022	Yes	Yes	Yes	No	In development
36	Social Media Policy	3 Yearly	30/06/2017	30/06/2020	Yes	No	No	No	In development
37	Staff Making Submissions Policy	3 Yearly	01/05/2025	01/05/2028	Yes	No	No	No	
38	Storage of Employee Records Policy	3 Yearly	20/03/2015	01/03/2018	Yes	No	No	No	In development
39	Substandard Performance, Misconduct and Disciplinary Policy	3 Yearly	10/03/2015	01/03/2018	Yes	No	No	No	In development
40	Visitors Policy	3 Yearly	29/05/2012	29/05/2015	Yes	No	No	No	Due for review
41	Voicemail Policy	3 Yearly	02/10/2014	02/10/2017	Yes	Yes	No	No	Due for review
42	Workplace Support Policy	3 Yearly	04/11/2024	04/11/2027	Yes	No	No	No	
43	Tangata Whenua Engagement Guidelines	As Required	22/04/2015	Not Applicable	No	Yes	No	No	In development
44	Learning and Development Policy	3 Yearly	01/05/2025	01/05/2028	No	Yes	No	No	

ACTIVE BYLAWS

	Bylaw Title	Review Cycle	Adopted Date	Review Date	Council Approval	E-Team Approval	RAC Approval	Required by Legislation
1	Freedom Camping Bylaw	5 Yearly	08/11/2023	22/11/2028	Yes	No	No	No
2	Water Supply Bylaw	10 Yearly	17/05/2017	17/05/2027	Yes	No	No	No
3	Wastewater Bylaw	10 Yearly	17/05/2017	17/05/2027	Yes	No	No	No
4	Trade Waste Bylaw	10 Yearly	24/06/2020	24/06/2030	Yes	No	No	No
5	Stormwater Management Bylaw	10 Yearly	17/05/2017	17/05/2027	Yes	No	No	No
6	Community Safety Bylaw	10 Yearly	07/05/2025	07/05/2035	Yes	No	No	No
7	Cemeteries Bylaw	10 Yearly	07/05/2025	07/05/2035	Yes	No	No	No
8	Land Transport Bylaw	10 Yearly	17/05/2017	17/05/2027	Yes	No	No	No
9	Introductory Bylaw	10 Yearly	24/06/2020	01/06/2030	Yes	No	No	No
10	Dog Control Bylaw	10 Yearly	14/09/2016	14/09/2026	Yes	No	No	No
11	Solid Waste Management and Minimisation Bylaw	10 Yearly	14/02/2024	14/02/2034	Yes	No	No	No
12	Alcohol Licensing Fees Bylaw	5 Yearly	07/05/2025	07/05/2030	Yes	No	No	No

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8   Ngā Pūrongo Whakamārama | Information Reports

8.7   Asset Capitalisation Policy Review

CM No.: 3039505

Te Kaupapa | Purpose

The purpose of this report is to present the proposed draft revision of the Asset Capitalisation Policy to the Risk and Assurance Committee for review and feedback.

Rāpopotonga Matua | Executive Summary

The revised asset capitalisation policy is attached and the Risk and Assurance Committee's feedback on the draft is sought before it is finally adopted by the Executive Team.

Tūtohunga | Recommendation
That:

1.   **The report is received.**

2.   **The Risk and Assurance Committee review and provide feedback on the revised Asset Capitalisation Policy.**

Horopaki | Background

The current capitalisation policy was last reviewed and adopted on 15 May 2012. Since then there has been some changes in the applicable accounting standards. Furthermore, there has been a proliferation of software developments and the introduction of cloud computing with Software as a Service (SaaS) arrangement being the most common that needed to be considered and included in the policy.

SaaS arrangements are typically where software applications are delivered over the internet on demand, usually via a subscription. The service provider hosts an application and manages the associated infrastructure.

Ngā Take/Kōrerorero | Issues/Discussion

MPDC do not have a choice but to upgrade and abreast with the latest advancements in the technological world and other procurement practices. Therefore, a revision of the current capitalisation policy is inevitable which will assist with the recognition and accounting of intangible assets and be able to satisfy the external audit process.

Outlined below are the key changes to the proposed draft capitalisation policy:

1.   Addition of guidance on capitalising cloud computing technology with SaaS arrangements and internally generated intangible assets in view of the digital transformation that MPDC is currently undergoing and to keep abreast with the new ways of procuring technology.

2.   Intangible Assets have been defined and appropriate accounting standards have been referenced where applicable.

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3. An increase of the capitalisation threshold from $2,000 to $2,500 per item or where purchased as a group/pooled asset. The new threshold amount was proposed by the Assets and Strategy Manager based on practical experience, and is in line with other Council thresholds we reviewed. Setting the threshold too high would result in more costs classified as operating, and the potential for insufficient funding for the eventual replacement of these assets in the future.

4. Removed the threshold for capitalising IT equipment, library books and furniture and fittings (excluding consumables) which are grouped and capitalised in total. Particularly for attractive assets such as laptops and other IT equipment, this ensures that a record of all these assets is maintained, and stock can be regularly reviewed to ensure these assets are safeguarded.

5. Elaborated the depreciation and amortisation to align with the current MPDC's accounting policy.

6. Elaborated the impairment test to be undertaken annually and to align with accounting standards.

7. Vested, Donated and Found Assets to be recorded at fair value excluding GST and aligned with MPDC's accounting policy.

8. Extended the section on financial contributions to include development contributions.

9. In Appendix two, included SCADA and telemetry systems for capitalisation in the Water and Wastewater activities.

10. Aligned the capitalisation rule for roading carriageway, pavement base and formation to the NZTA guideline from 100m length to 500m^2 in area.

Mōrearea | Risk

In respect of a capitalisation policy for a local authority, risks include a policy that:
- Does not align with current accounting standards, accounting policies, other policies of the entity, NZTA guidelines and current best practice.
- Does not provide guidance on relevant assets or the relevant costs of an organisation
- Sets a capitalisation threshold that is either:
  a) too high, which may result in more costs classified as operating, and the potential for insufficient funding for the eventual replacement of these assets in the future, or
  b) too low, which may result in a significant administrative burden in having to capitalise and account for the depreciation of these assets, and manage future disposals etc.
- Is not easily understood or accepted by staff that are responsible for procurement, budgeting, and the administration of the capitalisation and asset registers.

In an effort to mitigate the above risks, the proposed draft asset capitalisation policy has been reviewed using the following review process:

- Incorporated guidance from articles published by the NZ Treasury Department, PwC, Deloitte, and KPMG for capitalising SaaS arrangements and internally generated intangible assets.

- Checked for alignment of this proposed draft capitalisation policy to the current accounting standards on recognition and treatment.

- Identified other applicable MPDC policies and ensured alignment with this revised policy (eg ensuring that the section on disposal of assets referenced the guidance on asset disposal as per Council's Sensitive Expenditure policy).

- Reviewed the policies of some other local authorities or public entities to ensure the policy covered appropriate aspects.
- Sought feedback on the draft policy from key internal stakeholders (including the Asset and Projects Team, IT Department, Digital Enablement, Finance and Business Services Team) to consider the thresholds proposed to ensure they are workable in practice, that the guidance and decision tree provided was able to be interpreted and understood, that it complied with current NZTA guidelines and that it covered relevant expenditure of Council.

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

The capitalisation policy is an internal policy of Council so does not require any external consultation or publication.

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.

Policy Considerations

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 Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

Consideration has been made and time being of essence, outlined below are the next steps and timeframe in the review process;

Timeframes

Key Task	Dates
Executive Team (E-Team) to review and provide feedback on the draft policy which will be tabled at the Risk and Assurance Committee (RAC) meeting in June 2025.	10 June 2025
Incorporate any feedback from RAC into the proposed draft policy.	17 June 2025
Engage and consult again with relevant stakeholders.	19 June 2025
Submit to the E-Team for final approval and adoption.	24 June 2025

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

There is no financial cost to MPDC in preparing this proposed draft asset capitalisation policy.

Ngā Tāpiritanga | Attachments

A. 📄 CapitalisationPolicyReviewed - Final Draft with Track Changes *(Under Separate Cover)*

B⬇. CapitalisationPolicyReviewed - Final Draft Clean Copy
📄

Ngā waitohu | Signatories

Author(s)	Ajay Kumar **Kaitiaki Whakahaere Pūtea | Management Accountant**	

Approved by	Larnia Rushbrooke **Pou Pūtea, Ratonga Pakihi | Finance & Business Services Manager**	
	Kelly Reith **Hautū Tāngata, Kāwana me ngā Hononga | Group Manager People, Governance & Relationships**	
	Manaia Te Wiata **Tumu Whakarae | Chief Executive Officer**	

MPDC Asset Capitalisation Policy

Department: Assets, Policy and Strategy

Policy Type: Internal Policy
Adopted by Executive Team: [Date of Revision]

1. Introduction

This policy provides a comprehensive framework for the capitalisation of assets across all MPDC departments, including Community Facilities, Utilities, Roading, IT, Internal Software Development, and Cloud Computing / SaaS (Software as a Service) arrangements. It aims to ensure consistency, accurate financial reporting, and effective planning for asset lifecycle management.

2. Objectives

- Establish a consistent approach to capitalising assets across all departments.

- Accurately capture capitalisation costs, including costs related to Internal Software Development and SaaS projects.

- Provide clear guidelines for revaluation, depreciation, and disposal of assets.

- Align with applicable accounting standards (see section 15 of this policy).

3. Capitalisation Criteria

In general, an asset can be capitalised if:

1. It provides future economic benefits to MPDC, and,

2. Costs can be reliably measured, and

3. It has a useful life of more than one year.

There is further criteria in respect of capitalising costs of internally developed software and SaaS.

3.1 Internal Software Development

For internal software projects to be capitalised as an intangible asset:

- The project has reached technical feasibility, and

- It is probable the software will generate future economic benefits to MPDC and restrict the access of others to those benefits, and

- Direct costs, such as developer salaries and tools, are identifiable and attributable to the project.

3.2 SaaS (Software as a Service)

For SaaS projects to be capitalised as an intangible asset, the expenditure must meet all of the following definition and criteria:

- Be an identifiable non-monetary asset without physical substance that generates access or rights to future benefits beyond the current year, and

- MPDC will own and have control over the asset – (eg, SaaS arrangements with substantial customisation to the "off the shelf" version or that are bespoke to MPDC and can only be used by MPDC), and

- It is probable the software will generate future economic benefits to MPDC and restrict the access of others to those benefits, and

- Costs related to configuration, integration, and implementation are directly attributable to MPDC's use of the service, and

- The service agreement provides long-term benefits, typically extending beyond one year, and

- Not an integral part of hardware, such as operating system, in which case it is classified as property, plant and equipment and accounted for in accordance with PBE IPSAS 17, and

- Computer software license fees are capitalised during the implementation phase if they are acquired and necessary to bring the software to a working condition/use.

Refer to the decision tree in Appendix one to help understand whether the SaaS arrangement gives rise to a service or an asset.

4. Capitalisation Thresholds

- A standard threshold of $2,500 applies across all asset categories, including Internal Software Development and SaaS projects.

- Assets below this threshold are expensed unless they are part of a larger capital project.

- Individual items or projects must exceed the $2,500 threshold to be capitalised unless they are part of a group of related components forming an asset with a total cost exceeding $2,500.

- An exception is that Library Books, IT equipment and Furniture and Fittings (excluding consumables) are capitalised in total.

5. Project Lifecycle Stages

Project related expenditure must be captured in an appropriate work order (capital or operational). The operational work order should capture the costs in stages 1 and 2 below. The capital work order should capture the costs in stages 3 and 4 below. The balance of the capital work order is recorded as Work in Progress (WIP) until such time as the work order and the project is completed and capitalised. Refer to section 15 for related procedures.

Stage	Community Facilities and Property	Utilities	Roading	Internal Software Development	SaaS (Software as a Service)
1 - Opex	Feasibility studies	Problem identification	Feasibility and options evaluation	Research and initial assessments	Vendor selection and feasibility studies

Stage	Community Facilities and Property	Utilities	Roading	Internal Software Development	SaaS (Software as a Service)
2 - Opex	Concept design before approval	Solution approval	Scheme assessment	Preliminary design and feasibility studies	Initial configuration and trials
3 - Capex	Detailed design for approved projects	Design and resource consent	Design preparation	Coding, testing, and deployment	Full configuration, integration, and testing
4 - Capex	Construction and commissioning	Construction	Construction and commissioning	Final testing and go-live	Final implementation and go-live

- **Stages 1 and 2**: Operating expenditure (Opex).

- **Stages 3 and 4**: Capital expenditure (Capex).

6. Expenditure Included in the Asset's Cost

Expenditure must be included in the cost of an asset if it:

- Creates a new asset.

- Extends the asset's useful life (e.g., road widening).

- Is necessary for obtaining future economic benefits (e.g., resource consent).

- Directly contributes to bringing the asset to working condition.

- Is integral to the function or value of the asset—eg landscaping works such as planting, soil preparation, irrigation systems, or structures forming part of a park or public facility—may be considered part of land improvements and therefore capitalised.

- Is an integral part of hardware, such as an operating system.

Examples of Capitalisable Costs:

- Resource consent fees

- Survey and site preparation costs

- Land formation

- Design and direct materials

- Internal and external project management

- **Internal Software Development**:
  - o Developer salaries and software tools
  - o Costs associated with coding, testing, and deployment
- **SaaS (Software as a Service)**:
  - o Subscription fees during the implementation phase
  - o Configuration, integration, and customisation costs

7. Expenditure That Must Be Expensed

The following costs must not be capitalised:

- Feasibility studies and evaluation of multiple proposals.
- Asset disposal or removal costs (unless related to land acquisition).
- Maintenance, training, and promotional costs.
- Borrowing or financing costs.
- **Internal Software Development**:
  - o Research and feasibility studies.
  - o Maintenance and minor updates post-implementation.
  - o Data migration and cleansing.
- **SaaS (Software as a Service)**:
  - o Ongoing subscription fees after implementation.
  - o Regular maintenance and updates provided by the vendor.

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Attachment B

8. Depreciation and Amortisation

Depreciation (or amortisation for an intangible asset) reflects the asset's consumption pattern and begins when the asset is ready for use.

Depreciation/Amortisation Periods:

- **Land and land under roads:** Is not depreciated

- **Buildings and Infrastructural Assets:** Depreciated at a component level based on useful lives assessed in the latest revaluation.

- **Other PPE** (not subject to revaluation): Depreciated at useful lives as set out in MPDC's accounting policies or as assessed by reference to asset/product information.

- **Internal Software Development**: Amortised over 3-5 years, depending on expected technological advancements.

- **SaaS (Software as a Service)**: Amortised over the contract term or the expected useful life, whichever is shorter.

8.1. Revaluation Effect on Depreciation

Depreciation rates/useful lives must be reviewed following each asset revaluation.

9. Revaluation

Revaluation applies to major asset classes at least every 3-5 years or more regularly when significant changes in value occur.

Asset Class Examples

Land	Water reticulation	Bridges
Buildings	Stormwater system	Infrastructural buildings
Roads	Wastewater system	
Street Lighting	Infrastructural assets	

All assets must be revalued as a group within their class i.e., you can't pick and choose individual assets to revalue.

Land under roads is not revalued.

Revaluations must be carried out in accordance with the requirements of PBE IPSAS 17.

10. Asset Disposal and Impairment

Assets must be disposed of when no further economic benefits are expected. Disposal scenarios could include replacement, abandonment, destruction, or sale.

Disposal of Non-Infrastructure assets must follow MPDC's Sensitive Expenditure Policy.

Impairment

An asset must be impaired if the asset's value falls below book value, for example due to:

- Physical damage
- Technological obsolescence
- Planned disposal

Assessments for impairment must be carried out at least annually, and in line with PBE IPSAS 21 for non-cash generating assets or PBE IPSAS 26 for cash generating assets.

11. Vested, Donated, and Found Assets

These assets must be recorded at fair value or replacement cost, and exclusive of any GST.

Land under roads is valued using the average land values for the urban and rural areas of the whole district as at 1 July 2001. This is considered to be the fair value of the land. On transition to NZ IFRS Council elected to use the fair value of land under roads as at 1 July 2001 as deemed cost.

12. Development and Financial Contributions

Development and Financial contributions are recorded as a source of capital funding and must not be offset against asset costs.

13. Implementation and Time Tracking

Departments must track time and costs accurately for all capital projects in order to capitalise it. Internal Software Development and SaaS projects require separate time tracking for capitalisable activities.
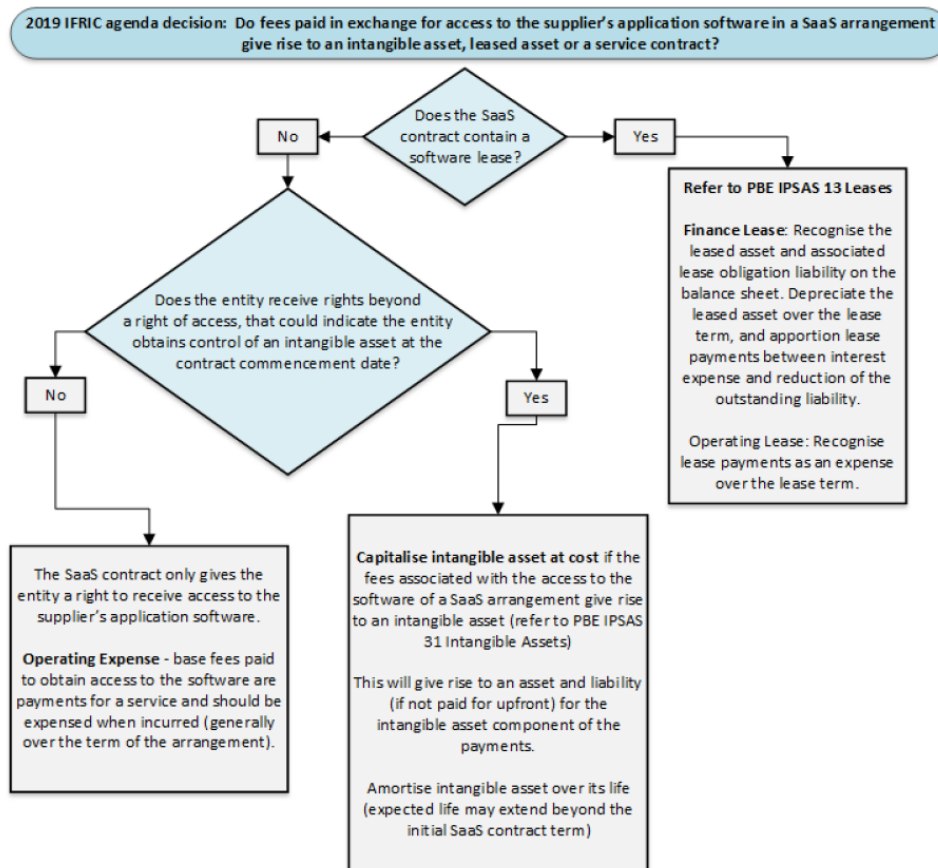
14. Policy Review

This policy will be reviewed every 3 years or as necessary to reflect changes in accounting standards or organisational structure.

15. References and related documents

This policy should be read in conjunction with the following accounting standards and related MPDC policies or procedures:

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- PBE IPSAS 31 Intangible Assets

- PBE IPSAS 13 Leases

- PBE IPSAS 3 Accounting Policies, Changes in Accounting Estimates and Errors

- PBE IPSAS 17 Property, Plant and Equipment

- PBE IPSAS 21 Impairment of non-cash generating assets

- PBE IPSAS 26 Impairment of cash generating assets

- MPDC's Procurement Policy and Procurement Manual

- MPDC's Accounting Policies

- Ninetex Promapp – includes MPDC's internal procedures for recording operational and capital costs in work order

- Asset Update Form (AUF)

- Sensitive Expenditure Policy

Appendix one: Decision tree - Accounting for Software as a Service (SaaS)

2019 IFRIC agenda decision: Do fees paid in exchange for access to the supplier's application software in a SaaS arrangement give rise to an intangible asset, leased asset or a service contract?

Does the SaaS contract contain a software lease?

No ← | → Yes

Does the entity receive rights beyond a right of access, that could indicate the entity obtains control of an intangible asset at the contract commencement date?

No | Yes

Refer to PBE IPSAS 13 Leases

Finance Lease: Recognise the leased asset and associated lease obligation liability on the balance sheet. Depreciate the leased asset over the lease term, and apportion lease payments between interest expense and reduction of the outstanding liability.

Operating Lease: Recognise lease payments as an expense over the lease term.

The SaaS contract only gives the entity a right to receive access to the supplier's application software.

Operating Expense - base fees paid to obtain access to the software are payments for a service and should be expensed when incurred (generally over the term of the arrangement).

Capitalise intangible asset at cost if the fees associated with the access to the software of a SaaS arrangement give rise to an intangible asset (refer to PBE IPSAS 31 Intangible Assets)

This will give rise to an asset and liability (if not paid for upfront) for the intangible asset component of the payments.

Amortise intangible asset over its life (expected life may extend beyond the initial SaaS contract term)

Source: February 2022, Te Tai Ōhanga The Treasury, Accounting for Software as a Service (SaaS), https://www.treasury.govt.nz/publications/guide/guidance-accounting-software-service

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Appendix two: General thresholds for capitalisation

Non Infrastructural Assets

	Asset Class	Criteria/Threshold
Capital and Renewal	IT Equipment, including Computers, Network, Servers, Monitors, Printers, AV Equipment (excluding consumables)	All equipment to be grouped and capitalised and depreciated at the appropriate rate.
	Library Books	All books to be capitalised and depreciated at the appropriate rate.
	Furniture and Fittings (excluding consumables)	All items to be grouped and capitalised and depreciated at the appropriate rate.
	Software	Where it meets the criteria in 3.1 of this policy, Items >$2,500 and above to be capitalised and amortised at the appropriate rate.
	Vehicles and Plant, Street Furniture, Corporate Buildings, Pensioner & Staff Housing	Items >$2,500 and above to be capitalised and depreciated at the appropriate rate.
Not Capitalised	Any items not listed as above eg bins, bike racks	

Rubbish and recycling

Capital and Renewal	New development, fencing. New resource consents, consent renewals. Access reseals > $2,500
Not Capitalised	Refuse collection and disposal contracts including refuse bags, recycling operations, mulching operations. Rates, insurance, leachate disposal and monitoring, access repairs, fencing repairs. Landfill aftercare

Water Supply

Capital and Renewal	Water pipe extensions, upgrades to headwork, new bores, increased water main capacity over existing service, new and renewal of existing Resource Consents, Water main/rider main replacement with increased capacity over existing service (inclusive of fittings), SCADA telemetry system and over $2,500 value.	
	Asset	**Rule**
	Pipes & mains node to node	Any length

Asset Capitalisation Policy Review

	Pipes and mains not node to node	Capitalise the section of pipe replaced if in the future when it is time to replace the entire pipe node to node, the section in question is sufficiently long that it would not need replacement
	Valves/hydrants/tobies	Each
	Pump	Each
	Electrics	Each
	Dry Well	Each
	Wet well	Each
	Inlet	Each
	Outlet	Each
	Dam	Each
	Sediment Traps	Each
	Holding Tanks	Each
	Plant Items	Each
Not Capitalised	Toby/valve/hydrant/rider main/repairs *<$2,500, building repairs <$2,500*. Energy, telephone, monitoring, services, rates, insurance, cleaning, testing. Emergency callout systems. Painting hydrants/markers. Accidental damage. Preventative maintenance. *Annual* Resource Consent fees. Repainting, respouting of buildings, telemetry license fees, radio links etc.	

Wastewater

	Sewer extensions, new or renewal of resource consents. Replacement of pumps, electrical switchgear, communication equipment and machinery, SCADA telemetry system not less than equivalent capacity and over $2,500 value. Pipelines replaced due to deterioration.	
	Asset	**Rule**
	Pipes & mains node to node	Any length
Capital and Renewal	Pipes and mains not node to node	Capitalise the section of pipe replaced if in the future when it is time to replace the entire pipe node to node, the section in question is sufficiently long that it would not need replacement
	Manholes/Lampholes/Inspection chambers	Each item
	Pump	Each
	Electrics	Each
	Dry Well	Each
	Wet Well	Each

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	Inlet	Each
	Outlet	Each
	Dam	Each
	Sediment Traps	Each
	Ponds	Each
	Holding Tanks	Each
	Plant Items	Each
Not Capitalised	Pipe clearing and cleansing operations. Energy, telephones, communications, treatment costs, monitoring, testing, reporting, emergency capability. Manhole raising. Preventative maintenance. Annual Resource Consent fees. Quality/Safety Assurance. Pipes replaced due to accidental damage. Repainting, rejointing of structures, desludging unless part of a project	

Stormwater (piped systems and open drains)

	Pipeline extensions. New sumps, manholes, outfall and protection structures. New or renewal of Resource Consents. Replacing a single sump with a double sump has a capital component. Replacing manholes, grills, gabions, sumps, detention structures >$2,500.	
	Asset	**Rule**
	Pipes & mains node to node	Any length
	Pipes and mains not node to node	Capitalise the section of pipe replaced if in the future when it is time to replace the entire pipe node to node, the section in question is sufficiently long that it would not need replacement
	Manholes/Lampholes/Inspection chambers	Each item
	Pump	Each
	Electrics	Each
Capital and Renewal	Dry Well	Each
	Wet well	Each
	Inlet	Each
	Outlet	Each
	Dam	Each
	Sediment Traps	Each
	Soakholes	Each
	Ponds	Each
	Holding Tanks	Each
	Water courses	Each
	Plant Items	Each

Asset Capitalisation Policy Review

Not Capitalised	Operation and maintenance. Manhole raising, lid replacement, sumps and grates. Resource consent fees Quality/Safety Assurance. Repairs to structures <$2,500. Open drain maintenance. Weeds & spraying

Footpath and Berms

Capital and Renewal	Footpath extensions, CBD upgrades resurfacing, concrete path replacement.
Not Capitalised	Minor repairs, vegetation control, paver repairs, street trees, median and walkway mowing, path replacements <10m continuous length.

Roading

Capital and Renewal	Seal widening, formation widening, streetlight extensions, kerb and channel extensions, Minor Safety Projects, new construction, new culverts >600mm diameter, bridge replacement/widening /structural repairs (includes stock underpasses). Pavement rehabilitation, reseals, area-wide pavement treatment. (Capital component for improved service potential, e.g. additional width/structural capacity).Signs, posts, guardrails, sight rails renewals, and new. Road marking over 100m in length.	
	Note: Land purchased for roads, additional land purchased for roads, existing road reserve and formation is valued but not depreciated.	
	Asset	**Rule**
	Carriageway, Pavement Base, Formation	> 500m2 in area
	Kerb & Channel	> 10 linear metres (continuous)
	Catchpit, underchannel drainage, soakhole	New or replacement
	Streetlights & amenity lighting	New or replacement or upgrades eg longer bracket or improved lantern
	Footpaths, Cycleways	> 10 linear metres (continuous)
	Vehicle Crossing, Traffic islands, speed humps, Pedestrian Facilities	New or replacement
	Bridges, culverts	New or replacing the total structure
	Road markings	> 100 metres continuous
	Fences & Barriers	> 10 linear metres continuous
	Cabling	> 10 linear metres continuous
	Road signs	> $250
	Other structures over $2,500	Each item is capitalised
Not Capitalised	Repair of surface defects, drain cleaning, guard railing repairs, marker posts, street lighting charges, vegetation control, culvert maintenance, monitoring and reporting, inspection and testing, digouts, stabilized patching, road marking, work on existing formation (non widening), unsealed roads, culverts 600 diameter and smaller, road legalisation - operational expenses, street cleaning	

8   Ngā Pūrongo Whakamārama | Information Reports

8.8   Procurement Policy Review

CM No.: 3040013

Te Kaupapa | Purpose

The revised Procurement policy is submitted to the Risk and Assurance Committee for:

- Review and to provide feedback and endorsement; and
- Recommendation to the Council for approval.

Rāpopotonga Matua | Executive Summary

The Procurement Policy is scheduled for review after each Triennial election, endorsed by the Risk and Assurance Committee, approved by the Council.

The current review of the Policy proposes to:

1. Revise the Procurement vision, focussing on Council's commitment to achieving value for money in all procurement activities, ultimately enhancing public value.

2. Re-align Council's commitments to deliver the procurement vision.

Tūtohunga | Recommendation
That:

1. **The Committee review and provide feedback on the proposed changes to the policy.**

2. **The Committee recommend the revised Procurement Policy to Council for approval.**

Horopaki | Background

Procurement Framework

The Procurement Policy applies to all purchasing activities and is an overarching document that outlines the Council's vision, commitments and approach to procurement.

The Procurement Policy is supported by the Procurement Manual, Contract for Services Manual and New Zealand Standard Contracts Manual.

These manuals are operational documents, with any changes requiring approval from the Executive Team. They provide procedural guidance for procurement and are updated as needed when:

- Relevant Government procurement rules are revised; or

- Internal process improvements lead to greater procurement efficiencies.

In absence of such updates, they are reviewed according to the scheduled review dates.

Procurement Policy Review

The Policy was last updated in 2022. This current review aims to ensure the Policy is consistent with the current procurement environment, aligns with best practices, and continues to deliver value.

A cross-functional working group was setup to lead this review. Staff with significant involvement in procurement activities across the organisation formed the working group:

- Pou Rawa me ngā Kaupapa | Assets & Projects Manager - Susanne Kampshof
- Pou Rori | Roading Manager - Mike Van Grootel
- Pou o ngā Wai me ngā Waipara | Water and Wastewater Manager - Darren Teulon
- Pou Pūtea, Ratonga Pakihi | Finance & Business Manager - Larnia Rushbrooke
- Mātanga Hokohoko | Procurement Specialist - Sangeeta Singh

To ensure the risk section was in alignment to the risk framework, this section was reviewed by - Consultant Risk and Business Excellence Advisor – Ken Morris.

The review was in alignment to:
- The current procurement environment; Government procurement rules,
- Council's strategic priorities - how these can be achieved through procurement,
- Procurement focus of other Councils within the region.

Since adoption of the current vision, there has been a shift in the procurement environment. The current Government procurement rules require procurement to focus on achieving wider social, economic, cultural and environmental outcomes through its procurement activities.

While we believe that Council is delivering on these requirements, we are taking this opportunity to revise and refocus the procurement vision to reflect this, and re-aligning the procurement commitments accordingly. Additionally, to the risk section of the Policy, more risk consequences have been included for consideration. This aims to help staff conducting procurement to manage risks in various areas.

The revised policy document is attached for review.

Mōrearea | Risk

Not having an up-to-date procurement policy can expose council to a range of operational, legal, reputational, and financial risks.

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

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

Having regard to the decision making provisions in the LGA 2002 and Council's 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	Once endorsed, this will be consulted with relevant staff for feedback. Submissions will be collated and presented to the Executive Team for review and final decision before it is directed to the Council for approval.
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.	Not applicable

Policy Considerations

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 Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

Timeframes

Key Task	Dates
Risk and Assurance Committee review, feedback and endorsement	17/6/2025
Released to staff for consultation	20/6/2025
Submissions close	04/07/2025
Collate and present all feedback to the Executive Team for decision	15/07/2025
Submit the preferred Policy to Council for approval	27/8/2025

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
TŌ MĀTOU WHAKAKITENGA | OUR VISION 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.	

TŌ MĀTOU WHĀINGA MATUA | OUR PRIORITIES (COMMUNITY OUTCOMES)			
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 to thrive – allowing policy and procedures, making available procurement templates, building capability and measuring performance that help people excel in their procurement journey.

- A place that embraces our environment – enforcing through policy that staff involved in procurement consider sustainability and economic and social outcomes through their procurement activities.

Ngā Tāpiritanga | Attachments

A⬇.   Revised Policy-Procurement _2025

Ngā waitohu | Signatories

Author(s)	Sangeeta Singh **Mātanga Hokohoko | Procurement Specialist**	

Approved by	Larnia Rushbrooke **Pou Pūtea, Ratonga Pakihi | Finance & Business Services Manager**	

| | Kelly Reith | |
| | **Hautū Tāngata, Kāwana me ngā Hononga \| Group Manager People, Governance & Relationships** | |

Procurement Policy

Date: 20 January 2022

Our Vision is

~~To get the best deal when purchasing goods and services that Council uses to provide for the needs of the Community~~. Obtain best value for money in all procurement activities, considering quality, cost, timelines and sustainability.

Council's commitment

Council's commitment is to:

- Delivering value to the Matamata-Piako community through transparent, ethical and sustainable procurement practises.
- Making smart, innovative and sustainable purchases that provide long-term, future ready value to the community—protecting the environment, supporting local jobs, and meeting community needs.
- Delivering public value through sustainable procurement that considers total cost of ownership, environmental impact, and broader economic and social outcomes.
- Support and encourage procurement capability through training and mentorship.
- Open, transparent and competitive government procurement that delivers the best deal by adhering to good practice guidelines of the Auditor General for procurement in the public sector.
- ~~Follow the good practice guidelines of the Auditor General for procurement in the public sector~~
- Follow the requirements of the New Zealand Transport Agency Waka Kotahi (NZTA) for subsidised road works
- Procure in a manner that meets the commitments in the Health and Safety Charter
- All things being equal use local providers within our district
- Identify the risk and value associated with purchasing products or services
- Ensure the purchasing process can be reviewed and also justified to a third party
- Procure goods and services in a manner that ensures the provider understands what is required

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Introduction

Matamata-Piako District Council (MPDC) purchases a variety of goods and services ranging in scope from major contracts for civil works, large maintenance contracts, land and buildings to small items such as office supplies and minor equipment. The following policy must be used to help assess the most appropriate method of procuring for such projects or purchases.

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This policy applies to all Council purchasing activity. It works alongside other specific guidelines, e.g. NZTA's procurement rules for roading. Other related Council policies are referenced in the Procurement Manual and include staff delegations, conflict of interest and fraud.

All procurement shall be undertaken in accordance:

- With this policy,
- With the procurement manual,
- Within financial delegations
- Within approved budgets for goods and services

Risk and Value Management

In getting the best deal for Council, the degree of effort and complexity needed for purchasing a particular product or service will be established by considering the risk associated with the product or service and the estimated value of the product or service. A risk assessment will be applied to procurement. The outcome of the assessment will guide the way procurement is to be undertaken.

<u>Risk</u>

> **Commented [SS1]:** Reviewed and confirmed by MPDC Consultant Risk and Business Excellence Advisor

Risk can be defined as exposing someone or something valued to danger, harm or loss. Risks to be considered include:

- Reputational
- Financial
- Information Technology and Information Security
- Operational
- Strategic
- Health and Safety
- Our People
- Legal and Regulatory Compliance
- Community
- ~~Operational~~
- ~~Financial~~
- ~~Reputational~~

Risk ranges from low to extreme and the appetite for risk needs to be carefully considered and documented prior to procuring goods and services.

The ability of prospective suppliers to meet Council's requirements around risk must always be considered.

<u>Value</u>

As the estimated value of purchases of goods and services increases, so too does the need for greater formality in the process to acquire them.

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Where purchases are over $250,000 in value, or they are of a high risk, a Procurement Plan is required which must be referred to a staff group known as the Tenders Board for final approval. The Tenders Board shall include be a Group Manager and at least two subject matter expert – such as Assets & Projects Manager, Roading Manager, Water & Wastewater Manager or any other members invited due to their expertise in relation to the procurement. The Procurement Specialist shall provide support to the tender board. A staff member with the appropriate delegation, and who was not on the Tender Board will approve the recommendation of the Tender Board. the Chief Executive and two group managers or three group managers in the absence of the Chief Executive.

Review

This procurement policy effectiveness is to be measured by auditing contracts to ensure they comply with Council's Procurement Policy and standard operating procedures for procurement, the Office of the Auditor General 'Good Practice Guide' and NZTA Procurement Policy (where applicable). These audits may be undertaken by Audit New Zealand, the internal auditors, ISO internal auditors, or a staff member senior to the persons who initiated and undertook the procurement process.

After each triennial election, this policy and associated polices will be reviewed and approved by Council. The review includes delegations, procurement conditions, acceptance or otherwise of NZTA requirements or limits and the membership and role of the Tender Board.

Commented [SS2]: The following will be outlined in the procurement manual:

Terms of reference – approved by E-team
Conditions for inclusion and exclusion of members
Conflict of interest management

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Attachment A

8.9   Draft Internal Policy: Managing Conflict of Interest

CM No.: 3039488

Te Kaupapa | Purpose

The purpose of this report is to provide the committee with the draft internal policy Managing Conflicts of Interest, for review and feedback.

Rāpopotonga Matua | Executive Summary

A draft internal policy for Managing Conflicts of Interest is provided for the committee to review. The policy has been reviewed and amended to align with the Auditor General's Guidelines. Kate Stevens, People, Safety & Wellness Manager in attendance to discuss the policy with the committee and seek feedback.

Tūtohunga | Recommendation

That:

1.   The information be received.

Ngā Tāpiritanga | Attachments

A⇩.   Draft Policy Managing Conflicts of Interest

Ngā waitohu | Signatories

Author(s)	Kate Stevens	
	Pou Tāngata, Haumaru me te Oranga | People, Safety & Wellness Manager	

Approved by	Kelly Reith	
	Hautū Tāngata, Kāwana me ngā Hononga | Group Manager People, Governance & Relationships	

Managing Conflicts of Interest

Department: People and Wellness

Date, CM number and version number: June 2025, Version 5

Introduction

Matamata-Piako District Council (MPDC) is committed to ensuring there is a high level of public confidence in the integrity of the organisation.

A conflict of interest is any situation where your decisions and responsibilities as an employee, contractor or consultant at MPDC conflict, or could be seen to conflict, with your private or personal interests, often outside of work. Having a conflict of interest does not mean you have done anything wrong. Conflicts are common and often unavoidable, especially in small communities like ours. What matters is how they are identified, disclosed and managed.

A conflict of interest occurs when an individual's personal interests—such as financial, professional, or relational—interfere, or appear to interfere, with their ability to act in the best interests of the organisation. This includes any situation where personal gain could be perceived to influence professional judgment, decisions, or actions. Conflicts of interest may be:

- Actual – a direct conflict between current responsibilities and personal interests.
- Perceived – a situation that appears to others to be a conflict, even if none exists.
- Potential – a situation that could develop into a conflict in the future.

We have a responsibility to ensure that all decisions are made impartially and for the right reasons, free from undue influence by personal interests. By properly managing conflicts, we maintain public trust and confidence in MPDC. This also keeps you safe and protects you from being accused of fraud or corruption.

'We do it right' is one of our organisational values. You are expected to be accountable for your actions, professional in your dealings with others, open, honest and trustworthy in undertaking your work.

This policy outlines MPDC's expectations for you to declare conflicts of interest and how these conflicts of interest should be managed.

Audience

All MPDC employees, contractors and consultants.

Requirements for elected members are covered under the Local Authorities (Members' Interests) Act 1968 and not included in this Policy.

Policy

Conflicts of interest can arise in a variety of ways. There are four main categories of conflict of interest:
1. Financial conflicts
2. Non-financial conflicts
3. Conflict of roles
4. Predetermination.

1. Financial conflicts

A financial conflict of interest is any situation where you stand to gain or lose financially from a decision you are asked to make. Financial interests may cover but are not limited to such things as directorships, shareholdings, real estate or trusts, which have the potential to conflict with official duties. Examples of this type of conflict are where you:

- are the director of a family company that may be affected by policy changes being considered in your work area
- may be assessing tenders from companies in which you, a friend or a relative have an interest
- may be involved in the financial grant approval process and one of your relatives, friends or an organisation you have an interest in has applied for a grant.

2. Non-financial conflicts (personal relationships and interests)

A non-financial conflict of interest is any situation where you are not affected financially by a decision but are affected in some other way that might make you biased or appear to be biased. This could arise from a close personal relationship, including a family relationship, or friendship. You are, of course, perfectly entitled to have such relationships, but you should be open about them if they could or could be seen to impact upon your responsibilities.

For the purpose of this policy a 'close personal relationship' includes your family (e.g. children, spouse/partner, parents, siblings, aunts, uncles, cousins etc – whether by blood or otherwise), members of the same whanau or iwi as you with whom there is regular close contact, friends, business partners or associates.

Personal and other interests may include group or committee membership, sporting, social or cultural activities. Examples of where personal or other interests may conflict with your duties are where you are:

- in a position to assess grants to a community group to which you belong
- in a selection panel and have a close personal relationship with an applicant for the position.

3. Conflict of roles

A conflict of roles can arise in any situation where you are a decision-maker for two different organisations about the same matter.

The main points to consider with a conflict of roles are that you need to:

- be clear what your obligations are to each role or organisation
- be confident that both organisations are clear about your obligations to each of them and, if necessary, have a protocol that explains this

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- always be alert for situations where the interests of the two organisations might conflict, even if they generally do not.

4. Predetermination

Predetermination is any situation where you are making a decision and there is a risk that people will think you have made up your mind before considering all the evidence. Whilst this is not technically a conflict of interest, the risks are the same. You are expected to have an open mind and ensure that your personal views do not prevent you from considering all relevant information prior to making a decision, for example, if have strong personal opinions relating to a specific project.

Possession of official information

In addition to the four categories described above, you also need to consider potential conflicts created by the possession of official information. It is important that you do not take advantage of information acquired in your official role to make a gain either for yourself or others.

Your responsibilities

MPDC expects you to:
- declare any potential conflicts of interest to your manager
- perform the duties of your role impartially, uninfluenced by fear or favour
- be frank and honest with colleagues
- avoid situations in which your private interest, whether financial or otherwise, conflicts or might reasonably be thought to conflict with your public duty
- be conscientious in your use of MPDC property and services, and you should not permit misuse of MPDC property and services by other persons
- consider if you have an advantage that members of the public do not have – this could include accessing files or information, or preferential treatment.
- ensure you are giving and receiving the same treatment as everyone else.

MPDC expects you to not:
- use information obtained in the course of your duties to gain directly or indirectly an advantage for yourself or for any other person
- ask for or accept from any person any remuneration or benefit for your duties over and above your official remuneration
- ask for or accept any benefit, advantage or promise of future advantage from persons who are in, or seek to be in, any contractual or special relationship with MPDC, whether for you, your immediate family or any business concern or trust you are associated with
- accept any gift, hospitality or concessional travel offered in connection with your duties (except as permitted under MPDC's Gift Policy)
- allow the pursuit of your private interest to interfere with the proper discharge of your duties
- be involved in decisions to short list, select or employ persons with whom you have a close personal relationship or other personal interest, irrespective of whether it is as an employee or contractor, on a permanent, fixed term, temporary or casual basis.

3

Declaration of Interests

You have a responsibility to notify your manager about any potential or actual conflicts of interest and complete a Declaration of Interest form. If you are unsure if you have a conflict of interest you should declare it just to be sure.

You should declare any close personal relationships or other interests, at any time where circumstances arise in which you consider that these interests could or could be seen to influence the decisions you are making or the advice you are giving.

Additionally, declaration of interest forms must be completed:
- if you require a delegated purchasing authority or a change to your delegated purchasing authority is requested
- for all high-value procurement activities or tender evaluation teams as per the Procurement Policy (using the Procurement Conflict of Interest form)
- if you have a potential conflict of interest in relation to any procurement process
- if you indicate a potential conflict of interest during the employment or induction processes
- annual declaration of interest forms must also be completed by roles outlined in the procedures below.

During a pre-employment or pre-engagement selection process, applicants may be asked to declare any actual, perceived or potential conflict of interest. Before engagement, it may sometimes be necessary to require successful applicants to divest interests that present real or potential conflicts in the performance of their duties.

If you have completed a declaration, you are responsible for reviewing and resubmitting your declaration whenever:
- there is a change in your responsibilities or in the areas which you are required to make decisions or give advice
- there is a change in your personal circumstances that could impact on the decisions you are making or the advice you are giving
- the annual review of your declaration is required.

Assessing a declaration of interest
Your manager will assess the seriousness of a conflict of interest and determine how to manage it by considering:
- the type or size of your other interest, including how closely the interests relate and the significance (i.e. the magnitude of the potential effects)
- the significance of the activity being carried out by MPDC
- the extent to which your other interest could affect or be affected by the decision
- the nature of your involvement in the matter.

Managing conflicts of interest
MPDC use a range of options for managing conflicts of interest, depending on their seriousness and practical considerations. Managers and Group Managers have a responsibility to ensure that any conflict of interest or other threat to the integrity of MPDC that is identified in the declarations is avoided or effectively managed. These mitigating actions are agreed in discussion and documented on the Declaration of Interest form. Further information is provided in the Procedures sections below.

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Disclosing conflicts of interest externally
For significant conflicts of interest, particularly those involving substantial procurement decisions, grant allocations, or matters of high interest, MPDC may consider public disclosure of the conflict and its management approach. This promotes transparency and public confidence in our decision-making processes while respecting individual privacy. The Group Manager will determine when public disclosure is appropriate, considering factors such as the financial value involved, public interest in the matter, and potential impact on organisational reputation.

Effects and Risks
Failure to declare and manage conflicts of interest may jeopardise the integrity of MPDC, and result in legal action and reputational damage.

If you fail to declare or manage a conflict of interest this may result in disciplinary action. For example, if you make a decision that could lead to, or could be perceived as leading to, personal or family gain, or favouring a particular group or organisation that you belong to, this may result in disciplinary action.

Monitoring, Measurement and Review
The review period will be three years or more frequently if triggered by significant organisational changes, legislative amendments, internal audit findings, significant conflict of interest incidents or upon recommendation from Audit New Zealand. The People, Safety and Wellness Manager will be responsible for the review.

Declaration of interest forms will be reviewed and updated annually. The People and Wellness Team maintain a list of all staff who have completed a Declaration of Interest.

Audit New Zealand audit all declaration of interest forms annually.

Relevant Information
- Local Government Act 2002
- Managing conflicts of interest: A guide for the public sector (Good practice guide published by the Auditor-General 2020)
- Managing Procurement and Confidentiality (NZ Government Procurement)
- Declaration of Interests Form
- Procurement Policy and Manual
- Fraud Policy
- Protected Disclosures - Whistleblower Policy
- Sensitive Expenditure Policy
- Gift Policy
- Substandard Performance, Misconduct and Disciplinary policy

Authorisation
Authorised by: Manaia Te Wiata
                 Chief Executive Officer
                 Matamata-Piako District Council

Signed:
          Manaia Te Wiata – CEO   Kate Stevens – PSW Manager

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8   Ngā Pūrongo Whakamārama | Information Reports

8.10 Annual Report 2024/25 Audit Plan and schedule of important dates

CM No.: 3032414

Te Kaupapa | Purpose

To provide the Annual Report Audit Plan and schedule of important dates in the audit process.

Rāpopotonga Matua | Executive Summary

Audit New Zealand have provided an Annual Report Audit Plan and schedule of important dates in the audit process. Also attached is the Audit Fee Proposal which has previously been presented to the Risk and Assurance Committee.

Tūtohunga | Recommendation
That:

1.   **The Audit Plan and schedule of important dates for the Annual Report 2024/25 is received.**

2.   **The Committee provide any feedback on the Audit Plan *[feedback to be specified]*.**

Horopaki | Background

The Annual Report contains information regarding the Council's financial and non-financial performance for that year against budgets and specified performance targets. The Annual Report is required to be audited by independent auditors. The auditors appointed to audit Council by the Auditor General are Audit New Zealand.

The purpose of this audit plan is to discuss audit risks and issues, audit process, reporting protocols, audit logistics, and expectations.

Audit New Zealand provided a letter in 2022 that provided details on the audit fee budget for the financial years ending 30 June 2023, 2024 and 2025. These fees may be subject to increase due to a range of factors, including additional work required on auditing the financial and non-financial information.

Below are the proposed audit fees, and the actual fees paid. The fees noted below exclude GST.

Total audit fees	2022/2023 Proposed $	2022/2023 Actual $	2023/2024 Proposed $	2023/2024 Actual $	2024/2025 Proposed $
Total audit costs including estimated disbursements	186,417	255,730.35	216,738	268,066.78	250,567

Ngā Take/Kōrerorero | Issues/Discussion

Audit New Zealand have provided a plan that outlines the proposed approach and timeframe for the development and adoption of the Annual Report.

Due to the Local Government elections on 11 October 2025, staff have been working closely with Audit NZ to explore options to adopt the annual report prior and a schedule of important dates has been attached. An early adoption would allow Council to maintain best practice by having the sitting Council adopt its Annual Report.

If this timeframe is not achievable, the 2024/25 Annual Report will be adopted by the incoming Council before 31 October 2025. Council staff have programmed to discuss the Annual Report with the incoming Council if required.

There is a risk the Annual Report will be adopted after 31 October 2025. This is a risk each year, however heightened due to the election process this year. Adoption after 31 October will not meet the statutory timeframes. Audit NZ have indicated this would not impact upon the audit opinion to be issued. There is no particular statutory penalties for late adoption, however as above staff and Audit NZ are working to adoption before 31 October as required by the Local Government Act 2002.

Mōrearea | Risk

There is a high risk that the audit fees could increase beyond the amount proposed in the letter attached. This could occur if there is a significant increase in the audit scope, which would require extra audit effort.

To mitigate this risk, Audit New Zealand and Council staff meet regularly to discuss audit issues to ensure they are managed and resolved efficiently. Council staff are also discussing internally and with Audit New Zealand how the annual audit can be made more efficient.

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

Section 98 of the Local Government Act 2002 requires Council to prepare and adopt an Annual Report each financial year.

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

The Annual Report cost is provided for within the Strategies and Plans activity budgets. The Annual Report and audit are funded from general rates.

Ngā Tāpiritanga | Attachments

A.   2025 Annual Report Audit Plan *(Under Separate Cover)*

B⇩.   Schedule of important dates in the audit process

C.   MPDC Audit Fees Proposal 2023-25 *(Under Separate Cover)*

Ngā waitohu | Signatories

Author(s)	Olivia Picard	
	**Kaitohu Kaupapahere Paetahi	Graduate**	

	Policy Advisor	

Approved by	Niall Baker **Kaiārahi Tīma Kaupapahere	Policy Team Leader**	
	Sandra Harris **Pou Kaupapahere, Rāngai Mahitahi me te Kāwana	Policy, Partnerships and Governance Manager**	
	Kelly Reith **Hautū Tāngata, Kāwana me ngā Hononga	Group Manager People, Governance & Relationships**	

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

[Date]

Level 14, 88 Shortland Street, Auckland 1010
PO Box 1165, Auckland 1140

Kei te whakaihu waka, tēnā koe

Subject: Urgent - supporting timely 25J adoption

Thank you for your ongoing engagement with me and for the work already underway to progress the completion and adoption of your 2025 Annual Report.

I understand your council has chosen to adopt their annual report by 8 October 2025, and that this has been discussed with both council management and elected officials.

Based on the information in your project plan and the progress you have made to date, I have concerns about your council's ability to meet this timeline. While Audit New Zealand has allocated the necessary resources to allow us to complete the audit within your timeframe and as efficiently as possible, key actions must be monitored and completed as planned to avoid any delays.

To support your plan, we have summarised the key items and their timing in the attached PDF to support your plan. I encourage you to review this carefully and, where relevant, to reflect these items in your plan.

As you know, I am working with several other councils across the sector to audit their 2025 Annual Reports. Delays in reviewing or providing good-quality information may affect our ability to meet your timeline. I am committed to working with you to meet the planned timeline, but not at our people's or other clients' expense.

Please keep in touch and let me know as soon as possible if your timelines or plans change.

Nāku iti nei, nā

René van Zyl
Appointed Auditor

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Attachment B

Schedule of important dates in the audit process

#	Description	Information required from Council	Date due
Pre-final visit (16 June to 27 June)			
1	Trial Balance - financials	Trial Balance as at 31 May 2025	Monday 16 June 2025
2	Property, plant and equipment (PPE) (revaluation)	Key information supporting the valuation, such as: - Detailed valuation calculations, including units (length, size), unit rates, and useful lives or depreciation rates for major assets classes within roading and 3 waters. - Methodology applied in relation to useful lives, remaining useful lives and unit rates/replacement costs, overhead rate, asset listing/asset records, physical quantities, age and condition. - Unit rates analysis against recent construction contracts or vested assets data. Please provide us the analysis and the supporting contracts/data used. - Justifications for assumptions or judgements made in relation to any of the above. - Roading – justification for the price index used in the roading valuation especially if there is a difference in the CGPI and the NZTA price index. - Assessment of useful lives - Justification for significant changes to useful lives compared to last revaluation performed. - Data/completeness: - How the valuer ensured that all the assets in the asset listing are included in the valuation, and that the valuation does not include assets that were not in the asset listing? - Condition assessments.	Monday 16 June 2025

Annual Report 2024/25 Audit Plan and schedule of important dates

#	Description	Information required from Council	Date due
3	PPE - Fair value assessment	Council's formal fair value assessment for buildings	Monday 16 June 2025
4	Expenditure	• Expenditure listings. • We will select our sample for testing and will request for supporting invoices and evidence of approval.	Monday 16 June 2025
5	Sensitive expenditure	• Credit card statements. • Listing of expenses incurred by the Mayor, Councillors and Chief Executive from 1 July 2024 to 31 May 2025. • We will select our sample for testing and will request for supporting documentation and evidence of approval	Monday 16 June 2025
6	KMP	• KMP remuneration paid as per the payroll system. • Chief Executive's employment contract. • KMP's remuneration letters related to the 2025 year.	Monday 16 June 2025
7	Councillors	Councillors GL listing	Monday 16 June 2025
8	Personnel costs (bonuses and severance payments)	• List of bonuses. • List of severance payments.	Monday 16 June 2025
9	SSP	Result as at 31 May 2025 and supporting workings and listing for the following measure: • The number of dry weather sewage overflows from our wastewater system, (expressed per 1,000 connections per year to Council's wastewater system).	Monday 16 June 2025

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#	Description	Information required from Council	Date due
Final audit (begins 1 September)			
10	Draft financial statements	Draft financials including all the notes to the financial statements.	Friday 29 August 2025
11	Draft Statement of Service Performance	Draft Statement of Service Performance section of the annual report.	Friday 29 August 2025
12	Funding impact statements	Draft funding impact statements (Whole of Council and for each GOAs) including: • Variance explanations. • Reconciliation to the SOCRE.	Friday 29 August 2025
13	Trial balance	Trial balance (mapped to the financial statements).	Friday 29 August 2025
14	PPE (revaluation)	Revaluation reports provided by Valuers. We will also require the following during the final audit: • Susanne's assistance to address revaluation enquiries. • Meeting with the valuers.	Monday 1 September 2025
15	PPE (Addition, Disposals, Depreciation, useful lives)	• PPE movement schedule. • Fixed Asset Register as at 30 June 2025 (including depreciation rates and useful lives). • Reconciliation between the fixed assets register and the PPE note. • Additions Listings (reconciled to the PPE note additions figure). • Disposals Listings (reconciled to the PPE note disposals figure). • Significant capital projects - comparison against budget (for each GOA). • Please ensure that supporting documentation for the assets additions, capitalisations and disposals are available upon requests. We will aim to select our sample for testing when the listings are ready.	Monday 1 September 2025

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Attachment B

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#	Description	Information required from Council	Date due
16	PPE (Impairment)	• Council's formal assessment of Impairment.	Monday 1 September 2025
17	Capital commitments	• Capital register and supporting capital contracts to significant commitments (if any).	Monday 1 September 2025
18	Going concern	• Council's formal going concern assessment.	Monday 1 September 2025
19	Cash flow	• Completed cash flow. • Council's workings to support the cash flow.	Monday 1 September 2025
20	Rates Revenue	• Rate strike for FY25. • Approved rates resolution from the Council minutes.	Monday 1 September 2025
21	Statement of Service Performance	Supporting information and workings to the reported result for all material measures as per the audit plan.	Monday 8 September 2025
22	Personnel costs (including KMP and Councillors)	• Remuneration banding disclosure supporting workings.	Monday 8 September 2025
23	Receivables	• Aged Debtors report. • List of all invoices issued for June and July 2025. • List of all credit notes issued for July and to date in August 2025. • Assessment regarding Council's impairment for receivables.	Monday 8 September 2025
24	Payables and deferred revenue	• Aged payables report. • Bank statements for July and to date August 2025. • List of all invoices issued for July and to date August 2025.	Monday 8 September 2025

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Attachment B

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Attachment B

#	Description	Information required from Council	Date due
25	Other financial assets (Investments in CCO and other entities)	Waikato Regional Airport Limited audited Financial Statements.	Monday 8 September 2025
26	Journals	• List of Journals for FY25. • Arrange meeting for Audit to view extraction of listing.	Monday 8 September 2025
27	Financial prudence disclosures	• Council's financial prudence disclosures. • Council's workings to support the calculation of the graphs/tables.	Monday 8 September 2025
28	Draft financial statements and performance reporting	Audit feedback to send to Council.	Monday 15 September 2025
29	Summary Annual Report	Completed draft Summary Annual Report to send to Audit NZ.	Monday 22 September 2025
30	Draft Annual Report review - Full	Complete draft Annual Report including financials and performance reporting to send to Audit NZ.	Monday 22 September 2025
31	Full Annual Report	Audit feedback to send to Council.	Monday 29 September 2025
32	Summary Annual Report	Audit feedback to send to Council.	Monday 29 September 2025
33	Verbal audit clearance	Verbal audit clearance to Council.	Friday 3 October 2025
34	Audit report	Signed audit report dated 8 October 2025 sent to Council.	Friday 3 October 2025
35	Council meeting adoption	Council adoption of the annual report.	Wednesday 8 October 2025

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8   Ngā Pūrongo Whakamārama | Information Reports

8.11 Audit Recommendations - Progress Report

CM No.: 3033223

Te Kaupapa | Purpose

To update the Committee on matters raised by Audit New Zealand in previous audits.

Rāpopotonga Matua | Executive Summary

This report allows the Committee to monitor Council's progress in implementing the recommendations made by Audit NZ in previous audit processes.

Tūtohunga | Recommendation

That:

1.   **The information be received.**

Horopaki | Background

Audit New Zealand is Council's external auditor appointed by the Office of the Auditor-General. Audit New Zealand works with the Council throughout the year reviewing our internal controls, and auditing our key documents like the Long Term Plan and Annual Report.

Following each interim audit and final audit, Council is issued an Audit Management report that notes their findings and recommendations on how Council can improve its processes. These recommendations are rated as either 'urgent', 'necessary', or 'beneficial', which determines how quickly the recommendation should be addressed by Council. The categories are as follows:

Priority	Timeframe
Urgent	Addressed without delay
Necessary	Generally within 6 months
Beneficial	Generally to be addressed within 6 – 12 months

Ngā Take/Kōrerorero | Issues/Discussion

The ongoing audit recommendations from previous audits have been collated and attached for review and discussion.

The Audit New Zealand team are on–site from 16 June 2025 and we will discuss any outstanding recommendations to ensure those that staff believe can be closed are discussed.

Ngā Tāpiritanga | Attachments

A⇩.   Audit Recommendations Tracker

Ngā waitohu | Signatories

Author(s)	Olivia Picard **Kaitohu Kaupapahere Paetahi | Graduate Policy Advisor**	

Approved by	Niall Baker **Kaiārahi Tīma Kaupapahere | Policy Team Leader**	
	Sandra Harris **Pou Kaupapahere, Rāngai Mahitahi me te Kāwana | Policy, Partnerships and Governance Manager**	
	Kelly Reith **Hautū Tāngata, Kāwana me ngā Hononga | Group Manager People, Governance & Relationships**	

Audit Recommendation Tracker

Focus area/issue	Year First raised	Recommendations	Priority	Status (as of last Audit Report)	Staff comment
Assets under construction	2021/22 Annual Report	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	**June 2025**: Staff have focused on capitalisation for 2024/25 and particularly capitalising old work orders. - Assets Manager
Financial model and forecasts	2021/31 LTP & 2024 LTP CD & final audit	2024-34 LTP CD: Management should review their processes to identify areas where controls can be implemented. It would also be beneficial to spread the knowledge of the model across a wider group of individuals, to ensure future proofing of the process going forward. 2024-34 LTP: Overall, we did not note additional controls implemented. We encourage the Council to consider this in preparation for the next LTP. In addition, the following matters noted during the audit can be considered: Financial model – Trade and other receivables There is a direct relation between trade and other receivables and revenue, and we noted that as cash from revenue increases every year, there is a correlating increase in trade and other receivables. We concluded that the relationship is reasonable. We understand that management had not considered this correlation initially and consider this figure to be a "balancing figure" in the statement of financial position. It is important that management completes an analysis of the trade and other receivables balance to consider whether it is reasonable and supported. This analysis should also be reviewed to improve controls around this balance. Financial model – Integrity checks We noted inconsistencies between the balance sheet and the cashflow. We note the preparation of the financial model has manual processes i.e., using excel spreadsheets. This inherently creates a risk that formulas or figures are not updated or pulled through correctly to the final document which is used for the financial forecasts. Matamata-Piako DC Report to Council (LTP) - Final.docx 11 Recommendation First raised StatusManagement should perform a review which includes integrity/sense checks on the excel documents. This will ensure internal consistency between excel documents and consequently the financial forecasts.	Urgent	In progress	**June 2025**: Key staff involved in the LTP have been regularly meeting over the last year to consider future improvements to the LTP process, and the SEBS group is looking at potential system tools/improvements, which may enable us to get away from relying on spreadsheets in the future. This recommendation will likely remain until our Auditors see some improvement in the next LTP project. Financial model – Trade and other receivables Noted – this will be considered in future modelling. Financial model – Integrity checks Noted – this will be considered in future modelling and hopefully addressed as we are able to incorporate more sophisticated modelling tools. - Finance Manager

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Attachment A

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Attachment A

Audit Recommendation Tracker

Quality and timeliness of information – PPE	2023/24 Annual Report	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	In progress	**June 2025**: This recommendation will likely remain until our Auditors see some improvement in the next LTP project. Bank reconciliations Upgrading the system is not a practicable option at this point. Susan, our Assistant Accountant has put significant time and effort into developing a excel based solution that runs outside of Authority that significantly assists with the matching process, and had resulted in much more timely resolution of unmatched balances. In addition Susan has developed a further spreadsheet that will assist greatly in being able to retrospectively produce a bank reconciliation. This has been tested for April and May, and has identified some fine tuning required in our receipting processes to get it 100%. I am confident that after Audit review this progress as part of the 24/25 audit, that they will be able to confirm that any risk has been addressed in this area. - Finance Manager
Variances in PPE WIP and additions listings	2021/22 Annual Report	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	**June 2025:** The capital spreadsheets are working well and we will ensure these are reconciled before providing them to Audit as part of their final audit of WIP for 24/25. We would expect this comment around variances between WIP and additions listing could be closed following Audit's review. - Finance Manager
Compliance with the Local Government (Rating) Act 2002	2020/21	The Council engaged external legal experts to conduct a review of relevant aspects of the Council's rating practice, including the Funding Impact Statement and draft rates resolution. Management made several improvements to these documents following this legal review. However, one matter remains outstanding. This relates to the 50% discount on metered water rates given to Matamata farm properties if payment is made by the due date.	Urgent	Not yet progressed	**June 2025**: Council has previously accepted the risk of legal challenge around the discount applied to the Matamata farm properties as low. The matter was not prioritised for review in the early stages of the LTP evelopment given the uncertainties around Council's future involvement in the delivery of water services. Council may wish to reconsider this going forward, but still accept the risk as low.
Accounting for financial instruments – LGFA borrower notes	2022/23 Annual Report	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	Not yet progressed	**June 2025**: Staff will confirm the materiality of the balance during the interim audit visit, and if considered material, will take steps to ensure it is correctly accounted for at fair value. We will ask our Auditors to close this recommendation going forward as it will be addressed on an as needed basis. - Finance Manager

Audit Recommendation Tracker

Broken Authority Reports (performance reporting)	2022/23 Annual Report	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	**June 2025:** Digital Enablement team is working on a Power BI solution to replace old Authority Crystal Reports--WIP Authority 7.1p42 UAT is in its final stages of sign off, then we can apply the patch to the live environment. This patch version have a number of bug fixes, including fixes to the Browse to Excell which a lot of users have reported not working in current patch version and this option is largely used for generating data/reports. - IT Manager
Controls around feedback/comments by Committees	2024 LTP CD	Where feedback and comments are provided by Council Committee members, Council should implement a process to ensure that feedback is recorded and addressed. The feedback could either be formally documented in the minutes or shared through a separate process and management should keep a record of how the feedback was dealt with.	Necessary	In progress	**June 2025**: All feedback is now formally captured in the minutes. This has been sent to Audit for closing - PPG Manager
CRM Reliability for substantiating the response time (performance reporting)	2022/23 Annual Report	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	**June 2025**: Work is ongoing. We have tested integration in one direction and are building the reverse direction integration which is where the dates/times etc for performance measures gets written back to the CRM. Digital Manager
Depreciation not correctly backdated	2023/24 Annual Report	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	New	**June 2025**: Asset Finda does not automatically calculate and backdate depreciation. This will be done manually at the end of the financial year. - Asset Manager
Expected credit loss assessment	2022/23 Annual Report	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	Disagree	**June 2025:** Upgrading the system is not a practicable option at this point. The aged trial balance is scheduled to be generated on balance date 2025 as it was in 2024. We will ask our Auditors to close this recommendation going forward as there is no outstanding risk. - Finance Manager
Fraud risk assessment	2022 Annual Report	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	**June 2025:** Work is underway to update our assessment in line with Audit's recommendations - People, Governance and Relationships GM
Improvements to the infrastructure strategy	2024 LTP CD	The Council should consider adding disclosures regarding funding arrangements, potential costs savings or efficiencies and possible legislative changes to the infrastructure strategy that is adopted as part of the LTP.	Necessary	In progress	**June 2025**: Noted. Sent to Audit for closing - Assets Manager
Internal charges for NZTA claim	2023/24 Annual Report	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	New	**June 2025:** This was not deemed an issue, NZTA have been happy with the time sheeting for MPDC. Staff are completing timesheets on a weekly basis. - Asset Manager
Lapses in New User onboarding process	2022/23 Annual Report	Follow due process for all new staff appointed through the completion/approval of the "Computer User Form".	Necessary	Not yet progressed	**June 2025:** Short-term solution of addressing immediate compliance gaps while transitioning to the new ITSM-based process is in place. Long-term solution to streamline the process soon to kick off. - IT Manager

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Audit Recommendation Tracker

Property, plant, and equipment – Depreciation	2020/21 Annual Report	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	**June 2025**: We will ask our Auditors to consider closing this recommendation. - Finance Manager
Quality of asset data used for Three-Water renewals forecasting - stormwater	2024 LTP CD	The Council should carry out a review of pipes assigned the default install date and ascertain a more accurate timeframes as to when the pipes were installed. This will enable Council, in the absence of a recent condition assessment, to prepare more accurate age-based renewals forecasts in the future.	Necessary	Not yet progressed	**June 2025**: This is ongoing - Assets Manager
Register of pecuniary interest	2022 Annual Report	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	**June 2025**: Can be closed. Have all been updated and we have a regular review process in place. This has been sent to Audit for closing - PPG Manager
Segregation of duties – Journals	2021/22 Annual Report	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	**June 2025**: Upgrading the system is not a practicable option at this point. To continue to help mitigate the risk of unauthorised journals, staff will continue with regular manual retrospective reviews of journals by a person independent to journal processing, checking the completeness of the journal population, accuracy, checking appropriate approval and supporting documentation. We will ask our Auditors to consider closing this recommendation on the basis that we have adequate mitigating controls in place. - Finance Manager
Sensitive expenditure policies	2020/21 Annual Report	We recommend management update sensitive expenditure policies to include recent guidance	Necessary	Not yet progressed	**June 2025:** If the policy review is not complete for the June 2025 Risk and Assurance Committee, it will be available for the following meeting. This item will remain open until Audit have a chance to review our updated policy - Finance Manager
Suspense account reconciliations not prepared and reviewed monthly	2018/19 Annual Report	Monthly reconciliations of suspense accounts should be prepared and independently reviewed. Reconciliations were prepared and reviewed on an ad hoc basis.	Necessary	In progress	**June 2025:** Unlikely Audit will close this recommendation in 24/25 as the reconciliations, while much improved, are still largely prepared/reviewed on an ad-hoc basis. This comes down to available resources to complete the work which is largely a manual process that gets most focus towards the end of year. - Finance Manager

Audit Recommendation Tracker

Test organisational business continuity and disaster recovery plans	2017/18 Annual Report	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	**June 2025:** This is ongoing - Digital Manager
Useful lives disclosed for accounting policy	2023/24 Annual Report	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	**June 2025:** This will be reviewed following the revaluations due to be completed for 30 June 2025. We would expect the Auditors to close this recommendation if no further inconsistencies are found. - Finance Manager
Valuation of property, plant, and equipment – valuers' recommendations for improvement	2018/19 & 2019/20 Annual Reports	The District Council should: • Implement the external roading valuer's recommendations to improve the overall completeness and accuracy of data used for valuations. • Consider the recommendations included in the peer review of Three Waters infrastructure and implement an action plan to address these. Consider applying these recommendations to other asset classes held on a revaluation basis. There were no revaluations undertaken for 2024 therefore progress will be assessed in future audits. We understand the recommendations are being considered as part of the District Council's improvement plan. The status remains unchanged.	Necessary	In progress	**June 2025:** The recommendations are being considered as part of the District Council's improvement plan and will be incorporated into the 2025 Re valuations. - Asset Manager
PE capitalisation - Internal costs	2022/23 Annual Report	2023/24 Audit recommendation: A control should be put in place to independently review the spreadsheet that captures the time charged by staff to be capitalised to projects. The review should also consider whether the costs meet the requirements of PBE IPSAS 17: Property, plant and equipment to ensure that the costs are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Our work indicated that Three Waters assets is the only asset class that does not have its internal time charged hours independently reviewed.	Beneficial	In progress	**June 2025:** This will be reviewed in the 2025/26 financial year, an informal review is currently completed within the 3 waters unit. - Asset Manager
Policies to update	2017/18 Annual Report	• Capitalisation Policy (updated in 2012).	Beneficial	Not yet progressed	**June 2025:** Work in progress - Finance Manager
Performance Framework – Roading	2024 LTP	Under PBE FRS 48, para 11 (which will apply to the statement of service provision in council's annual report), except as otherwise required by legislation, an entity shall present service performance information for the same reporting period as the financial statements. In relation to the condition of footpaths, the measure is a DIA mandatory measure, and it would be reasonable to generally expect annual measurement and reporting. In addition, we would generally expect core infrastructure, such as footpaths, to be monitored regularly. We understand there are financial implications and other limitations to the Council. We encourage management to consider assessment of condition of footpaths to be done annually instead of every three years.	Beneficial	Disagree	**June 2025:** This work will not be completed annually. - Assets Manager

8 Ngā Pūrongo Whakamārama | Information Reports

8.12 Annual Plan 2025/26

CM No.: 3029826

Te Kaupapa | Purpose

The purpose of this report is to seek the Committee's oversight of the following aspects of the Annual Plan 2025/26 process:

- Review of the Annual Plan 2025/26 document and provide any feedback
- Review and approval of the assessment of the Annual Plan's legislative compliance
- Review of a key risk to the Annual Plan and the mitigation plan in place, namely the delay in property revaluations

Rāpopotonga Matua | Executive Summary

Council is required to produce an Annual Plan each year with the exception of the years when a Long Term Plan (LTP) is produced. The Annual Plan is Council's budget for the financial year 1 July to 30 June. The Annual Plan 2025/26 (Plan) represents year 2 of the 2024-34 LTP.

The Annual Plan 2025/26 document is circulated separately.

An assessment of the Annual Plan 2025/26 against relevant legislative requirements has been undertaken and confirms that the Plan is compliant. The assessment is included in the body of the report below.

A delay in the property revaluation process was identified as a risk for the Annual Plan, and a mitigation plan has been put in place. The risk and the mitigation plan is detailed in the Risk section of the report below.

Part of the mitigation plan includes preparing two versions of the rating information for the Annual Plan, this information is circulated separately.

Tūtohunga | Recommendation
That:

1. **The report be received.**

2. **The Committee provide any feedback on the Annual Plan 2025/26 [*feedback to be specified*].**

3. **The Committee approve the assessment of legislative compliance undertaken for the Annual Plan 2025/26.**

4. **The Committee provide any feedback on the key risk and mitigation of property revaluation delay [*feedback to be specified*].**

Horopaki | Background

Annual Plan Timeline

Key milestones in the development of the Annual Plan 2025/26 are outlined below:

Date	Meeting	Topic	Decision
10 Sep 2024	Risk and Assurance	Key Risks and Timeline	Oversight and review only
20 Nov 2024	Council Workshop	Key issues and options	Discussion and direction setting only
25 Nov 2024	Risk and Assurance	CEO verbal update on property revaluation delay risk	Oversight and discussion only
4 Dec 2024	Council Workshop	Draft budgets, variances to LTP	Discussion and direction setting only
11 Dec 2024	Council Meeting	Decision on consultation	Consultation not required
5 Mar 2025	Council workshop	Workshop on Revaluations and Uniform Annual General Charge (UAGC)	Discussion and direction setting only
26 Mar 2025	Council Meeting	Decision on UAGC	UAGC to remain at 27.5%
17 Jun 2025	Risk and Assurance	Review of Annual Plan document, assessment of legislative compliance, and risk of property revaluation delay	
30 Jun 2025	Council Meeting	Adoption of Annual Plan Striking of the rates	
1 Jul 2025		Annual Plan 2025/26 in force	

Ngā Take/Kōrerorero | Issues/Discussion
Assessment of Legislative Compliance

The table below assesses the Annual Plan 2025/26 against compliance with the Local Government Act 2002 and the Financial Reporting Requirements.

Are you satisfied that the draft Annual Plan 2025/26…		
Completed by Policy, Partnerships & Governance Manager:		
Does not require consultation… Does not include significant or material differences from Year 2 of the Long Term Plan 2024-2034 (LTP), and that therefore preparation of a consultation document and undertaking of a period of public consultation is not required?	**Yes**	A comprehensive Assessment of Materiality and Significance was undertaken, which included: • An assessment of significance against MPDC's Significance and Engagement Policy, • An assessment of materiality against criteria provided by the Society of Local Government Managers • Detail on variances to the Financial Strategy, overall financial position of Council and general and targeted rates. This information informed the significance assessment • Assessment of variance to the Capital Programme

Are you satisfied that the draft Annual Plan 2025/26…

		• Assessment against LTP amendment triggers • Assessment against LGA decision making requirements The Assessment was completed by staff, signed off by the Executive Team, and reviewed by Council which resolved at the 11 December 2024 meeting that there were no significant or material differences between the proposed Annual Plan and Year 2 of the LTP and that therefore consultation was not required.
<u>Does not trigger a Long Term Plan amendment…</u> <u>Does not</u> alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, including a decision to commence or cease any such activity, and therefore the requirement for an LTP amendment is not triggered? and	**Yes**	This trigger was considered as part of the Assessment of Materiality of Significance, with the conclusion that no such alteration to levels of service is included in the draft Annual Plan.
<u>Does not</u> include a decision to transfer the ownership or control of a strategic asset to or from a Council, and therefore the requirement for an LTP amendment is not triggered?	**Yes**	This trigger was considered as part of the Assessment of Materiality of Significance, with the conclusion that no such transfer of a strategic asset is included in the draft Annual Plan.
Will be adopted before the commencement of the year to which it relates, and before the setting of the rates resolution?	**Yes**	The Annual Plan 2025/26 is scheduled to be adopted at the Council meeting on 30th June 2025. A delay in receiving updated, verified property revaluations was identified as a risk to meeting the legislative timeframe for adoption. Legal advice was sought and a mitigation plan was developed, and approved by Council whereby two versions of the rates information is being prepared so that in the event that the revaluations are not verified in time, the 2021 property revaluations can be used instead, and legislative timeframes achieved.
Provides for integrated decision making and co-ordination of resources?	**Yes**	Development of the Annual Plan allows Council to consider current key issues and options, thus providing up to date, integrated decision making and coordination of resources.

Are you satisfied that the draft Annual Plan 2025/26…		
Contributes to the accountability to the community?	**Yes**	The Annual Plan provides accountability to the community by providing updates for key projects, and explanations of budget variances.
Contains appropriate references to the LTP whilst minimising duplication?	**Yes**	Section 2 provides brief overview information for each activity group, and updates to key projects.
Will be made publically available within one month of adoption?	**Yes**	The Annual Plan will be made publicly available on our website from 1 July 2025, and a communication campaign undertaken to inform the community.
Completed by Finance and Business Services Manager:		
Was prepared in accordance with the principles and procedures that apply to the preparation of the financial statements and funding impact statement in the Long Term Plan?	**Yes**	The forecast financial statements were prepared in accordance with Financial Reporting Standard 42 Prospective Financial Statements (PBE), and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). Disclosure thereof has been made in the statement of accounting policies.
Contains: • The annual budget • Forecast financial statements for the current and previous year • Identifies any variation from the LTP and • Is presented in a way that allows the public to compare the information	**Yes**	All required financial information is presented in an acceptable way, including required comparatives and explanations of significant variances to the LTP for 2025/26.
Includes a funding impact statement (FIS) which identifies: • The sources of funding • The amount of funds expected to be produced from each source • How the funds are to be applied	**Yes**	The FIS are presented as prescribed by Local Government (Financial Reporting and Prudence) Regulations 2014
If the sources of funding include a general rate, the funding impact statement • Includes particulars of the valuation system on which the general rate is to be assessed • States whether a uniform annual	**Yes**	The 'Calculation of Rates" section states the following: General rate is assessed on capital value UAGC is calculated per rating unit

Are you satisfied that the draft Annual Plan 2025/26…		
- general charge is to be included, how it is calculated and a definition of a separately used or inhabited part of a rating unit, if applicable - States whether the general rate is to be set differentially, and if so the categories of rateable land to be used, the objectives of the differential rate in terms of the total revenue sought from each category of rateable land or the relationship between the rates set on rateable land in each category?		Does not use rate differentials for general rates.
If the sources of funding include a targeted rate, the funding impact statement: - Specifies the activities or groups of activities for which the targeted rate is to be set - Includes particulars of the category, or categories, of rateable land to be used - For each category states how liability for the targeted rate is to be calculated - Defines a separately used or inhabited part of a rating unit (SUIP), if applicable - If the targeted rate is set differentially, states the total revenue sought from each category of rateable land or the relationship between the rates set on rateable land in each category - States whether lump sum contributions will be invited in respect of the targeted rate - If the sources of funding include a general or targeted rate, the funding impact statement includes examples of the impact of the rating proposals on the rates assessed on different categories of rateable land with a range of property values	**Yes**	In the 'Calculation of Rates" section, for each targeted rate: The activity is specified The category is specified How the targeted rate is to be calculated is specified SUIP is defined for Kerbside Collection and Water Differentiates between connected and available services for Water and Wastewater, and includes a scale of charges for non-residential wastewater connections based on the number of pans Lump sum contributions are not included The rates impact on a range of indicator properties is included

Are you satisfied that the draft Annual Plan 2025/26…		
Includes the projected number, total capital value and total land value of rating units within the district at the end of the preceding financial year?	**Yes**	This is included towards the front of the Annual Plan document in the "Annual Plan Guide" section under the heading "To Rohe | Your District".
Identifies for each reserve fund: • The purpose of the fund • The activities to which the fund relates • The amount expected to be in the fund at the commencement and end of the year • The amount expected to be deposited and withdrawn during that year	**Yes**	This information is included in the "Reserve Funds" section in part 3 of the document.

Mōrearea | Risk

The key risks for the development of the Annual Plan 2025/26, and the measures in place to mitigate these risks, were presented to the Risk and Assurance Committee at its meeting in September 2024.

At the following meeting, in November 2024, the CEO Update included a verbal update on the delay in the property revaluations process, and the risk this posed to the rates setting process and the ability to meet legislative requirements. Below, the background to this risk is detailed, and the mitigation strategy explained:

• Properties in the Matamata-Piako District were due to be revalued as at 1 July 2024 for the purposes of setting the rates from 1 July 2025. The valuation was submitted by Opteon, (our contracted valuers) to the Office of the Valuer General (OVG) in August 2024, who undertake an audit of the revaluation. The OVG did not approve the valuation at that time, due to a lack of evidence provided to support some of the values calculated.

• Opteon were then asked to do some more work before resubmitting the revaluation for OVG approval. Unfortunately this has resulted in a substantial delay. The OVG is scheduled to complete their audit in late June, with an approval date of 27 June. The valuation notices would go out to ratepayers in July 2025, with an opportunity for them to object to their rating valuations up to the date of the first instalment in late August.

• There is a risk that the valuation is not approved by the OVG on 27 June (referred to as a 'non-certification decision'). To put this in context however, the OVG have never issued a non-certification decision previously, and our valuers are confident that this risk is low, and as we understand, are actively working to address the shortcomings in the process.

• Staff have sought legal advice on what this 'worst case scenario' would mean for Council. If the valuations are not approved, Council would need to set the rates for 2025/26 based on the current (2021) valuations. Council would then have to carry out the revaluation process again,

and would not be able to apply the new valuations (once approved) until the 1 July 2026 rating year. Inevitably there would be additional costs to Council.

- As to whether a non-certification decision could result in further consequences for Council, it is possible that a persistent failure to properly carry out the ratings revaluation could lead to Ministerial intervention under Part 10 of the LGA02. Again, we expect that this is a low risk for our Council.

- Council has not been in this situation before. In the past, the valuations have been approved and the objection period largely completed before the end of the calendar year, which has meant that we have gone into the rates modelling phase knowing the value of our rating base and outcomes of the valuations on each property. That meant that Council could confidently set the General rate at the rate in the dollar on the known capital value of the district, in order to achieve the required rates income. And we knew the outcome of the revaluation on different property types, so could consider if there was a need to use available tools to modify the impact of the revaluation (e.g. shifting the UAGC cap in line with Council's Revenue and Financing Policy).

- This time, it will be different. We are planning for either of the potential outcomes. Staff are preparing two versions of both the 2025/26 Annual Plan and Rates Resolution - one based on a 2024 rating base scenario, and one based on a 2021 rating base scenario. We expect to be notified on 27 June as to the outcome of the OVG's approval. At the Council meeting of 30 June, Councillors will approve the Annual Plan and Rates Resolution that reflects the applicable scenario.

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

See Assessment of Legislative Compliance above.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

The Annual Plan will be made publicly available on our website, and an information campaign will take place once the Annual Plan comes into force on 1 July 2025.

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
TŌ MĀTOU WHAKAKITENGA | OUR VISION 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.	

TŌ MĀTOU WHĀINGA MATUA | OUR PRIORITIES (COMMUNITY OUTCOMES)			
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:

- All of the above

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

The development of the Annual Plan is budgeted within the Strategy and Plans activity.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Anne Gummer	
	Kaitohu Kaupapahere Mātāmua | Senior Policy Advisor	

Approved by	Niall Baker	
	Kaiārahi Tīma Kaupapahere | Policy Team Leader	
	Sandra Harris	
	Pou Kaupapahere, Rāngai Mahitahi me te Kāwana | Policy, Partnerships and Governance Manager	
	Larnia Rushbrooke	
	Pou Pūtea, Ratonga Pakihi | Finance & Business Services Manager	
	Manaia Te Wiata	
	Tumu Whakarae | Chief Executive Officer	

8   Ngā Pūrongo Whakamārama | Information Reports

8.13 Project Management: Top 5 Risks for Matamata Wastewater Treatment Plant, Matamata Stadium and Matamata Domain Playground

CM No.: 3039888

Te Kaupapa | Purpose

The purpose of this report is to provide the Committee with an overview of the top 5 risks to date for 3 projects that have been identified as high risk, high complexity.

Rāpopotonga Matua | Executive Summary

The following projects have been identified as high risk, high complexity and the Top 5 risks to date are presented within individual presentations.

- ID: 244 Matamata Wastewater Treatment Plant Upgrade. Marie McIntyre, Project Manager, in attendance to discuss the presentation with the committee.
- ID: 240 Matamata Sports Stadium and ID: 247 Matamata Domain Playground. Chris Lee, Project Manager, in attendance to discuss the presentations with the committee.

Project risk registers have been completed and are regularly reviewed as per the Risk Management Framework and risk register templates, as the projects evolve and progress, risks are reviewed and ratings modified accordingly, the top 5 risks will vary depending what stage the project is at.

Tūtohunga | Recommendation
That:

1.   The information be received

Ngā Tāpiritanga | Attachments

A. ID 244 Matamata Wastewater Treatment Plant Upgrade Top 5 Risk Presentation June 25 *(Under Separate Cover)*

B. ID 240 Matamata Stadium Top 5 Risks Presentation June 2025 *(Under Separate Cover)*

C. ID 247 Destination Playground Matamata Domain Top 5 Risk Presentation June 2025 *(Under Separate Cover)*

Ngā waitohu | Signatories

Author(s)	Rachel Norman	
	**Kaiārahi Kaupapa	Project Lead**	

Approved by	Susanne Kampshof	
	**Pou Rawa me ngā Kaupapa	Assets and Projects Manager**	

| | Manaia Te Wiata | |
| | **Tumu Whakarae \| Chief Executive Officer** | |

Project Management: Top 5 Risks for Matamata Wastewater Treatment Plant, Matamata Stadium and Matamata Domain Playground

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8.14 Project Management Update - May 2025

CM No.: 3039634

Te Kaupapa | Purpose

The Monthly Initiation, Project and Program Progress Reports are compiled from individual project managers' reports and 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.

Rāpopotonga Matua | Executive Summary

The format and information for reporting to the Executive Team has been focused on for continuously improved since introducing the Project Management Framework in July 2023 and we have now developed the following structure with definitions for each report.

- **Identify/Initiation Report:** Critical for future success of initiatives. This work is required to identify and ascertain what is it we are trying to achieve, the necessary resources required, risk to council and complexity it is. Identify and Initiation have been combined together due to utilisation of Project Managers and Asset Team preparing documentation. This is where we gather all the necessary information " Getting ready to become a project"
- **Project Report:** Projects estimated % Progress is reported over the life of the project - usually 1-3 years. They are temporary endeavours undertaken to achieve a specific goal or objective, create something new or bring about a change. It typically involves a defined cost, scope, timeline, and resources.
- **Program Report:** related activities and that make up a program of works, predominantly renewals. Programs estimated % progress is reported currently per financial year (usually span 10 year programs or more)

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

- The report aims to provide information to support management decisions and identify:
- Initiation, Projects and Programs that may require additional support to achieve objectives
- Clarity for status and to balance realistic workloads and budget of what can be achieved with resourcing levels.
- Initiatives/objectives that have been identified but require additional analysis (Initiation – options, feasibility, high level cost and time estimates) before they can move to becoming a Project.
- Providing an overview of project 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 Management Framework is expected to evolve over time as project management matures within the organisation.

Focus and achievements for the last quarter are as following:

- The quality of information provided by Project Managers for the Monthly Progress Reports is improving.
- Trends have now been included in Management Progress reports.
- Focus for improvement for Project Managers to regularly meet with their sponsor to review, discuss progress, issues or actions that require decisions or support.
- Follow up during project completion to ensure capitalisation of assets, lessons learned are captured for future initiatives.
- Improvement of Project and Program report templates for ease of reporting.
- Review of Roles and responsibilities within the Project Management Framework, in draft to be finalised. Education and training to follow

Priorities and improvements for the next quarter:

- Project auditing to recommence in July. 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.
- Upcoming projects for 25/26. Clarity of requirements, working with the Asset Team Leaders and Project Management Team Leader to review timeframes of current schedules, plan and determine future schedules and prioritise to align with current resource workloads and capacity to develop a realistic Program delivery schedule for 25/26

Ngā Tāpiritanga | Attachments

A⇩. Project Management Progress Reporting Summary May 2025

B. 📄 Initiation Progress Reporting May 2025 *(Under Separate Cover)*

C. 📄 Project Progress Reporting May 2025 *(Under Separate Cover)*

D. 📄 Program Progress Reporting May 2025 *(Under Separate Cover)*

Ngā waitohu | Signatories

Author(s)	Rachel Norman	
	**Kaiārahi Kaupapa	Project Lead**	

Approved by	Susanne Kampshof	
	**Pou Rawa me ngā Kaupapa	Assets and Projects Manager**	
	Fiona Vessey	
	**Hautū Whakahaere	Group Manager Operations**	

Identifying/Initiation, Project and Program Reporting May 2025

All initiatives whether reactive, adhoc or planned require a <u>minimum of a Project Sponsor, Project Manager</u> and a <u>current Project Brief</u> or <u>Program Schedule</u> to highlight budget requirements, risks, dependencies or constraints to inform decision making to whether it is ready or should be approved to proceed to a project for prioritising.

Any reactive and ad hoc projects can inadvertently derail or change the priority, scope, time, cost, quality or need for other projects, impact resource capacity and BAU.

NOTE: Due to resource utilisation of Sponsors and Project Managers for the process of Identify/Initiation, Project and Program delivery, all resource capacity requires careful workload planning and monitoring.

Structure: 3 Reports, Identifying/Initiation, Project, Program

Reasoning for report structure:

There have been discussions around what is a project. Below are key questions we need to ask each time we think something may be a project.

When to make something a project

1. You require a structured way of working and recording events that can bring order and coherence to any set of tasks for a predetermined objective
2. The work **finite**, has a defined start and **end date** or lifespan
3. Aims to produce a **product** or a **measurable objective/benefit**
4. Contains a corresponding **set of activities** designed to **achieve that objective/benefit or product**
5. Has a **defined amount of resources** required
6. Has a **defined budget that is solely for the purpose of the objective** you are trying to achieve
7. You require someone to **lead** the team that is responsible for achieving the project objectives.

Is Something Ready To Become A Project?

To determine if something should be a project or not we need to know what is it we are trying to achieve, we have the necessary resources, know what the risk is to council and how complex it is.

- **Objectives:** Must be clear - **S**pecific, **M**easureable **A**chievable **R**ealistic and **T**ime bound (SMART)
- **Priorities:** Aligns with our priorities – e.g. part of annual plan, LTP, strategy
- **Feasibility:**
  - Assessed all of the options
  - Have the available resources? E.g. Staff, budget, time
  - Know what impact the project is expected to have, how much benefit we will receive vs amount of effort required.
  - Risk & Complexity – The PMF012 Level assessment can provide a guideline for this, requirements are assessed against predefined criteria for cost, risk and complexity to council.
- **Input and Feedback:** Have all relevant parties had input and have you received feedback…… minimising no surprises, managing the risk

If your answers are **<u>NO</u>**, this is **not ready to be a project**, as you are still identifying/initiating what it is you want to do. By proceeding **<u>before</u>** evaluating these factors, you **<u>cannot make informed decisions</u>** about whether to proceed with the project or not.

Item 8.14

Attachment A

Identify/Initiation Report: Critical for future success of initiatives. This work is required to identify and ascertain what is it we are trying to achieve, the necessary resources required, risk to council and complexity it is. Identify and Initiation have been combined together due to utilisation of Project Managers and Asset Team preparing documentation. **Getting Ready To Become a Project.**

Project Report: Projects estimated % Progress is reported over the life of the project - usually 1-3 years. They are temporary endeavours undertaken to achieve a specific goal or objective, create something new or bring about a change. It typically involves a defined cost, scope, timeline, and resources. Key aspects of a project:

- **Cost:** estimated total expenses including contingency required to complete a project.
- **Scope:** Each project has a clear set of tasks and deliverables.
- **Timeframe:** A project has a start and end date, distinguishing it from ongoing operations.
- **Resources:** Projects require people, funding, materials, and technology to be completed.
- **Management:** Successful projects follow structured planning and execution methods, using the project management framework.

Program Report: related activities and that make up a program of works, predominantly renewals to meet the needs of:

Programs estimated % progress is reported currently per financial year (usually span 10 year programs or more)

- **Lifecycle management:** maintain, replace, or upgrade an asset over time to ensure their continued effectiveness and longevity.
- **Cost Optimisation:** minimise the risk of emergency repairs and asset failure
- **Performance Improvement:** upgrading assets to ensure they remain up to industry standards, productivity and efficiency improvements
- **Compliance and Risk Management:** help ensure assets meet legal and safety requirements

Status Classification for all reports:

Not Started	Program or Project schedule not commenced or in initial stage of Identify. The need for the project, objectives, scope, budget may not be available or determined
At Risk	Program or Project has moderate areas of risk that if not addressed will impact on one or more of the following: objectives, timeframe/schedule, scope, budget, resources. Project requires direction, decisions, assistance or support for project to progress as expected.
Action Required	Program or Project has multiple areas of risk or significant high risk that will impact any one or more of the following: objectives, timeframe/schedule, scope, budget, resources. Project may have stalled requiring direction, decisions for project to progress. If significant risk consideration may be required for project to be deferred or terminated to reduce risk to Council or failure of project.
Achievable	Overall Program or Project progressing as expected or with minimal to low areas of risk that are not expected to impact one or more of the following: objectives, timeframe/schedule, scope, budget, resources
Complete	Program or Project completed
Deferred	Postponed to a later time, practical reasons why a program or project cannot proceed at this time. E.g. Availability of resources: people, materials, equipment, unforeseen difficulties, such as technical challenges or new technology, Financial or change in need, like availability of funds or funding no longer available
Terminated	Terminated during LTP process or Program or Project will not proceed. E.g. Changing organisational priorities, project cannot or will not meet it objectives. Has been superseded or no longer required

Status Trend:

⬆	Increase on previous month
⬌	No Change, same as previous month
⬇	Decrease on previous month

Identifying/Initiation
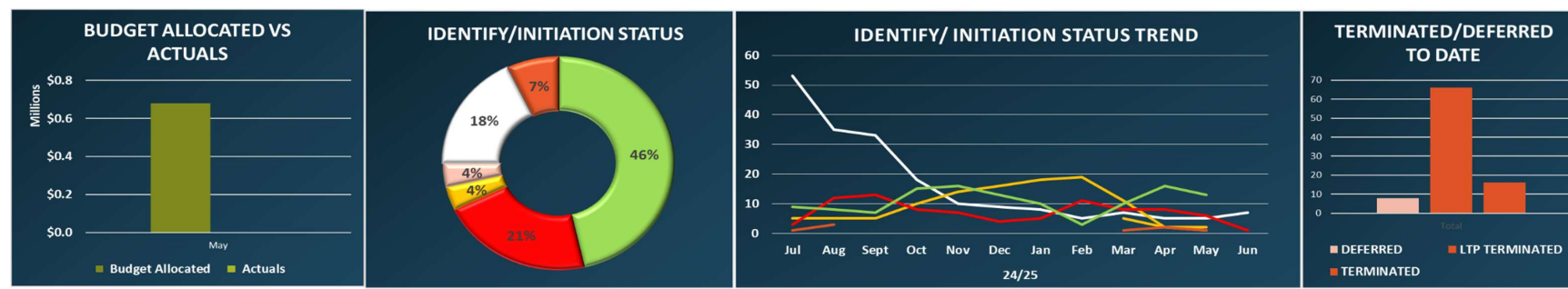
Progress Summary Identifying/Initiation:

Currently MPDC has limited capacity to deliver the proposed projects in the LTP this financial year. The Assets Strategy Team and Project Managers are working though these identified objectives to determine what it is we could/should do (options, feasibility, cost estimates) refine cost estimates and contingency, timeframe for milestones, activities, scope and resources required for the project brief for a clear understanding of what is to be delivered to achieve the determined objective and benefits. The majority of Identifying/Initiation is funded by operational budgets, financial year capital budgets will require substantial carry over to next financial year.

Majority of these objectives are Not <u>Ready</u> to be <u>Projects</u>.

Metrics:

18% (5) Not Started

Name	Comment	Status Trend
ID:359 Te Aroha Domain Redevelopment 25/26	To commence initiation, budget available 25/26	⬆️
ID:332 Matamata - Tower Road Pedestrian 24/25	Led by developer pending timing of subdivisions progressing	↔️
ID:366 Stormwater Treatment District-wide Upgrades 25/26	Waiting for feedback from Regional Council before scoping or requirements can commence, Budget available July 25	↔️
ID:331 Matamata - Station to Peria Road Link 24/28	Led by developer pending timing of subdivisions progressing	↔️
ID:333 Matamata - Hinuera to Station Road Link 24/27	Led by developer pending timing of subdivisions progressing	↔️

4% (1) At Risk

Name	Comment	Status Trend
ID:416 Te Miro Tree Harvesting	Further information requested from Council for viability of project	⬆️

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: 21% (6) Action Required

Name	Comment	Status Trend
ID:417: Matamata Swimzone Pools Ventilation	Unplanned projects for reactive works to be completed	⬌
ID:348 Matamata Tills Road Sludge	Project Manager to be assigned for handover. Scope finalised	⬆
ID:354 Te Aroha Water Treatment Plant Intake Consent, Upgrade, Resource Consent Renewals	Project Manager to be assigned for handover. Design complete.	⬆
ID: 403 Waitoa Water Consultation	Recommend that this be a milestone/activity within a bigger Project or Program of work	⬌
ID: 382 TA Office Building Upgrade	Project Manager to be assigned to lead and monitor project. Delayed due to seismic investigations and timeframe to be revised	⬌
ID:343 Water Loss Strategy Implementation	Project Manager to be assigned for handover. Scope completed	⬆

46% (13) Achievable:

Remainder of projects objectives achievable for estimated finish dates

6% (1) Deferred

Name	Comment
ID: 378 Morrinsville Scotts Road Water Treatment Plant Compliance Upgrades	No requirement currently to do, and budget to be reallocated to Morrinsville ID: 369

6% (2) Terminated

Name	Comment
ID:308 Long Term Plan 27-37	Removed as a Program. Formally reported to E/Team, RAC/Council
ID:306 Pre-Election Report 24/25	Removed as a Program. Formally reported to E/Team, RAC/Council

Risks and Issues:
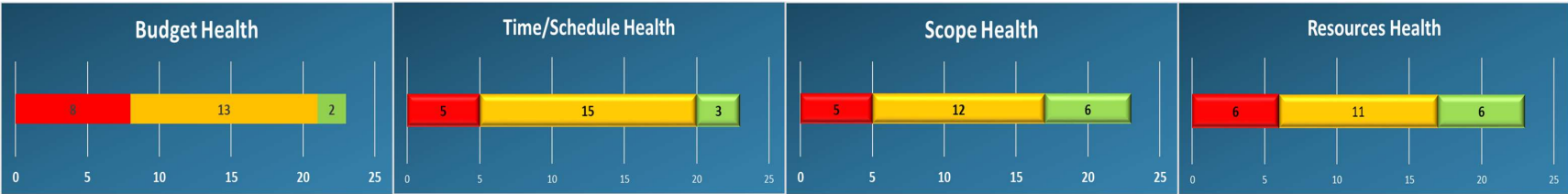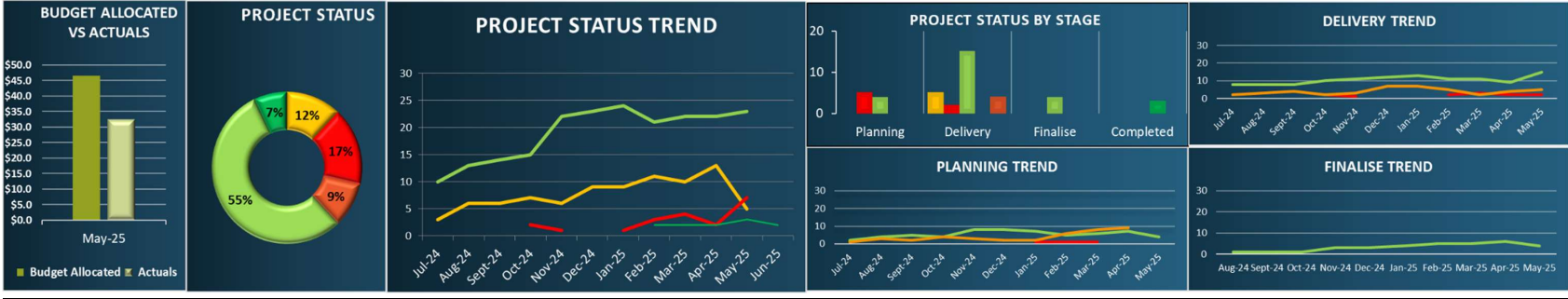

At Risk & **Action Required**:

- **Budget:** financial year budget carry over to next f/year until estimates and contingencies determined pending certainty of scope and allocated to project

- **Timeframe:** To be revised where necessary, projects do not fit appropriately with traditional financial year budget, they can be shorter or longer and do not all start in July
- **Scope:** are to be determined/finalised
- **Resources:** are to be determined

Next Steps and Actions:

- Review the priority of identify/Initiation, revise where necessary and notify all relevant areas and stakeholders
- Any potential deferrals escalate to relevant sponsor for discussion/decision
- High level risks to council and complexity to be identified
- Continual monitoring of workloads of the Assets Strategy Team and Project Managers to determine what Identifying/Initiation initiatives will be complete. This will then require reprioritisation to develop a realistic Project and Program delivery schedule for 25/26

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Attachment A

Projects

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Attachment A

Progress Summary Projects:

2 Project are complete and 23 Projects are progressing as expected, 17 in the Planning Stage and 15 in the delivery stage. 2 projects in the Delivery Stage are Action Required, 1 requires decision for budget increase, 1 for timeframe that is critical to project objectives being achieved.

Key areas for delays were resources in previous year diverted to initiate and deliver Transport Choices external funded projects impacting the ability to complete Initiation/Identifying documentation for projects to proceed in 24/25. Capacity has been stretched while the Assets Strategy Team and Project Managers have worked diligently through requirements and now making progress on the delivery of objectives. Current timeframe/schedule estimated completion dates and forecasted budgets however will not be met for a vast number of projects. These will require revising and accessing impacts on current and future project schedules and workloads.

Metrics:

12% (5) At Risk:

Delivery Stage: Delays, timeframes to be reviewed		
Name	**Comment**	**Status Trend**
ID:402 BOF Water Asset Data Improvement	Timeframe to be revised due to delays in scoping requirements (resource capacity)	⬄
ID:260 Tahuna New Bore 23/24	Dependant on ID:411 Tahuna Bore 2 Re-establishment	⬄
ID:401/1 BOF - Water Services Delivery Plan	Budget to be allocated	⬆
ID;249 RTS Management & Operations External to In-house	project timeframe and resources critical to project success	⬇
ID:254 Te Aroha Water Treatment Plant Retaining Wall and Washout 23/24	Delays due to additional works, timeframe to be reviewed, estimated completion May 25 unachievable	⬆

17% (7) Action Required:

Planning Stage: Timeframe and budget to be reviewed		
Name	**Comment**	**Status Trend**
ID:388 Wall at RSA Morrinsville 24/25	Unplanned project. Budget to be allocated, timeframe to be determined	⬆

ID:410 M365 Implementation	Budget to be allocated, delays in schedule due to connectivity and extensions required for contractor to complete works	⬆
ID:247 Destination Playgrounds - Matamata Domain 24/25	Delays, timeframe to be revised in consultation with Matamata Futures. Currently estimated completion Aug 25 which is not achievable	⬆
ID:263 Rollenston Street Intake (Permanent) 23/24	Consenting underway, unanticipated additional consultation required, may require additional budget for consultation	⬆
Delivery Stage: Project Manager to be assigned, budgets allocated, Timeframe to be reviewed		
ID:414 Desludging - Te Aroha and Matamata	Project Manager to be assigned, budget to be allocated	⬆
ID:381 Close Landfills Pump Station Upgrades Waihou/Morrinsville 32/24	Scope changes for additional unforeseen works required, review budget, time	⬆
ID:342 HSNO Upgrades 24/26	Project Manager to be assigned, budget to be allocated	⬆

55% (23) Achievable:

Planning and Delivery stage – progressing as expected, 6 projects in Finalisation Stage, works complete, projects awaiting final costs, documentation and/or capitalisation to complete

7% (3) Complete

9% (4) Terminated

Name	Comment
ID:305 Triennial Elections 24/27	Removed as a Program. Formally reported to E/Team, RAC/Council
ID:316 BOF - Community Led Initiatives Grant Program 24/27	Removed as a Program. Formally reported to E/Team, RAC/Council
ID:318 Pride of Place 24/27	Removed as a Program. Formally reported to E/Team, RAC/Council
ID:379 Climate change river map implementation 24/27	Removed as a Program. Formally reported to E/Team, RAC/Council

# Risks and Issues:

At Risk & **Action Required**:

- **Budget:** remaining financial year budget carry forward to be determined, allocated to date budgets will automatically carry forward, allocate or revise budgets where required
- **Timeframe:** To be revised where necessary and impacts to be determined on future delivery of projects

- **Resources:** impacts to be determined on future capacity to deliver projects

Next Steps and Actions:

- Identify potential budget carry overs
- Review timeframes and priority of projects to align with current resource workloads to develop a realistic Project delivery schedule for 25/26

Programs
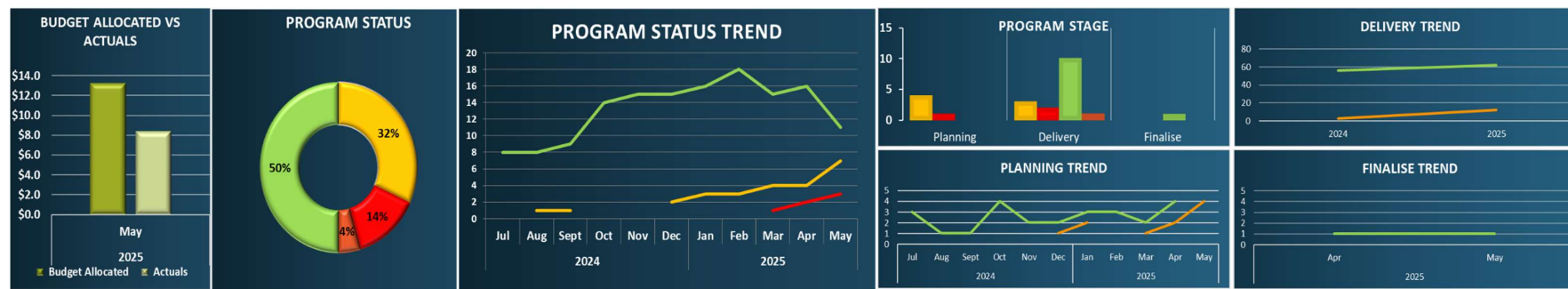
Progress Summary Programs:

Programs are progressing well with the majority in the delivery stage, key areas of concern is delays in Initiation Stage to determining schedules which has impacted on the ability to deliver within expected timeframe. Roll over to 25/26 to complete.

Note: Not all financial year budgets have been allocated to programs and will require carry over.

Metrics:

32% (7) At Risk:

Planning Stage: Completion not anticipated within estimated completion dates. Areas of risk to be reviewed, timeframes		
Name	**Comment**	**Status Trend**
ID:327: Safety Improvements Program	Delays in project initiation due to workload capacity to prepare schedule. Completion date to be revised for delivery in 25/26	⬌
ID:326 Local Improvements Street lighting	Delays in project initiation due to workload capacity to prepare schedule. Completion date to be revised for delivery in 25/26	⬌
ID:296 Street Furniture Replacement Program	Delays in schedule preparation and now procurement. Completion date to be revised for delivery in 25/26	⬆
ID:299 Playground Renewals Program	Completion date to be revised for delivery in 25/26 as part of 2 year contract with provision to extend +1	⬆
Delivery Stage: Delays Areas of risk to be reviewed, budget, timeframes		
ID:324 Drainage Renewals Program	Timing of schedule. Completion date to be revised	⬆
ID: 321 Districtwide Footpaths Program	Delays in delivery due to approval of NZTA subsidised funding allocation delaying preparation of schedule. Completion date to be revised or reduction of schedule	⬆
ID:323 Unsealed Roads Program 24/34 - Subsidised	Timing of schedule. Works best completed during Autumn/Winter when not so dry. Completion date to be revised	⬆

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Attachment A

14% (3) Action Required

Planning Stage: Initiation complete, handover required to Project Manager		
ID:337 District-Wide Infiltration and Inflow Reduction Program	Delays in project initiation due to workload capacity to prepare schedule. Handover to Project Manager and budget allocation required. Completion date to be revised for delivery in 25/26	⬆
Delivery: Delays due to resource capacity to finalise schedules		
Name	**Comment**	**Status Trend**
ID338: Wastewater Plant Renewals	Delays in project initiation due to workload capacity to prepare schedule. Completion date to be revised for delivery in 25/26	⬅➡
ID:412 IT Capital Works Program	Schedule and budget to be finalised for work underway	⬅➡

50% (11) Achievable

Planning and Delivery stage – progressing as expected

4% (1) Terminated

ID: 309 Annual Plan Program, Removed as a Program. Formally reported to E/Team, RAC/Council

Risks and Issues:

At Risk & **Action Required**:
- **Budget:** not all projects have allocated budgets, those that do will automatically carry forward
- **Time:** Review of realistic estimated completion dates and any potential impacts to be determined
- **Scope:** Clarification required for some activities within ID:338 Wastewater Plant Renewal Programme. ID:294 Building & Housing Renewals Program – 3 activities removed until further information known.
- **Resources:** Capacity to determine schedules impacting ability to deliver

Next Steps and Actions:

- Review timeframes of current schedules, plan and determine future schedules and prioritise to align with current resource workloads and capacity to develop a realistic Program delivery schedule for 25/26

8.15 2025 Local Government Elections: Risk Mitigation

CM No.: 2999297

Te Kaupapa | Purpose

The purpose of this report is to provide the Committee with an overview of the process and risks around the 2025 local elections, to be held 11 October 2025.

Rāpopotonga Matua | Executive Summary

Local Government Elections are held every three years. In 2025, the election is to occur on Saturday, 11 October.

Matamata-Piako District Council has identified several key risks ahead of the 2025 local elections, including potential invalid nominations due to roll changes, low voter turnout, and logistical challenges associated with the postal voting system. Additional risks include the spread of misinformation, compliance with campaign advertising standards and overall election readiness.

Mitigation measures such as community engagement, enhanced voting access points, public information campaigns and a comprehensive readiness plan have been implemented to support a fair and well-participated election.

Tūtohunga | Recommendation

That:

1.   **The information be received.**

2.   **The Committee provide feedback** *[feedback to be captured].*

Horopaki | Background

Genera

Elections for most local authorities throughout New Zealand will occur on Saturday, 11 October 2025.

Elections will be conducted under the provisions of the Local Electoral Act 2001, and the Local Electoral Regulations 2001.

Warwick Lampp, of Electionz.com Limited, is instructed to act as Electoral Officer (EO) on behalf of Matamata-Piako District Council, in accordance with an Election Services Agreement, signed 1 September 2023.

Council staff member, Tamara Kingi is Council's Deputy Electoral Officer (DEO). The DEO will provide the on-site support and liaison for the elections, for example receiving nominations. The DEO has also appointed Electoral Officials to assist with the election process, including Policy, Partnerships and Governance and Libraries staff.

Memorandum of Understanding

Matamata-Piako District Council have entered into a Memorandum of Understanding with Waikato Regional Council which outlines roles and responsibilities of the parties and includes a clause of mutual co-operation and allocation of costs of the election.

Electoral system

The first past the post (FPP) electoral system will be used for this election.

Electoral roll

In 2025, general roll electors will vote for:

- A candidate in the Matamata, Morrinsville or Te Aroha ward and the Mayor; and

- A candidate in Waikato Regional Council General Constituency.

There is an estimate of 23,923 eligible population on the general roll.

In 2025, Māori roll electors will vote for:

- A candidate in the Māori ward (instead of voting in Matamata, Morrinsville or Te Aroha ward) and the Mayor; and

- A candidate in Waikato Regional Council Māori constituency.

There is an estimate of 1,997 eligible population on the Māori roll.

Māori Electoral Option

The Māori Electoral Option is a chance for all enrolled voters of Māori descent, to choose which electoral roll to be on (whether it be General or Māori).

Those who are of Māori descent can change their roll type at any time, except in the three months before the local elections. This year, the option will be available until 11 July.

Eligible voters will be residential electors within the district or non-resident ratepayers whose names will appear on the electoral roll.

Resident roll

Parliamentary electors, including those on the Māori Electoral Roll, are automatically enrolled on the resident roll, at the address where they live.

Ratepayer roll

If a person was on the parliamentary roll in an area and pays rates on a property in another area, this person may be eligible to be enrolled on the non-resident ratepayer roll. A firm, company, corporation or society paying rates on a property could nominate one of its members of officers as a ratepayer elector (provided the nominated person resides outside the area).

Nominations

The nomination period will commence 4 July 2025, and close at midday sharp on Friday, 1 August 2025. A candidate handbook will be made available to prospective candidates by mid-2025.

Voting period

Delivery of voting documents will be sent to eligible electors, by post, from 9 September 2025 until 22 September 2025. The voting period will span just under five weeks (Tuesday, 9 September to Saturday, 11 October 2025, noon sharp). Special votes will be issued from Council offices and libraries.

Māori Ward

In February 2021, Hon. Nanaia Mahuta, the then Local Government Minister, announced a law change to increase Māori representation to ensure Māori have a voice in local decision-making. In accordance with this law change, and with the guidance from Council's Te Manawhenua Forum, Matamata-Piako District Council made the decision to establish a Māori Ward for the 2022 and 2025 elections on 28 April 2021.

Subsequently, a representation review was conducted later in the year, which took effect for the 2022 elections.

In 2023, following the Parliamentary elections, a Coalition Agreement was entered into by New Zealand National Party, ACT and New Zealand First. One of the conditions of the agreement was to "restore the right to local referendum on the establishment or ongoing use of Māori Wards, including requiring a referendum on any wards established without referendum at the next local body elections". Parliament passed an Amendment Bill late July 2024, which reintroduced the mechanism for binding polls for the establishment of Māori Wards.

As prescribed by legislation, Matamata-Piako District Council were to make a decision by 6 September 2024, on the following options:
Option 1 – Disestablish the Māori Ward and complete a <u>shortened</u> representation review to come into effect in 2025.
Option 2 – Retain the Māori Ward and hold a binding poll alongside the 2025 local elections with the outcome to come into effect in 2028.

On 28 August 2024, Council resolved to retain the Māori Ward, Te Toa Horopū ā Matamata-Piako, and undertake a binding poll alongside the 2025 triennial elections, on whether to retain a Māori Ward. The results of the poll will be effective for the 2028 and 2031 triennial elections, with Council undertaking a full representation review by 2027/28 as planned.

Binding Poll
With Council's resolution to retain the Māori Ward and subject to section 39 of the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Act 2024, Council must hold a binding poll. The Poll must be conducted using the First Past the Post electoral system, and in conjunction with the 2025 local government election.

If 50% or more of valid votes are "yes" to retaining the Māori Ward, then the Māori Ward will be retained for the 2028 and 2031 elections. If 50% or more are "no" then the Māori Ward will be disestablished for the 2028 and 2031 elections.

Section 9 of the Local Electoral Act 2001, prescribes that Council are entitled to conduct another referendum in conjunction with the above poll, but results of such will not be binding.

Representation Review arrangement for elections

Council have currently planned a full representation review in the Long Term Plan for 2026/27. The review will be undertaken in accordance with section 19H of the Local Electoral Act 2001.

Council will discuss representation arrangements to determine whether members of Council (other than the Mayor) are to be elected by the district as a whole, by the electors of 2 or more wards or by the electors of each ward of the district. Council will propose the number of members to be elected and proposed boundaries etc and consult the community on this.

Mōrearea | Risk

Nomination of candidates / Māori Electoral Option

Nomination of candidates open on 4 July 2025 to 1 August 2025.

A candidate must be nominated by two eligible electors of the same ward.

The Māori Electoral Option closes 11 July 2025. This poses a risk as electors have the potential to change rolls following a nomination being received from them. Any nominations received where an elector has changed rolls, will be invalid.

To mitigate this risk, staff will be engaging with the community on this, it has also been added to our process when receiving nominations to provide advice to candidates on this risk when nominations are received.

Low voter turnout

In 2022, Matamata-Piako District Council recorded voter turnout of 40.93%, which is similar to the national average. Council staff have developed an engagement plan to encourage participation.

Postal voting system

Local elections rely on postal voting. There are various challenges, which include:

- Delays to the delivery of voting papers, and / or the return of voting papers.
- The risk of voting papers being completed by someone other than the relevant elector.

Mitigations for 2025 include:

- The ability to cast a special vote within multiple Council run facilities such as the libraries.
- The ability to return voting papers by using Council's orange ballot boxes, which will be in various locations around the district such as supermarkets.
- Council staff intend to provide a mobile voting box where electoral officials can also receive special votes.
- Matamata-Piako District Council have collaborated with various Waikato Councils to allow for votes to be returned through their organisations i.e. votes will be accepted by Hamilton City Council electoral officials on behalf of Matamata-Piako District Council.
- Clear communication of timeframes for postage.

Misinformation

The spread of false or misleading information, particularly on social media platforms could influence the voting decisions or discourage participation.

To mitigate against some of the misinformation heard to date, FAQs have been developed and uploaded to the Matamata-Piako District Council website.

Code for campaign materials
Candidates are reminded to be socially responsible and truthful with the content of their campaign material. Campaign advertisements are subject to the Advertising Standards Authority (ASA) Code. The ASA settles disputes during elections within two to three days, and take complaints from electoral officers and the public. The usual penalty for breaches of the code is for the advertising to be removed.

Quality Assurance and Risk Mitigation
A Warrant Of Fitness (WOF) document on election readiness has been prepared by Council staff. The readiness document is a working document and will continue to be updated as processes progresses.

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

The election will be managed in accordance with the Local Electoral Act 2001 and Local Electoral Regulations 2001.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

The election will be promoted through an agreed communications and engagement plan.

Election communication protocols
Council have adopted the principles as set out in the Controller and Auditor General 'Good Practice for Managing Public Communications by Local Authorities' in particular principles 12 and 13.

Staff will be provided with a summary of these principles (staff election protocols) and hot tips over the coming months. The elections project working group are also planning an online engagement with staff late June.

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
TŌ MĀTOU WHAKAKITENGA | OUR VISION 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.	
TŌ MĀTOU WHĀINGA MATUA | OUR PRIORITIES (COMMUNITY OUTCOMES)	

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

All of the above community outcomes are relevant to this report.

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

The elections have been budgeted for over a three year period under the Long Term Plan 2024 – 2034. The Māori ward referendum has imposed additional costs on local authorities to manage the referendum.

Ngā Tāpiritanga | Attachments

A. Local Electoral Readiness WOF - 2025 *(Under Separate Cover)*

B. 2025 Local Government Election Timetable

Ngā waitohu | Signatories

Author(s)	Tamara Kingi **Kaiārahi Kāwana | Governance Team Leader**	

Approved by	Sandra Harris **Pou Kaupapahere, Rāngai Mahitahi me te Kāwana | Policy, Partnerships and Governance Manager**	
	Kelly Reith **Hautū Tāngata, Kāwana me ngā Hononga | Group Manager People, Governance & Relationships**	

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Attachment B

After 1 February 2025	Declaration of Electoral Officer and Deputy Electoral Officer, and Electoral Officials
1 March - 30 April	Ratepayer Roll Enrolment Confirmation Letters and Forms Sent to existing ratepayers
1 March - 3 July	Preparation of Ratepayer Roll
1 April - 31 May	National Public Notice of Ratepayer Roll Qualifications and Procedures
10 April (Thursday)	Last day for LGC Determinations
11 April (Friday)	Last day for EC to send out information about the MEO
18 – 21 April (Friday -Monday)	*Public Holiday - Easter*
25 April (Friday)	*Public Holiday – ANZAC Day*
29 April (Tuesday)	Electoral Commission (EC) test data sent to EOs
By 30 May (Friday)	Candidate Handbooks and key dates on council websites
2 June (Monday)	*Public Holiday - King's Birthday*
9 June (Monday)	EC Enrolment Update Campaign commences
18 June (Wednesday)	Check It Electoral Roll closes with Electoral Commission
20 June (Friday)	*Public Holiday – Matariki*
24 June (Tuesday)	Receive Preliminary Electoral Rolls from EC
24 June to 2 July (Tuesday-Wednesday)	Compile Preliminary Electoral Roll
25 June (Wednesday)	First public notice completed and booked with ad agency
By 30 June	Order of Candidate Names Resolution (optional)
30 June (Monday)	Nomination forms, Preliminary Rolls completed, and all documents dispatched to Councils
3 July (Thursday)	Public Notice of Election – Prelim Roll inspection, close of nominations and electoral roll (First Public Notice of Election)
4 July (Friday)	**Nominations open/Roll Open for Inspection**
11 July	Māori electoral option suspended until polling day (can't switch rolls from now on)
18 July (Friday)	Deadline for publishing of Council Pre-election Report
By 31 July (Thursday)	Appointment of JPs by Electoral Officers
1 August (Friday)	**Nominations Close (12 noon), Electoral Roll Closes**
1 to 8 August	Votext entry of candidate details - design of voting documents, progressive signoffs
By 6 August (Wednesday)	Public Notice of Candidates, order of names, special voting places – on council websites (Second Public Notice of Election)
By 8 August (Friday)	Receive final Electoral Roll from EC
8 August to 8 September	Final Postal Sort Data to mail house, print voting documents – progressive signoffs
By 31 August	Ratepayer Roll insert with rates notice
5 September (Friday)	EO certifies final roll – final rolls distributed by EO
By 9 September (Tuesday)	EC letter sent to electors on Unpublished Roll
9 September to 22 September	**Delivery of Voting Documents Commences**
22 September (Monday)	Last day for delivery of Voting Documents
9 September to 11 October	**Voting Period - Roll Scrutiny, Vote Processing, Special Voting Period**
11 October 2025 (Saturday)	**Election Day - Voting Closes at Noon** Progress Results available as soon as practicable after close of voting
11 – 16 October	Official Count – process special votes
16 October (Thursday)	**Official Result Declaration**
16 October to 19 October	Public Notice of Official Declaration of Election Results – on council websites
December 2025	EO Debrief Forum
Mid December 2025	Return of Election Expenses Forms

8   Ngā Pūrongo Whakamārama | Information Reports

8.16 Safety and Wellness Reports

CM No.: 3039478

Te Kaupapa | Purpose

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

Rāpopotonga Matua | Executive Summary

The January to March 2025 Quarterly Safety & Wellness Report, and February, April and May 2025 Safety & Wellness Updates are provided. Kate Stevens, People, Safety & Wellness Manager 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 Jan-March 2025

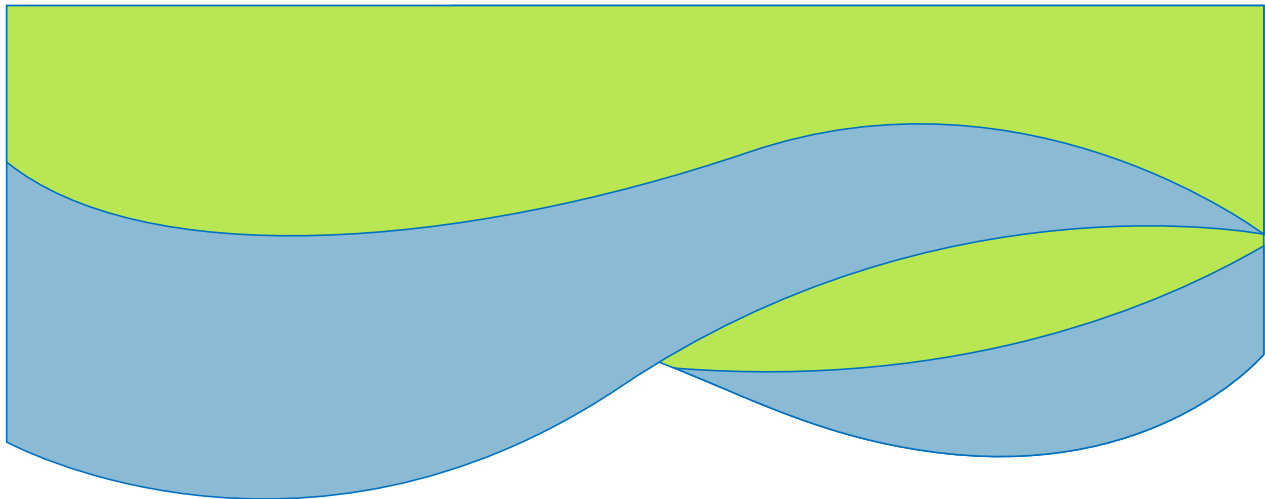B.   February 2025 Safety Wellness Update *(Under Separate Cover)*

C.   April 2025 Safety Wellness Update *(Under Separate Cover)*

D.   May 2025 Safety Wellness Update *(Under Separate Cover)*

Ngā waitohu | Signatories

Author(s)	Kate Stevens	
	Pou Tāngata, Haumaru me te Oranga | People, Safety & Wellness Manager	

Approved by	Kelly Reith	
	Hautū Tāngata, Kāwana me ngā Hononga | Group Manager People, Governance & Relationships	

Safety & Wellness

Quarterly report:

January- March 2025

Together we create a healthy, safe workplace where we thrive.

Item 8.16

Attachment A

Executive summary

This quarter our new Safety & Wellness Team Leader, Lucy, has been working with teams across the organisation to gain an understanding of MPDC's risk profile and our systems and processes.

A review of the drug and alcohol policy is underway and the revised policy went out for consultation at the end of this quarter. Key proposed changes include transitioning from urine drug testing to oral fluid testing for confirmatory random testing, post-incident, and reasonable cause testing. This shift enables in-house testing while retaining urine sampling (provided externally) for pre-employment screening.

We have been working with a focus group of H&S representatives to review the safety and wellness policy. The proposed policy reinforces our commitment to fostering a workplace where all employees have a sense of belonging, feel valued, supported, and empowered and highlights the significance of both formal and informal team discussions in strengthening communication and enhancing our safety and wellness system.

To improve efficiency and reduce costs, we have brought respirator fit testing in-house, completing 10 tests so far. This initiative provides more convenient access for staff who require testing and also serves as a valuable opportunity to upskill employees on the importance of wearing respirators.

Performance

Strategic priorities

We identified three safety and wellness strategic priorities for the 2024/2025 year: strengthen safety & wellness leadership, engage and empower our Health and Safety Representatives and sustain our focus on critical risk. Further detail and progress on the planned tasks for these priorities are provided at the end of this report.
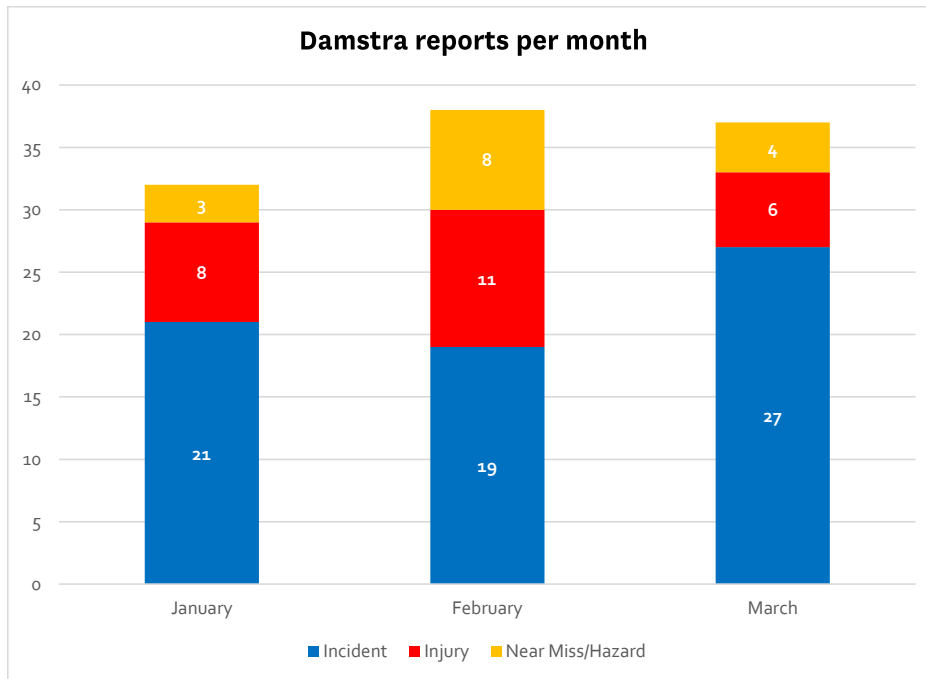
Events

There was one notifiable event this quarter: an employee sustained an eye injury after being struck by a wire, resulting in temporary loss of sight in one eye.

There were three lost time injuries this quarter, the eye injury (above) and two back strains.

The graphs and tables below provide summary data from Damstra reports.

Number of events and observations this quarter:				
Incidents	Injuries/illness	Near Miss/ Hazard	Notifiable Events	Lost Time Injuries*
67	23	15	1	3

*Lost time injury: resulting in more than one shift off work

2 |

Damstra reports per month

This quarter, ten reported events involved contractors, consisting of both near misses and incidents. Further details on the higher risk events is provided under the critical risk section below.

Events involving contractors

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Attachment A

Damstra tasks*	Completed this quarter	Overdue end of this quarter	Trend for overdue actions
Corrective actions	53	35	⬆ from 34 last quarter
Risk reviews	110	88	⬆ from 73 last quarter**
Event Investigations	111	20	⬇ from 22 last quarter

*This data is as of 14/4/2025

** Some risk reviews have been completed but have not yet been updated in the system, resulting in a higher number of overdue items this quarter.

Risks

Council has identified its "Top 10" critical risks as follows:

Critical risk updates:

Staff members are actively engaging in a series of webinars providing updates on Temporary Traffic Management. Each webinar focuses on a specific aspect of the transition to risk-based traffic management and includes supplementary resources to support staff learning.

Additional gas detectors have been installed into plant rooms at Morrinsville SwimZone following a minor gas leak.

To improve efficiency and reduce costs, we have brought respirator fit testing in-house, completing 10 tests so far. This initiative not only provides more convenient access for staff who require testing but also serves as a valuable opportunity to upskill employees on the importance of wearing respirators.

While resealing a road, a contractor was sprayed with bitumen due to the valve being left in the 'on' position. The operator was wearing the correct PPE, so no injury was sustained. The contracting company is currently reviewing its processes.

A confined space entry scenario training session was conducted at Te Aroha SwimZone with Facilities, KVS & 3Waters.The exercise was an opportunity to practice rescue techniques for when staff and contractors are working in confined spaces.

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A contractor was observed working at height without fall protection. The job was stopped and resumed after appropriate safety controls were implemented. This led to a thorough investigation and a review of our processes with the contractor's company to ensure alignment on safe practices while working at height.

A tractor and trailer unit was in operation by a contractor at the Morrinsville Wastewater Treatment Plant when the trailer tipped due to a soft or loose surface. The trailer hinge functioned as designed, preventing the tractor unit from overturning. No damage occurred. A full investigation from the contracting company is pending.
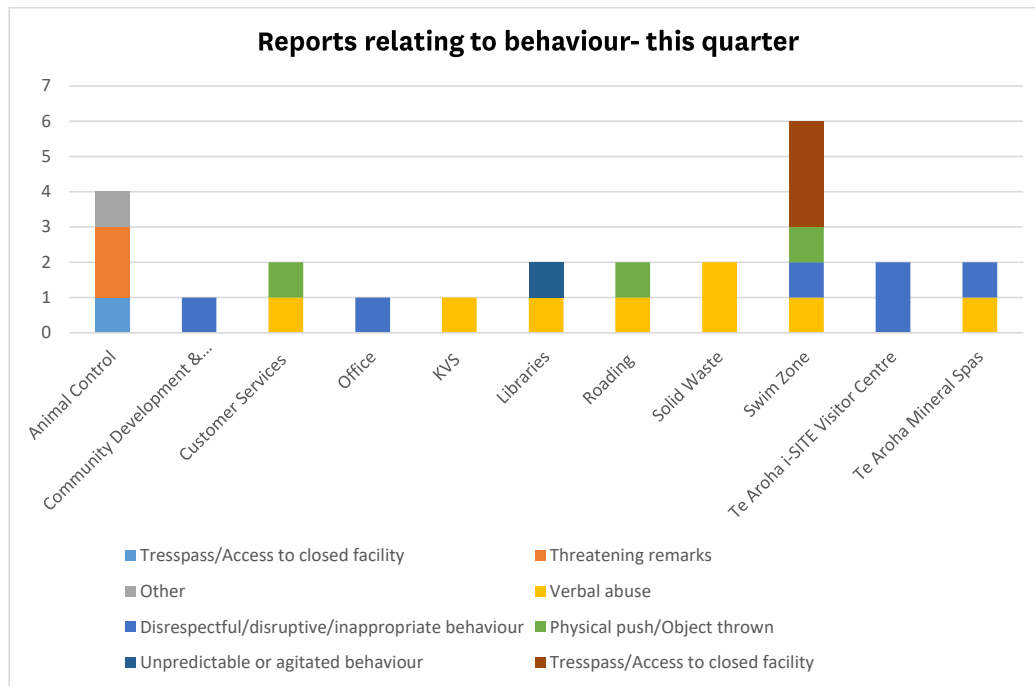
Events
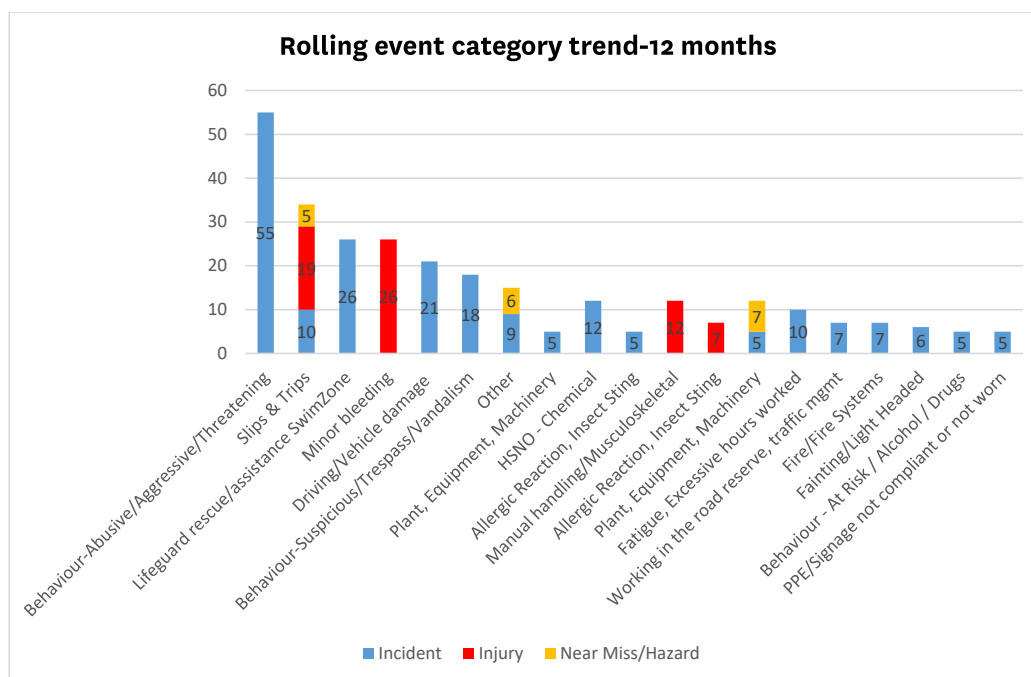
We have reviewed the 'other' category of events and amended the category for many of those incidents. This quarter, 26 events related to public behaviour were reported, continuing to be the most common type of incident. The graphs below provide a detailed breakdown of these occurrences.
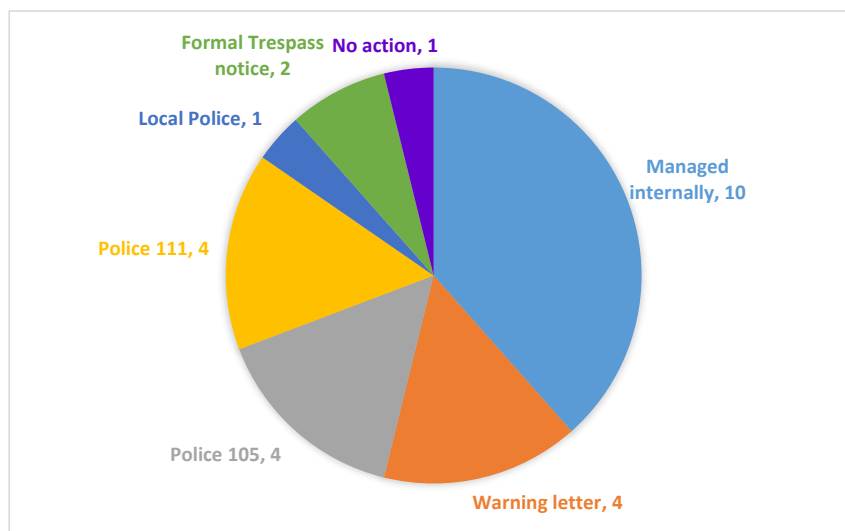
Additionally, a summary of actions taken is provided. While the majority of behaviour-related incidents were managed internally by staff and managers, there has been a notable increase in the utilisation of police services, which seems to have proven beneficial in preventing recurrence of this type of behaviour.

We are committed to further developing our team's ability to respond to such events. As part of our People, Safety & Wellness theme for April, we focussed on practical ways to strengthen conflict

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resolution skills. Our goal is to equip everyone with the tools to approach conflicts confidently, fostering a positive and supportive workplace culture.

Reports relating to behaviour- this quarter

- Tresspass/Access to closed facility
- Threatening remarks
- Other
- Verbal abuse
- Disrespectful/disruptive/inappropriate behaviour
- Physical push/Object thrown
- Unpredictable or agitated behaviour
- Tresspass/Access to closed facility

Action taken- events relating to behaviour

- Formal Trespass notice, 2
- No action, 1
- Local Police, 1
- Police 111, 4
- Police 105, 4
- Warning letter, 4
- Managed internally, 10

Learning and Development

The graph below shows safety and wellness related training (both internal and external) completed this quarter.

Training completed this quarter

Health Monitoring

Data for health monitoring and respirator fit testing for this quarter is shown below.

Annual health monitoring completed	17	Exit health monitoring completed	0*
Overdue health monitoring	11	Respirator Fit Testing completed	10
Pre-employment health monitoring	6	Respirator Fit Testing Overdue	21**

*Many exiting staff decline health monitoring.

** The completion of fit testing is a priority. The delay is due to the recent transition to in-house testing and an unexpected issue with faulty equipment, which has contributed to the backlog.

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Relationships

Engagement and Participation

Two new H&S representatives have been elected to represent the KVS Works and Three Waters Teams, with their training scheduled over the coming months.

The February H&S Committee meeting saw strong participation, with 18 attendees, including union participation. Discussions covered proposed changes to the drug and alcohol policy, including a demonstration of oral testing. The committee engaged in two activities related to drug and alcohol testing and discussed the definition of safety-sensitive roles.

Updates from H&S representatives were thorough and it was great to hear the representatives talk about their engagement with their teams, emphasising how open communication is a key factor in fostering a safer, more supportive workplace.

Jenni Cochrane (Group Manager) commended Morrinsville SwimZone for its proactive response to a recent chemical incident. The team managed the situation effectively, demonstrating strong reporting practices and completed a comprehensive event investigation.

Contractors

Annual contractor reviews continue to take place, including a review with Feisst Group, a long-standing contractor of the council. One of their key responsibilities is the maintenance of air conditioning units, which includes working at height.

The Safety and Wellness Team has attended several pre-start meetings, one of which was for the Open Country Matamata Indoor Stadium, where the site has now transitioned from J.Swap (responsible for the enabling works) to Fosters, who will commence the build.

Five critical risk audits have been completed at contractor work sites this quarter.

Resources

Our new Safety and Wellness Team Leader, Lucy has been getting established in her role and is working with the S&W Team to review progress on priorities.

Due Diligence

The Group Managers consistently deepen their understanding of organisational risks by conducting leadership walkthrough visits each quarter. This quarter they completed five visits at the Waihou refuse transfer station, SwimZone Te Aroha, Rollerston Street Intake, Te Aroha Mineral Spas, KVS Depot and the Dog Pound.

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Assurance

Critical risk audits

We completed eight audits relating to critical risk this quarter. Overall, the controls were effective, with any identified issues either addressed on-site or escalated to the contract manager for further action. A summary of audit findings will be provided to the Executive Team next quarter.

Risk	Audits	Work site
	3	• Pond desludging and platform construction • SH27 Wastewater upgrade • Overflow pump replacement
	1	• Staff Van
	2	• Sealed Road pavement rehabilitation on Alexandra Road, Manawaru • Works on the water supply infrastructure in Te Aroha
	2	• Hazardous substances storage and handling at SwimZone Te Aroha • Hazardous substances storage and handling at KVS Parks Shed

Safety and Wellness Objectives

Below is a summary of progress on our key projects relating to our objectives for this year.

1. Strengthen Safety & Wellness Leadership			
Action	**Update**	**Status**	**Target Quarter**
Visible leadership and building relationships: S&W team member works at key areas at least one day per month (Matamata, Morrinsville, KVS, Three Waters). Executive Team complete Leader Walk Through visits and engage with staff on site.	S&W Team regularly work at other sites. Exec Team completed 6 Leader Walk Through site visits this quarter. S&W continues to be the first item on the Exec Team agenda.	Underway	1-4
Provide training for managers to access information in Damstra. Configure Damstra to align with the new organisational structure and set up appropriate escalations.	Damstra has been re-configured to align with new organisational structure and escalations set. We continue to provide Damstra training to new managers and team leaders as they come aboard.	Completed	1-2

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Attachment A

Transition reporting in Damstra to new reporting software (Insights).	Damstra has now fully transitioned to Insights for reporting and the S&W team are utilising the software and working with Damstra to resolve some teething issues. The Team are continuing to upskill by attending training webinars.		
Review S&W induction programme for managers and team leaders.	Safety Culture Training has been reviewed and changes made. Review of the whole S&W induction programme is planned for quarter 4.	Not started	3-4
Clarify S&W accountabilities for Managers and Team Leaders.	S&W accountabilities for managers and team leaders drafted. Further work to be done to integrate these into Mariner 7.	Underway	1-3
Trial a process for leaders to celebrate good S&W practice.	Leaders are encouraged to provide informal praise regularly and formal recognition as part of Mariner7 reviews. An award system is currently being developed and is scheduled to be introduced at the next all-staff meeting.	Underway	2-3
2. Engage and Empower our Health and Safety Representatives			
Review work groups to align with new organisational structure and elect new reps where needed.	Work groups reviewed and new reps elected.	Completed	1-2
Review induction and training programme for H&S reps.	Commenced in Quarter 3. Further work to be done in Quarter 4.	Underway	2-3
Plan a training programme for H&S Reps. Each rep completes at least one learning activity.	Four reps attended SafeSkills conference. H&S Investigation Training has been completed by another Rep. Further work to commence in Quarter 4 to formalise a training programme for all reps.	Underway	2-3
Build relationships between reps and third tier managers: each third tier manager has a plan for engaging with their H&S Reps.	Mangers have engagement plans with reps, a review of these is taking place to determine any gaps. Further work to be done to ensure that all third tier managers have a plan for engaging with their H&S Reps.	Underway	3
Cross site auditing or risk reviews: each rep is involved in a site audit	Reps will be nominated to complete reviews in the next quarter. Risk reviews were discussed, with a	Underway	3-4

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or risk review outside of their usual area of work.	decision to assign reviews across different areas to provide fresh perspectives. These newly assigned reviews will commence soon.		
Health and Safety Policy is reviewed with input from H&S reps.	Review of the Policy is underway.	Underway	3-4
3. Sustain our focus on critical risk			
Critical risk audits: minimum 8 critical risk audits completed per quarter by the S&W Team.	Quarter 1: nine audits completed. Quarter 2: twelve audits completed Quarter 3: eight audits completed	Underway	1-4
Critical risk reviews completed for confined space entry, excavation and energy risks.	Confined Space Entry critical risk review undertaken in Q2.	Underway	1-4
Provide ongoing support for MPDC staff who manage contracts where critical risk-related work is undertaken. Audit completed of compliance with pre-start and annual contractor meetings.	Audit completed. Ongoing support is provided e.g. Pre Start meetings are attended by the S&W Team.	Underway	1-4
High risk teams are completing at least one practical refresher (e.g. training scenario) relating to a critical risk per quarter with their teams.	Confined Space scenario exercise was completed at SwimZone Te Aroha with 3Waters, KVS & Facilities. Hazardous Substances proposed for next training scenario.	Underway	3-4

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8   Ngā Pūrongo Whakamārama | Information Reports

8.17 Risk and Assurance Committee Work Programme - Update June 2025

CM No.: 3039579

Te Kaupapa | Purpose

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

Rāpopotonga Matua | Executive Summary

An update on scheduled reports and standing items for June 2025 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.

Ngā Tāpiritanga | Attachments

A⇩.   Risk and Assurance Work Programme - Update June 2025

Ngā waitohu | Signatories

Author(s)	Stephanie Hutchins	
	Kaitohu Mātāmua Kāwana | Senior Governance Advisor	

Approved by	Tamara Kingi	
	Kaiārahi Kāwana | Governance Team Leader	
	Sandra Harris	
	Pou Kaupapahere, Rāngai Mahitahi me te Kāwana | Policy, Partnerships and Governance Manager	

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Attachment A

Item	Team	Status (25-Feb-25)	Comment (25-Feb-25)	Status (17-Jun-25)	Comment (17-Jun-25)	Status (30-Sept-25)	Comment (30-Sept-25)	Status (Dec – Date dependant on elections)	Comment (Dec)
Key		[green]	= complete	[amber]	= scheduled	[red]	= incomplete		
Standing items									
Chairs update	PPG	[green]		[green]		[amber]		[amber]	
CEO update	PPG	[green]		[green]		[amber]		[amber]	
Risk Report	PGR								
Review of top risks	Group Managers	[green]	- Essential services/infrastructure etc (initially focussing on water/wastewater) - Disasters, weather events and pandemics	[amber]	- Partnerships with mana whenua, hapuu, iwi and Maaori - Communicating/engaging with stakeholders - Workforce capacity and capability - Health, safety and wellbeing	[amber]	- Political change - climate impacts - compliance/legislative requirements - Financial strategy		
Safety and Wellness update	PSW								
Review of significant projects, including an update on risk of compliance with consents	Assets	[red]	No update this quarter	[green]	An update on 3 key risks: - Matamata Stadium - Matamata Playground - Matamata WWTP upgrade	[amber]			
Project Management Report	Assets	[green]		[green]		[amber]		[amber]	
Future Ready Update	PGR	[grey]	No update required, comment included in CEO update	[grey]	Update included in CEO report	[amber]		[amber]	
Update on Work Programme	PPG	[green]		[green]		[amber]		[amber]	
Annual Reports									
IT/web security audit	IT	[grey]		[red]	Not completed/available yet	[grey]		[grey]	
Insurance Programme	Property	[green]		[grey]		[grey]		[grey]	
LGOIMA Requests	Legal	[grey]		[grey]		[amber]		[grey]	
Delegations	Legal	[grey]		[grey]		[amber]		[grey]	
Legislative compliance assessment	Legal	[grey]		[grey]		[amber]		[grey]	
Risk Management Framework	Risk	[grey]		[grey]		[grey]		[grey]	
Setting Work Programme/Schedule of Meetings	PPG	[grey]		[grey]		[grey]		[amber]	
Scheduled Reports									
Self assessment / Review of Charter	PPG	[grey]		[grey]		[amber]	Self assessment circulated ahead of meeting, to be complete by 30 September	[amber]	Chairs report on self assessment, charter reviewed (TBC)
Long Term Plan / Annual Plan	PPG	[grey]	No consultation required on Annual Plan, comment included in CEO update	[green]	Annual Plan 2025/26	[amber]	Annual Plan timeline and key risks	[grey]	
Annual Report	PPG	[green]	Six Month Report	[grey]	Audit Plan and schedule of important dates	[amber]	Final Annual Report	[grey]	
Progress tracking on audit recommendations	PPG	[green]	24/25 Audit Management Report also included	[grey]	Audit recommendations – progress update	[grey]		[grey]	
Policy Register Review	PPG	[green]		[grey]	Policy, Planning and Reporting Stocktake	[amber]	Register update	[grey]	
Policy Review	Various			[grey]	*Capitalisation Policy *Procurement Policy *Conflict of Interest Policy	[amber]	Sensitive Expenditure Policy	[grey]	
Procurement Report	Finance	[green]				[grey]		[grey]	
Business Continuity Plans	Risk	[grey]		[red]	Work on BCPs will commence in late 2025 (fourth quarter of calendar year)	[grey]		[amber]	