

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

Ngā Tāpiritanga – Mēneti | Attachments – Minutes

Attachments – Minutes of a meeting of an ordinary meeting of Komiti o te Mōrearea me te Tūmaru | Risk & Assurance Committee held in the Council Chambers, 35 Kenrick Street, TE AROHA on 09 Dec 2025 at 13:00.

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Attachment A Additional Attachment - Item 8.7 - Quarterly Risk Report December 2025 - 9 December 202519

Note: The attachments contained within this document are for consideration and should not be construed as Council policy unless and until adopted. Should Councillors require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.





AUDIT NEW ZEALAND
Mana Arotake Aotearoa

8 December 2025

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

Jaydene Kana
Chairperson of the Risk and Assurance Committee
Matamata-Piako District Council
PO Box 266
Te Aroha 3342

By email: jaydenekana@hotmail.com

Dear Jaydene

Audit for the year ended 30 June 2025: Status report

Introduction

We are writing to provide the Risk and Assurance Committee with an audit status report on the 2025 audit.

The audit team continued work during November and the beginning of December. We have managed to progress most of the work as planned, but unfortunately, we were unable to resolve the ongoing issues in the data underlying property, plant and equipment (PPE). Please see point 1.3 below for more information.

We issued an interim Report to Council dated 14 July 2025. We plan to issue a final Report to Council prior to adoption and a more detailed Management report management containing our findings and related recommendations soon after.

Please also refer to the previous letter dated 26 September 2025.

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Our audit status report covers the following matters:

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1 Update on main audit areas

1.1 The risk of management override of internal controls

We are finalising our reviews regarding the audit work completed over journals and unusual transactions with minor queries outstanding. Based on our findings to date, we found no indications of management override of controls that would result in a material misstatement, in the financial statements, due to fraud.

1.2 Revaluation of property, plant and equipment (three waters, roading and land)

For three waters and roading our audit work is complete, and we are satisfied with the outcome of our testing. However, for land a material prior period error has been found. This pertains to vested land that was never captured and picked up during the current year revaluation. The audit team is working with management to resolve the matter. Additional testing is required around the material prior period error.

1.3 Accounting for impairment, capitalisation of costs and recognition of completed assets

On Friday last week the audit team paused the audit of PPE pending resolution of the data issues by management. We, again, gave clear instruction as to what we need to allow us to audit the PPE transactions for the year: additions, disposals and capitalisations, reconciling to the PPE note that has been disclosed in the annual report. We are planning a workshop with management this week to work through the matter.

Unfortunately, this means we will not be able to clear the audit this week.

Please refer to the 26 September 2025 update letter where we noted the challenges, as well as the two urgent recommendations we noted in the 2024 Report to Council dated 18 February 2025.

2 Other matters

2.1 Local Water Done Well programme

Disclosures in the annual report to be finalised.

3 Assessment of control environment and internal control

In the interim Report to Council we noted that the control environment, in general, is effective for the purpose of our audit. We consider that the processes and policies in place for the company are appropriate. These elements of the control environment provide an appropriate foundation for other components of internal control.

4 Findings and misstatements from the audit

4.1 Findings

During the audit we have noted some matters for improvements, and we are discussing our findings with management. We will issue our final recommendations in a report to management after the audit has been completed. Any significant findings will be shared in the Report to Council.

4.2 Misstatements

We have identified some misstatements to date. All misstatements not corrected and above the clearly trivial level will be noted in the Letter of Representation.

4.3 Disclosure deficiencies

Disclosure misstatements are being corrected as we provide the feedback to management, and we expect the process to continue until the audit is completed.

4.3 Fee overruns

Fee overruns are being shared with management as we progress.

5 Audit areas in progress

We are still working on the following audit areas:

- Property plant and equipment – testing paused pending review of transaction listings.
- Vested assets – completeness testing including the material prior period error.
- Non-current assets held for sale, and rates revenue and Funding Impact Statements – audit work ongoing.

- Continued review of updated annual report with the agreed recommendations/misstatements with management.
- Manager reviews, resolving review notes and final reviews.
- Conclusion activities for example: we are required to review Council and ARC minutes up until adoption of the annual report, subsequent events, etc.

We are looking forward to completing the 2025 audit and want to thank management, and this Committee for the continued assistance and support.

Yours sincerely



René van Zyl
Appointed Auditor

Copied to:
Manaia Te Wiata
Chief Executive Officer

Sandra Harris
Policy, Partnerships and Governance Manager

Kelly Reith
Group Manager Corporate, People & Relationships

Larnia Rushbrooke
Finance and Business Services Manager

Ken Morris
Consultant Risk and Business Excellence Advisor

Issues Register - Annual Plan 26-27

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1. Issues related to the transition to Waikato Waters Ltd during the 2026-2027 year
2. Graphic outlining the alignment between Waikato Waters Ltd transition and Annual Plans
3. Issues related to signalled changes to the purpose and financing of local government

1. Issues related to the transition to Waikato Waters Ltd during the 2026-2027 year

The below table details a number of issues relating to the transition of water and wastewater to Waikato Waters Ltd on 1 October 2026, as they pertain to the development of the Annual Plan 26/27, and related documents (Fees and Charges, Development Contributions Policy, Revenue and Financing Policy, Significance and Engagement Policy, Board Appointment Policy).

Issue	Relevant document	Action required – MPDC staff	Action required – Council resolution etc
Items related to the Waters legislation			
The Annual Plan must give effect to the Water Services Delivery Plan.	Legislation Section 22 states a territorial authority must give effect to water services delivery plan A territorial authority must give effect to the proposals or undertakings relating to the future delivery of water services that are specified, in accordance with section 13, in the territorial authority's water services delivery plan. [Local Government (Water Services Preliminary Arrangements) Act 2024]	Staff to develop graphs / data showing the consistency between the Annual Plan and the Water Services Delivery Plan.	Council to be informed that they must give effect to the WSDP. Council to understand content of WSDP. Council to note that the Annual Plan 26/27 gives effect to the WSDP in June 2026 when Annual Plan is adopted.
The Annual Plan should form part of the interim arrangements as part of the transition of services to WWL.	Legal advice Section 231 allows for the Long-Term Plan (LTP) to continue, if that is agreed in interim arrangements, which appears to be the case here. Other business planning and budgetary documents can also be included as part of the interim arrangements, with the agreement of all shareholders to the water organisation and the water organisation's representative. This could include the Annual Plan 26/27, but as this does not appear to be explicitly stated in the Agreement, you should confirm this with Waikato Waters Limited (WWL). [Brookfields]	Confirm with WWL that the Annual Plan 26/27 will form part of the interim arrangements. MPDC Transition Lead has added this to the agenda for the next meeting of the transition leads to discuss.	Council to note that the Annual Plan 26/27 will form part of the interim arrangements. in June 2026 when Annual Plan is adopted.

Issue	Relevant document	Action required – MPDC staff	Action required – Council resolution etc
Items related to the Waters legislation			
The Development Contributions Policy should form part of the interim arrangements	Legislation (5) The interim arrangements may include any of the following: (a)relevant parts of the long-term plan of each territorial authority that is a shareholder in the water organisation remain in force until the water organisation's water services strategy comes into force: (b)relevant parts of the water services strategy of each territorial authority that is a shareholder in the water organisation remain in force until the water organisation's water services strategy comes into force: (c)preparing or relying on any other business planning or budgetary documents that can— (i)guide the water organisation's operations; and (ii)be used for the purposes of monitoring and reporting on the water organisation's performance. [Section 231 Local Government (Water Services) Act 2025]	Confirm with WWL that the Development Contributions Policy will form part of the interim arrangements.	
Any changes to the Board Appointment Policy may trigger the Major Decision Framework and could form part of the interim arrangements			
Any changes to the Significance and Engagement Policy may trigger the Major Decision process and shall form part of the interim arrangement (as part of the LTP)			
Items related to the Local Government Act 2002			
A Long-Term Plan amendment is not triggered from differences between the Water Services Delivery Plan and year 3 of the Long-Term Plan.	Legal Advice In light of the amendments to s.97 of the LGA02, you do not need to amend the LTP to provide for the increased opex/capex for the 2026/27. [Brookfields] 97Certain decisions to be taken only if provided for in long-term plan (3) Nothing in this section applies to a decision of a local authority— (d)relating to a strategic water services asset or level of service for a water service under the Local Government (Water Services) Act 2025; or	The Consultation document to note that a Long-Term Plan amendment is not required, and the reasons.	Council to be informed as part of significance and materiality assessment process. Council to note that a Long-Term Plan amendment is not required and the reasons. In December 2025 / February 2026 when decision is made regarding consultation.

Issue	Relevant document	Action required – MPDC staff	Action required – Council resolution etc
Items related to the Waters legislation			
	(e)relating to a water services delivery plan under the Local Government (Water Services Preliminary Arrangements) Act 2024.		
The Annual Plan rates increase is likely inconsistent with the rates cap in the Long-Term Plan.	<p>Legal Advice</p> <p>The proposed rates increase is inconsistent with the rates cap in the LTP, which means that you will need to expressly address this inconsistency in your decision-making process pursuant to s.81 of the LGA02.</p> <p>[Brookfields]</p> <p>80Identification of inconsistent decisions</p> <p>If a decision of a local authority is significantly inconsistent with, or is anticipated to have consequences that will be significantly inconsistent with, any policy adopted by the local authority or any plan required by this Act or any other enactment, the local authority must, when making the decision, clearly identify—</p> <p>(a)the inconsistency; and</p> <p>(b)the reasons for the inconsistency; and</p> <p>(c)any intention of the local authority to amend the policy or plan to accommodate the decision.</p> <p>We recommend that you also engage with WWL regarding this and ensure you obtain its agreement to the proposed rates increase, given that from 1 October 2026 you will be collecting those rates on behalf of WWL.</p> <p>[Brookfields]</p>	<p>Council to agree on Annual Plan budget, at least first cut budget.</p> <p>MPDC to engage with WWL to obtain agreement for proposed rates increase, noting the inconsistency with the rates cap in the LTP (after Council discussions, before public consultation).</p> <p>Consultation document to note the inconsistency, the reason for the inconsistency, and the amendment of the Annual Plan to accommodate the decision.</p>	Council to note the inconsistency, the reason for the inconsistency, and the amendment of the Annual Plan to accommodate the decision. In June when Annual Plan is adopted.
Annual Plan consultation is likely required (because of differences between the Water Services Delivery Plan and year 3 of the Long-Term Plan).	<p>Legal Advice</p> <p>To provide for the increased opex/capex for the 2026/27 year, you will need to include these changes in the Annual Plan 26/27, including the funding impact statement. You will need to consult on this in the usual manner.</p> <p>[Brookfields]</p>	Council to confirm decision to consult (if needed based on significance and materiality assessment)	
Items related to the content of the Annual Plan and/or the Annual Plan consultation document			
The Annual Plan should contain the content specified here.	<p>Legal Advice</p> <p>For councils who will complete their transfer agreements on 1 July 2026 or during 2026, the interim and enduring arrangements in respect of water services should be reflected in the annual plans prepared for FY 2026 - 27 (and subsequent years). For example, the annual plans should note that:</p>	Annual Plan document to include matters outlined here.	

Issue	Relevant document	Action required – MPDC staff	Action required – Council resolution etc
Items related to the Waters legislation			
	<p>(a) Responsibility for charging for water services will be or is transferred to WWL.</p> <p>(b) Until WWL prepares and adopts its first water services strategy, water services rates and charges are set and collected by shareholding councils in accordance with those councils' existing LTPs and will be transferred to WWL.</p> <p>(c) Once WWL prepares and adopts its first water services strategy, that document will contain information about proposed charges to be set by WWL.</p> <p>[Russell McVeagh]</p> <p>However, the increased opex/capec will need to be provided for in Council's funding impact statement for its Annual Plan 26/27 to ensure alignment with the WSDP and provision will need to be made for any changes to targeted rates for water supply to give effect to this increased opex/capec. Given that your transfer agreement requires you to levy rates and invoice customers on behalf of WWL, this will also need to be identified in the funding impact statement.</p> <p>[Brookfields]</p>		
Annual Plan consultation can focus on the way in which additional opex/capec is funded.	<p>Legal Advice</p> <p>While you are required to give effect to the increased opex/capec, consultation can still occur regarding the method of funding this increase e.g. whether to increase rates or via some other option (if there is another reasonably practicable option).</p> <p>[Brookfields]</p>	Identify practicable options for consultation document.	
Items related to the Shareholders Agreement			
The Annual Plan water rates should be consistent with the Water Services Delivery Plan and will otherwise trigger the Major Decision process.	<p>Shareholders Agreement</p> <p>A proposed decision of a Transferring Shareholding Council is not a Major Decision for the purposes of this framework to the extent that it relates to the Transferring Shareholding Council's obligation to:</p> <p>complete an annual plan, long-term plan, amendment to a long-term plan during the period between Day 0 and the Agreed Transfer Date where the decision does not reduce the forecast price increases for water charges set out in the Relevant Long-Term Plan (or the water services delivery plan submitted to DIA where the projected price increases are higher in that plan than in the Relevant Long-term Plan).</p> <p>[Shareholders Agreement]</p>	Staff to provide graphs / data showing consistency between water charges in AP and WSDP.	Council to note that the Annual Plan budgets do not reduce the forecast price increases for water charges set out in the WSDP. In June when Annual Plan is adopted.

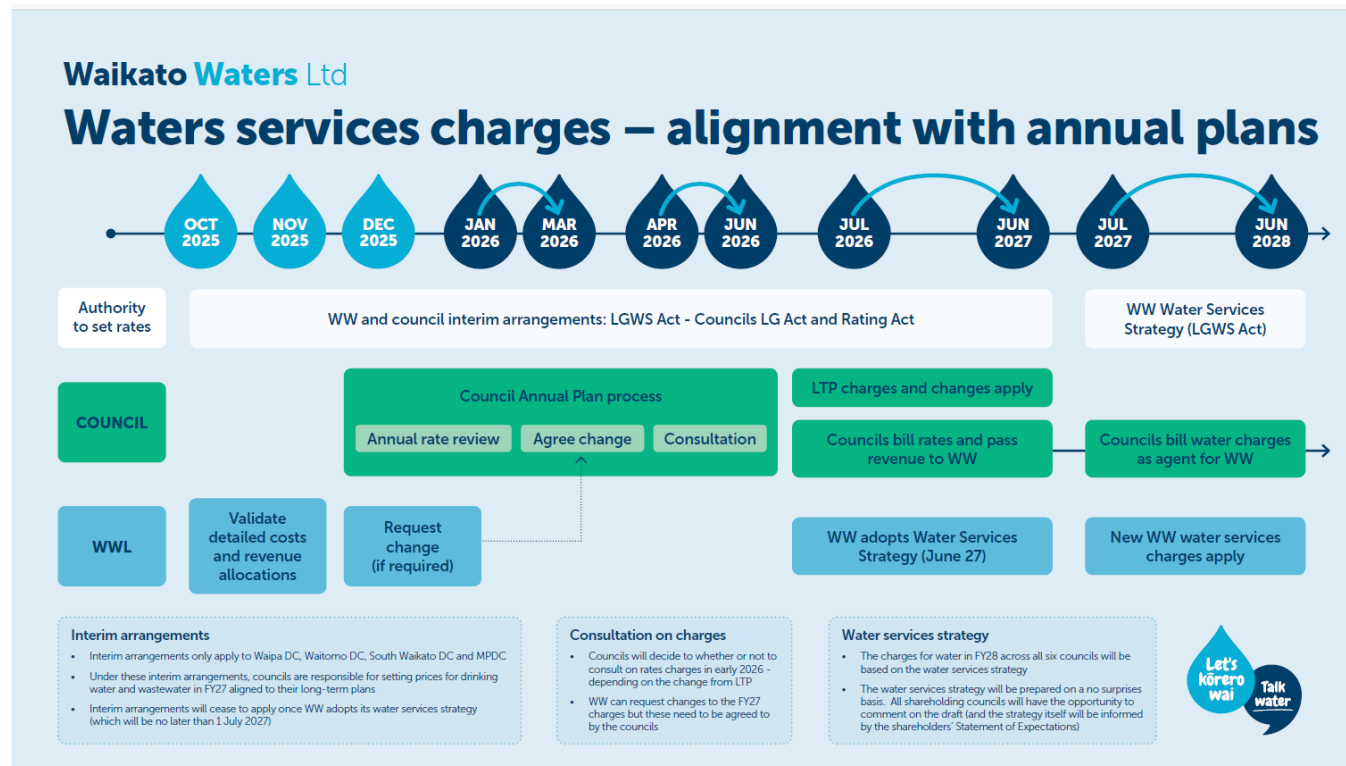
Issue	Relevant document	Action required – MPDC staff	Action required – Council resolution etc
Items related to the Waters legislation			
The Annual Plan capital programme should be in accordance with the Water Services Delivery Plan and will otherwise trigger the Major Decision process	<p>Shareholders Agreement</p> <p>A proposed decision of a Transferring Shareholding Council will be considered a "Major Decision" if it relates to:</p> <p>e) the undertaking of any capital works programme, other than in accordance with the Relevant Long-Term Plan; [Shareholders Agreement] [see also Issue #x below]</p> <p>6.1. Where a proposed decision is a Major Decision (as defined above):</p> <p>a) the Chief Executive of the Transferring Shareholding Council must engage with the Chief Executive of the Company (or if the appointment of the Company Chief Executive is pending, such person as nominated by the Directors of the Company) (Company Representative) in relation to the proposed decision;</p> <p>b) sufficient information should be provided to the Company Representative for them to understand the reasons for the proposed decision;</p> <p>c) the Company Representative is entitled to make recommendations / proposals in relation to the proposed decision, including providing detail of any negative impact the decision may have on the ability of the Company to carry on the water services business from the Agreed Transfer Date;</p> <p>d) the Transferring Shareholding Council must have regard to, and respond to, the recommendation / proposal from the Company Representative before making a formal decision; and</p> <p>e) following the decision being made, provide one-off or periodic reporting (as appropriate in the circumstances) to the Company on the decision that was made and the outcomes of that decision (including in compliance with the "no surprises" principle in clause 6.2(a)(iii)).</p>	<p>Sequence:</p> <p>Council to confirm capital programme for Annual Plan</p> <p>Staff to provide data showing accordance or otherwise of the Annual Plan with the Water Services Delivery Plan.</p> <p>If not in accordance the Major Decision framework to begin and be progressed, including any feedback from WWL considered by Council before adoption for public consultation (if needed)</p>	At Council meeting where Annual Plan is adopted for consultation, Council to note, for any capital works not in accordance with WSDP, that the Major Decision Framework process has been followed, including that Council has had regard to the recommendations from WWL.
Any updates to the Development Contributions Policy will trigger the Major Decision Framework	<p>Shareholders Agreement</p> <p>A proposed decision of a Transferring Shareholding Council will be considered a "Major Decision" if it relates to:</p> <p>b) a policy the council is required to adopt under the Local Government Act 2002 and which relates to water services that are transferring to the Company;</p>	<p>Sequence:</p> <p>Determine if DC Policy will be updated. If so</p> <p>Confirm with WWL that the DC Policy is being updated to give effect to the WSDP. Follow through Major Decision Framework Council adoption of Policy for public consultation</p>	Council to note that the changes to the DC Policy triggered and the Major Decision Framework was worked through, prior to being adopted for consultation.

Issue	Relevant document	Action required – MPDC staff	Action required – Council resolution etc
Items related to the Waters legislation			
Any changes to the Revenue and Financing Policy trigger the Major Decision process And shall form part of the interim arrangements (as part of the LTP)	Shareholders Agreement A proposed decision of a Transferring Shareholding Council will be considered a "Major Decision" if it relates to: b) a policy the council is required to adopt under the Local Government Act 2002 and which relates to water services that are transferring to the Company	Update Policy Confirm with WWL that the RFP is being updated to give effect to the WSDP Council adoption of Policy for public consultation	
Items related to the Draft Transfer Agreement			
Water rates and Fees and Charges related to waters can be set by Council for the 2026/27 year.	Legal Advice Under the establishment strategy that forms part of WWL's Shareholders Agreement, it is agreed that water rates will be set and collected by shareholding councils in accordance with those councils' existing LTPs and then transferred to WWL. Details will be set out in the transfer agreements, stating who is responsible for setting and collecting rates, fees and charges for the water services, and how that collected revenue will be transferred from the shareholding council to WWL. [Russell McVeagh]	Confirm to WWL that Wastewater Fees and Charges have been increased by inflation only (2.7%), and one fee removed for accuracy. Confirm to WWL that Water Fees and Charges have been increased by inflation only (2.7%), one fee removed for accuracy, one fee changed from \$3 to At Cost to correct error.	
The Annual Plan should provide WWL with sufficient revenue	Draft Transfer Agreement 3.2(c) for the period during which the Council is responsible for setting the Water Charges and therefore is not acting as agent of the Company in respect of the collection of the Water Charges, a confirmation that, for the period of time the Council collects the rates, fees and other charges, the Council will provide the Company with sufficient revenue each Financial Year to enable the Company to undertake the capital and operating investment programme in the Company's capital works programme (as informed by each Shareholder's respective capital works programme immediately prior to incorporation of the Company) and, once adopted by the Company, in the Company's Water Services Strategy for a Financial Year. [Draft Transfer Agreement]	MPDC to confirm to WWL that the Annual Plan will provide sufficient revenue to WWL. Consideration as to timing is required. At the time of writing, the transfer agreement is being developed so these clauses may be amended through this process.	
Other Items			
Stranded overheads		Staff are confirming affected positions, and service level agreements will be developed with WWL, which will help determine the impact of stranded overheads on MPDC's budget	
Service level agreements			

Issue	Relevant document	Action required – MPDC staff	Action required – Council resolution etc
Items related to the Waters legislation			
Setting water rates	<p>Legal Advice</p> <p>Therefore, subject to the content of LTPs and any change requested by WWL, councils' annual plan process for FY 2026/27 provide an opportunity for WWL to agree with councils the rates to be set for water during the interim period (i.e. for the year ending June 2027), but WWL would not have authority to set that rate themselves. The decision-making requirements in respect of such annual plans under the LGA 02 would apply, meaning the window for WWL and councils to reach agreement is likely to be during Q1 2026 i.e. prior to consultation on annual plans (if required). [Russell McVeagh]</p>		
Timing and sequencing	<p>Agree sequencing of discussions during the development of the Annual Plan and before/ after public consultation.</p> <p>Annual Plan timeline shared with Naomi Arnet</p>		
Draft Transfer Agreement - wording	<p>Draft Transfer Agreement</p> <p>3.1(c) [Applicable for first four councils only] for the period from the Completion Date until the date on which the Company adopts its first Water Services Strategy (being no later than 1 July 2027), the Council will be responsible for setting the Water Charges.</p> <p>The Water Charges will be set so that they are consistent with the Council's <u>long-term plan</u> for the relevant period.</p> <p>The Company can request changes to the Water Charges which the Council can elect whether or not to agree to, provided that where the requested changes are not consistent with the Council's long-term plan for the relevant period, any such changes (should they be agreed to be Council) <u>will need to be reflected in amendments to that long-term plan</u> in accordance with the Local Government (Rating) Act 2002 and the Local Government Act 2002. [Draft Transfer Agreement]</p>	<p>For accuracy, suggest this should be amended to state:</p> <p>The Water Charges will be set so that they are consistent with the Council's long-term plan or <i>Water Services Delivery Plan</i> for the relevant period.</p> <p>Under amendment to LGA, changes to matters related to WSDP do not trigger LTP amendment.</p> <p>At the time of writing, the transfer agreement is being developed so these clauses may be amended through this process.</p>	
Shareholders Agreement - wording	<p>Shareholders Agreement</p> <p>A proposed decision of a Transferring Shareholding Council will be considered a "Major Decision" if it relates to:</p> <p>e) the undertaking of any capital works programme, other than in accordance with the Relevant <u>Long-Term Plan</u>; [Shareholders Agreement]</p>	<p>Seek WWL agreement to amend this text to read:</p> <p>A proposed decision of a Transferring Shareholding Council will be considered a "Major Decision" if it relates to:</p> <p>e) the undertaking of any capital works programme, other than in accordance with</p>	

Issue	Relevant document	Action required – MPDC staff	Action required – Council resolution etc
Items related to the Waters legislation			
		the Relevant Long-Term Plan or <i>Water Services Delivery Plan</i> ;	

2. Alignment between Waikato Waters Ltd transition and Annual Plans



3. Issues related to signalled changes to the purpose and financing of local government

The below table details a number of issues related to the Local Government (System Improvements) Amendment Bill, and potential rates capping as they pertain to the development of the Annual Plan 26/27.

Issue	Relevant document	Action required – MPDC	Action required – Council resolution
Items related to the Local Government (System Improvements) Amendment Bill			
The Bill includes changes to the purpose of local government and core services that may need to be reflected in the content of the Annual Plan.	<p>10 Purpose of local government The purpose of local government is—</p> <p>(a) to enable democratic local decision-making and action by, and on behalf of, communities; and</p> <p>(b) to meet the current and future needs of communities for good-quality, cost-effective, and local—local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses; and</p> <p>(i) infrastructure; and</p> <p>(ii) public services; and</p> <p>(iii) performance of regulatory functions; and</p> <p>(c) to support local economic growth and development by fulfilling the purpose set out in paragraph (b).</p> <p>[Local Government (System Improvements) Amendment Bill]</p>	<p>Watching brief</p> <p>Council workshop to inform elected members</p>	

Issue	Relevant document	Action required – MPDC	Action required – Council resolution
The Bill includes clauses that require Council to have particular regard for the contribution of core services, and which may need to be addressed specifically when setting the Annual Plan budget.	<p>11A Core services to be considered in performing role</p> <p>(1)</p> <p><u>In performing its role, a local authority must have particular regard to the contribution that the following core services make to its communities:</u> The following services are the core services of a local authority:</p> <p>(a) network infrastructure:</p> <p>(b) public transport services:</p> <p>(c) waste management <u>and minimisation</u>:</p> <p>(d) civil defence emergency management:</p> <p>(e) libraries, museums, reserves, and other <u>community and recreational facilities</u>.</p> <p>[Local Government (System Improvements) Amendment Bill]</p>	<p>Watching brief</p> <p>Council workshop to inform elected members, and to discuss possible implications.</p>	
The Bill is likely to be passed before the end of 2025 and come into immediate effect.			
Items related to potential rates capping			
<p>The government is consulting on a rates cap.</p> <p>Due to become law from 1 January 2027.</p> <p>Full regulatory model in place by 1 July 2029.</p>	<p>The set range for rates is proposed to be between 2-4%.</p>	<p>Watching brief</p> <p>Council workshop to inform elected members, and to discuss possible implications.</p>	

Risk Area:		Annual Plan 2026-2027						Date:	10-Sep-25			
Risk Assessment Team:		Anne Gummer, Larnia Rushbrooke, Sandra Harris										
•Categorise Risk	Risk No.	#Risks Description	#Consequences	Inherent Risk Assessment			#Describe Individual Controls	•Select Control Type	•Assess Control	Residual Risk Assessment		
				•Likelihood	•Consequence	*Inh Rating				•Likelihood	•Consequence	*Res Rating
Human Resources		Risk of stress and fatigue for staff due to workload and timeframes	May result in burnout	Possible	High	High	Supportive team culture. Detailed planning. Open communication.	Key	Partially (60%)	Unlikely	Moderate	Moderate
Financial/Economic		Waitoa Water - Uncertainty around budget requirement in the Annual Plan to cover possible Waitoa Water options, including if Fonterra does not cover costs as expected, leading to insufficient or over allocation of budget	A shortfall, or surplus in budget.	Possible	Moderate	Moderate	Assets team to provide best available estimates for project costs for various options.	Key	Partially (60%)	Possible	Moderate	Moderate
Financial/Economic		Waikato Waters Ltd - Unanticipated budget and other planning consequences for the Annual Plan in preparing for the transition and post transition.	Annual Plan process and timing not aligned with Waikato Water Ltd transition planning.	Possible	Moderate	Moderate	Oversight by Transition Group (Waters) and LTP project group. Advice from Taituarā. Contact with Waikato Waters staff. Legal advice.	Key	Partially (60%)	Possible	Moderate	Moderate
Legal & Regulatory		Local Government Act - Uncertainty around changes and timing of changes to the Local Government Act eg removal of wellbeings, changes to groups of activities, rates cap, and how this might impact the Annual Plan	Pressure on Annual Plan timeline and process	Possible	Moderate	Moderate	Staff remain up to date with development of legislation and possible consequences. Review activity descriptions and revise accordingly.	Key	Partially (60%)	Possible	Moderate	Moderate
Legal & Regulatory		Fees and Charges - Risk that fees do not fall within the bands set in the Revenue and Financing Policy	Damage to Council reputation.	Possible	Moderate	Moderate	Review of fees and charges against RFP ahead of Council approval of draft budgets in December.	Key	Partially (60%)	Unlikely	Moderate	Moderate
Legal & Regulatory		Document control - Risk of not correctly saving important documents into Council files due to under developed processes and unfamiliarity with new systems with move to Microsoft 365.	Council not fulfilling its legal obligations for information management	Possible	Moderate	Moderate	Processes will be developed over the coming months.	Key	Partially (60%)	Possible	Moderate	Moderate
Operational		Document Control - Risk of incorrect figures in the Annual Plan financial information due to insufficient quality control, and need for further tech improvements	Errors in figures leading to incorrect budgets, and rates.	Unlikely	High	Moderate	Move to Microsoft 365 should streamline document process. Document checking by staff at key points in development of documents. Exec Team and governance oversight.	Key	Partially (60%)	Unlikely	High	Moderate
Operational		Document Control - Risk of errors in the Fees and Charges document due to insufficient quality control	Incorrect charging of fees	Possible	Moderate	Moderate	Rigorous process of checking document.	Key	Partially (60%)	Possible	Moderate	Moderate
Legal & Regulatory		Risk that the Annual Plan is not delivered within legislative timeframe	Damage to Council reputation, and ability to set rates.	Unlikely	High	Moderate	Detailed project plan with milestone dates identified and oversight from Exec Team. Back up staff available for policy team role (coordination and development of document) to avoid any delays due to unexpected staff sickness etc. Back up staff for finance team still to be addressed.	Key	Partially (60%)	Unlikely	Moderate	Moderate
Brand & Reputation		Risk of poor community engagement	Risk of community misunderstanding the options and decisions	Possible	Moderate	Moderate	Coms plan will be developed to ensure adequate community consultation if consultation is required.	Key	Partially (60%)	Unlikely	Low	Low
Legal & Regulatory		Risk of not correctly assessing the need for Annual Plan consultation	May result in a challenge to Council processes and decision making regarding the setting of budgets, rates and policy	Unlikely	High	Moderate	Legal advice will be sought if necessary to ensure need for consultation is correctly assessed. Process for assessing need for consultation will be adhered to including Exec Team oversight and input.	Key	Effective (99%)	Unlikely	Low	Low

Legal & Regulatory		Risk of not correctly assessing the need for Long Term Plan Amendment	May result in a challenge to Council processes and decision making regarding the setting of budgets, rates and policy	Unlikely	High	Moderate	Legal advice has been received regarding transition to Waikato Waters Ltd. Additional legal advice on other matters will be sought if necessary to ensure need for consultation is correctly assessed. Process for assessing need for consultation will be adhered to including Exec Team oversight and input.	Key	Effective (99%)	Unlikely	Low	Low
Financial/Economic		Risk of unbudgeted costs if we need to do LTPA	Going over budget	Possible	Moderate	Moderate	Costs would be unavoidable if LTPA was needed.	Key	Ineffective	Possible	Low	Low



Quarterly Risk Report

December 2025



Executive Summary



- As the new triennium commences, the Risk Management Work Plan 2026 is re-presented for confirmation before significant work gets underway in the New Year
- A 'Top Risks' update is provided along with the reporting of some of the 'Top Risks' Key Risk Indicators (KRIs) and a status update on the implementation of proposed new mitigation controls. This information is important in enabling the Committee to perform their risk governance oversight role, as it can provide assurance that existing controls are operating and planned controls are introduced.
- An emerging risks commentary is also provided.



Risk Management Work Plan 2026



The September meeting agreed a 2026 Risk Management roadmap.

It is set out here for confirmation by the new Committee before significant work gets underway in the New Year:

Risk Maturity Assessment	Re-assess current levels of risk maturity to measure increases since initial assessment in 2025	Programmed for reporting in June 2026, a year after initial assessment
Embed Risk Management	Complete and adopt the Risk Management Framework and embed it in the organisation via training and awareness programmes, and intentional leveraging of a risk lens into organisational culture so it becomes “how we operate”.	This work will be prioritised in the new year
Business Resilience	Development of a Business Resilience Framework, further review of current Business Continuity Plans (BCPs) in critical activities to ensure adequacy, and development of a template that can be used for future iterations	Work has commenced on the further review of current BCPs, the rest of the planned work will continue in the new year



Top Risks Update



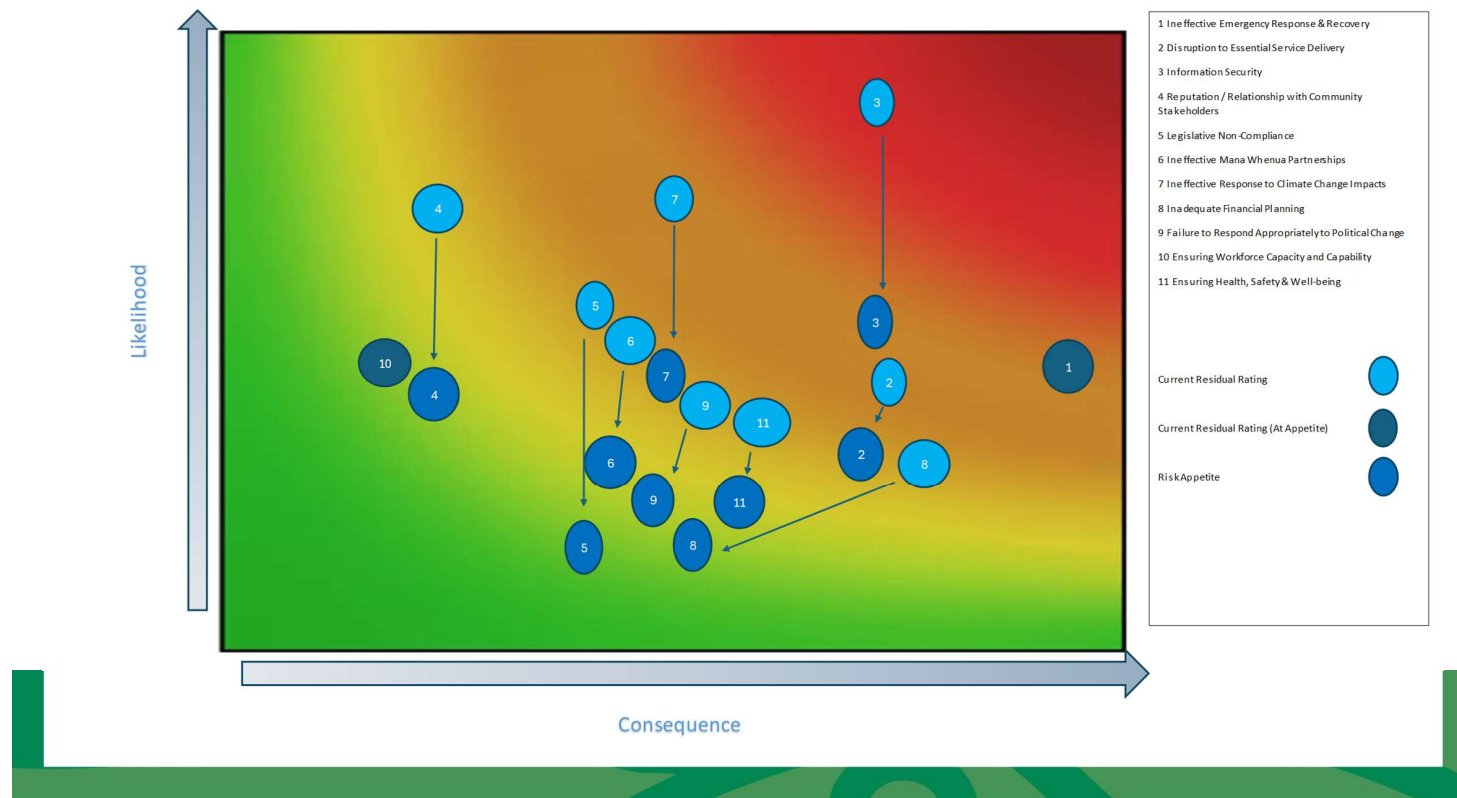
SUMMARY OF TOP RISKS

	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	↔	↔	↔	↔	↔	↔	↔	↔	↔	↔	↔



Top Risks Update

TOP RISKS HEAT MAP



Top Risks Update



KEY RISK INDICATORS

In confirming our Top Risks in June, we also identified Key Risk Indicators (KRIs) which give us assurance that the controls for those Top Risks are in place and working. This section of the report shows the KRIs. We'll continue to report these quarterly so the Committee can have confidence that our controls are either working well, or we are aware and can intervene if they aren't.

Ineffective Emergency Response and Recovery (Risk #1)

Emergency Management Update

- ✓ New sub-regional CDEM (Civil Defence Emergency Management) arrangement in place with Matamata-Piako, Hauraki and South Waikato DCs
- ✓ EMM (Emergency Management Manager) appointed 1/9/25
- ✓ Critical positions of Controller, Recovery Manager, Emergency Management Officer (EMO), Welfare Manager, Response Manager, and all function managers filled and/or in training. Three of these completed critical training for these statutory positions in November
- ✓ Quarterly update to Council 24 Sept. Emergency Management induction sessions with new Council 23 Oct and 6 Nov. Marae work shops.

68% Score achieved in May 2025 annual exercise (from approved assessor) — an increase on previous and classed as 'Advancing'

Action Plans are being worked up—these are on track with the determined timelines.

Regionally consistent Performance Measures have been proposed for the CEG (Co-ordinating Executive Group), these are generally aligned with what is already in place, for example the carrying out of an annual exercise, having 25% of Council staff trained in Emergency Management, community

Disruption to Essential Service Delivery (Risk #2)

Regulation and Compliance

Taumata Arowai — In line with their normal activity, Taumata Arowai has provided a letter of expectation to Council in relation to Drinking Water Supply upgrades and compliance monitoring. This sets out specific actions required by certain dates over the 2025/26 year. Council staff have indicated this work programme is in hand.

Waikato Regional Council— There has been no resource consent enforcement action by WRC over the past quarter. Three incidents in the past few months at our Wastewater Treatment Plants have resulted in requests from WRC for incident reports (including one in Nov), and a further incident report was voluntarily provided by Council staff for a different non-compliance matter. A historic 2017 to 2022 enforcement matter related to the now decommissioned Waihou Wastewater Treatment Plant was determined by the Hamilton District Court in November resulting in Council being fined \$105k.

Backflow management in our Water reticulation systems — while not raised as an issue by Taumata Arowai, is something that is recognised by compliance staff as a risk. There is significant backlog in annual inspection and certification of devices.

Standard Operating Procedures (SOPs) for Treatment Plant Operations

Council waters staff have advised that the Lockerbie and Morrinsville Wastewater Treatment Plant SOPs are considered fully up-to-date and fit-for-purpose. They note that other plants require review to ensure SOP completeness, currency, and fit-for-purpose.

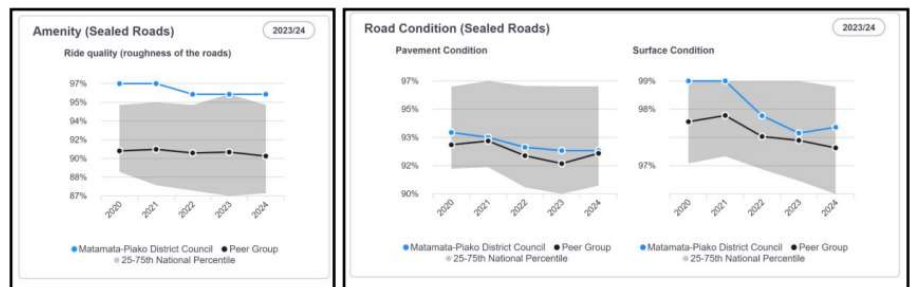
Top Risks Update

KEY RISK INDICATORS



Disruption to Essential Service Delivery (Risk #2)

Condition Data — Transport Networks



Vulnerability of Networks

Wastewater reticulation—Overflows	A comprehensive register of Wastewater Overflows (All conditions eg Wet Weather, Dry, Bursts) has been maintained since the beginning of the 2025 calendar year. A total of 29 events have been recorded across the entire network for the 11 months to date.
Wastewater reticulation—Modelling	Comprehensive Wastewater modelling work was completed for the Matamata and Morrinsville networks in 2024. This modelling work (including the identification of any network vulnerabilities) has informed the network master planning work.
Water Treatment and Supply	There is risk with turbidity levels impacting treatment. Turbidity causing treatment plant shut-down is a relatively common issue for the Tills Road, Matamata water treatment plant. There is good resilience in the system with reservoir storage, and the two other bore-sourced water treatment plants connected to the same network. This resilience has ensured no interruption of supply.
Transport Networks	Two known points of vulnerability exist, both on the Waihou River Flood Plain. These sections of road may have to be closed for short periods of time once or twice a year. Alternative routes exist and because this is flood plain remedial works are not possible.

Top Risks Update

KEY RISK INDICATORS

Information Security (Risk #3)

SAM for Compliance* Score	
September 2025	85.05%
September 2024	75.36%
Year-on-Year ↑	9.69%

*The SAM acronym originally stood for Self Assessment and Monitoring

Privacy Breaches July to Nov 2025
One incident — however Council was determined as not responsible for the breach

Independent Cybersecurity Audit
The results of the independent Cybersecurity review conducted by KAON Security were presented to the Risk and Assurance Committee in a Public Excluded item at its September 2025 meeting.
The IT team is working through a 2025/26 Improvement Plan which seeks to address the recommendations of that report.

Cybersecurity Key Stats

Reporting Period: 1 July 2025 – 28 November 2025

Sources: Trustwave MailMarshal, Sophos Endpoint Antivirus, Sophos XGS Firewall

Successful breaches - Nil

Email Security

- Confirmed Spam Emails: 1,470
- Average Monthly Spam Volume: ~294 emails
- Suspected Spam Emails: 6,009
- Average Monthly Suspected Spam Volume: ~1,202 emails

Endpoint Security

- Malware & PUAs Blocked: 177 events
- Scope: MPDC Fleet of Devices
- Action Taken: All threats quarantined or cleaned

Network Security

- Intrusion Attempts Detected: 70
- Top Attack Types:
 - TLSv1.2 POODLE CBC Padding Brute Force: 56 hits
 - Kubernetes ingress-nginx Remote Code Execution: 6 hits
 - /etc/passwd File Access Attempt: 4 hits
 - SQL Injection (sleep function): 4 hits

Overall Observations

- Email filtering remains critical, with over 7,479 spam-related detections (confirmed + suspected).
- Endpoint protection successfully mitigated 177 malware/PUA threats for MPDC computers.
- Network defenses blocked 70 intrusion attempts, primarily brute force and remote code execution attacks.

Top Risks Update

KEY RISK INDICATORS

Reputation / Relationship with Community Stakeholders (Risk #4)			
Level and Quality of Community Interaction in Engagement Processes, Aug—Oct (incl)			
Campaign	Dates	What we did	Results
Elections – Vote phase	9 Sept – 16 Oct 2025	<ul style="list-style-type: none"> Website: 2025 Local Elections page 50,415 hits; results page 24,129 hits Posters/graphics: Local champions featured in campaign visuals Videos: Candidate videos and four “why vote” reels (with ASL versions) Radio ads: three ads in English and Te Reo Māori Newspaper: Council in Focus plus several articles shared digitally Facebook: Posts, events, and stories; top post views included: <ul style="list-style-type: none"> TA missing clock – 27,742 views MM missing i-SITE – 20,742 views MV missing cow – 7,817 + 4,701 views Māori Ward – 4,989 views Progress results – 21,417 views Antenno: 11 posts with 7,034 views total Engagement sessions: Rock Enrol (youth), markets (July/Sep), mobile voting (Oct) Internal campaign: Bulletins, intranet portal, Kahoot, team meetings 	<p>[See voter return results on next page]</p> <ul style="list-style-type: none"> Website helpful but hard to navigate Posters strong and inclusive Candidate videos had low visibility; 1 of 2 Councils to use sign language Facebook engagement mixed - “missing landmark” posts most popular Engagement sessions — low turnout but reached some first-time voters Mobile voting worked well for ordinary votes; special votes low Ballot boxes in supermarkets were very successful Internal engagement tools like Hot Topic worked well <p>General comment: The campaign improved turnout compared to 2022 and delivered strong visibility across channels. Creative elements like champion posters and ASL videos were highlights. Timing and reach for some activities (videos, Rock Enrol, early markets) need refining. Partnerships, budget clarity, and logistics planning should start earlier for smoother delivery next time.</p>
Policy on Dogs and Dog Bylaw Review – Paw and Order	Sept / Oct 2025	<ul style="list-style-type: none"> Antenno: Three posts with over 5,000 views. Website: <ul style="list-style-type: none"> Paw and Order consultation page – 4,931 views News and public notices article – 583 views Facebook: <ul style="list-style-type: none"> MPDC profile – 13,824 views, 134 interactions, 77 link clicks Community pages – 24 likes, 185 comments, > 160 survey submissions Email: <ul style="list-style-type: none"> Four Council in Focus EDMs and one Doggo in the District EDM Open rates: 54.4% - 59.3%; link clicks: 23.27% - 47% Events: Three markets and Kiwanis One Day Fun Day Print: Article in Council in Focus across three local papers Letter drops: Around Rail Trail section in Te Aroha Business visits: Approx 58 visits Matamata, Morrinsville and Te Aroha CBDs Facebook ads: Five targeted ads Survey: Interactive Microsoft Forms survey with maps and images 	<ul style="list-style-type: none"> Survey submissions: 1,168 Facebook engagement: 185 comments on community posts Key insights: <ul style="list-style-type: none"> Short “conversation starter” posts worked well for engagement Microsoft Forms improved user experience (positive feedback from older demographic) Digby mascot videos boosted recognition and engagement, especially with kids Antenno drove strong response — over 100 submissions per notification <p>General comment: The campaign achieved strong engagement across channels and exceeded expectations for survey submissions. Creative elements like Digby’s point-of-view videos and interactive survey design were highlights. Antenno proved highly effective for driving participation.</p>



Top Risks Update



KEY RISK INDICATORS

Reputation / Relationship with Community Stakeholders (Risk #4)	
Voting Turnout Rates at Triennial Election	
October 2025	45.69%
October 2022	40.93%
October 2019	51.89%

Legislative Non-Compliance (Risk #5)	
Annual Compliance Attestation	A Legislative Compliance Register is maintained by Council with an annual attestation review. The 2025 review was fully reported to Sept RAC and 8 Oct Council. Several positive changes were evident since the 2024 survey.
Building Consent Authority (BCA) Routine Assessment 2025	A two-yearly accreditation assessment was carried out in March 2025 and reported to Sept RAC. The results were positive with the report noting the BCA <i>"had made many improvements to their systems and implementation. Although a small number of non-compliances were identified during the assessment, many of these were able to be resolved during the assessment or the BCA was actively working to address the identified issues"</i>
Adverse Findings by Ombudsman	Council has not been advised of any complaints to the Ombudsman for LGOIMA related issues within the 2024/25 financial year.

Ineffective Strategic Partnerships with Mana Whenua, Iwi, Hapū and Māori (Risk #6)	
Rangatira to Rangatira meetings in 3-months ended 31 October 2025	1*
Te Manawhenua Mo Matamata-Piako forum (TMF) meetings in 2025 calendar year (to date)**	4 formal meetings (3 of these combined with workshops) 2 workshop only days

* Another hui was planned but was postponed. Also kōrero have continued with a stronger focus on aligning relationship commitments with the emerging Mana Whakahono ā Rohe process

** A seventh and final meeting for the year is scheduled for December

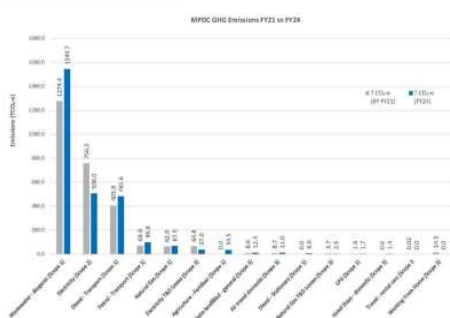
Ngāti Hauā, Ngāti Hinerangi and Ngāti Rāhiri Tumutumu attended the swearing in ceremony for the new elected members. Ngāti Hinerangi and Ngāti Hauā led the pōwhiri process and formal speeches were given by iwi representatives highlighting the partnership and cultural significance of the occasion.



Top Risks Update



KEY RISK INDICATORS

Ineffective Response to Climate Change Impacts (Risk #7)	
Progress made on Climate Change Rivermap priority actions	Good progress has been made across all five workstreams (Stormwater, Rubbish, Strategy, Water, Wastewater)
Identified gaps in data and in existing plans and strategies	The Climate Risk Assessment has provided information about where risks and adaptive actions are well understood and where further work is needed. This will now be further analysed and next steps developed.
Rising costs for infrastructure maintenance, repair and renewal (natural hazard) Increase in Customer requests related to climate change dynamics, e.g. storm, flooding, heat	Processes yet to be put in place to track these.
Claims against Council in relation to climate change matters such as development in areas with identified / identifiable hazards	In the past two years Council has received two claims related to natural hazard impacts, one relating to erosion and one relating to heavy rainfall, Council was found to not have any liability in either of these claims and they did not progress.
Customer perception of preparedness for climate change via Annual Resident Survey [Note that preparedness has not been measured but whether Council should take leadership has been]	In the 2024/25 Annual Residents Survey: 64% of residents state that it is <i>important</i> for Council to take a leadership role in Climate Change response for our community. This opinion is significantly stronger among respondents who have lived in the district for 6-10 years (75%) compared to those who have lived in the district for over 10 years (58%).
Emissions inventory showing increase in emissions	There has been an increase in Council's emissions from 2021 to 2024. Figure 3: FY24 GHG Gross emissions by source (T03,e) 

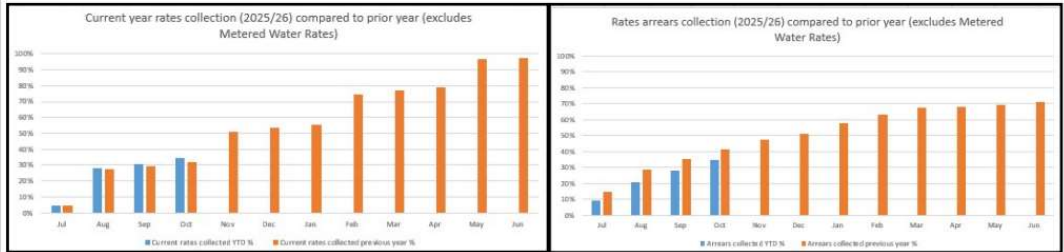
Top Risks Update



KEY RISK INDICATORS

Inadequate Financial Planning (Risk #8)

A number of financial and treasury graphs are under development for future reports. In the meantime these rates collection graphs are available.



While collection of current year rates in October is slightly ahead of last year at 34.7% (32.2% in October 2024), the collection of arrears has fallen behind 34.8% (compared to 41.2% in October 2024). This may indicate a number of things — that those falling behind are finding it more difficult to catch-up on missed payments; continued staff focus is needed to maintain collection rates for arrears; collection via rating sale could be considered for some long-standing arrears where no mortgage exists over the property

Failure to Respond Appropriately to Political Change (Risk #9)

Te Ohu Takatū Anamata (Future Ready) meetings from July 2025 to November 2025

✓ This group of key staff has met each month

Active participation in regional and national working groups July 2025 to November 2025

- Rural / Provincial—Nov 2025
- LGNZ Zone 2—Nov 2025
- Future Proof related:
 - ♦ FPIC Workshop—Aug 2025
 - ♦ Future Proof / Smart Growth—Aug 2025
 - ♦ CEAG—Aug 2025
 - ♦ FPIC—Sept 2025

Taituarā Legislation Tracker at 28 November 2025 and for July to November 2025 period

5 Bills closed for submissions, MPDC submitted on 3 | 7 Bills currently open for submissions | 20 Bills expected to open for submissions in near future

Top Risks Update



KEY RISK INDICATORS

Ensuring Workforce Capacity and Capability (Risk #10)

Quarter	Number of Staff
Oct-Dec 2023	7
Jan-March 2024	10
April-June 2024	11
July-Sept 2024	5
Oct-Dec 2024	15
Jan-March 2025	7
April-June 2025	13
July-Sept 2025	12

Whole of organisation staff turnover for the rolling 12 months ended 31 October 2025 was 14.06%

This compares with annual whole of organisation turnover for the years ended 30 June	2025:	2024:	2023:	2022:	2021:
	12.81%	10.65%	19.05%	17.03%	18.53%

Ensuring Health, Safety and Well-being (Risk #11)

Trends and any concerns are noted in the quarterly Safety and Wellness reporting included elsewhere on this agenda.

The results of critical risk audits are reported to the Executive Team quarterly—the most recent results were reported on 21 October 2025.

Overdue investigations, actions and audits in Councils ‘Damstra’ Safety and Wellness reporting system are reported to the Executive Team regularly with the most recent report on 2 December 2025.

Top Risks Update



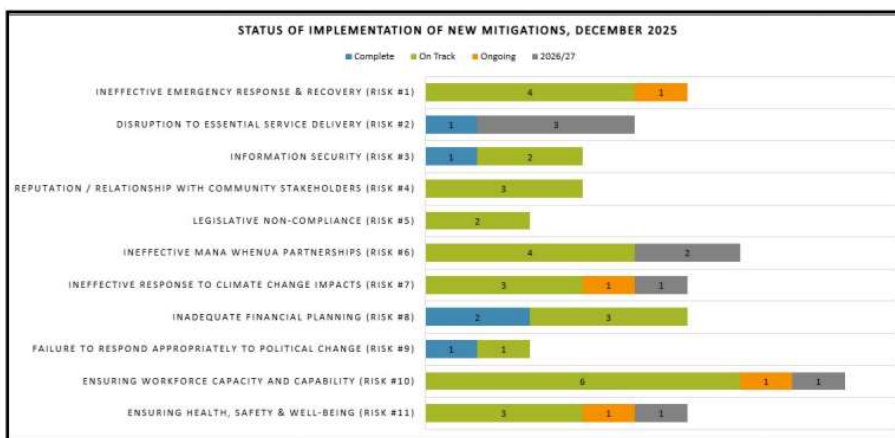
TOP RISK MITIGATION IMPLEMENTATION MONITORING

New Mitigating Controls

The 2025/26 Top Risks document proposes new mitigations to either reach risk appetite (if considered achievable) or strengthen our residual risk position.

This chart shows the progress in implementing these new mitigation controls.

Any of these controls already implemented are shown below, and any deferred to next financial year are shown on the following page. Note that 'Ongoing' indicates the implementation of the mitigation will remain a continuing focus over a period of time rather than a one-off completion.



Completed - New Mitigating Controls Implemented

Risk Number	New Mitigating Controls to Implement	Status	Comment
Risk #2 and 8	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	Complete	Plan approved by Council at a special meeting on 13 August 2025, with Minister's approval gained in September 2025. Waikato Waters Limited establishment directors now also appointed.
Risk #3	Scheduled Org-wide introduction of Microsoft 365 in 2025 calendar year will enhance operating environment and data security	Complete	Org-wide M365 roll-out completed September 2025.
Risk #8	Regular scan of wider economic and demographic insights data relevant to the district (via sources such as Community Compass, Infometrics)	Complete	Council now has access to the Infometrics regional economic profile which gives information on our local economy, demographics etc. This will be used to inform the 2027 Long-Term Plan and other workstreams of Council.
Risk #9	Submission of Water Services Delivery Plan to Minister by September 2025 in line with legislative requirement	Complete	Approved by Council at a special meeting on 13 August 2025 and submitted to the Minister

Top Risks Update



TOP RISK MITIGATION IMPLEMENTATION MONITORING

Deferred - New Mitigating Controls Deferred to 2026/27 Year			
Risk Number	New Mitigating Controls to Implement	Status	Comment
Risk #2	Fully developed operations maintenance strategies in place and funded	Deferred to 2026/27	This work will begin 2025/26. This work is currently only identified for three Waters.
	Review and re-adoption of Business Continuity Plans	Deferred to 2026/27	Desktop review of current state of Business Continuity Planning completed. Further work programmed in 2026/27.
	Improved workforce capacity and capability via cadetship programmes and other potential joined up solutions	Deferred to 2026/27	Building internal capacity and capability is most certainly an organisational focus. However via cadetship programmes or other potential joined up solutions is not currently a priority given the transitional change space we are currently in.
Risk #6	Review of hwi capacity and in-house resource availability at MPDC, including potential forward ability to respond to potential settlement agreement requirements	Deferred to 2026/27	This will be added to Te Ōhu Tūhono work programme for the 2026/27 year
	Identify what the Tiriti / Treaty principles mean to Council	Deferred to 2026/27	Align with mana whakahono ā rohe agreement work. GM has taken on responsibility but a number of staff will be involved
Risk #7	Critical gaps in hazard data identified and work commissioned to fill these gaps (wildfire, heat, wind), potentially in collaboration with others	Deferred to 2026/27	This work will have to continue into 2026/27
Risk #10	Improved focus on Succession Planning	Deferred to 2026/27	
Risk #11	External H&S audit - to be considered after transition to Local Water Done Well	Deferred to 2026/27	



Emerging Risks



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
Elected member and staff safety	Low (potential for moderate)	There have been recent examples of bullying and harassment towards elected members and council staff throughout the country. This is largely confined to social media, and while this is not necessarily a new risk, this serves as a reminder to monitor council posts for abusive comments and for elected members and staff to be conscious of their own safety while out in the community.
Costs associated with private landowners failure to meet resource consent compliance requirements passed to local government.	Low (potential for moderate)	There is increasing media scrutiny following the failure of private landowners of newly built homes' to meet resource consent compliance requirements. The recent examples are where concrete has been used to cover live cables where fences, trees, soil and plantings featured in the original resource consent plans. There is good suggestion that these cases may result in local government being the financial 'last man standing' a la the leaky homes issue.
Outages created through environmental events	Low (potential for moderate)	The recent White Island volcanic ash cloud has resulted in disruptions including local flight traffic (acknowledging MPDC as a stakeholder in this area). The event serves as an important reminder that a natural event could happen at any time and will, in most instances, create outages to operations. This potential risk is reduced via a robust/up-to-date business continuity programme which is subject to pressure testing and regular review.

* This Emerging Risk information has been provided by David Robson of Aon

