



AGENDA

Audit and Risk Committee Meeting Monday, 8 June 2026

Date Monday, 8 June 2026

Time 9:00 am

Location Council Chambers
Timaru District Council
King George Place
Timaru

File Reference 1847094

Timaru District Council

Notice is hereby given that a meeting of the Audit and Risk Committee will be held in the Council Chambers, Timaru District Council, King George Place, Timaru, on Monday 8 June 2026, at 9:00 am.

Audit and Risk Committee Members

Bruce Robertson (Chairperson), Janice Fredric and Clrs Scott Shannon (Deputy Chairperson), Michelle Pye, Stacey Scott, Graeme Wilson and Mayor Nigel Bowen

Quorum – no less than 3 members including at least one external member

Local Authorities (Members' Interests) Act 1968

Committee members are reminded that if you have a pecuniary interest in any item on the agenda, then you must declare this interest and refrain from discussing or voting on this item, and are advised to withdraw from the meeting table.

Nigel Trainor
Chief Executive

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- 1 Apologies**
- 2 Identification of Items of Urgent Business**
- 3 Identification of Matters of a Minor Nature**
- 4 Declaration of Conflicts of Interest**

5 Confirmation of Minutes

5.1 Minutes of the Audit and Risk Committee Meeting held on 2 March 2026

Author: Meghan Taylor, Acting Democracy Services Lead

Recommendation

That the Minutes of the Audit and Risk Committee Meeting held on 2 March 2026 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Attachments

- 1. Minutes of the Audit and Risk Committee Meeting held on 2 March 2026**



MINUTES

Audit and Risk Committee Meeting Monday, 2 March 2026

Ref: 1847094

**Minutes of Timaru District Council
Audit and Risk Committee Meeting
Held in the Council Chambers, Timaru District Council, King George Place, Timaru
on Monday, 2 March 2026 at 9:00 am**

Present: Bruce Robertson (Chairperson), Janice Fredric, Mayor Nigel Bowen and Clrs Scott Shannon, Stacey Scott, Graeme Wilson

In Attendance: **Councillor:** Philip Harper

Officers: Nigel Trainor (Chief Executive), Stephen Doran (General Manager Corporate), Andrea Rankin (Chief Financial Officer), Justin Bagust (Chief Information Officer), Matthew O'Brien (Finance Manager / Financial Accountant), Elliot Higbee (Legal Services Manager), Sam Esterhyuse (Continuous Improvement Business Partner), John Liddiard (Projects Accountant), Steph Forde (Corporate and Strategic Planner), Davina Robinson (Assets and Insurance Officer), Narayan Swamy (Assurance and Audit Officer) Maddison Gourlay (Marketing and Communications Advisor), Meghan Taylor (Acting Democracy Services Lead)

Public: Sally Parker (AON), Rudi Thomlinson (Audit NZ), Monique Kruger (Audit NZ), Paul Norris (Fitch Ratings)

1 Apologies

1.1 Apologies Received

Resolution 2026/339

Moved: Mr Bruce Robertson

Seconded: Clr Stacey Scott

That the apology of Clr Michelle Pye be received and accepted.

Carried

2 Identification of Items of Urgent Business

No items of urgent business were received.

3 Identification of Matters of a Minor Nature

No matters of a minor nature were raised.

4 Declaration of Conflicts of Interest

No conflicts of interest were declared.

5 Confirmation of Minutes

5.1 Minutes of the Audit and Risk Committee Meeting held on 26 January 2026

Resolution 2026/340

Moved: Mr Bruce Robertson

Seconded: Clr Scott Shannon

That the Minutes of the Audit and Risk Committee Meeting held on 26 January 2026 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Carried

6 Reports

6.1 Actions Register Update

The Chairperson spoke to the report to provide the Audit and Risk Committee with an update on the status of the action requests raised by members at previous Audit and Risk meetings.

Potential for Councillors to be included in the Health and Safety Walk arounds

Clarification was sought on the training for the Health and Safety Walk arounds. The Mayor confirmed this training had been included in the Elected Member Induction programme, which was a requirement prior to members attending Health and Safety Walk arounds. It was noted that no certificate to be issued.

Audit NZ Management Report - 2024/25 Annual Report

Clarification was sought on the request by the General Manager Corporate, the Chairperson advised they will be in attendance when it is presented to Council.

The Chairperson also noted as a separate item, that going forward he would like the possibility to attend Council to advise on the work programme and the risk environment.

Resolution 2026/341

Moved: Mr Bruce Robertson

Seconded: Clr Graeme Wilson

That the Audit and Risk Committee receives and notes the updates to the Actions Register.

Carried

6.2 Audit and Risk Committee Work Programme

The Assurance and Audit Officer spoke to the report to outline the programme of work for the Audit and Risk Committee (ARC).

Discussion included whether the Committee should receive regular updates on legislative changes that may expose Council to risk. It was suggested a concise quarterly summary report from the Legal Services Manager, focused on material changes and aligned with existing reporting.

The Chief Executive advised they will speak to the Legal Services Manger on options to progress this action.

The Chairperson advised that any reporting should remain within the Committee's risk oversight role and avoid duplication across other committees.

It was also noted that the annual conflicts of interest report is currently missing and that Annual Plan risks should be incorporated into the work programme in future noting that the June meeting will be too late for this Financial year.

Resolution 2026/342

Moved: Mr Bruce Robertson

Seconded: Clr Scott Shannon

That the Audit and Risk Committee received and notes the Audit and Risk Committee Work Programme update.

Carried

6.3 Internal Audit Activities

The Assurance and Audit Officer spoke to the report to provide the Audit and Risk Committee (ARC) with an update on the Internal Audit (IA) activities since the last meeting on 26 January 2026 and upcoming IA activities for 2025/26.

Resolution 2026/343

Moved: Mr Bruce Robertson

Seconded: Ms Janice Fredric

That the Audit and Risk Committee receives and notes:

1. The Internal Audit Activities Report; and
2. The update of completed and upcoming Internal Audit activities for 2025/26.

Carried

6.4 Risk Management Quarterly Report

The General Manager Corporate spoke to the report providing an update on Council's strategic risks and the Risk Management Maturity Improvement Plan, noting the work reflects the current external reform environment.

It was questioned whether the strategic risks were sufficiently developed and discussed that the upcoming workshop could be used as an opportunity to further refine these and comfortability around risk appetite.

Discussion included improvements to the structure and terminology of the strategic risk framework, the need for a clearer articulation of risk appetite, the distinction between strategic and operational risks and the inclusion of cyber security alongside broader internal IT security risks was raised.

The General Manager Corporate provided further explanation on the separate registers. The Chief Executive acknowledged a gap between governance expectations and the current state of the framework, noting this is an initial step with further development required.

It was confirmed the risk workshop is scheduled for 13 April 2026.

Further discussion included the level of confidence in current mitigations, the uncertainty associated with legislative reform, and the need to better define risk drivers, impacts, and responses to support clearer reporting. It was noted that well controlled mitigations will support with de-risking.

There was an appetite to standardise the risk registers, to provide a consistent, Council-wide view of risks. This work remains in progress, with the expectation that reporting quality will improve as the framework is embedded, enabling clearer visibility of residual risk and the volatility of risks over time.

Resolution 2026/344

Moved: Ms Janice Fredric

Seconded: Clr Scott Shannon

That the Audit and Risk Committee receive and note the Risk Management Quarterly Report.

Carried

6.5 External Auditors Open Recommendations

The Assurance and Audit Officer spoke to the report to provide the Audit and Risk Committee (ARC) with an update on outstanding recommendations made from external audits.

Discussion included the item relating to water connection charges, the General Manager Drainage and Water and Chief Financial Officer noted that differing interpretations of policy and legislation are being worked through and will be corrected in the 2026/27 financial year, with no overall change in revenue expected. The Committee requested the following action item for the Chief Financial Officer and General Manager Drainage and Water to clarify the situation regarding water connection charges and where the interpretation issue is at by way of email to the Committee.

The Chief Executive noted that the external Auditors Open Recommendations report needed realistic target dates that have been prioritised through the Senior Leadership Team before coming back to the committee.

A lack of urgency in progressing recommendations was raised.

Capitalisation Dates of additions was raised regarding a level of comfort through Audit NZ. The Chief Financial Officer advised that a priority for interim audit is to work with Audit and close out items.

Fully depreciated assets were raised, the Chief Financial Officer spoke to the impact of not implementing the recommendation. The committee noted that the recommendation to the committee should be to accept the risk and going forward recommendations should include the risk and impact. Further discussion including revaluing and depreciation of assets. The Chief Executive noted the timing of depreciation.

Resolution 2026/345

Moved: Mr Bruce Robertson

Seconded: Mayor Nigel Bowen

That the Audit and Risk Committee receives and notes the Outstanding Recommendations update from External Auditors.

Carried

The Chairperson of the Audit and Risk Committee reorganised the agenda to bring forward the following Public Excluded item to accommodate an external presenter from AON.

- Public Excluded Item 10.7 Insurance Programme Update

Resolution 2026/346

Moved: Mr Bruce Robertson

Seconded: Mayor Nigel Bowen

That at 10.04am the public be excluded from the following parts of the proceedings of this meeting, namely,

10.7 Insurance Programme Update

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under [section 48\(1\)](#) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
<p>10.7 - Insurance Programme Update</p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>To protect commercially sensitive information</p> <p>To enable Council to carry out commercial activities</p> <p>To enable Council to carry out commercial or industrial negotiations</p>

I also move that Sally Parker (AON Insurance) be permitted to remain at this meeting for item 10.7, after the public has been excluded, because of their knowledge as Council’s Insurance Broker.

Carried

Resolution 2026/347

Moved: Mr Bruce Robertson

Seconded: Clr Scott Shannon

That the meeting moves out of Closed Meeting into Open Meeting at 10.31am.

Carried

6.6 Sensitive Expenditure Quarterly Report

The Finance Manager / Financial Accountant spoke to the report to update the Audit and Risk Committee on sensitive expenditure for the period 1 October – 31 December 2025.

Resolution 2026/348

Moved: Mayor Nigel Bowen

Seconded: Clr Scott Shannon

That the Audit and Risk Committee receives and notes the Sensitive Expenditure report.

Carried

6.7 Proposed accounting policies 2026

The Project Accountant spoke to the report to present the proposed Group accounting policies to be applied in the 2025/2026 financial year and to recommend these to Council.

It was acknowledged that there were a number of outstanding issues still to be discussed, the Project Accountant provided a high level overview of the issues noting that a number of changes may have a serious material impact.

The Project Accountant highlighted proposed changes in asset classification following the land and buildings review, including the reclassification of certain assets from property, plant and equipment to investment property, which could result in a prior period adjustment.

The Project Accountant provided examples of operationally unused or leased properties that may be reclassified.

Discussion included the implications of these changes, including impacts on asset values, revaluation movements, and the need to clarify the appropriate approach between revaluation and cost regimes. The Chief Executive highlighted that the impairment policy also needed to be reviewed and considered. The Chief Executive identified that the Stadium, Theatre Royal and Museum assets required a robust analysis of potential impairment, with a preference for internal assessment supported by external peer review to provide assurance prior to returning to the Audit and Risk Committee and Strategic Planning Committee with a report.

The Committee were in agreement that their preference would be to have external input to the review.

Further discussion covered the interaction between impairment and revaluation, the financial implications of investment property treatment, and the value of strengthening asset class sophistication.

Concern was raised regarding previous exclusions from the policies, the Chief Financial Officer provided clarification on the items that had been removed.

Resolution 2026/349

Moved: Mr Bruce Robertson

Seconded: Mayor Nigel Bowen

That the Audit and Risk Committee:

1. Agree the proposed accounting policies subject to audit and identified policy reviews.
2. Recommend that Council adopt the proposed accounting policies subject to audit and identified policy reviews.

Carried

At 10.54am, the meeting was adjourned.

At 11.00am, the meeting reconvened.

The Chairperson of the Audit and Risk Committee reorganised the agenda to bring forward the following item to accommodate an external presenter from Fitch Ratings.

- Item 6.13 Credit Rating Update 2026

6.13 Credit Rating Update 2026

The Chief Financial Officer introduced Paul Norris from Fitch Ratings' (Fitch) who provided an overview of Fitch Ratings' most recent credit rating review and to reaffirm Timaru District Council's (Council) long term credit rating of AA- with a Stable Outlook.

Discussion included key financial and risk profile metrics and revenue adjustability, which was assessed as strong. The effect of rates rises on Council's credit rating was raised. Paul noted that rate increases are not expected to impact revenue adjustability, it can however change the operating revenue which feeds into the financial profile.

The methodology used was raised. Paul noted that Fitch's analysis is based on its own methodology and historical data, which includes Fitch's own assumptions and adjustment that may differ from Council's draft Annual Plan budget.

Rates capping and deviation to Long Term Plan planned rates increases and the impact on the Council's credit rating was raised.

Further discussion included debt levels, operating balances, and delivery of the Long Term Plan, Paul noted that while debt associated with major projects has increased, this has been factored into the current rating and quite a bit of headroom remains at the current level.

The potential impact of legislative changes, including water service reforms and rates capping, was an area that Fitch was monitoring and starting to model. It was also acknowledged as likely to affect Council's future financial position.

Further discussion addressed the relationship between cash holdings and debt, liquidity management, and the strategic ownership of assets, with Paul noting a positive view of Council's liquidity profile and no material concerns at present, while cautioning that changes in cash management could influence future assessments.

Resolution 2026/350

Moved: Mr Bruce Robertson

Seconded: Ms Janice Fredric

That the Audit and Risk Committee receives and notes the 2026 Credit Rating Update report.

Carried

6.8 Audit Confirmation 2026-28 and Audit Plan 2026

The General Manager Corporate spoke to the report to table the Audit confirmation for 2026-28 and the Audit New Zealand Audit Plan 2026 to the Audit and Risk Committee for discussion.

The Chairperson highlighted that the proposal outlines the next three years, with confirmation of the fee for the first year due to the impending legislation changes.

Rudie Thomlinson Council's external auditor from Audit NZ noted the Audit Plan which outlines audit focus areas and highlighted that the Committee can provide feedback, with final scope to be agreed with Audit New Zealand.

Rudie advised that the fee proposal reflects what Audit NZ interpret the cost to undertake the audit will be, which incorporates a standard 3 percent inflation adjustment and provision for additional hours when required, with an open-book approach to ensure the final cost reflects actual work undertaken. It was noted that additional time pressures from prior audits have contributed to increased costs.

Rudie highlighted the extent of in-person versus remote work and efficiency gains from timing changes to accommodate the audit programme, and early audit activity on significant areas such as water valuations.

The Chief Executive acknowledged the need to improve efficiency and coordination between Council and Audit NZ.

Further discussion covered drivers of prior cost increases, the role of new audit tools and technology in terms of efficiency gains.

The Chairperson highlighted the importance of maintaining effective working arrangements to support audit efficiency, particularly where face-to-face engagement assists in resolving complex matters.

Resolution 2026/351

Moved: Mr Bruce Robertson

Seconded: Clr Scott Shannon

That the Audit and Risk Committee:

1. Receives and Notes the Proposal to conduct the audit of Timaru District Council and Audit Plan 2026-28; and
2. Recommends the Mayor sign the proposal to conduct the audit.

Carried

6.9 Annual Report Project Plan Outline

The General Manager Corporate spoke to the report to provide Audit & Risk Committee (ARC) with governance-level oversight of the programme, key milestones, and principal delivery risks for preparation, audit and adoption of the Timaru District Council Annual Report for the year ended 30 June 2026, in advance of statutory adoption by 31 October 2026.

Engagement with Timaru District Holdings Limited (TDHL) and escalation pathway was raised, the General Manager Corporate advised that with officers were engaging in ongoing communication with TDHL and that escalation was up to Governance to have that conversation with them should delivery risks arise.

The General Manager Corporate advised the committee that they were the Project Sponsor and Project Manager.

The Mayor suggested that TDHL be invited to attend upcoming Audit and Risk Committee meetings in June and October to provide updates on their audit. The Committee were in support of this action.

Key Audit timing risks and mitigation plans were raised, the Chief Financial Officer advised that the biggest risk has been identified as asset capitalisation, noting the significant time and resource required, and emphasised the need for Senior Leadership Team oversight to ensure timely delivery. The General Manager Corporate advised that it was prudent for deadlines to be met for document production.

The Chairperson raised their concern regarding the potential financial impacts of those project risks, and advised a preference for stronger accountability across relevant departments.

Resolution 2026/352

Moved: Ms Janice Fredric

Seconded: Clr Graeme Wilson

That the Audit and Risk Committee:

1. Endorses the Annual Report Project Plan outline.
2. Notes that it will receive a draft Annual Report for the 7 September meeting, and a final draft for endorsement at the 19 October meeting.

Carried

6.10 Land and Buildings valuation policy

The Projects Accountant spoke to the report to advise the Audit & Risk Committee of the history and evolution of the current accounting policy on the valuation of Land and Buildings, and of the process underway for an improved identification and analysis of Timaru District Council Land and Buildings.

Discussion included the potential reclassification of assets to investment property, and assurance was sought on the consistent application of accounting policies. The Projects Accountant advised that initial assessments would be undertaken collaboratively by property and finance, with audit oversight providing further assurance.

The Chief Executive advised the Strategic Planning Committee will review the full list of investment properties and recommend divestment to Council which will be recategorised as assets for sale.

Resolution 2026/353

Moved: Ms Janice Fredric

Seconded: Mr Bruce Robertson

That the Audit and Risk Committee:

1. Note the history of the Property, Plant and Equipment Land and Buildings valuation accounting policy.
2. Endorse that no Property, Plant and equipment Land and Buildings revaluation be done for the 2025/2026 financial year.
3. Endorse that the full list of investment properties be comprehensively updated for the 2025/2026 financial year.

Carried

6.11 Timaru District Council Group financial reporting

The Projects Accountant spoke to this report to advise the Audit and Risk Committee of the requirements for provision of Group financial and non-financial information required for the completion of the Group Annual Report.

The Projects Accountant highlighted that there is a view that this is a governance matter, with the Committee responsible for oversight of consolidated Group results in order to strengthen the approach to group reporting.

The Committee raised benefits of receiving Council Controlled Organisation (CCO) draft audits for improved oversight, the Chief Financial Officer noted that Council do receive draft CCO set of accounts to use in Council's consolidation as a starting point.

The Chief Executive noted the importance of engaging with Audit New Zealand, particularly regarding materiality thresholds at a group versus subsidiary level, and that clear timelines and expectations for information provision are yet to be formalised.

It was confirmed that accountability for coordination would sit with the Finance Manager and Chief Financial Officer

Members were supportive of the development of a standardised template outlining required information for the CCO's.

The Chief Financial Officer noted the potential inclusion of these requirements within future Statements of Intent to reinforce compliance expectations.

Resolution 2026/354

Moved: Clr Scott Shannon

Seconded: Mr Bruce Robertson

That the Audit and Risk Committee:

1. Recommend to Council that with effect from the 2025/2026 financial year members of the Timaru District Council Group be required to provide Group financial and non-financial

reporting requirements requested by the Chief Financial Officer, within the timeframe necessary to meet the deadlines for completing the Group Annual Report.

2. That the auditors for the members of the Group be instructed to audit the Group information provided by the Group members prior to its provision to the Group Finance function.

Carried

At 12.20pm, the meeting was adjourned.

At 12.46pm, the meeting was reconvened.

6.12 Draft Information Technology Strategy

The Chief Information Officer spoke to the report to update the Audit and Risk Committee (ARC) on the Draft Information Technology Strategy noting it builds on the existing strategy with a key focus on improving digital service delivery to the community which the Authority Altitude project will enable.

The committee were supportive of the direction, however, it was highlighted that the strategy could better demonstrate alignment with Council's overarching strategic direction, with a stronger linkage to strategic pillars and organisational priorities.

Discussion emphasised the need for greater detail in the next iteration, including a multi level road map that provides clearer articulation of key initiatives, sequencing, indicative costs, and how the strategy will be operationalised. Further discussion included the importance of defining success measures and benefits realisation.

The Chief Information Officer noted that the Authority Altitude upgrade project will support delivery of the strategy, alongside improvements to end-to-end processes which should result in identification of a number of efficiency gains.

The use of emerging technologies, including AI and asset management tools, was discussed, with encouragement to take a more ambitious approach while ensuring confidence in outputs.

The Committee noted the importance of a detailed implementation roadmap and clear timeframes, with further refinement to be presented in the final draft strategy scheduled for June.

Resolution 2026/355

Moved: Mr Bruce Robertson

Seconded: Cllr Scott Shannon

That the Audit and Risk Committee receives and notes the Draft Information Technology Strategy.

Carried

Item 6.13 Credit Rating Update 2026 was reorganised to be heard following item 6.7.

7 Consideration of Urgent Business Items

No items of urgent business were received.

8 Consideration of Minor Nature Matters

No matters of a minor nature were raised.

9 Exclusion of the Public

Resolution 2026/356

Moved: Mr Bruce Robertson

Seconded: Cllr Scott Shannon

That at 1.07pm the public be excluded from the following parts of the proceedings of this meeting, namely,—

- 10.1 Public Excluded Minutes of the Audit and Risk Committee Meeting held on 26 January 2026**
- 10.2 Public Excluded Actions Register Update**
- 10.3 Cyber Security Report**
- 10.4 Authority Altitude - Continuous Improvement Update**
- 10.5 Issues Watch Register**
- 10.6 Internal Audit Quarterly Report**
- 10.7 Insurance Programme Update – This item was heard following Item 6.5 on the agenda.**
- 10.8 Health and Safety Performance Report**
- 10.9 Committee and Chief Executive only time (Agenda Placeholder)**
- 10.10 Committee and Auditor only time (Agenda Placeholder)**
- 10.11 Committee and Internal Auditor only time (Agenda Placeholder)**

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
10.1 - Public Excluded Minutes of the Audit and Risk Committee Meeting held on 26 January 2026	Section 48(1) of the Local Government Official Information and Meetings Act 1987.	The public excluded minutes of the meeting held on 26 January 2026 are considered confidential pursuant to the

<p>Matters dealt with in these minutes:</p> <p>9.1 - Public Excluded Actions Register Update</p> <p>9.2 - Issues Watch Register</p> <p>9.3 - Internal Audit Quarterly Report</p> <p>9.4 - Cyber Security Report</p> <p>9.5 - Health and Safety Performance Report</p> <p>9.6 - Committee and Auditor only time (Agenda Placeholder)</p> <p>9.7 - Committee and Chief Executive only time (Agenda Placeholder)</p> <p>9.8 - Committee and Internal Auditor only time (Agenda Placeholder)</p>		<p>provisions of the LGOIMA Act of 1987.</p> <p>The specific provisions of the Act that relate to these minutes can be found in the open minutes of the meeting held on 26 January 2026.</p>
<p>10.2 - Public Excluded Actions Register Update</p>	<p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	<p>To enable Council to carry out commercial activities</p> <p>To prevent use of the information for improper gain or advantage</p>
<p>10.3 - Cyber Security Report</p>	<p>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	<p>To prevent use of the information for improper gain or advantage</p>
<p>10.4 - Authority Altitude - Continuous Improvement Update</p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to</p>	<p>To protect commercially sensitive information</p> <p>To enable Council to carry out commercial activities</p>

	enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	
10.5 - Issues Watch Register	<p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>To protect all communications between a legal adviser and clients from being disclosed without the permission of the client</p> <p>To enable Council to carry out commercial activities</p>
10.6 - Internal Audit Quarterly Report	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(f)(ii) - The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees, and persons from improper pressure or harassment</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>To protect commercially sensitive information</p> <p>To protect the effective conduct of public affairs</p> <p>To enable Council to carry out commercial activities</p>
10.7 - Insurance Programme Update	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	<p>To protect commercially sensitive information</p> <p>To enable Council to carry out commercial activities</p> <p>To enable Council to carry out commercial or industrial negotiations</p>

	<p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	
<p>10.8 - Health and Safety Performance Report</p>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p>	<p>To protect a person’s privacy, including the privacy of deceased persons</p> <p>To protect commercially sensitive information</p>
<p>10.9 - Committee and Chief Executive only time (Agenda Placeholder)</p>	<p>s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source and is in the public interest that such information should continue to be supplied</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or</p>	<p>To protect information that is subject to an obligation of confidence and/or that was required by law to be provided; and to ensure that the supply of such information is not affected in the future, when it is in the public interest for it to be provided</p> <p>To enable Council to carry out commercial activities</p>

	disadvantage, commercial activities	
<p>10.10 - Committee and Auditor only time (Agenda Placeholder)</p>	<p>s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source and is in the public interest that such information should continue to be supplied</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>To protect information that is subject to an obligation of confidence and/or that was required by law to be provided; and to ensure that the supply of such information is not affected in the future, when it is in the public interest for it to be provided</p> <p>To enable Council to carry out commercial activities</p>
<p>10.11 - Committee and Internal Auditor only time (Agenda Placeholder)</p>	<p>s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source and is in the public interest that such information should continue to be supplied</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>To protect information that is subject to an obligation of confidence and/or that was required by law to be provided; and to ensure that the supply of such information is not affected in the future, when it is in the public interest for it to be provided</p> <p>To enable Council to carry out commercial activities</p>

Carried

Note

[Section 48\(4\)](#) of the Local Government Official Information and Meetings Act 1987 provides as follows:

- “(4)Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof)—
 - (a)shall be available to any member of the public who is present; and
 - (b)shall form part of the minutes of the local authority.”

10 Public Excluded Reports**10.1 Public Excluded Minutes of the Audit and Risk Committee Meeting held on 26 January 2026****9.1 Public Excluded Actions Register Update****9.2 Issues Watch Register****9.3 Internal Audit Quarterly Report****9.4 Cyber Security Report****9.5 Health and Safety Performance Report****9.6 Committee and Auditor only time (Agenda Placeholder)****9.7 Committee and Chief Executive only time (Agenda Placeholder)****9.8 Committee and Internal Auditor only time (Agenda Placeholder)**

- 10.2 Public Excluded Actions Register Update**
- 10.3 Cyber Security Report**
- 10.4 Authority Altitude - Continuous Improvement Update**
- 10.5 Issues Watch Register**
- 10.6 Internal Audit Quarterly Report**
- 10.7 Insurance Programme Update** – This item was heard following item 6.5 on the agenda.
- 10.8 Health and Safety Performance Report**
- 10.9 Committee and Chief Executive only time (Agenda Placeholder)**
- 10.10 Committee and Auditor only time (Agenda Placeholder)**
- 10.11 Committee and Internal Auditor only time (Agenda Placeholder)**
- 11 Readmittance of the Public**

Resolution 2026/357

Moved: Mr Bruce Robertson

Seconded: Clr Scott Shannon

That the meeting moves out of Closed Meeting into Open Meeting at 2.46pm.

Carried

The meeting closed at 2.46pm.

.....
Bruce Robertson
Chairperson

6 Reports

6.1 Actions Register Update

Author: Meghan Taylor, Acting Democracy Services Lead

Authoriser: Stephen Doran, General Manager Corporate

Recommendation

That the Audit and Risk Committee receives and notes the updates to the Actions Register.

Purpose of Report

- 1 The purpose of this report is to provide the Audit and Risk Committee with an update on the status of the action requests raised by members at previous Audit and Risk meetings.

Assessment of Significance

- 2 This matter is assessed to be of low significance under the Council's Significance and Engagement Policy as there is no impact on the service provision, no decision to transfer ownership or control of a strategic asset to or from Council, and no deviation from the Long Term Plan.

Discussion

- 3 The actions register is a record of actions requested by members. It includes a status and comments section to update the Audit and Risk Committee on the progress of each item.
- 4 There are currently 12 items on the actions register.
- 5 Three items are marked as ongoing.
- 6 Four items are marked as completed and are proposed to be marked as removed at the next meeting.
- 7 Five items are marked as removed and will be taken off the list at the next meeting.

Attachments

1. **Audit and Risk Actions Required** [↓](#) 

Information Requested from the Audit and Risk Committee

Key ■ = Completed, for removal ■ = 60+ Days ■ = 90+ Days ■ = Removed

Information Requested	IT Strategy			
Date Raised:	03 March 2025		Status:	Complete
Issue Owner	Chief Information Officer	Due Date:	2 March 2026	Completed Date: 2 March 2026
<p>Background: The committee confirmed the need for an IT Strategy to be developed. (this action was added after the request for an action register at the 23 June 2025 meeting).</p> <p>Update September 2025: Council's IT strategy is currently under development, and being workshopped with Senior Leadership. There are no further updates at this time.</p> <p>Update from Audit and Risk Meeting 15 September 2025: The Chief Information Officer confirmed this strategy will be presented to the 01 December 2025 Audit and Risk Committee.</p> <p>Update January 2026: The Final Strategy has not yet been received or signed off by the Senior Leadership. Once this has been received by Edge Consulting, the strategy will come to the Committee.</p> <p>Update from Audit and Risk Meeting 27 January 2026: The Chief Executive advised the committee the strategy will be presented in draft form to the next Audit and Risk Meeting on 02 March 2026.</p> <p>Update February 2026: A high level paper for discussion is included in this agenda.</p>				

Information Requested	Policies that the Audit and Risk Committee are responsible for			
Date Raised:	23 June 2025		Status:	In Progress
Issue Owner	General Manager Corporate	Due Date:		Completed Date:
Background:				

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The committee requested a report to the Audit and Risk Committee to advise what policies they are responsible for and when they are coming up for review. It was requested this is presented at the 01 December 2025 Audit and Risk Meeting (this action was added at the 15 September 2025 meeting).

January 2026 Update:

Policy	Review frequency	Next review is/was due	Audit and Risk Committee Role
Accounting Policies	Annually	October 2026, as part of the Annual Report	Audit and Risk Committee (ARC) role in these policy reviews is to consider, advise and endorse. Depending on the policy, elected members or the Chief Executive then approve the policy, taking into account ARC feedback and advice. Note: it is proposed that all listed policies (except the Accounting Policies) will be reviewed every six years
Employees Conflict of Interest Policy	Three yearly	November 2025 (is currently under review)	
Fraud, Bribery and Corruption Control Policy	Two yearly	July 2025 (is currently under review)	
Fraud and Corruption Control Policy for Elected Members	Three yearly	February 2019 (is currently under review)	
Sensitive Expenditure Policy	Six yearly	December 2031	
Risk Management Policy	Three yearly	February 2027	

This action is recommended to be closed.

Update from Audit and Risk Meeting 27 January 2026: The Committee requested this action item remain open and the Committee requested a report with “A ,B,C” approach to on when policy renewals to be returned to the Committee. The Committee also requested an annual report with a list of policies, when they are due for renewal and when they were last reviewed.

March 2026 Update: This was not able to be completed for this meeting, it will be presented to October Audit and Risk Committee.

Information Requested	Accounting Policies – Fair Value			
Date Raised:	23 June 2025	Status:	Complete	
Issue Owner	Chief Financial Officer	Due Date:		Completed Date: 02 March 2026

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Background:
 The committee requested confirmation from the accounting standards perspective that our current policy of asserting fair value historic cost from 2005 is still appropriate and consistent with being a public benefit entity. This was discussed under item 6.9 Accounting Policies 2025 Annual Report. (this action was added at the 15 September 2025 meeting).

Update January 2026: The independent Auditors Report for the year ended 30 June 2025 issued by Audit New Zealand states that in their opinion financial statement comply with GAAP in accordance with Public Benefit Entity Reporting Standards. The standard states under clause 42 “An entity shall choose either the cost model in paragraph 43 or the revaluation model in paragraph 44 as its accounting policy and shall apply that policy to an entire class of property, plant and equipment.” TDC last revalued its building in 2002 and since then all building have ben recorded at cost, therefore TDC needs to make a decision on whether we choose a cost model or revaluation model, given it has been 23 years since we completed a revalue. A paper will need to be developed prior to the next meeting on this subject.

Update from Audit and Risk Meeting 27 January 2026: The Chief Executive advised a decision on cost basis or revaluation basis is required before the Accounting Policies are reviewed, it was confirmed that a report will be presented to the next Audit and Risk Meeting on 02 March 2026.

Update February 26: This work is still underway and was not able to be completed in the short period between the January and March Audit and Risk Meetings, this will be presented at the June Meeting.

Update March 2026. This item was heard at the March Audit and Risk meeting, with the report focusing mainly on land & buildings.

Update June 2026: A Land and Building valuation policy report was presented at the March Audit and Risk meeting. Recommend this is item is closed.

Information Requested	Potential for Councillors to be included in the Health and Safety Walk arounds			
Date Raised:	03 March 2025		Status:	Completed
Issue Owner	General Manager People and Capability	Due Date:		Completed Date: February 2026
<p>Background: The committee discussed as part of the Health and Safety Performance Report, the potential benefits of Councillors being apart of the safety walks undertaken by the Senior Leadership Team (this action was added after the request for an action register at the 23 June 2025 meeting).</p> <p>21/08/25 – There is a plan to include Councillors in safety walks following the 2025 election.</p>				

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Update from Audit and Risk Committee 15 Septmber 2025: This action was moved from the Public Excluded action register to the public action register.

Update January 2026: Health and Safety Indiction for Elected Members is scheduled to occur on 17 February 2026. At this induction, the purpose of safety walks and what is required will be outlined. Elected Members will thereafter join the SLT safety walk roster.

Update February 2026: This training has been undertaken by a number of elected members and this item can be closed.

Information Requested	Insurance Renewal			
Date Raised:	03 March 2025		Status:	In Progress
Issue Owner	General Manager Assets and Infrastructure	Due Date:		Completed Date:
<p>Background:</p> <p>The committee requested as part of the Insurance Programme Update report:</p> <ul style="list-style-type: none"> - Come back to the committee on the outcome of the Contract Works and the Fine Arts Policy and be built into the work forward programme - That the Insurance Strategy includes of risk mitigations <p>As part of the 23 June 2025 meeting, the committee requested early in the new year to discuss with our Insurance Advisors (AON), including any internal work that has been done to discuss what strategies can be implemented as a workshop. Also to see the the Local Authority Protection Programme (LAPP) and Liabilities insurance at the next meeting.</p> <p>Update from Audit and Risk Committee 15 Septmber 2025: This action was moved from the Public Excluded action register to the public action register.</p> <p>Update January 2026: If agreed by Audit and Risk Committee a workshop will be arranged this year. Preliminary arrangements are for March 2026.</p> <p>February 26 Update: Following discussion with Chair it was decided that a workshop with risk and insurance would be held, but it would be unsuitable to try and combine this with a meeting day. A date in April is currently being investigated.</p>				

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Information Requested	Forward Internal Risk Development Plan			
Date Raised:	15 September 2025		Status:	Completed
Issue Owner	General Manager Corporate	Due Date:		Completed Date: 2 March 2026
<p>Background: The committee requested the forward internal risk development plan be reported on to the Committee. During the meeting it was advised the finalised Strategic Risk Register will be presented at the 01 December 2025 meeting.</p> <p>Update January 2026: This has been delayed due to staff availability. This will be presented at March Meeting.</p> <p>Update February 2026: This is included in this agenda.</p>				

Information Requested	Risk Management			
Date Raised:	15 September 2025		Status:	In Progress
Issue Owner	General Manager Corporate	Due Date:		Completed Date:
<p>Background: The committee requested stronger discussion around the system of control to bring it back into the risk management framework in relationship to these risks, and to gain an understanding of the time flow how the Senior Leadership Team will work through and moderate the risk register.</p> <p>Update January 2026: This will be discussed at March meeting.</p> <p>Update from Audit and Risk Meeting 27 January 2026: A risk Workshop was requested following the 2 March 2026 meeting. Establish risk appetite, defining strategic and operational risks with consideration to the impending legislative reforms with a focus on defining the risk, identifying controls, and assessing both risks and opportunities.</p> <p>February 2026 Update: Following discussion with Chair it was decided that a workshop with risk and insurance would be held, but it would be unsuitable to try and combine this with a meeting day. A date in April is currently being investigated.</p> <p>June 2026 Update: A workshop had been scheduled and subsequently cancelled for April 2026. A Risk workshop will follow the June 2026 meeting.</p>				

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Information Requested	External Auditors Open Recommendation - Sensitive Expenditure			
Date Raised:	26 January 2026	Status:	Completed	
Issue Owner	General Manager Corporate/ Chief Financial Officer	Due Date:	2 March 2026	Completed Date: 03.06.2026
<p>Background: The Committee requested officers provide the Committee with further information regarding the Sensitive Expenditure open recommendation in relation to the Chief Executive and Mayor Expenses, in order to determine if this is due to one sample, or if there is a greater issue.</p> <p>June 2026 Update: This was from Audit NZ random sampling. No wider issue has been identified. This action is complete and can be closed.</p>				

Information Requested	Annual Report Project Plan 2025/26			
Date Raised:	26 January 2026	Status:	Complete	
Issue Owner	General Manager Corporate	Due Date:	2 March 2026	Completed Date: 2 March 2026
<p>Background: The Committee requested officers prepare a report to the 02 March 2026 Audit and Risk Committee meeting that includes; The project sponsor, a project plan, the actions required in the project plan, and how the Committee can provide support.</p> <p>February 2026 Update: A report is included in this agenda.</p>				

Information Requested	Audit NZ Management Report – 2024/25 Annual Report			
Date Raised:	26 January 2026	Status:	-Complete	
Issue Owner	General Manager Corporate	Due Date:	2 March 2026	Completed Date: 2 March 2026
<p>Background: The Committee request that Officers prepare a report for the High Level Management Report for Council and that the Chairperson is in attendance at the meeting.</p>				

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February 2026 Update: The management report was presented at the January 26 meeting. Audit requirements will be included in the standard reporting for updates from council. Will need clarification.

Clarity was provided on reporting, which will be actioned. This item can be closed.

Information Requested	External Auditors Open Recommendations Item Water Connection Rates Issue			
Date Raised:	2 March 2026		Status:	Complete
Issue Owner	General Manager Drainage and Water / Chief Financial Officer	Due Date:	8 June 2026	Completed Date: 03.06.2026
<p>Background: The Committee requested that the Chief Financial Officer and General Manager Drainage and Water clarify the situation regarding water connection charges and where the interpretation issue is to the Committee.</p> <p>June 2026 Update: Audit NZ noted that changes to the properties were made to correct this error in the system in September 2025. Corrections have been made to the rates revenue (refunds / credits) to factor in the correct allocation of water rates. During the interim audit, this action was closed by Audit NZ.</p>				

Information Requested	Extend invitation for TDHL to update the committee on their audit at the June meeting.			
Date Raised:	2 March 2026		Status:	Compelte
Issue Owner	General Manager Corporate	Due Date:	8 June 2026	Completed Date: 03.06.2026
<p>Background: The Committee requested that an invitation be extended to Timaru District Holdings Limited (TDHL) to attend the June meeting to provide the committee with an update on their audit.</p> <p>June 2026 Update: An Invite was extended to TDHL to provide an update on their Audit progress. TDHL will provide a verbal update at the June meeting.</p>				

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6.2 Timaru District Holdings Limited Annual Report Update 2025/26.**Author: Meghan Taylor, Acting Democracy Services Lead****Authoriser: Stephen Doran, General Manager Corporate****Recommendation**

That the Audit and Risk Committee receive and note the Timaru District Holdings Limited verbal update on the progress of their 2025/26 Annual Report.

Purpose

- 1 The purpose of this report is for Timaru District Holdings Limited (TDHL) to provide the Audit and Risk Committee with a verbal update on the progress of their 2025/26 Annual Report.

Background

- 2 At the 02 March Audit and Risk Committee Meeting, the Committee requested that TDHL be invited to present an update on the progress of their Annual Report to the June 2026 meeting.
- 3 The TDHL General Manager will be in attendance to provide a verbal update to the Committee.

Attachments**Nil**

6.3 Annual Plan 2026/27 Update

Author: Steph Forde, Corporate and Strategic Planner

Authoriser: Stephen Doran, General Manager Corporate

Recommendation

That the Audit and Risk Committee receive the Annual Plan 2026/27 Update report.

Purpose of Report

- 1 The purpose of this report is to provide the Audit and Risk Committee with an update on the development of the Annual Plan for the 2026/27 financial year.

Assessment of Significance

- 2 Although the Annual Plan is of medium to high significance when considering the Council's Significance and Engagement Policy, providing an update to this Committee is deemed low significance as no decisions are sought.

Background

- 3 The Local Government Act 2002 (section 95(5)) requires Council to prepare and adopt an Annual Plan each financial year, the purpose of which is to:
 - 3.1 Contain the proposed annual budget and funding impact statement for the year in question; and
 - 3.2 Identify any variations from the financial statements and funding impact statement contained in the local authority's long-term plan in respect of the year; and
 - 3.3 Provide integrated decision-making and co-ordination of the resources of the local authority; and
 - 3.4 Contribute to the accountability of the local authority to the community.

Discussion

- 4 The Annual Plan 2026/27 has been developed using Year 3 of the Long Term Plan 2024-34 (LTP) as a base, with the plan highlighting variations and exceptions for the year. Key milestones to date have included Council reports on 24 February, 31 March, and 26 May 2026, a Strategic Planning Committee meeting, a number of Council workshops, and informal community consultation across April and May.
- 5 Version 1 of the Draft Annual Plan 2026/27 Budget was presented to Council on 24 February 2026, developed from the December reforecast and incorporating the outcomes of the organisational restructure. Council directed officers to bring rate reduction options to the March Strategic Planning Committee.
- 6 That meeting was held in Public Excluded, so the details cannot be reported publicly; for general transparency, the Committee did not endorse a preferred average rates increase and officers were directed to prepare further financial scenarios for a public Council workshop on 17 March 2026.

- 7 Following the workshop, the Draft Annual Plan was presented to Council on 31 March 2026 with a proposed average rates increase of 9%, down from the 12% forecast in Year 3 of the LTP. At that time the 9% rate forecasted a balanced budget, operating surplus of \$7.3 million, supported by an \$8.4 million reduction in forecast finance costs and a debt-to-revenue ratio of 198% against the self-imposed limit of 250%.
- 8 Council approved the draft for community engagement through an Information Publication, on the basis that there were no significant or material differences from Year 3 of the LTP requiring the special consultative procedure. Engagement ran from 14 April to 10 May 2026 and received five email responses covering engagement with Te Rūnanga o Arowhenua, the rural road network, active transport, and rates affordability.
- 9 On 26 May 2026, Council endorsed proposed budget amendments totalling \$917,000 (primarily fuel cost escalation, Drainage and Water cost escalations, and reform-related professional services) along with two additions to the Building Control Fees and Charges. Council directed officers to prepare the final Annual Plan at an average 9% rates increase for adoption on 30 June 2026.
- 10 At the time of writing this report the Annual Plan for 2026/27 is on track to be adopted by the statutory deadline of 30 June 2026.

Consultation

- 11 As noted in paragraph 2, this report is assessed as being of low significance therefore consultation is not required.

Relevant Legislation, Council Policy and Plans

- 12 Local Government Act 2002
- 13 Timaru District Council Long Term Plan 2024-34

Financial and Funding Implications

- 14 There are no financial or funding implications related to the Committee receiving this update report.

Other Considerations

- 15 There are no other considerations at the time of writing this report.

Attachments

Nil

6.4 Long Term Plan 2027-37 Update

Author: Steph Forde, Corporate and Strategic Planner

Authoriser: Stephen Doran, General Manager Corporate

Recommendation

That the Audit and Risk Committee receive the Long Term Plan 2027-37 Update report.

Purpose of Report

- 1 The purpose of this report is to provide the Committee with an update on the development of the Long Term Plan 2027-37.

Assessment of Significance

- 2 Although the Long Term Plan is assessed as being of high significance when considering Council's Significance and Engagement Policy, providing an update to this Committee is deemed low significance as no decisions are sought.

Background

- 3 The Long Term Plan (LTP) is a statutory document required under the Local Government Act 2002 (LGA). It sets out Council's priorities, activities, and funding approach over a 10-year period. Council is required to adopt a new LTP every three years, with the current cycle requiring adoption of the LTP 2027-37 by 30 June 2027.
- 4 This LTP cycle is notably more complex than previous cycles, primarily due to the water services reform programme and the establishment of the Water Organisation (WO), which will significantly change the scope of Council's activities and infrastructure responsibilities, and related revenue and expenditure, over the plan period. A number of additional government policy announcements and in-train legislative reforms also add complexity, including the Local Government (System Improvements) Amendment Bill, the Simplifying Local Government programme, Resource Management reform, and rates capping proposals.
- 5 The Audit and Risk Committee's role in relation to the LTP is consistent with its standing functions: oversight of compliance with statutory responsibilities, monitoring of corporate risk and internal controls, and liaison with external auditors. Given the Office of the Auditor-General audit requirements that apply to both the Consultation Document and the final LTP, the Committee will receive regular project update reports throughout the development period.
- 6 This report is the first of those regular updates. It summarises the decisions Council has taken to date on the structure and governance of LTP development, outlines the workstreams now underway through the Standing Committees, and identifies the principal project risks arising from the current legislative reform programme.

Discussion**Project Team**

7 The below table outlines the key workstreams for the project and the relevant lead.

Workstream	Lead
Project Sponsor	Stephen Doran
Project Lead	Steph Forde
Direction Setting	Stephen Doran
Information Management	Justin Bagust
Environmental Scan	Steph Forde
Forecasting Assumptions	Steph Forde
Financial Strategy	Andrea Rankin
Infrastructure Strategy	Steph Forde
Service Performance	Steph Forde
Financial Information	Andrea Rankin
Revenue and Financing Policy	Andrea Rankin
Significance and Engagement Policy	Brendan Madley
Engagement/ Consultation	Stephen Doran
Document	Steph Forde
Audit Arrangements	Steph Forde
Council Controlled Organisations	Nigel Trainor
Reform	Nigel Trainor

Development and Decision Timeline endorsement

8 Officers presented a development and decision timeline (Attachment 1) for the LTP 2027-37 to Council at its meeting on 28 April 2026. Council endorsed the timeline.

9 The timeline is structured across two phases:

9.1 The development phase (April 2026 – January 2027) covers elected member workshops, committee deliberations, and Council decisions on the key components of the plan.

9.2 The consultation and adoption phase (February 2027 – June 2027) covers audit of the consultation document and underlying information, community consultation, hearings and deliberations, audit of the final LTP, and formal adoption. The designed document will be published in July 2027.

10

- 11 The following statutory and planned audit milestones drive the overall shape of the timeline:

Date	Milestone
16 November 2026	Submission of the final draft Infrastructure and Financial Strategies to Audit NZ
9 February – 19 March 2027	Audit of the Consultation Document and underlying information
22 – 26 March 2027	Audit hot review of the Consultation Document
30 March 2027	Council adoption of the Consultation Document
5 April – 5 May 2027	Consultation
18 – 20 May 2027	Hearings and deliberations
26 May – 16 June 2027	Final audit of the LTP
17 – 24 June 2027	Audit hot review and final amendments of the LTP
30 June 2027	Council adoption of the LTP

Delegation of workstreams to Committees

- 12 At the same meeting, Council endorsed the delegation of key LTP workstreams to the Strategic Planning and Development and Growth Committees. This approach spreads the elected member workload across the Committee structure, reduces the risk of Council agendas becoming unmanageable during the peak development period, and allows detailed interrogation of technical material to occur at Committee level before matters are brought to Council for endorsement.
- 12.1 The Development and Growth Committee will interrogate the Infrastructure Strategy and Asset Management Plans.
- 12.2 The Strategic Planning Committee will interrogate the Financial Strategy, Financial Forecasts, Financial Policies, Activity Management Plans, and the drafting of Letters of Expectation to Council Controlled Organisations.
- 12.3 Council retains oversight of the Strategic Direction, Significant Forecasting Assumptions, Significance and Engagement Policy, Community Consultation, and Council Controlled Organisations.
- 13 As each workstream is considered by the relevant Committee, Council will then discuss the item in a workshop setting to ensure all elected members are comfortable with the detail and direction, followed by presentation to Council for endorsement. Final decision-making on all LTP components – including adoption of the Consultation Document, final adoption of the LTP, and setting of rates – remains with Council.

Council Workshop – LTP kick-off

- 14 Council held an LTP kick-off workshop on 19 May 2026. The workshop covered: an overview of what an LTP is and why it matters; the legislative requirements under Schedule 10 of the LGA; the key sections of the LTP (Strategic Direction, Financial Strategy, Infrastructure Strategy, Groups of Activities, Significant Forecasting Assumptions); the impacts of the four reform programmes currently shaping the cycle; a review of strategic direction; the 10-year financial forecast general discussion and next steps; and a public-excluded session.

- 15 The strategic direction component reviewed TDC's current vision, values, and five strategic priorities (Resilient Infrastructure, Enhanced Lifestyle, Diverse Economy, Sustainable Environment, and Connected Citizens) against the amended section 10 purpose of local government and the proposed new section 11A core services set out in the Local Government (System Improvements) Amendment Bill.

Legislative environment and project risks

- 16 Four reform programmes are shaping this LTP cycle:
- 16.1 The Local Government (Water Services) Act 2025 excludes water services from the LTP and moves them to a separate Water Services Strategy administered by the WO.
 - 16.2 The Local Government (System Improvements) Amendment Bill refocuses the purpose of local government in section 10, introduces five core services in a new section 11A, requires Council to have particular regard to that purpose and to the core services when determining its approach to financial management (new section 101(1AAA)), repeals the section 17A cost-effectiveness review requirements, enables groups of activities to be set by regulation, and introduces new annual report disclosure on consultants and contractors expenditure (new Schedule 10 clause 32B).
 - 16.3 Resource Management reform will repeal the Resource Management Act 1991 and replace it with the Natural Environment Bill and Planning Bill, affecting the District Plan, growth assumptions, and the development contributions regime.
 - 16.4 The Simplifying Local Government – Head Start Pathway was announced on 5 May 2026 as a voluntary pathway for two or more territorial authorities to propose amalgamation into new unitary authorities; councils not in the Head Start are subject to a compulsory backstop process after the 2028 local elections.
- 17 As part of the System Improvements Bill, the Cabinet Economic Policy Committee on 25 March 2026 invited drafting instructions for regulations under the new section 259(1)(de) prescribing eight new mandatory groups of activities for council planning and reporting:
- Roading and transport;
 - Waste management and minimisation;
 - Adaptation and emergency management;
 - Public regulatory services;
 - Governance, planning and reporting;
 - Community and recreational facilities;
 - Parks and reserves; and
 - Other.
- 18 An exposure draft is expected in early June 2026. First reporting on the new groups as planned expenditure will be in the 2027 LTPs.
- 19 The principal risks arising from this environment, identified by officers, are:
- 19.1 The cumulative effect of the current reform programme places significant additional demand on the same officer and elected member resource pool that delivers Council's business-as-usual (BAU) activities. Over the LTP 2027-37 development period, officers are concurrently supporting the establishment and transition of the Water Organisation,

monitoring and responding to the Local Government (System Improvements) Amendment Bill and the eight new groups of activities regulations, contributing to Resource Management reform implementation including assessing District Plan implications and engaging with a Regional Spatial Plan, assessing the Simplifying Local Government Head Start pathway and developing a Council position by the August 2026 deadline, and delivering the Annual Plan 2026/27 and Annual Report 2025/26.

These workstreams compete for the same finite technical, financial, and governance capacity. The risk is that capacity constraints will compromise the quality of LTP inputs delay key milestones or require trade-offs against BAU service delivery. The risk is heightened by the volume of in-train legislative change, which creates ongoing rework as underlying assumptions, draft strategies and policies need to be revisited when government decisions are confirmed.

Through initial scoping of the LTP development programme, officers identified that existing budget was insufficient to deliver the required workstreams to the quality and timeframe set by the statutory deadline of 30 June 2027. A request for additional funding was brought forward through the 2026/27 Annual Plan process and subsequently endorsed by Council, providing some financial resource needed to engage specialist technical support where internal capacity is constrained. While the funding decision assists the financial dimension of the resource constraint, it does not remove the underlying pressure on officers and elected members. Fatigue management will therefore need to be a key consideration over the next 18 months, and officers will monitor workload, sequencing, and wellbeing throughout the development phase, raising any emerging capacity issues with the Committee as part of subsequent project updates.

- 19.2 The System Improvements Bill is not yet enacted. The eight new groups of activities cannot be set in regulation until the Bill is passed. LTP development is proceeding on the basis of proposed regulations only, and final group definitions may shift before the exposure draft is finalised. The AMPs for Parks and Property are currently in development, which puts meeting LGA s101B requirements for the infrastructure strategy at risk for this LTP cycle should the Bill be passed and new groups of activities be set in regulation.

Clause 22 of this Bill also amends section 261B of the LGA to enable the Secretary for Local Government to make rules specifying performance measures for council activities or groups of activities. Combined with the eight new mandatory groups of activities to be set in regulation, the framework is intended to enable consistent benchmarking across all councils and to support the rates capping regulatory system.

The principal risk for Council is that the detailed performance measures and benchmarking methodology are not yet defined and will not be finalised until after the Bill is enacted and rules are issued by the Secretary. LTP 2027-37 development is therefore proceeding without certainty about the specific performance measures and targets that Council will ultimately be required to report against, the data collection and systems changes required to support reporting, or how Council's performance is likely to compare against peer councils once benchmarking is published. There is a further reputational risk that early benchmarking publications may rely on inconsistent or transitional data, presenting a comparison that does not fairly reflect Council's actual performance or the local context in which services are delivered. Officers will continue

to monitor the development of the framework and report material changes to the Committee as they emerge.

The Altitude upgrade project has a planned General Ledger restructure for late 2027 which will likely need to be reprioritised, or alternative arrangements made within the current financial system in order to reflect the proposed regulated groups of activities. It is expected that financial modelling for the LTP and reporting requirements for the 2027/28 financial year will need to reflect the proposed regulated groups.

19.3 Cabinet confirmation of Head Start amalgamation proposals is scheduled for May 2027 – with TDC due to adopt the LTP at the end of June. If TDC enters Head Start, the LTP may need amendment once amalgamation legislation passes. If TDC stays out, the backstop process applies after the 2028 local elections, within the LTP period. Either way, the entity delivering the LTP will likely change before year 10, including potential absorption of regional council functions in addition to existing Council function across an expanded district boundary.

19.4 The new consultants and contractors reporting requirement (Schedule 10 clause 32B) applies from passage of the Bill and requires comparative prior-year figures. Data systems may need to be updated to capture this information.

Consultation

20 There are no consultation requirements relating to the Committee receiving this report.

Relevant Legislation, Council Policy and Plans

21 Local Government Act 2002

22 Local Government (Water Services) Act 2025

23 Local Government (Water Services Preliminary Arrangements) Act 2024

24 Local Government (System Improvements) Amendment Bill

25 Timaru District Council Long Term Plan 2024-34

26 Timaru District Council Significance and Engagement Policy

Financial and Funding Implications

27 There are no financial or funding implications related to the Committee receiving this update report.

Other Considerations

28 There are no other considerations at the time of writing this report.

Attachments

1. **LTP Development and Decision Timeline 28.04.2026 - Adopted** [↓](#) 

Long Term Plan Development and Decision Timeline 2026

	April 2026	May 2026	June 2026	July 2026	August 2026	September 2026	October 2026	November 2026	December 2026	
m			1 King's Birthday							m
t			2			1			1	t
w	1		3	1		2			2	w
t	2		4	2		3	1		3	t
F	3 Good Friday	1	5	3		4	2		4	f
s	4	2	6	4	1	5	3		5	s
s	5	3	7	5	2	6	4	1	6	s
m	6 Easter Monday	4	8 Audit and Risk Project Update	6	3	7 Audit and Risk Project Update	5	2	7 Audit and Risk Project Update	m
t	7	5	9 Committees DGC: Infrastructure Strategy and Asset Management Plans update SPC: Financial Strategy and Forecasting Assumptions	7	4	8 Committees DGC: Infrastructure Strategy and Asset Management Plans update SPC: Financial Strategy update & financial forecasts	6	3	8	t
w	8	6	10	8	5	9	7	4	9	w
t	9	7	11	9	6	10	8	5	10	t
f	10	8	12	10 Matariki	7	11	9	6	11	f
s	11	9	13	11	8	12	10	7	12	s
s	12	10	14	12	9	13	11	8	13	s
m	13	11	15	13	10	14	12	9	14	m
t	14 Committees	12 Committees DGC: Overview of workstreams Current status Asset Management SPC: Overview of workstreams Initial Activity Data Review	16	14 Committees DGC: Infrastructure Strategy and Asset Management Plans update SPC: Financial policies	11 Committees DGC: Infrastructure Strategy and Asset Management Plans update SPC: Financial Strategy and financial forecasts	15	13 Committees DGC: Infrastructure Strategy and Asset Management Plans update SPC: Activity Management Plans	10 Committees DGC: Endorse Infrastructure Strategy and Asset Management Plans SPC: Endorse Financial Strategy Draft LoE to CCO's	15 Council Endorse capital programme and financial forecasts LoE to CCO's	t
w	15	13	17	15	12	16	14	11	16	w
t	16	14	18	16	13	17	15	12	17	t
f	17	15	19	17	14	18	16	13	18	f
s	18	16	20	18	15	19	17	14	19	s
s	19	17	21	19	16	20	18	15	20	s
m	20	18	22	20	17 Workshop Significance and Engagement Policy Activity Reviews – Round 1	21 Workshop Financial policies Activity Reviews – Round 2	19 Audit and Risk Endorse Annual Report Workshop Activity Reviews – Round 3	16 Submit Infrastructure and Financial Strategies to Audit	21	m
t	21 Workshop	19 Workshop LTP overview including key components, legislative environment, and Strategic Direction, 10 year forecast	23 Workshop Infrastructure/ Financial Strategies, Environmental Scan and Forecasting Assumptions, Strategic Direction	21 Council Community Engagement Strategy Receive resident survey results Legislation update	18 Workshop Activity Reviews – Round 1	22 Workshop Activity Reviews – Round 2	20 Workshop CCO's	17 Workshop Overview of submitted Infrastructure and Financial Strategies Capital Programme and financial forecasts Draft LoE to CCO's	22	t
w	22	20	24	22	19	23	21	18	23	w
t	23	21	25	23	20	24	22	19	24	t
f	24	22	26	24	21	25	23	20	25 Christmas Day	f
s	25 ANZAC Day	23	27	25	22	26	24	21	26 Boxing Day	s
s	26	24	28	26	23	27	25	22	27	s
m	27 ANZAC Day observed	25	29	27	24	28 SC Anniversary	26 Labour Day	23	28 Boxing Day observed	m
t	28 Council Development and Decision Timeline endorsement, including delegation of workstreams to Committees	26 Council	30 Council AP adoption Forecasting Assumptions, Strategic Direction	28	25 Council	29 Council Endorse Policy amendments Endorse Round 1 Draft Activity Management Plans	27 Council Adopt Annual Report Endorse Round 2 Draft Activity Management Plans	24 Council Endorse Consultation Plan and Key Issues Endorse Round 3 Draft Activity Management Plans	29	t
w	29	27		29	26	30	28	25	30	w
t	30	28		30	27		29	26	31 New Year's Eve	t
f		29		31	28		30	27		f
s		30			29		31	28		s
s		31			30			29		s
m					31			30		m
t										t

Long Term Plan Development and Decision Timeline 2027

	January 2027	February 2027	March 2027	April 2027	May 2027	June 2027	July 2027	
m								m
t						1		t
w						2		w
t				1		3	1	t
F	1 New Years Day			2		4	2	f
s	2			3	1	5	3	s
s	3			4	2	6	4	s
m	4 2 nd observed	1	1	5 Consultation begins	3	7	5	m
t	5	2	2	6	4	8	6	t
w	6	3	3	7	5 Consultation finishes	9	7	w
t	7	4	4	8	6	10	8	t
f	8	5	5	9	7	11	9	f
s	9	6 Waitangi Day	6	10	8	12	10	s
s	10	7	7	11	9	13	11	s
m	11	8 Waitangi Day observed	8 Audit and Risk Project Update	12	10	14 Audit and Risk Project Update	12	m
t	12	9 Committees SPC: Update and any emerging issues Audit of CD starts	9 Committees SPC: Update and any emerging issues	13 Committees	11	15	13	t
w	13	10	10	14	12	16 Audit of final finishes	14	w
t	14	11	11	15	13	17 Hot review of final starts	15	t
f	15	12	12	16	14	18	16	f
s	16	13	13	17	15	19	17	s
s	17	14	14	18	16	20	18	s
m	18	15	15	19	17	21	19	m
t	19 Workshop Full recap with Community Boards	16 Workshop Community Consultation Plan & any changes	16 Workshop	20 Workshop	18 Council Hearings/ Deliberations	22	20	t
w	20	17	17	21	19 Council Hearings/ Deliberations	23	21	w
t	21	18	18	22	20 Council Hearings/ Deliberations	24 Hot review of final finishes	22	t
f	22	19	19 Audit of CD finishes	23	21	25	23	f
s	23	20	20	24	22	26	24	s
s	24	21	21	25 ANZAC Day	23	27	25	s
m	25	22	22 Hot review of CD starts	26 ANZAC Day observed	24	28	26	m
t	26 Council Endorse Final Draft CD and supporting information for Audit	23 Council Endorse Community Consultation Plan	23	27 Council	25	29	27	t
w	27	24	24	28	26 Audit of Final Starts	30 Council Final Adoption	28	w
t	28	25	25 Hot review of CD finishes	29	27		29 Final designed document published	
f	29	26	26 Good Friday	30	28		30	f
s	30	27	27		29		31	s
s	31	28	28		30			s
m			29 Easter Monday		31			m
t			30 Council Adoption of Consultation Document and Supporting Information					t
w			31					w

6.5 Significant potential year-end transactions

Author: John Liddiard, Projects Accountant
Matthew O'Brien, Finance Manager / Financial Accountant

Authoriser: Andrea Rankin, Chief Financial Officer

Recommendation

That the Audit and Risk Committee receive and notes the potentially significant year-end transactions report.

Purpose of Report

- 1 The purpose of the report is to advise the Committee of significant potential year-end transactions and their likely impact.

Assessment of Significance

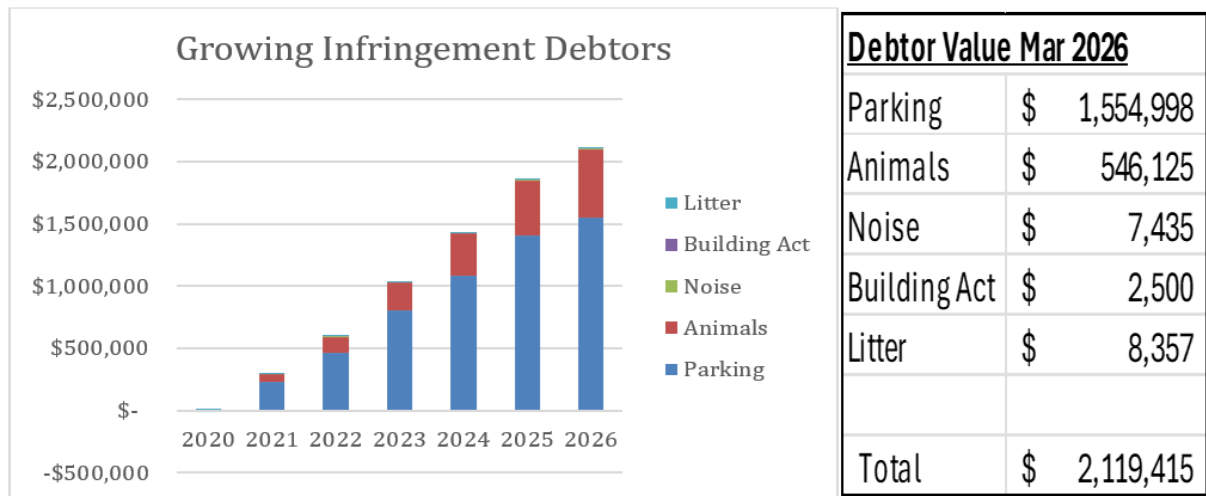
- 2 This matter has low significance in terms of Council's Significance and Engagement Policy. This has been determined by the low level of direct impact the decisions are likely to have on Council's operations and on the community and therefore community engagement on the contents of this report is not recommended.

Discussion

- 3 A number of potentially significant transactions have been identified which will impact the 2026 annual financial reports. They are likely to be sufficiently material to attract specific audit review attention even if under the formal materiality level.
- 4 While the reason for each is specific, generally they relate to addressing either substantive historic issues recently identified, changes in accounting treatment and the recognition of the value of assets to Council, which are outlined below.
- 5 An initial discussion has been had with The Audit Office around the timing and evidence to support these transactions from an audit perspective. The intention is to have these looked at independently prior to the end of the financial year so that any issues arising can be investigated before close off.
- 6 Theatre/Museum Project work in progress and asset value write-offs:
 - 6.1 As part of the development of the current iteration for the Theatre/Museum Project costs were incurred in the progressive development of the planning for these and initial preparation work was undertaken.
 - 6.2 The total value of the "sunk costs" is \$8m and it is anticipated that a substantial portion of this will be written off in 2026.
 - 6.3 The elements to be written off will relate to the previous plan versions which have subsequently been superseded. While it would be arguably legitimate to capitalise these it is believed that doing so will misrepresent the value of the asset.
 - 6.4 Specific costs will however be individually assessed to ascertain whether they should partially or fully expensed and if so how much should be expensed.

7 Infringements Debtor write-off:

7.1 The process of reconciling Balance Sheet accounts has identified an overstatement of infringement debtors (\$2.1 million at the end of March 2026).



7.2 Further investigation identified a key step had been missed since 2020 when a successive change in Finance staff resulted in a loss of knowledge and a key accounting process stopped happening.

7.3 After three months any unpaid infringements are sent to court for collection. These amounts should have been reversed out of revenue, as was the practise prior to June 2020. Monies received from the court are then booked back into revenue at the time of receipt.

7.4 Missing this step meant that infringement revenue received from court was double counted, initially when the original infringement was issued and subsequently when money was received from the courts, however the bad debts write-off relating to the original infringement had not been done.

7.5 As this key step has been missed for nearly six years, a \$2 million write-off of debtors is required to bring the debtor value back down to agree with the unpaid infringements less than three months old. This adjustment this year reflects both bad debts and the double booking of revenue.

7.6 Once the correction is made the pre-2020 practice of reversing unpaid infringements will be undertaken as part of the month end process with reporting established to regularly identify the amounts sent to court.

7.7 The process has also been documented in Flowingly to assist with future consistent compliance.

8 Landfill provision change in accounting estimates:

8.1 A review has been undertaken of the accounting treatment and calculation of provisions relating to the Landfill development and aftercare.

8.2 The revised assessment changes the previous practice which seemingly focused on the “whole of landfill” (i.e. the whole of the site) but now has been assessed based on each individual landfill developed or to be developed and the particular costs and timeframes relating to these.

- 8.3 A key part of the change in approach is to consider that each landfill is individually a “waste containment facility” with ongoing economic value, whose useful life continues into the future (with a current limit of 100 years set) in which the costs of the initial “airspace” development and subsequent capping once it is full are not the asset, but the main capital costs relating to that longer term landfill asset. Previously the capped airspace was considered the final closure of the asset. The new approach is consistent with operational perspectives and the practical science of landfills.
 - 8.4 Consequent aftercare costs are therefore ongoing maintenance of an asset rather than future costs relating to a closed asset. A provision for future costs relating to a closed asset are capitalised, whereas the provision for future costs for an existent asset are expensed.
 - 8.5 Future costs relating to current waste disposal need to be recognised now as the cause of those costs is the current waste disposal so the provision has been comprehensively recalculated based on that premise and on the cost profile for each individual landfill.
 - 8.6 One significant consequence of this change in approach therefore is that the future costs provision “asset” will be written off at year-end at a cost of approximately \$3.5m.
 - 8.7 The revised calculation has been reviewed by PWC due to its significance, with a draft report indicating general agreement with the revised process, prior to being separately reviewed by Audit NZ.
 - 8.8 The revised landfill provision calculation indicates that the landfill provision should have been up to \$8.0m but is currently \$4.1m. \$5.5m of the theoretical provision relates to closed cells however, so the provision calculated for 2026 for open and proposed cells is \$2.6m. It is proposed that given the recalculation of the provision that it be maintained for the currently open and future cells and that the expenses relating to closed cells be expensed as they occur in future.
 - 8.9 The net write-off of the previous “post-closure asset” of \$3.5m, less the net adjustment to the provision on the basis of excluding normal operating costs for closed cells of \$1.5m results in a net cost from the proposed changes of \$2.0m in 2026.
 - 8.10 Other operating costs for the Redruth site such as buildings, roading, equipment will be expensed or capitalised as appropriate separate from the “landfill provision” calculation.
- 9 Investment properties review:
- 9.1 The full properties review is proceeding and a number have been identified where additional properties should be included in the expanded investment properties classification.
 - 9.2 The net book value as at 1 July 2025 for the properties identified to date is \$1.2m however some of them are included in larger properties and it has therefore been assumed that the investment properties category currently do not have a separate value, e.g. airport land leased out.
 - 9.3 Properties on the investment properties list are not necessarily available for disposal, just as Property, Plant and Equipment (P,P&E) properties can be disposed of. A separate classification of “properties available for sale” will be prepared for the annual report.
- 10 Peel Forest remediation closure:

- 9.1 Review of Peel Forest revenue and expenditure associated with the remediation of the landfill will be undertaken prior to year end. This will determine the timing of the release of revenue received from the Ministry for the Environment and the external costs held in the provision in the balance sheet.

Attachments**Nil**

6.6 External Auditors Open Recommendations

Author: Narayan Swamy, Assurance and Audit Officer

Authoriser: Stephen Doran, General Manager Corporate

Recommendation

That the Audit and Risk Committee receives and notes the Outstanding Recommendations update from External Auditors.

Purpose of Report

- 1 The purpose of this report is to provide the Audit and Risk Committee (ARC) with an update on outstanding recommendations made from external audits.

Assessment of Significance

- 2 Reporting on the Risk and Assurance activities is considered of low significance in terms of the Council's Significance and Engagement Policy as this matter is operational in nature. There is no impact on service provision or impact on the district as a whole.

Discussion

- 3 The Risk and Assurance Unit maintains a record of the recommendations arising from external audits and undertakes regular follow-ups with all business units to ensure recommendations have been actioned.
- 4 There are 32 recommendations from the external auditors. Eight of these recommendations have been closed and there are 18 regarded as 'in progress' by The Audit Office. The full details are in the attached record, which includes management comments.

Attachments

1. External Auditors Open Recommendations [↓](#) 

External Auditors recommendations record

		Group	Responsible Officer	Target Date	Severity	Status Update
	Audit NZ Report 30/06/2025					
1	Error in water and sewer connection rates - 2025/26 Ensure that external advice is sought to confirm that the rates levied for the 2025/26 FY, complies with legislation.	Finance	CFO	30/06/26	High	June 26: This item has been closed by the Audit Office May 26: Noted that changes to the properties were made to correct this error in the system in September 2025. Corrections have been made to the rates revenue (refunds / credits) to factor in the correct allocation of water rates. December 25: This is being investigated further to determine outcome.
2	Completeness of Journals As part of the month end process, implement a procedure whereby a listing of journals posted within Authority is exported and matched to the journals that have been reviewed.	Finance	CFO	11/26	High	May 26: A review of the journals will ideally be implemented over all journals as part of the Altitude system that is due to be implemented in November 2026 (i.e., review of the journals through the system as opposed to the manual journals being exported when posted and printed for review/approval). December 25: Will implement a journal listing from Authority monthly for review.
3	Non-compliance with the Revenue and Financing (R&F) Policy for funding sources of activities Ensure that external advice is sought to confirm compliance with the R&F policy going forward. Alternatively, see advice on amending the policy when it is due for consultation to ensure the policy is broad enough to cover any potential non-compliance risk.	Finance	CFO		Medium	May 26: To be confirmed as part of the LTP process December 25: As part of our rates review, this policy is being refreshed for the 27-37 Long Term Plan. This work is being undertaken with PJ & Associates.
4	Review of Fraud Policy Review the Fraud Policy in line with timelines set by the Council.	Corporate	GMC		Medium	May 26: Review is still occurring and no approval has been made by ARC to endorse this reviewed policy. The draft policy is included in this agenda. December 25: The policy review commenced in July 2025, however, is not yet complete due to available resource. The review has been prioritised for presentation to ARC late 2025/ early 2026 as detailed in findings.
5	Internal borrowings Ensure where internal borrowings are required that these are in line and meet the definition set out in Schedule 10 section 27 of the Local Government Act 2002 (LGA). The Council should also ensure that there is an internal Borrowing and Interest Policy in place, specifically addressing repayment.	Finance	CFO		Medium	May 26: Tyler (alternatively Andrea's team) are to investigate internal borrowing policies and work through design & implementation of policy where relevant. December 25: Include appropriate policy in the Revenue & Financing Policy. Ensure that the detailed practice to be applied is adequately documented, including internal process checks on compliance.
6	Implement a contract management system It is recommended that the Council implement controls or alternatively put a contract management system in place to ensure all material contract details (i.e. contract values, terms and deliverables) are recorded. This will assist in ensuring that claims made against the contracts are collated in one	Finance	CFO		Medium	May 26: The new Altitude project / system will be implemented at the earliest in November 2026, which will include this feature.

		Group	Responsible Officer	Target Date	Severity	Status Update
	place and verified that the total value within all the claims do not exceed the contract in place.					December 25: This is to be included in our upgrade to Altitude project which has been approved by council. Awaiting a detailed timeline for completion.
7	Contracts signed without the appropriate delegation Ensure individuals signing contracts for projects have the delegated authority to do so. Where the Chief Executive Officer (CEO) is provided the delegation from the Council, ensure that the CEO signs all contracts (noting the Council approved delegation to the CEO). If required, Council should provide the appropriate sub-delegation in the CEO's absence.	Finance	CFO		Medium	May 26: To review / ensure that projects (e.g., Heritage House & Stadium) have the adequate approval and within the delegation provided by the Council where appropriate. This will be confirmed at final when review of contracts is required for PPE, WIP & commitments review. December 25: Ensure that Council sufficiently delegates to Tiers below CE as and when required.
8	Delegation Manual in place has not been approved by the Council We recommend that: <ul style="list-style-type: none"> the Delegation Manual used by the Council be formally approved to ensure it reflects the delegations that the Council deems appropriate; and the use of unapproved manuals be restricted until the Council has approved the document; and where changes are made to the Delegation Manual, the changes in Esker should be independently reviewed to ensure the new delegation remains in line with the manual. 	Finance	CFO		Medium	May 26: The Legal Services Manager (Elliot) has taken this over. It was noted that while there were changes to the delegation manual (not approved by Council but utilised by the Council staff), the changes within the document were made by the CEO. Audit have reviewed the delegation in Esker vs the Delegations Manual and note that the Esker delegations are consistent with the latest version of the Delegations Manual (August 2025). The level of delegations in the system are lower than the last Council approved Delegations Manual. Limited risk that the approvals are inappropriate given the lesser value of the delegations in Esker compared to the Council approved manual. December 25: This is currently being reviewed by our Legal Services Manager
9	Invoices through with Esker vs Authority We recommend that all the invoices should go through Esker to ensure proper approval and documentation of the audit trail. Additionally, strengthen the internal control to identify invoices that are processed outside of Esker to prevent any unauthorised invoices being processed.	Finance	CFO		Medium	May 26: The new Altitude project / system will be implemented at the earliest in November 2026, which will include this feature to be able to approve larger value items. December 25: This is to be included in our upgrade to Altitude project which has been approved by Council. Awaiting a detailed timeline for completion.
10	Depreciation Policy Ensure there is a policy in place to support depreciation rates, useful lives and depreciation method for assets at their component level (i.e., to a greater componentised degree than that disclosed in the Accounting Policy.	Finance	CFO		Medium	May 26: No progress has been made on this item. We will review this again once management informs us that their review of assets' depreciation rates has been completed. February 26: New assets are expected to be appropriately componentised. A full review of componentisation of existing assets is more likely to occur following the land & buildings review and the final establishment of the WCCO but is not yet formally planned. December 25: Depreciation rates have been progressively standardised to minimise the plethora of detailed rates which are inefficient and often inconsistent. It is intended however in 2026 to complete the review of asset classes, types & sub-types & their related depreciation rates.

		Group	Responsible Officer	Target Date	Severity	Status Update
11	Severance arrangements	Finance	CFO		Medium	<p>May 26: Noted that there was only severance payment made during the FY - audit have been provided the documentation and will review accordingly.</p> <p>December 25: This is noted and will be used to inform any future dealings in matters of this nature.</p>
12	<p>Key performance measures definitions</p> <p>Clearly define the terms and units of measurement for all key performance measures, ensuring they adhere to the SMART criteria. This will ensure that the performance targets are transparent, measurable, and easily understood by all stakeholders.</p>	Finance	CFO		Medium	<p>May 26: To be confirmed as part of the LTP process. We have also reviewed the proforma annual report and noted amendments for some measures to explicitly define what the measurement basis is, which will set to be updated in the 2025/26 Annual Report.</p> <p>December 25: Targets are set in the council's Long-Term Plan; we will take this recommendation into the next target setting round to ensure better compliance.</p>
13	<p>Landfill provision</p> <p>Seek external advice or a peer review to confirm the accuracy and completeness of the Council's landfill provision calculations and model that is due to be updated.</p>	Finance	CFO		Medium	<p>May 26: John Liddiard (Project Accountant) has worked through a new methodology. PWC was reached out to on 22/04 to check the methodology and calculations of the provision performed by John. John has changed the approach in the calculation, and it was noted that he has consulted largely with the waste team who have their own consultants available to them. This will be expected to be completed by year end.</p> <p>February 26: It is unlikely that peer review would add value to this process. Using PWC as a "sounding board" for the methodological ideas is anticipated. The first stage of the review has been initiated with Waste Management.</p> <p>December 25: The underlying methodology will be reviewed in 2026 and the provision and associated asset valuation and calculation processes comprehensively reassessed and a new calculation worksheet prepared accordingly. Appropriate external advice will be sought as necessary.</p>
14	<p>Sensitive expenditure</p> <p>Retaining proof of prior approval Ensure compliance with sensitive expenditure policies in place. This includes obtaining prior approval for sensitive expenditure, following proper procedures per the policy and retention of supporting documents.</p> <p>Expenses Incurred We recommend adherence to the Council Credit Card Policy, limiting expenditure incurred on Council credit cards to actual Council expenditure.</p> <p>Consistency of sensitive expenditure coding We recommend that the Council uses standardised GL codes to record expenses classified as "sensitive expenditure". This will improve the system and process for analysing, monitoring and reporting, especially as it relates to key management personnel and councillors and will also provide a better audit trail.</p>	Finance	CFO		Medium	<p>June 26: The expenses incurred item has been closed by the Audit Office. The consistency of sensitive expenditure item has been closed by the Audit Office, with reconfirmation at final audit.</p> <p>May 26: The sensitive expenditure policy was reviewed in January 2026 and was shared to staff via their intranet. Credit card holders were reminded that Council credit cards are not to be used for private purposes. Noted also that a clear policy for credit card usage was included in the updated sensitive expenditure policy. Noted that GL coding for sensitive expenditure is appropriate during our interim testing. We will confirm that management is consistently performing this throughout the year with further testing at final audit.</p> <p>December 25: For training purposes this is now captured through a formal process. Need for better evidential trail for other approvals noted.</p>

		Group	Responsible Officer	Target Date	Severity	Status Update
						All credit card holders have been advised to take caution or avoid linking TDC credit card details with applications also used for personal purposes. We agree with the recommendation to standardise GL for sensitive expenditure and are planning to implement this in 25/26 FY. We agree that the monitoring of sensitive expenditure should have a broader scope than credit cards to align with Policy. We expect that with implement a new GL this will be easier to comprehensively review going forward.
15	Sensitive Expenditure Policy Enhancement We understand that prices for hotel accommodation and flights fluctuate and as such setting specific limits is not possible. Consider including justification from either the person incurring the expense or the approver as to why they believe the expenditure is moderate and reasonable in accordance with the Sensitive Expenditure Policy.	Finance	CFO		Medium	June 26: This item has been closed by the Audit Office May 26: Noted that the policy has been updated & approved by ARC in January 2026. Noted that there is an inclusion of the costs range for meals to be reimbursed to Council. The revised policy further stated that reasonable means moderate or conservative. Also mentioned in the policy that staff are not allowed to luxury or 5-star accommodation when travelling for business purpose. February 26: We believe that the process is independent from the traveller so that there is no undue risk that the expenditure will breach the policy. Additional work attempting to prove this would be not good value for the investment in time required. December 25: Our travel is procured via a travel agent unless there are specific arrangements as part of a conference. Whether that actual room was available at a cheaper rate at that time would be difficult to judge as likely it was during a busy time. With the LGNZ conference elected members are invited to various functions and dinners that would be considered work, so we feel this spend would be appropriate."
16	Communication with Timaru District Holdings Limited (TDHL) The Council should communicate more effectively with TDHL to confirm, for example, the value of related party transactions. This would also apply to the furnishing of complete information on a timely basis, to allow the Council to complete its consolidation within the agreed timeframe. We strongly recommend that the Council documents what information it requires from TDHL to allow it to complete its consolidation in a timely manner. The Council should provide a detailed reporting template to TDHL setting out all information, including format and due dates, that would allow the Council to complete its consolidation within the timeline agreed with Audit New Zealand.	Finance	CFO		Medium	May 26: Discussions with audit & TDC were held regarding updating and implementing group instructions in a manner that is appropriate for TDHL to provide the relevant information in a timely manner for the purposes of the consolidation. February 26: See also Point 27: Proposals addressing the relationship and the provision of information from subsidiary entities has been prepared for review by ARC and eventually approval by Council December 25: Council provided detailed requirements to TDHL with sufficient time for them to prepare the requisite information on a Group basis, in advance of the year-end, which Audit NZ have seen. This included the request that the requisite information be audited at TDHL level. It is intended to provide a detailed template to subsidiaries for the 2026 year, agreed by Council to ensure that they comply. It is also intended to reprioritise their year-end deliverables so that the Group-structured accounts are their first priority rather than statutory accounts and that these be agreed and signed off by their respective Boards. It is anticipated that the generation of statutory accounts providing only the minimum required information be changed to provide information in line with the Group accounts.

		Group	Responsible Officer	Target Date	Severity	Status Update
						<p>Group accounting policy will be modified as possible to allow subsidiary results to be included unchanged with any required differences due to differing requirements specifically identified and noted, however where congruity is possible either subsidiary or Group accounting policies will be changed as necessary.</p> <p>Group accounting policies will be specifically agreed by Council for application to all Group entities following review by ARC, albeit with caveats for any necessary changes.</p> <p>Information requirements will be sent out by the CE rather than the CFO or other Finance staff to emphasise that compliance is not optional.</p>
	Audit NZ Report 30/06/2024					
17	<p>Delegations register information not matching</p> <p>There is only one delegation register with the correct information that can be relied upon as the "one source of truth"; and that the register is updated in an appropriate timeframe to reflect any changes in staff movement.</p>	Finance	CFO	30/06/25	Necessary	<p>May 26: Advised that this is completed, although the delegation's manual is not approved by Council. Noting we have a finding above discussing this.</p> <p>Audit to review the Esker delegations (including any other purchase delegations provided) with the Council approved manual to ensure appropriately resolved.</p> <p>December 25: There is a project underway to improve the delegations register and put a formal process in place to ensure it is updated.</p> <p>August 25: Final audit to be completed Oct 2025, at which time confirmation of closure will be provided.</p> <p>May 25: Completed. Uploaded as Audit NZ Dashboard Item</p> <p>Feb 25: Still to be completed</p> <p>Noted – this will be reconciled once the new delegations have been approved.</p> <p>AUDIT NZ updated comment</p> <p>December 25: Multiple delegation listings were again provided to Audit New Zealand. We also noted that the delegations recorded within Esker is inconsistent with the "Delegation Manual July 2024", approved by Council.</p>
18	<p>Separation of duties risk (creditors master file changes)</p> <p>Potentially remove the CFO's ability to make changes to the creditors Masterfile. Alternatively consider removing the CFO's ability to review and sign off the master file changes report.</p>	Finance	CFO	30/06/25	Necessary	<p>June 26: This item has been closed by the Audit Office</p> <p>May 26: Confirmed this item is now closed. Provided with the snip from the system confirming neither the CFO or Finance Manager have access to amend the masterfile.</p> <p>December 25: Will remove access to this for the Finance Manager.</p> <p>August 25: Final audit to be completed Oct 2025, at which time confirmation of closure will be provided.</p> <p>May 25: Recommended for close.</p> <p>Feb 25: Completed</p> <p>We are happy to make this change according to best practice and will make a request for the</p>

		Group	Responsible Officer	Target Date	Severity	Status Update
						<p>CFO's access to the Creditor Masterfile to be amended to "view only". Request has been made and access changed to read/view only has been applied for the CFO role as of 26 November 24.</p> <p>AUDIT NZ updated December25: We noted that the CFO ability has been amended. However, the Finance Manager now has the ability to make changes to the Masterfile and is also the reviewer.</p>
19	<p>Asset stock count / existence Implement a periodic physical verification of a sample of assets, especially high value or critical ones to ensure assets recorded in the FAR actually exist.</p>	Finance	CFO	30/06/25	Necessary	<p>June 26: This item has been closed by the Audit Office</p> <p>May 26: Noted an informal plan in place to review assets over a 5-year period. Also noted that management accepts the risk.</p> <p>February 26: All assets, and particularly all material assets, will be covered by the physical asset checks over time but not all can be reviewed in one year.</p> <p>December25: As at May 2025 physical asset checks were undertaken for the Art Gallery, Library, Airport & Parks "statues & monuments". From the 2024-year physical asset checks have been undertaken. It is not feasible to check all assets annually, so it is planned that all assets be reviewed over a 5-year rolling period. The program for intended asset checks for 2026 to 2028 are currently under consideration.</p> <p>August 25: Library, Airport - undertaken by Amrita and Tyler - file note available to be provided. Art Gallery by Cara Fitzgerald. Statues and monuments by John Liddiard</p> <p>May 25: Physical asset checks are being undertaken for the Art Gallery, Library, Airport & Parks "statues & monuments"</p> <p>Feb 25: Asset classes and locations for physical asset checks have been designated for 2025. This process is now embedded, and it is recommended that it now be closed. The PPE process documentation is being updated for the 2025 interim audit to reflect this process. We initiated a program of physical asset checks in 2024, based on asset classes, which will continue in future. This is now an ongoing process which will roll out over all asset classes over future periods.</p> <p>AUDIT NZ updated December 25: We note that the revised process still do not cover all assets.</p> <p>June 26: This item has been closed by the Audit Office</p>
20	<p>FAR reconciliations Introduce a regular reconciliation process between the asset management systems and the FAR.</p>	Finance	CFO	30/06/25	Necessary	<p>May 26: To be confirmed for 31 March quarter. As at 22/04/2026 this was not completed.</p> <p>February 26: While formal reconciliations are undertaken at year-end, work continues throughout the year addressing any particular issues identified and working with operations</p>

		Group	Responsible Officer	Target Date	Severity	Status Update
						<p>managers responsible for asset management systems and plans. This will continue to be a work-in-progress for some time yet.</p> <p>-December25: FAR reconciliation completed for June 2025. To be implemented quarterly with work in progress (WIP) capitalisation. A number of Asset Management Systems are still being developed in concert with financial reporting requirements which will include full reconciliation, depending on materiality. A number of the AMSs will eventually be the FAR replacing that in the current Authority CVR FAR (as has already occurred with Water)</p> <p>-August 25: AR reconciliation completed for June 2025. To be implemented quarterly with WIP capitalisation.</p> <p>- May 25: Work is continuing to update Asset Management databases in a number of areas and so these reconciliations are still developing. Finance are working with asset managers through that process.</p> <p>-Feb 25: Quarterly reconciliations are now being completed however the process is still being finalised refined and therefore this item should remain open.</p> <p>We plan to perform quarterly reconciliations following the WIP review process.</p> <p>AUDIT NZ updated comment It is noted that the FAR reconciliations are performed at year-end only.</p>
21	Publication of council-controlled organisations (CCO) information: Ensure that the CCO information, required by the Local Government Act 2002 (LGA), is published on the Council’s website within the stipulated timeframe.	Corporate Communication	GMCC	31/12/24	Necessary	<p>-May 26: We will obtain support from Steph & Stephen regarding when the publications are available to the public on their website. Noted that this year is the first year where TDC covers the 7 years’ worth of annual report on their website. The issue will likely remain open solely for the fact that the uploads to the website are delayed and not within the timeframe.</p> <p>-February 26: A full review will be undertaken this year to ensure that all the requisite reports have been published and that those for 2026 are subsequently published.</p> <p>-December 25: A process is now in place to ensure this is done in a timely manner.</p> <p>-November 24: We have made improvements to the website to be more clear as to where CCO and associate annual reports are housed. All current CCO and associate reports are on the website here: https://www.timaru.govt.nz/council/publications/reports/other-reports</p> <p>-August 24: Completed</p> <p>- May 24: To be completed in next quarter.</p> <p>- Dec 23: The Annual Report was adopted 14 November 2023. The Report was loaded on the Council website on 14 December 2023. Following changes in staff, the process for this has been reviewed and compliance is anticipated from 2024.</p> <p>- Sep 23/Nov 23: Management note copies of all CCO information are held on the TDC website. The first three years have an individual page for Venture Timaru, then previous years are available by searching the reports and documents from the agendas when these were presented to Council, or the relevant Committee. For TDHL, information is available on the</p>

		Group	Responsible Officer	Target Date	Severity	Status Update
						<p>TDC website from back to 2015/16 financial year. All was added within statutory timeframes and are available to view by the public.</p> <p>- A review of this process has led to CCO information and documents now being published on the Council's website within stipulated timeframes.</p> <p>AUDIT NZ updated comment No progress No change in status from previous report.</p> <p>Previous comments During 2022/23 there were further organisational restructures and changing personnel, the previously centralised function to publish these to Council website within statutory timeframes has again been overlooked.</p> <p>-December24: Open -December25: In progress Section 67(4) of the Local Government Act 2002 (LGA) states that the local authority must publish the annual report of its CCO's "within 1 month of receiving it and must maintain the report on that site for a period of no less than 7 years". We note on the Council's website, as at 11 November, only the 2023/24 Annual Reports are published for all of the CCO's. The requirement is that all reports received after the 2019/20 financial year should be published within one month and retained for seven years.</p>
22	<p>FBT compliance processes</p> <p>Implement a process to record these benefits for staff, ensuring they are correctly treated as being exempt from FBT; and develop a procedures manual for the calculation of FBT to be used when the usual FBT preparer is unavailable.</p>	Finance	CFO	30/06/25	Necessary	<p>-May 26: PWC was engaged to provide recommendations, which TDC are still in the process of implementing. This is not completed yet as at our interim time.</p> <p>-February 26: The rolling program has not been stopped, but details might be changed depending on circumstances: for 2026 it is necessary to review GST processes, while we are planning for a PAYE review though the date for that has not yet been set. Additionally, an updated Group Tax Risk Governance Framework and a Group Tax Risk Management Plan are being prepared for review at the June 26 ARC meeting for subsequent approval by Council.</p> <p>-December25: A review of where staff related benefits were being coded has been undertaken and it is anticipated that standardisation of this will be completed during FY 2026 with a review of the costs for the year also being completed. A full review of vehicle usage has been completed and improved processes established for monitoring this. We have completed the review of coding however that is now being implemented in FY 2026. The rolling review program has been operating since 2024 with a review of GST and then FBT and that of Payroll taxes in 2026.</p> <p>-August 25: We have completed the review of coding however that is now being implemented in 2025. There will be one code for COSI costs and one code for all other costs with a monthly review and analysis to determine if FBT might apply</p>

		Group	Responsible Officer	Target Date	Severity	Status Update
						<p>May 25: A review of where staff related benefits were being coded has been undertaken and it is anticipated that standardisation of this will be completed during 2025 with a review of the costs for the year also being completed. A full review of vehicle usage has been completed and improved processes established for monitoring this.</p> <p>Feb 25: FBT process continue to be worked on particularly focused on vehicles. It is anticipated that the coding for personal expenditures will be finalised in Q3 2025 and Q1 & Q2 transactions reviewed. The guidance on preparation of the FBT is being embedded into the calculation spreadsheet.</p> <p>Agreed and planned for 2025.</p> <p>AUDIT NZ updated comment Noted that PWC's recommendation is to re-start the Rolling Review programme during FY26 to ensure it is proactively identifying and managing tax risk and meeting Inland Revenue's requirements.</p>
23	Revenue classification Ensure that different types of revenue are correctly classified, for example, fees and charges are being correctly coded to fees and charges and not other revenue.	Finance	CFO	30/06/25	Necessary	<p>May 26: Noted error in the mapping of the codes. Journal will be made for the financial statements. To confirm this is completed at final.</p> <p>December 25: Will be reviewed again prior to year end.</p> <p>August 25: Final audit to be completed Oct 2025, at which time confirmation of closure will be provided.</p> <p>May 25: Will be reviewed again prior to year end.</p> <p>Feb 25: Planned</p> <p>Noted and planned for 2025.</p> <p>AUDIT NZ updated comment December 25: Noted that there were fees and charges specific GL codes included within other revenue and vice versa such as social housing.</p>
24	Fully depreciated assets Conduct regular reviews of the useful lives of assets. This practice will ensure that the useful lives align with the anticipated consumption of economic benefits derived from these assets.	Finance	CFO	30/06/25	Necessary	<p>May26: Management noted that there is a review of the FAR happening over the assets with carrying amounts of nil. Audit will confirm this is happening as part of our final audit.</p> <p>February 26: Some fully depreciated assets will always continue to be utilised. While their useful life might be extended no addition value will be attributed to them beyond their original cost or their previous revaluation. Audit have attributed a value of \$15m to fully depreciated assets however by definition such asset now have a value of Nil and we do not currently revalue P,P&E assets other than Water & Roading. This point should now be closed.</p> <p>December 25: A full review of useful lives has been undertaken and those assets with a nil value assessed as to whether they are still being utilised. Useful life extensions are limited to 12 months for fully depreciated assets and no additional value attributed to them, except for Water assets. A review of initial Water useful lives will be undertaken in 2026 to minimise the extensions of life. Once depreciation has been fully charged on assets then it is generally not good practice to assign further value to those assets as this artificially increases the net comprehensive income in one year then operating expenses in the succeeding years, distorting</p>

		Group	Responsible Officer	Target Date	Severity	Status Update
						<p>practical asset management processes and frequently the value of assets is immaterial at that level.</p> <p>-August 25: Final audit to be completed Oct 2025, at which time confirmation of closure will be provided.</p> <p>-May 25: A full review of useful lives has been undertaken and those assets with a nil value assessed as to whether they are still being utilised. Useful life extensions are limited to 12 months for fully depreciated assets and no additional value attributed to them.</p> <p>-Feb 25: The useful lives of Water and Roading assets will be comprehensively reviewed as part of the respective revaluations. Other assets are generically reviewed as part of the year-end asset processes.</p> <p>A review of useful lives was conducted in 2024 and is intended to be undertaken semi-annually, as well as greater standardisation of useful lives for equivalent assets. Assets may be utilised beyond their assessed useful lives and unless material it is not justified to increase the useful life but rather recognise that there is a degree of uncertainty surrounding the assessment of specific assets' useful lives.</p> <p>AUDIT NZ updated comment</p> <p>December 25: Noted that FAR still contains many fully depreciated assets (about \$15 million).</p>
25	<p>Approval for sale of assets</p> <p>We recommend that the Council implement a standardised approval process for asset disposals that includes written authorisation.</p>	Finance	CFO	30/06/25	Necessary	<p>-May 26: Noted that disposals up until March were immaterial. We will obtain support for a sample of disposals to confirm we can close this finding.</p> <p>-February 26: This recommendation has been fully enacted, and this point should therefore be closed. No process or policy guarantees 100% compliance but any exceptions which do not adhere to this process will be investigated in detail.</p> <p>-December 25: Assets disposal from CVR requires specific agreement from the appropriate manager with sufficient delegated authority for the disposal. This should now be closed.</p> <p>-August 25: Final audit to be completed Oct 2025, at which time confirmation of closure will be provided.</p> <p>-May 25: Assets disposal from CVR requires specific agreement from the appropriate manager with sufficient delegated authority for the particular disposal. This can be reviewed as part of the year-end process for 2025 which will provide the proof that this process is in place.</p> <p>-Feb 25: Asset documentation amended for 2025 interim audit. Process to be promulgated to Council formally in Q3 2025 as part of the quarterly review. Quarterly review of disposals to be undertaken to ensure that it is complied with.</p> <p>There are different types of disposals, however as a general principle we would agree that the relevant authorised manager should sign off on disposals. We will see to it that this is implemented going forward.</p> <p>AUDIT NZ updated comment</p> <p>December 25: Most of the disposals in the FY were as a result of a review of the waters assets. These were no sales of assets, purely disposals (write-offs) of assets no longer in use. Remaining asset sales were not reviewed due to being immaterial.</p>

		Group	Responsible Officer	Target Date	Severity	Status Update
26	<p>Consolidation process</p> <p>Review the consolidation model to ensure that any flaws in the model are rectified before the preparation of the FY25 financial statements.</p> <p>Consider establishing an automated process for the consolidation model, which can limit the number of errors and manual updates.</p> <p>Consider establishing "standing journals".</p> <p>Ensure sufficient quality checks and reviews are performed over the consolidation model while preparing the FY25 financial statements.</p> <p>Key members of the management team and potentially the Audit and Risk Committee should perform an internal quality review of the draft annual report and evidence this review, before it is provided to the auditors for the annual audit.</p>	Finance	CFO	30/06/25	Necessary	<p>May 26: No new Group fund in Authority is established due to the work required to perform this. A revised group reporting instructions provided to TDHL for the consolidation to address this matter.</p> <p>February 26: Proposals addressing the relationship and the provision of information from subsidiary entities has been prepared for review by ARC and eventually approval by Council.</p> <p>December 25: The proposed new Group fund in Authority has not yet been established, however it is intended that any Template journals have specific journal requests prepared as if they are being entered into GL.</p> <p>August 25: Final audit to be completed Oct 2025, at which time confirmation of closure will be provided.</p> <p>May 25: The proposed new Group fund in Authority has not yet been established, however it is intended that any Template journals have specific journal requests prepared as if these are being entered into the GL.</p> <p>Feb 25: A new Group "fund" is to be established in Authority for Group transactions and the reporting Template updated accordingly for the 2025 year-end process. The current Excel model and system that we operate does not allow for consolidations to be done automatically within it. We are investigating whether to set up a separate fund within Authority so that journals can be passed through it.</p> <p>AUDIT NZ updated comment</p> <p>December 25: There are still errors identified in the consolidation workings.</p>
27	<p>Sensitive expenditure not in line with good practice</p> <p>Ensure expense reimbursements are approved on a one-up basis.</p> <p>Update corporate policies to include a claimable amount for breakfast.</p>	Finance	CFO	30/06/25	Necessary	<p>June 26: This item has been closed by the Audit Office to be confirmed at final.</p> <p>May 26: We noted no instances of this during our interim testing. We will confirm that this is the case throughout the year with further testing at final. We further noted above that breakfast claims are now included in the policy.</p> <p>February 26: We are currently investigating this issue.</p> <p>December 25:</p> <p>See comments regarding sensitive expenditure above in Points 14 & 15. The policy has been updated to clarify that breakfast can be claimed for. Policy and practice has been reinforced to ensure one-up approval is a requirement of the approval process and any identified exceptions to this will be analysed and reviewed in detail.</p> <p>August 25: Policy included in the Sept 25 ARC meeting for endorsement.</p> <p>May 25: Policy being brought to ARC meeting June 25 for discussion.</p> <p>Feb 25: Policy is being reviewed.</p> <p>Approval is essential for all expenses processed through the newly implemented AP system. Audit and Risk Committee Chair's expenses will be no exception. The transaction that was referred to in regard to the GM – Corporate and Communications happened prior to him being appointed as a GM. This went via the correct approval process. Policy will be reviewed and updated to include a breakfast expense amount.</p>

		Group	Responsible Officer	Target Date	Severity	Status Update
28	Legislative compliance Breach of legislation – hearing fees Seek legal advice and/or ask the Remuneration Authority for a ruling on the appropriateness of Council’s resolution and the next steps required.	Finance	CFO	30/06/25	Necessary	<p>AUDIT NZ updated comment December 25: From our audit review, we identified several samples where the expenditures are not on an one-up approval basis, including limited to no support to verify approval of expenditure by the CEO and Mayor.</p> <p>June 26: This item has been closed by the Audit Office</p> <p>May 26: The fee was charged due to a genuine mistake of law. Recovery efforts were unsuccessful. As there is no evidence of continued legislative breaches, we consider this matter closed.</p> <p>December 25: No further update.</p> <p>May 25: Currently audit dashboard query assigned to GM Corporate and Communications.</p> <p>Feb 25: Awaiting feedback.</p> <p>Remuneration Authority were not interested in the matter. Legal advice sought and advice from Chair Audit and Risk is being sought as to possible next steps.</p> <p>AUDIT NZ updated comment Overpayment still occurred in August 2025.</p>
29	Annual report preparation: <ul style="list-style-type: none"> • Ensure that the annual report is complete and ready for audit upon the date agreed in the Audit Proposal letter. • Establish a robust quality review process over the financial and non-financial information presented to audit. 	Corporate Communications & Finance	GMCC & CFO	31 Dec 23 31 Mar 23 31 Dec 23 30 Oct 25	Necessary	<p>May 26: Noted that the proforma accounts provided for the interim audit was still not at an appropriate standard (i.e., LTP measures not updated to reflect the appropriate year within the LTP - for the targets that change during the LTP).</p> <p>February 2026: Council had Reestablished a formal project plan for the annual report process that covers the full year including the interim audit and rectification/preparation processes which is agreed by SLT and presented to ARC should help avoid some of the issues, particularly the point about the “lack of planning” “quality review process” issues.</p> <p>December 25: We agree that the annual report should be ready and that a robust quality review process should be in place.</p> <p>August 25: The Annual Plan was adopted prior to year end and work is well progressed on the Annual Report. The team working on the report has been in regular contact with Audit NZ to pre-empt any issues. **SUGGEST CLOSURE**</p> <p>May 25: The annual plan has not required Audit and is on track to be adopted by year end. A project plan is in place to deliver the Annual Report to the expectations of the new Audit Team. A templated approach to the document should make this a more straightforward process.</p> <p>February 25: We are in ongoing dialogue to ensure that a robust project plan is in place for 24/25. This can stay open for final review following adoption of 24/25 AR. Interim audit has been loaded onto dashboard early, and we are working through it currently. There is a significant dependency on the Annual Plan not requiring Audit.</p>

		Group	Responsible Officer	Target Date	Severity	Status Update
						<p>-November24: Annual Report 2023/24 was adopted by council on 31 October 2024, and although challenging and requiring significant work on both Audit New Zealand and TDC side and concerns over quality of information gained an unmodified opinion. A debrief and improvement process will be followed in January guided by audit feedback to ensure that we continue to improve processes and have a robust project plan in place for 24/25.</p> <p>-August 24: Interim Audit was completed; team is working to finish Annual Report / Audit on time this year.</p> <p>- May 24: Interim and Annual Audit now underway, team is using dashboard to manage requests in a timely manner.</p> <p>-Dec 23: The Annual Report 2022/23 was approved by Council (Resolution 2023/76) November 2023. Regular communication between Audit NZ and TDC is in place to reduce the number of issues or any delays from either organisation.</p> <p>-Nov 23: The Annual report 2022/23 will be presented to the Council on 14 Nov 2023.</p> <p>- A detailed project plan has been developed to ensure the 2021/22 annual report is complete and ready for Audit. In addition, a Project Steering Group meets weekly and there are regular status updates to the Senior Leadership Team. Microsoft Teams is being used to manage internal information and Audit Dashboard for communication with Audit NZ.</p> <p>- Regular review of both financial and non-financial information is also being undertaken. Further Quality Assurances processes will be in place for the 2022 Annual Report.</p> <p>- The revised timing of the 2021/22 Audit led to pressures of multiple deliverables being required at the same time. A lesson learned session will be held with Audit NZ.</p> <p>AUDIT NZ updated comments</p> <p>December 25: Limited progress on this, there are still numerous errors that are not currently properly flown throughout the document. We note there appears to be a lack of process in place to identify all potential aspects of the annual report such as contingencies and assets held for sale.</p> <p>Some progress</p> <p>The draft annual report provided to the audit team was not fully complete and due to time constraints, not subject to a full quality review process. The financial and non-financial information presented to audit, still contained misstatements.</p> <p>Previous comments</p> <p>Some progress:</p> <p>However, the draft annual report provided to the audit team was subject to a quality review process. However, financial and non-financial information presented to audit, still contained many misstatements.</p> <p>December24: In progress</p>
	Audit NZ Report 2021/2022					
30	<p>Implement the revaluation improvements recommendations: Take steps to implement the revaluation improvement points raised in 2019/20.</p> <p>1.Ensure that all assets in the three waters asset class are</p>	Finance	CFO	31 Dec 25	Necessary	<p>-May 26: Noted that the 2019/20 revaluation report recommendations were covered. To confirm with the GM of Land Transport regarding the 2025 valuation report recommendations.</p>

		Group	Responsible Officer	Target Date	Severity	Status Update
	<p>assessed as part of the valuation exercise.</p> <p>2. Ensure that up-to-date unit rates are used for the valuation.</p> <p>3. Implement the recommendations for improvement, detailed in the valuation report, ahead of the next valuation.</p>					<p>December 25: The revaluation improvements suggested in 2019/20 have been implemented or superseded. There will always be possible improvements. This is an ongoing process.</p> <p>-August 25: Final audit to be completed Oct 2025, at which time confirmation of closure will be provided.</p> <p>-May 25: The revaluations for 2025 are being undertaken as at this time for the year-end reporting.</p> <p>-February 25: Working on the process as part of this annual audit. We have begun the revaluation process for both Water and Roading.</p> <p>-November24: A comprehensive Water assets revaluation is due for 2025 so we will ensure that these points are specifically included in that process.</p> <p>-August24: Still work in progress.</p> <p>- May 24: Still work in progress.</p> <p>- Sep 23/Nov 23: As noted in the Outstanding Risk Register presented to the Audit and Risk Committee on 3 July 2023, this is part of a program of work to prepare for a full valuation. The action has a proposed due date of 31 December 2025.</p> <p>AUDIT NZ updated comment In progress December24: Open December 25: The Council has addressed a number of matters raised by the valuer in 2022. The valuer of the roading assets raised some more recommendations in 2025.</p>
Waka Kotahi - Investment Audit Report (Aug 21)						
31	Develop a clear and consistent audit trail to support claims for funding assistance.	Infrastructure	Land Transport Manager	30-Jun-24	Medium	<p>-May 26: No change</p> <p>-November 25: The September 2025 Procedural Investment Audit noted an improvement in the transparency of reconciliation between the General Ledger (GL) and NZTA funding assistance claims. This improvement was supported by a worksheet developed by the Finance team. As noted in the audit: "Claims for funding assistance for the five-year period were reconciled against the General Ledger (GL) and Transport Investment Online (TIO) submissions. The 2024/25 claim was straightforward, but earlier years lacked a clear audit trail, a recurring issue from prior audits. "The audit also identified further actions required to strengthen the process, recommending the following: "Develops a worksheet that directly links its general ledger to funding assistance claims. Additionally, GL printouts and any supporting worksheets should be dated to reflect the print run time". The General Manager Land Transport will continue to work with the Finance team, subject to their resourcing and availability, to further embed these improvements and address the remaining audit recommendations.</p> <p>-August 25: Alignment between NZTA work categories, Council general ledger codes, and Council work orders is now essentially complete, with only minor refinements outstanding. These refinements are expected to be addressed in the course of the 2025/26 financial year. The upcoming NZTA Investment Audit in September will provide independent confirmation of progress, and it is anticipated this action can be closed out following that audit.</p>

		Group	Responsible Officer	Target Date	Severity	Status Update
						<p>-May 25: As above. Proposed changes to the financial system will further support direct alignment. Likely we will be able to close out new financial year.</p> <p>- February 25: Works to tidy alignment between NZTA Work Category/Council GL and Council Work Orders are practically complete. Some minor changes to tasking and budget allocations outstanding that will be resolved 25/26 financial year.</p> <p>- November 24: Work is still ongoing in this area; the Finance team are working on moving the final few Work Orders that need moved to the correct NZTA work category which will ensure complete clear line of sight.</p> <p>-August24: Work in Progress</p> <p>- May 24: Work is ongoing in this area; there are a number of reports and spreadsheets coming from the finance team which are bridging this gap. The budget codes and headers submitted in the Long-Term Plan are much more simple to follow which will provide for further transparency over the life of the coming LTP.</p> <p>Work is being undertaken in conjunction with the Finance team to improve the reporting out of the finance system. This will remove the need for a bespoke system/report.</p>
32	<p>Audit NZ Report 2022/2023 Capitalisation dates of additions: Capitalise assets within a month of their completion rather than all on 30 June.</p>	Finance	CFO	1 st July 2024	Necessary	<p>-May 26: It was noted that where assets are complete and in use, they are capitalised within the month of use. As the WIP is reviewed quarterly as well, it was noted that assets are capitalised in the month of use, meaning if there is an asset in use in August 2025, but finance are not aware until March 2026, they will force the capitalisation date within August, backdating the asset into the FAR within the correct period. Our audit testing of PPE & WIP will confirm this at final.</p> <p>-February 26: Q1 and Q2, 26 WIP is currently with the Managers and following their analyses and responses capitalisations will be undertaken for those quarters dated 30.09.25 and 31.12.25. It is not currently intended to do this substantial task monthly as the difference between monthly and quarterly will be immaterial but require the same input as quarterly. We are not aware of any "inconsistencies" and Audit have not specifically advised what they consider to be inconsistencies.</p> <p>-December 25: Majority of categories now up to date, water assets still a couple of months behind.</p> <p>-August 25: Final audit to be completed Oct 2025, at which time confirmation of closure will be provided.</p> <p>-May 25: Majority of categories now up to date, water assets still a couple of months behind.</p> <p>- February 25: Continuing to monitor.</p> <p>-November24: Assets are now capitalised at the date of acquisition or completion, unless there are exceptional reasons to do otherwise. This item should be closed.</p> <p>-August24: Quarterly capitalisation procedure will be implemented from 2024-2025 financial year.</p>

		Group	Responsible Officer	Target Date	Severity	Status Update
						<p>May 24: This has made some progress this year with assets being capitalised earlier than year end. Will capitalise more regularly and will use the period close off date December 24: In progress AUDIT NZ updated comment December25: WIP is now reviewed quarterly, however, there are still inconsistencies in the capitalisation dates.</p>

6.7 Audit and Risk Committee Work Programme

Author: Narayan Swamy, Assurance and Audit Officer

Authoriser: Stephen Doran, General Manager Corporate

Recommendation

That the Audit and Risk Committee received and notes the Audit and Risk Committee Work Programme update.

Purpose of Report

- 1 The purpose of this report is to outline the programme of work for the Audit and Risk Committee (ARC).

Assessment of Significance

- 2 This matter has been assessed as having low significance under the Council’s Significance and Engagement Policy as there is no impact on levels of service, strategic assets or rates and no deviation from the Long-Term Plan (LTP).

Discussion

- 3 Below is the proposed ARC Work Programme which shows the items scheduled for each quarter. This information aims to provide an indication to the Committee of upcoming items.
- 4 This report has been split into the following areas: Standing agenda items, other agenda items, Audit and Assurance agenda items, and updated calendars for 2026 with any changes highlighted.

Standing Agenda Items - 2026

1. Standing Agenda Items	Mar 26	Jun 26	Sep 26	Oct 26	Dec 26
Minutes and actions from the prior meeting	✓	✓	✓		✓
Risk Management quarterly report	✓	✓	✓		✓
Health and Safety update	✓	✓	✓		✓
Internal audit quarterly report	✓	✓	✓		✓
External auditors open findings	✓	✓	✓		✓
Issues Watch Register	✓	✓	✓		✓
Cyber Security Report	✓	✓	✓		✓
Continuous Improvement Update	✓	✓	✓		✓
Employee matters (as required)	✓	✓	✓		✓
Probity update (Report will be provided only if any probity matters arise)	✓	✓	✓		✓
Quarterly Sensitive Expenditure report	✓	✓	✓		✓
Auditor only time	✓	✓	✓		✓
Internal Auditor only time	✓	✓	✓		✓
CE only time	✓	✓	✓		✓

Other Agenda Items - 2026

2. Other Agenda Items	Mar 26	Jun 26	Sep 26	Oct 26	Dec 26
Operational Risk Register – all operational risks – Flowingly Report			✓		
Annual Legislative Compliance report – realigned with Annual Report Process			✓		
Insurance program update	✓ Renewal		✓ Endorse		
Annual Report to ARC on Conflicts of Interest	✓				
Credit rating review	✓				

Audit and Assurance Agenda Items – 2026

5 A risk workshop has been planned to follow this meeting.

3. Audit and Assurance Agenda Items	Mar 26	Jun 26	Sep 26	Oct 26	Dec 26
Audit plan and engagement letters	✓				
Annual Plan/ Long Term Plan update	✓	✓			✓
Annual Plan/ Long Term Plan Risks					✓
Draft Key Accounting Judgement – Accounting Policies	✓ 2025/26				
Adoption annual report				✓ 2025/26	
Adoption audit representation letters				✓ 2025/26	
Audit NZ Interim management report			✓ 2025/26		
Audit NZ Final management report					✓ 2025/26
Debenture Trust audit report					✓ 2025/26
Workshop		✓ Risk			

Attachments

Nil

6.8 Internal Audit Activities

Author: Narayan Swamy, Assurance and Audit Officer

Authoriser: Stephen Doran, General Manager Corporate

Recommendation

That the Audit and Risk Committee receives and notes:

1. The Internal Audit Activities Report; and
2. The update of completed and upcoming Internal Audit activities for 2025/26.

Purpose of Report

- 1 To provide the Audit and Risk Committee (ARC) with an update on the Internal Audit (IA) activities since the last meeting on 2 March 2026 and upcoming IA activities for 2025/26.

Assessment of Significance

- 2 Reporting on the Risk and Assurance activities is considered of low significance in terms of the Council’s Significance and Engagement Policy as this matter is operational in nature. There is no impact on service provision or impact on the district as a whole.

Discussion

- 3 ARC endorsed the 3-year Internal Audit Plan for 2026 – 2028 at its meeting on 26 January 2026. The endorsed planned audits for 2026 and their status are as follows:

Assignment	Status
Review of Customer Services Unit.	The report on this review is the Public Excluded section of the agenda.
Fleet Management Audit	Reported completed and submitted for management comments 2 June 2026.
Payroll Audit	In progress from 02 June 2026.
Internal Audit Awareness Month – May	Screen savers, along with a brief overview of Internal Audit’s functions and mandate, were shared with all staff.

Attachments

Nil

6.9 Risk Management Quarterly Report

Author: Stephen Doran, General Manager Corporate

Authoriser: Nigel Trainor, Chief Executive

Recommendation

That the Audit and Risk Committee receive and note the Risk Management Quarterly Report.

Purpose of Report

- 1 The purpose of this report is to provide the Audit and Risk Committee (ARC) with update on the Council’s Strategic Risks and to provide the Committee with the Risk Management Maturity Improvement Plan and the current status of the plan.

Assessment of Significance

- 2 Reporting on the Risk activities is considered of low significance in terms of the Council’s Significance and Engagement Policy, as this matter is operational in nature. There is no impact on levels of service, strategic assets or rates and no decision being sought.

Discussion

- 3 Council senior leadership team has reviewed and updated the list of strategic risks.
- 4 The strategic risks identified are:

R#	RISK	UNCONTROLLED	RESIDUAL
1	Cyber Security	Very High	Medium
2	Catastrophic Events	Very High	Medium
3	Water Reforms	High	High
4	Transport Funding Prioritisation	Very High	High
5	Revenue and Planning for Demand Changes	High	High
6	Pareora Water Consent	Resolved	Resolved
7	Legislative Reforms	Very High	Very High
8	Sustainable Platform	Very High	Medium
9	Industrial / Commercial Retrenchment	High	Medium
10	Climate Change	Very High	High

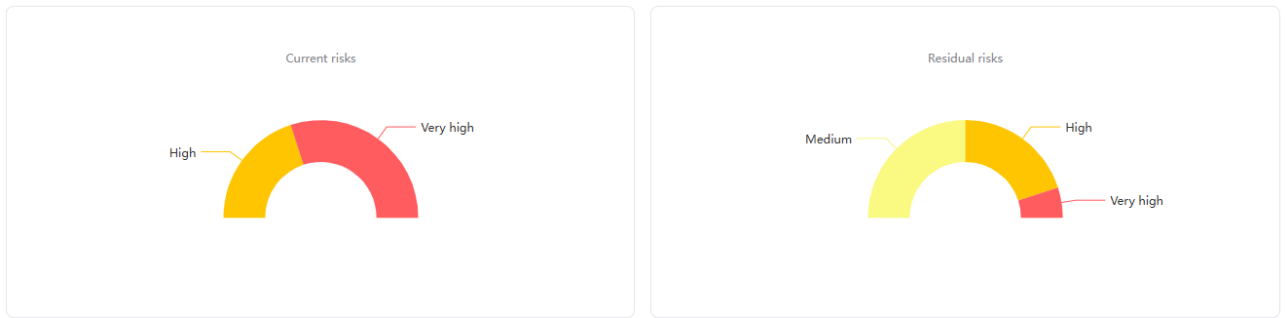
Probability	Very High: Very frequent event				R.04, R.08, R.01	R.02, R.07
	High: Frequent event				R.05, R.03	R.11
	Medium: Occasional event					R.09, R.06
	Low: Unfrequent event					
	Very Low: Very unfrequent event					
		Very Low: Very low impact	Low: Low impact	Medium: Medium impact	High: High impact	Very High: Very high impact
		Impact				

Uncontrolled Risk Heatmap

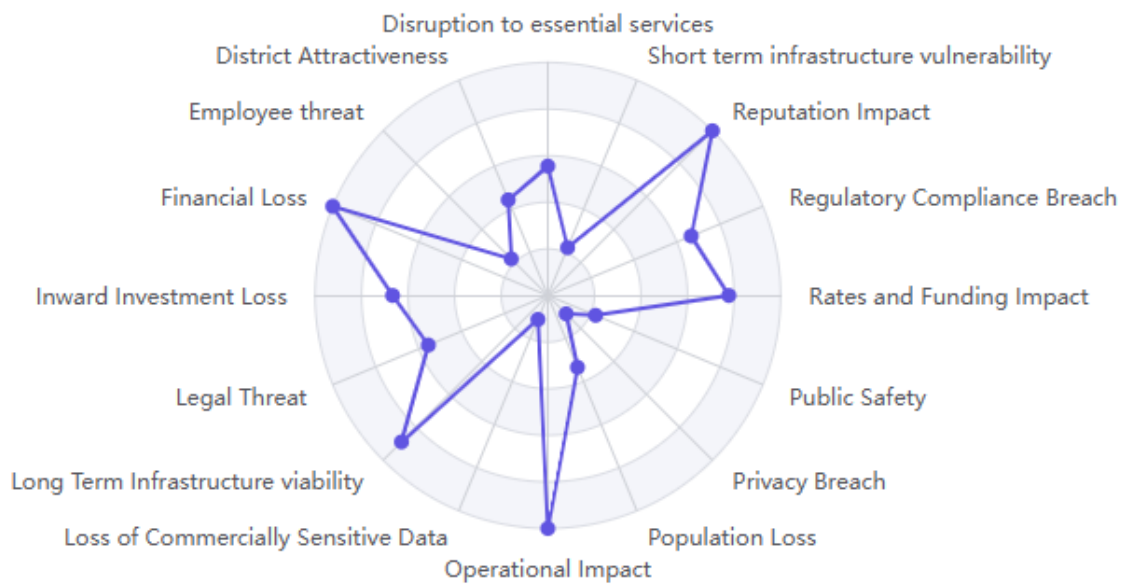
Probability	Very High: Very frequent event					R.07
	High: Frequent event			R.04	R.05, R.11, R.03	
	Medium: Occasional event			R.02	R.08, R.09	R.06
	Low: Unfrequent event				R.01	
	Very Low: Very unfrequent event					
		Very Low: Very low impact	Low: Low impact	Medium: Medium impact	High: High impact	Very High: Very high impact
		Impact				

Controlled Risk Heatmap

- 5 The majority of unmodified risks rate either high or very high and do not meet council’s stated tolerance level of medium. The controls in place moderate this somewhat, bringing a significant number of them into medium.
- 6 Most of these risks still remain above the council’s stated risk appetite level. However, much of this is driven by forces external to council and the high level of uncertainty in many of the risks.
- 7 Legislative reform remains our highest strategic risk due to the high level of uncertainty. This is an omnibus risk that includes possible future amalgamations, Under all scenarios its direct effect on this individual council will be very high (i.e. the council as it stands be replaced by something different) so keeping it very high underlines the importance of this as a workstream and the appropriate resourcing.
- 8 The Pareora Water Consent has been issued just after the report was generated, so is no longer a live issue. It will be removed from the strategic risk register and will be replaced.



9 In looking at the range of threats that these collectively pose comes out at the following. Items on the outside of the circle show threats that come from a larger number of our strategic risks than items towards the middle.



Risk Management Improvement Plan

- 10 The Audit and Risk committee will be holding a risk workshop to discuss council’s risk appetite and provide feedback to officers. This will help inform the updated risk register.
- 11 The risk and assurance team is continuing to work on council’s risk management maturity, including defining a more standardised list of threats and controls so that there is a common understanding of the sector and risks from different teams are reported in a more consistent manner.
- 12 Options for a new risk management platform have not yet been resolved, we are continuing to investigate a number of options in collaboration with our peers.

Attachments

Nil

6.10 Conflict of Interest Annual Report**Author:** Stephen Doran, General Manager Corporate**Authoriser:** Nigel Trainor, Chief Executive**Recommendation**

That the Audit and Risk Committee receives and notes the Conflict of Interest Annual report.

Purpose of Report

- 1 The purpose of this report is to provide the Committee with the actions taken to manage identified Conflicts of Interest.

Assessment of Significance

- 2 Reporting on Conflict of Interest is considered of low significance in terms of Council's Significance and Engagement Policy as this matter is operational in nature. There is no impact on service provision or impact on the district as a whole.

Discussion

- 3 Council's "Employee Conflict of Interest Policy" requires the manager in charge of Risk and Assurance to report annually to the Committee on action taken by management to manage any medium to high risk Conflicts of Interest declared.
- 4 For the period from 1 February 2025 until 31 January 2026, there were one medium risk conflict reported. This was appropriately managed.
- 5 There were no high risk conflicts reported.
- 6 There were two conflicts declared with a low risk, relating to two tenders, they were investigated and managed in the line with the Employee Conflict of Interest Policy.
- 7 A centralised employee Conflict of Interest register is in the process of being collated.

Attachments**Nil**

6.11 Sensitive Expenditure Quarterly Report**Author:** Matthew O'Brien, Finance Manager / Financial Accountant**Authoriser:** Andrea Rankin, Chief Financial Officer**Recommendation**

That the Audit and Risk Committee receives and notes the Sensitive Expenditure report.

Purpose of Report

- 1 To update the Audit and Risk Committee on sensitive expenditure for the period 1 January – 31 March 2026.

Assessment of Significance

- 2 This matter is of low significance under the Council's Significance and Engagement Policy. It will be a regular report to the Committee to report on any expenditure of a sensitive nature as per the Sensitive Expenditure Policy.

Discussion

- 3 This report provides summarised details of expenditure of a potentially sensitive nature.
- 4 Information has been extracted from Councils financial system from relevant cost centres and expenditure codes where sensitive expenditure is highly likely to be coded to. In line with external auditor recommendations, the sensitive expenditure quarterly review has been extended to pick up not only credit card transactions but has also captured items processed through accounts payable and staff expense claims by analysing relevant resource accounts such as meals and entertainment, catering, subscriptions, travel, accommodation, organisational development (COSI) and training.
- 5 The list of the transactions for the three month period from 1 January – 31 March 2026 was generated and reviewed. All transactions were approved within the appropriate delegations and budgets which meets the principles set out in the Sensitive Expenditure Policy.
- 6 The Finance Manager and Chief Financial Officer have reviewed the transactions and are comfortable that there are no significant transactions that require separate reporting.

Attachments

Nil

6.12 "Integrity Suite" policies**Author: Brendan Madley, Senior Policy Advisor****Authoriser: Stephen Doran, General Manager Corporate****Recommendation**

That the Audit and Risk Committee:

1. Receive the report "Feedback on Integrity Suite" policies.
2. Provide feedback on the draft versions of the Employee Fraud, Bribery and Corruption Control Policy; the Fraud and Corruption Control for Elected Members Policy; the Protected Disclosure Policy for Employees, Contractors and Volunteers; the Protected Disclosure Policy for Elected Members and Chief Executive; and the Employee Conflict of Interest Policy.
3. Provide direction on its involvement in the remainder of this policy review.

Purpose of Report

- 1 The purpose of this report is to present draft versions of five policies (collectively referred to as the "Integrity Suite") to the Audit and Risk Committee (the Committee) and seek initial feedback to inform the ongoing review.
- 2 The five policies are:
 - 2.1 the Fraud, Bribery and Corruption Control Policy (located at Attachment One)
 - 2.2 the Fraud and Corruption Control for Elected Members Policy (located at Attachment Two; current policy rather than draft version)
 - 2.3 the Protected Disclosure Policy for Employees, Contractors and Volunteers (located at Attachment Three)
 - 2.4 the Protected Disclosure Policy for Elected Members and Chief Executive (located at Attachment Four)
 - 2.5 the Employee Conflicts of Interest Policy (located at Attachment Five).

Assessment of Significance

- 3 This report is assessed as being of low significance as per the Significance and Engagement Policy. This is because it concerns internal policies and is seeking feedback rather than final decisions. Therefore, no consultation is deemed necessary prior to the Committee considering the recommendation in this report.

Discussion

- 4 As an overarching theme, external feedback received during the initial review stage indicates that the policy documents are likely strong. This means that a greater focus of the review can be placed on organisational implementation (such as awareness raising, training and resourcing).

- 5 The Counter Fraud Centre of the Serious Fraud Office (SFO) was invited to provide feedback on the two fraud policies as part of the initial review, and these have been incorporated.
- 6 A key focus of the review has been to make relatively minor changes to improve the understandability and useability of the policy within a Council-specific context, in addition to reflecting changes to the organisational structure.
- 7 High level themes and proposed changes are outlined below, for each policy. This will be supplemented by verbal remarks at the Committee meeting.

Employee Fraud, Bribery and Corruption Control Policy

- 8 This policy applies to officers (including the Chief Executive); elected members are covered by a separate policy.
- 9 Almost all SFO feedback was accepted. Some feedback relates to the Fraud Control Plan and Procedures, which are both sub-servient to this policy.
- 10 The main change proposed is to merge the Fraud Control Officer and the Fraud Contact Officer roles and responsibilities, to reflect organisational changes.
- 11 There are few material changes (despite the multitude of track changes). Many sections have been moved (for example the Roles and Responsibilities section; the “What is fraud, bribery and corruption?” section has been moved to the appendix). Minimal content is proposed to be deleted (an example is the Objectives section at pages 2/3, on the basis that it is not policy content and belongs in the Fraud Control Plan).

Fraud and Corruption Control for Elected Members Policy

- 12 It is proposed that Council revoke this policy on the basis that it un-necessarily duplicates and contains inconsistencies with the Code of Conduct for Elected Members¹.
- 13 Most notably, the policy envisages internal investigations whereby the Code of Conduct for Elected Members is clear that any investigation must be independent.
- 14 A key question is: “is there any scenario where actual, alleged or potential fraud or corruption by an elected member would not lead to a Code of Conduct complaint and investigation?” It is proposed that the answer is “no”, therefore the policy is redundant.
- 15 There is no substantive aspect of the policy that is not also within the scope of the Code of Conduct for Elected Members; for example, making/ receiving disclosures, managing investigations, and gifts/ hospitality.

Protected Disclosure Policy for Employees, Contractors and Volunteers

- 16 This policy applies to officers (except the Chief Executive).
- 17 It is highly prescribed and mainly reflects legislative requirements, including to have procedures to facilitate and manage protected disclosures (internal “whistle-blowing”).
- 18 The main material change proposed is that the General Manager People and Capability/ Protected Disclosure Contact Officer are required to be involved from the start of the process, regardless of whom receives the protected disclosure. It is proposed to remove Tier 3 managers from receiving a protected disclosure.

¹ https://www.timaru.govt.nz/_data/assets/pdf_file/0005/1073093/Code-of-Conduct-2025.pdf

Protected Disclosure Policy for Elected Members and Chief Executive

- 19 This policy applies to past and present elected members and Chief Executives.
- 20 Similarly to the above policy, it is highly prescribed and mainly reflects legislative requirements, including to have procedures to facilitate and manage protected disclosures (internal “whistle-blowing”).
- 21 The main material change proposed is that the General Manager People and Capability/ Protected Disclosure Contact Officer are required to be involved from the start of the process, regardless of whom receives the protected disclosure. It is also clarified that if the protected disclosure amounts to a valid Code of Conduct complaint, than that process would supersede what is stated in the policy.
- 22 The current (and first) iteration of these protected disclosure policies deliberately separated the Elected Members and Chief Executive from employees, contractors and volunteers on the basis that there was a public interest in the former being publicly accessible. However, given the similarity between the policies (in regards to legislative requirements and general Council process), they could be consolidated into one document if desired.

Employee Conflicts of Interest Policy





- 23 This policy provides a principles-based framework around managing actual, potential, or perceived conflicts of interest for all Council employees.
- 24 The principles and standards set out have been guided by advice from the Office of the Auditor-General. Further, they are also aligned with and complement the principles and standards set out in Council’s Sensitive Expenditure Policy.
- 25 The main changes proposed are to increase the disclosure requirements, reflect throughout the policy that disclosures are now made via Flowingly, and remove contractors and consultants from the scope.

Next steps

- 26 It is proposed that consultation will be undertaken with internal employees (including existing volunteers) and the Public Service Association (PSA).
- 27 The Ombudsman will be invited to comment on the two Protected Disclosures Policy. The Serious Fraud Office will be invited to comment again on Fraud, Bribery and Corruption Policy. The Office of the Auditor-General will be invited to comment on the Employees Conflict of Interest Policy.
- 28 It is requested that the Committee provide a view on its involvement in the remainder of this policy review process, for example as below:
 - 28.1 Option One – undertake consultation in June/ July, bring a summary of submissions to the September 2026 Committee meeting for discussion, and afterwards seek policy adoption as appropriate in September/ October.
 - 28.2 Option Two – undertake consultation in June/ July, provide a summary of submissions to Committee members and receive feedback offline in July, seek policy adoption as appropriate in August, and bring a debriefing paper to the September 2026 Committee meeting to receive and note.

Attachments

1. **Draft Employee Fraud, Bribery and Corruption Control Policy - track changes**  

2. **Current Fraud and Corruption Control for Elected Members Policy** [↓](#) 
3. **Draft Protected Disclosure Policy for Employees, Contractors and Volunteers - track changes**
[↓](#) 
4. **Draft Protected Disclosure Policy for Elected Members and Chief Executive - track changes**
[↓](#) 
5. **Draft Employee Conflicts of Interest Policy - track changes** [↓](#) 

Employee Fraud, Bribery and Corruption Control Policy



Approved by:	Chief Executive
Endorsed by:	Audit and Risk Committee
Group:	Risk and Assurance, Commercial and Strategy Corporate
Responsibility Owner:	Assurance and Audit Officer/ Fraud Control Officer
Date adopted:	3 July 2023/TBC The policy becomes effective immediately upon adoption, unless otherwise specified The policy is effective from the date that is adopted
Review:	Every three years, or earlier if deemed necessary The Audit and Risk Committee will be invited to review the draft policy and make recommendations. The policy can then be approved under delegated authority by the Chief Executive, who must have regard to the feedback provided by the Audit and Risk Committee This Policy does not cease to have effect because it is due for review or being reviewed 2 years or as required, next review to be completed by 2025. This Policy does not cease to have effect because it is due for review, or being reviewed
Consultation:	Internal Required to give effect to s82 of the LGA 2002. In practice, employees, volunteers and the PSA will be consulted

Policy Purpose

1. The purpose of this policy is to:

- ~~(i)~~ (i) Assist to mitigate, prevent and remedy the harm caused by fraud, bribery and corruption;
- ~~(ii)~~ (ii) Provide clear guidance for, and raise awareness among Timaru District Council ("TDC or the Council") officers ~~and elected members on~~ about what constitutes fraud, bribery, and corruption;
- ~~(iii)~~ (iii) Provide guidance on the considerations for the investigation and response to, alleged incidents of fraud, bribery, or corruption;
- ~~(iii)~~ ~~Prevent and remedy the harm caused by fraud, bribery and corruption;~~
- (iv) Contribute to an environment where fraud, bribery, and corruption concerns can be identified and addressed;
- (v) Establish Council's zero tolerance stance with regards to incidences of fraud, bribery and corruption; and
- (vi) Outline clear roles and responsibilities for Council officers ~~and elected members~~ who encounter or suspect fraud, bribery, or corruption.

2. This Policy is to be read in conjunction with the:

~~#1837298#1582449~~
Fraud, Bribery and Corruption Control Policy

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- (i) ~~FDC~~ Fraud, Bribery, and Corruption Control Procedures (“the Procedures”).
- (ii) Disciplinary Matters Policy (Corporate Policies Handbook 2017) or its successor;
- (iii) Sensitive Expenditure Policy;
- (iv) Financial Expenditure Policy;
- (v) Conflict of Interest Policy;
- (vi) Procurement ~~p~~olicies;
- (vii) Delegations Manual;
- (viii) Protected Disclosures Policy for Elected Members and Chief Executive; and
- (ix) Protected Disclosures Policy for Employees, Contractors, and Volunteers.

~~**TDC's Commitment to Integrity and Transparency**~~

~~3.1 The Council is committed to maintaining the highest ethical standards. As a public sector organisation, the Council is entrusted with public funds and is expected to maintain public trust by exhibiting the highest standards of integrity and transparency.~~

~~4.1 The Council is committed to preventing, detecting and responding to fraud, bribery and corruption threats and considers this to be unacceptable behaviour. Council adopts a ZERO TOLERANCE policy to behaviour or incidents involving fraud, bribery, and corruption.~~

~~5.1 Zero tolerance within the Council means:~~

- ~~(i) In accordance with this policy, any suspected instances of fraud or corruption will be thoroughly examined, and necessary steps will be taken;~~
- ~~(ii)(i) Any proven fraud or corrupt activities will be treated as serious misconduct in accordance with the Council's Disciplinary Matters Policy (Corporate Policies Handbook 2017) or its successor, and may result in summary dismissal of an employee or the initiate termination of a representative contract within the Council, and will be referred to the appropriate enforcement agency where applicable;~~
- ~~(iii)(i) The Council will take all appropriate measures to recover any loss or expenditure, where appropriate, attributable to fraudulent or corrupt behaviour. This includes, but is not limited to, recovery of intellectual property, physical assets, money, third party expenses incurred and investigation costs.~~

~~6.1 It is important that Council provides confidence to the community and officers regarding the administration of ratepayer's funds. This policy expressly states Council's view that corrupt and fraudulent behaviour is unacceptable, and clearly sets out how corruption and fraud will be dealt with.~~

~~**Objectives**~~

~~#1837298#1582449~~

~~Fraud, Bribery and Corruption Control Policy~~

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~~7.1 To minimise and discourage the possibility of fraud risk, fraudulent activities or corrupt practices within the Council, three essential objectives need to be achieved. These objectives are:~~

- ~~(i) Prevention: Decreasing the likelihood of fraud or corruption from occurring in the first instance;~~
- ~~(ii)(i) Detection: Identifying instances of fraud or corruption as soon as possible and offering effective avenues for reporting, handling, and addressing such cases; and~~
- ~~(iii)(i) Response: Taking prompt corrective measures and rectifying the damages caused by fraud, bribery and corruption, which includes preserving vital evidence to meaningfully respond to incidents.~~

Scope

~~8.3. This Policy applies to all Council officers (see definition), and volunteers (defined in Section 6 below) in relation to all fraud, bribery, or corruption incidences, whether suspected, alleged, or proven, that are either:~~

- ~~(i) Committed against Council by a person or organisation; or~~
- ~~(ii) Committed by a Council officer or volunteer.~~

~~What is Fraud, Bribery and Corruption?~~

~~9.1 Fraud, bribery and corruption pose financial, cultural and reputational risk to TDC, as well as impacting on the values, culture and performance of the organisation and its employees.~~

~~10.1. Fraud includes, but is not limited to:~~

- ~~(i) Unauthorised use of facilities, vehicles or equipment;~~
- ~~(ii)(i) Deliberately not recording leave taken, or any other employee theft of time;~~
- ~~(iii)(i) Misappropriation or improper disposal of assets, including cash, funds and supplies;~~
- ~~(iv)(i) Forgery or alteration of documents or accounts belonging to the TDC (resulting in loss to TDC and/or inappropriate gain to others);~~
- ~~(v)(i) Disclosing confidential or proprietary information to third parties;~~
- ~~(vi)(i) Manipulating reporting to obscure impropriety;~~
- ~~(vii)(i) Obtaining funds or any other benefit through misleading claims, representations or by false pretences;~~
- ~~(viii)(i) Inappropriate claims for expenses;~~
- ~~(ix)(i) Profiteering for personal (or another person or entities) gain as a result of insider knowledge of TDC's activities;~~

~~#1837298#1582449~~

~~Fraud, Bribery and Corruption Control Policy~~

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- ~~(x)(i) Unapproved destruction, removal or inappropriate use of records, furniture, fixtures, and equipment;~~
 - ~~(xi)(i) Use of the Council's credit cards for non-council expenditure;~~
 - ~~(xii)(i) Inappropriate payments to third parties;~~
 - ~~(xiii)(i) Presenting false credentials or qualifications;~~
 - ~~(xiv)(i) Supporting others in, or in any way being party to, fraud, or not reporting fraud; or~~
 - ~~(xv)(i) Any of the above for personal gratification and/or edification, or for political or business advantage whether or not there is pecuniary gain;~~
- ~~11.1. Bribery and corruption includes, but is not limited to:~~
- ~~(i) The provision or acceptance of cash, facilitation payments or kickbacks;~~
 - ~~(ii)(i) Accepting or seeking anything of material value from contractors or persons, including before, during and after, any procurement processes;~~
 - ~~(iii)(i) Facilitation of business transactions such as securing contracts or fast-tracking services for personal gain or when compromised by a conflict of interest;~~
 - ~~(iv)(i) Unauthorised political or charitable contributions;~~
 - ~~(v)(i) The improper use of a political / business position of authority or 'influence';~~
 - ~~(vi)(i) Giving or receiving unauthorised gifts, travel and/or hospitality; or~~
 - ~~(vii)(i) Giving or receiving unauthorised rebates or reimbursements.~~

Definitions

~~12.4.~~ Alternate Fraud **Control** Officer: Individuals to take on the role and responsibilities of the Fraud Control Officer when required. Individuals include the Chief Executive, the Chair of the Audit and Risk Committee, **the General Manager Corporate or the Protected Disclosure (Whistleblower) Protections Contact Officer, or the Risk and Assurance Manager.**

~~13.5.~~ Assets: These include, but are not limited to, financial assets (e.g. debtors, loans), real property, plant and equipment, furniture and fittings, ICT devices and equipment, collections, vehicles, other stock (including redundant and excess stock) and intangible assets.

~~14.6.~~ Bribery: **The Crimes Act 1961 states that a bribe means "any money, valuable consideration, office, or employment, or any benefit, whether direct or indirect."** Bribery is the practice of offering something (a bribe) in order to gain an illicit advantage by altering the behaviour of the recipient.

~~15.7.~~ Corruption: **'Corruption' is defined as** dishonest activity in which a person associated with an organisation acts contrary to the interests of the organisation and abuses their position of trust to achieve personal advantage or advantage for another person or organisation. This may include, but is not limited to, bribery (both domestic and

foreign), coercion, destruction, removal or disclosure of data, materials, assets or similar forms of inappropriate conduct.

~~16-8.~~ Council Officers: For the purpose of this policy, Council officers includes all Council employees, volunteers (see separate definition); any contractor or consultant who is to be covered by this policy under the terms of their engagement agreement; temporary employees supplied through an agency; seconded personnel; and all former Council employees.

~~17-9.~~ Due Diligence: An investigation of a business, person or process prior to entering into an agreement, or establishing a standard of professional transparency and assurance (vetting) before entering into an agreement or a transaction with another party.

~~18-10.~~ Error: There is a distinct divide between the definitions of the term 'fraud' and 'error'. Error refers to an unintentional act or omission, made unknowingly by an individual or group lacking in knowledge or oversight. Error may be an unintentional misstatement of information including the unintentional omission of an account or a disclosure; performing an action that created unexpected or unintentional outcomes or consequences. In contrast, fraud is a deliberate act.

~~11. Fraud: Fraud, for the purpose of this policy, means an intentional act by a Council employee, contractor, consultant, elected members or volunteer to obtain personal gain or benefit or causes loss to the Council. This gain is not specifically limited solely to financial gain, benefit or incentives and may include other tangible or intangible benefits. Fraud encompasses a wide range of criminal conduct, specifically involving deliberate deception at the time, immediately before or immediately after, in order to receive unfair, unjustified or unlawful actual or potential gain. This gain is not specifically limited solely to financial incentives and may include other tangible or intangible benefits. Fraud can also be caused by dishonest activity causing actual or potential loss to any person or organisation. Fraud includes all forms of dishonesty, such as but not limited to the following:~~

~~(i) Knowingly providing false, incomplete or misleading information to the Council for unfair, unjustified or unlawful gain;~~

~~(ii) Unauthorised possession, use, or misappropriation of funds or assets, whether belonging to Council or a third party; or~~

~~(i)(iii) Destruction, removal, or inappropriate use of Council property for unfair, unjustified or unlawful gain.~~

~~19. Fraud Contact Officer: Separate from the Fraud Control Officer, the Contact Officer is known to officers, volunteers and Elected Members as the internal expert on fraud, corruption and bribery. People can seek support and advice from the contact officer as to what is fraud, corruption, and bribery. What to do if these things are known/found and refer to this policy, procedure and plan. The contact officer can advise the person to contact the Fraud Control officer/ Alternative Fraud officer or can take the allegation to the Fraud Control officer/ Alternative Fraud officer for investigation.~~

~~20-12.~~ Fraud Control Officer: A designated role within Council to undertake key responsibilities associated with fraud mitigation and investigations, and to act as the internal expert and contact person for related matters. to support the Risk and Assurance Manager in the fraud risk management activities and the key roles and responsibilities are defined in section 7.9.

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~~13.~~ Kickback: A form of bribery in which an unofficial payment is received by a person in a position of authority or decision-making, for services rendered or awarding business.

~~21-14.~~ Senior Leadership: members of the Senior Leadership Team.

~~22-15.~~ Serious Wrongdoing: Serious wrongdoing is defined as any act, omission, or course of conduct in (or by) any organisation that is one or more of the following:

- (i) an offence;
- (ii) a serious risk to public health; public safety; the health or safety of any individual; or the environment.
- (iii) a serious risk to the maintenance of law, including the prevention, investigation, and detection of offenders; or the right to a fair trial.
- (iv) an unlawful, a corrupt, or an irregular use of public funds or public resources;
- (v) oppressive, unlawfully discriminatory, or grossly negligent, or that is gross mismanagement, and is done (or is an omission) by a Council Officer or a person performing (or purporting to perform) a function or duty or exercising (or purporting to exercise) a power on behalf of a public sector organisation or the Government.

~~23-16.~~ Significant incidences of suspected fraud, bribery or corruption: Incidences of 'significant' suspected fraud, bribery, or corruption for the purpose of this Policy and the Procedures, are incidences involving the suspected theft or misuse of Council assets valued at more than \$1,000, whether a single incidence or number of incidences by the same person, or of a nature that has the potential to adversely impact on business operations, service delivery or sector/public confidence in ~~the~~ Council.

~~24-17.~~ Volunteers: While ~~v~~Volunteers are not paid employees of Council, they do come in contact with all areas of Council business and therefore may come across fraud, bribery and corruption. For the purposes of this policy, they are considered as council officers and have the same ability to report serious wrongdoing and the same obligation not to do serious wrongdoing.

Roles and Responsibilities

Chief Executive

~~25.~~ The Chief Executive has overall responsibility and accountability for preventing, detecting and responding to fraud, bribery and corruption within the Council.

Group Managers and Senior Leadership

~~26.~~ Group Managers and other senior leadership are responsible for setting the tone from the top on the Council's zero tolerance to fraud, bribery and corruption.

~~27.~~ Group Managers and other senior leadership have the responsibility to develop efficient management controls, processes, training, and awareness regarding fraud, bribery and corruption, within their respective areas of authority.

~~28.~~ When necessary, Group Managers and other senior leadership must seek assistance from and involve specialised resources, such as Finance, Legal, Procurement, or Risk and

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~~Assurance, to ensure effective prevention, detection, and response to fraud, bribery and corruption.~~

~~29. All Group Managers and other senior leadership are obligated to ensure adherence to this Policy and its related Procedures within their business areas. They must regularly discuss with their business units and maintain a high level of understanding regarding prevention and detection techniques.~~

~~30. All Group Managers must periodically communicate this Policy and the Procedures both internally and externally with organisations that, or possibly will, hold a business relationship with the Council.~~

Unit Managers

~~31. Unit Managers are responsible for:~~

- ~~(i) — Ensuring all employees and contractors are adequately informed about the Policy and maintain a clear understanding of their responsibilities;~~
- ~~(ii) — Ensuring all individuals who interact with the Council (being Council Officer, Elected Members and external third parties) are aware of the Policy and understand their obligations;~~
- ~~(iii) — Identifying the potential risks, including but not limited to the risk of fraud, bribery or corruption, that may affect the Council's systems, operations, and procedures;~~
- ~~(iv) — Developing and maintaining robust controls to prevent and detect fraud, bribery and corruption in the Council's regular business activities, as well as in specific programs or projects;~~
- ~~(v) — Ensuring compliance with the established controls and processes;~~
- ~~(vi) — Promoting a culture of awareness and vigilance regarding fraud, bribery and corruption, encouraging proactive detection and reporting;~~

~~Providing support to employees who come forward with allegations of fraud, bribery or corruption, directing them to the appropriate reporting channels.~~

~~32. Specifically, the Risk and Assurance Manager is accountable for ensuring the following:~~

- ~~(i) — Timely and appropriate investigation of all reported allegations of fraud or corruption. The Risk and Assurance Manager will authorise a lead Investigator, the Fraud Control Officer or Alternate Fraud Officer, to conduct an investigation in accordance with the reporting & investigation process (refer Section 9);~~
- ~~(ii) — In the instance where the Fraud Control Officer or Alternate Fraud Officers are the subject of the investigation or otherwise conflicted, the Chair of the Audit and Risk Committee will be responsible;~~
- ~~(iii) — Maintenance of the register of any fraud, bribery or corruption notifications and investigations (refer Section 11);~~
- ~~(iv) — Quarterly reporting to the Audit and Risk Committee on all claims or reports of fraud, bribery and corruption (refer Section 11);~~
- ~~(v) — Monitoring of the Procedures and recommending adjustments as required; and~~

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~~(vi) Preparation of an annual report to the Audit and Risk Committee on all initiatives undertaken by Council on training and awareness for all employees to support them complying with this Policy (refer Section 11).~~

~~33. Specifically, the Fraud Control Officer is responsible for:~~

~~(vii) Notifying the Chief Executive, Risk and Assurance Manager, Mayor and Chair of the Audit and Risk Committee of any 'significant' suspected fraud, bribery or corruption (see definitions at Section 6). Also, notifying the Audit and Risk Committee at its next meeting or earlier where appropriate.~~

~~(viii) Leading investigations, as directed by the Risk Assurance Manager;~~

~~(ix) Supporting the Risk and Assurance Manager in the activities outlined at 7.8.(2) to 7.8(5) above.~~

All Council Officers and Elected Members

~~34. All Council Officers, including managers, are responsible for:~~

~~(i) Acting in good faith and behaving diligently, in accordance with applicable laws, the Council's policies, procedures and code of conduct.~~

~~(ii) Adhering to the Council's system of internal control;~~

~~(iii) Conducting Council tasks and activities with honesty, fairness, and integrity to safeguard public resources, services and interests for which Council is responsible, at all times;~~

~~(iv) Remaining vigilant, promptly reporting any suspicions of fraudulent or corrupt behaviour (including assisting or collaborating) in accordance with the Procedures document;~~

~~(v) Not knowingly make a false or misleading report;~~

~~(vi) Never acting in a discriminatory, retaliatory, or otherwise adverse manner in regard to a person, on account of that person making a genuine report or aiding in a relevant inquiry;~~

~~(vii) Not hindering or impeding an investigation; and~~

~~(viii) Assisting any person authorised by management to conduct an investigation.~~

Policy Statements

TDC's Commitment to Integrity and Transparency

~~18. The Council is committed to maintaining the highest ethical standards. As a public sector organisation, the Council is entrusted with public funds and is expected to maintain public trust by exhibiting the highest standards of integrity and transparency.~~

~~19. The Council is committed to preventing, detecting and responding to fraud, bribery and corruption threats, and considers this to be unacceptable behaviour. Council adopts a ZERO TOLERANCE zero tolerance policy to behaviour or incidents involving fraud, bribery, and corruption.~~

~~20. Zero tolerance within the Council means:~~

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- (i) In accordance with this policy, any suspected instances of fraud or corruption will be thoroughly examined, and necessary steps will be taken;
- (ii) Any ~~proven~~ fraud or corrupt activities ~~that is proven to the standard required of a disciplinary investigation~~ will be treated as serious misconduct in accordance with the Council's Disciplinary -Matters Policy (Corporate Policies Handbook 2017) or its successor; and may result in summary dismissal of an employee or the ~~initiation of termination of a representative contract within the Council, and will be referred to the appropriate enforcement agency where applicable;~~
- (iii) ~~The Council will take all appropriate measures to recover any loss or expenditure, where appropriate, attributable to fraudulent or corrupt behaviour. This includes, but is not limited to, recovery of intellectual property, physical assets, money, third-party expenses incurred and investigation costs.~~
- ~~It is important that Council provides confidence to the community and officers regarding the administration of ratepayer's funds. This policy expressly states Council's view that corrupt and fraudulent behaviour is unacceptable, and clearly sets out how corruption and fraud will be dealt with.~~

Roles and Responsibilities

Roles and Responsibilities – Chief Executive

21. The Chief Executive has overall responsibility and accountability for preventing, detecting and responding to fraud, bribery and corruption within the Council.

Roles and Responsibilities – General Managers and Senior Leadership

22. General Managers and other senior leadership are responsible for “setting the tone from the top” on the Council's zero tolerance to fraud, bribery and corruption.
23. General Managers and other senior leadership have the responsibility to develop efficient management controls, processes, training, and awareness regarding fraud, bribery and corruption, within their respective areas of authority.
24. When necessary, General Managers and other senior leadership must seek assistance from and involve specialised resources, such as Finance, Legal, Procurement, or Audit to ensure effective prevention, detection, and response to fraud, bribery and corruption.
25. All General Managers and other senior leadership are obligated to ensure adherence to this Policy and its related Procedures within their business areas. They must discuss these requirements and expectations with their business units, and maintain a high level of understanding regarding prevention techniques.
26. All General Managers must periodically communicate this Policy and the Procedures both internally and externally with organisations that, or possibly will, hold a business relationship with the Council.

Roles and Responsibilities – Unit Managers

27. Unit Managers are responsible for:

- (i) Ensuring all Council officers are adequately informed about the Policy;

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- (ii) Identifying the potential risks, including but not limited to the risk of fraud, bribery or corruption, that may affect the Council's systems, operations, and procedures;
- (iii) Developing and maintaining robust controls to prevent and detect fraud, bribery and corruption in the Council's regular business activities, as well as in specific programs or projects;
- (iv) Ensuring compliance with the established controls and processes;
- (v) Promoting a culture of awareness and vigilance regarding fraud, bribery and corruption, including encouraging proactive detection and reporting; and
- (vi) Providing support to employees who come forward with allegations of fraud, bribery or corruption, including directing them to the appropriate reporting channels.

Roles and Responsibilities – Fraud Control Officer

28. The Fraud Control Officer is accountable for ensuring the following:

- (i) Timely and appropriate investigation of all reported allegations of fraud, bribery or corruption in accordance with the reporting and investigation process;
- (ii) In the instance where any of the Fraud Control Officer or Alternate Fraud Control Officers are the subject of the investigation or otherwise conflicted, the Chair of the Audit and Risk Committee will be responsible;
- (iii) Maintenance of the register of any fraud, bribery or corruption notifications and investigations;
- (iv) Quarterly reporting to the Audit and Risk Committee on all claims or reports of fraud, bribery and corruption;
- (v) Monitoring of the Procedures and recommending adjustments as required;
- (vi) Preparation of an annual report to the Audit and Risk Committee on all initiatives undertaken by Council on training and awareness for all Council officers to support them complying with this Policy;
- (vii) Notifying the Chief Executive, Risk and Assurance Manager, Mayor and Chair of the Audit and Risk Committee of any 'significant' suspected fraud, bribery or corruption. Also, notifying the Audit and Risk Committee at its next meeting or earlier where appropriate.

Roles and Responsibilities – All Council Officers

29. All Council Officers are responsible for:

- (i) Acting in good faith and behaving diligently, in accordance with applicable laws, the Council's policies, procedures and code of conduct.
- (ii) Adhering to the Council's system of internal control;
- (iii) Conducting Council tasks and activities with honesty, fairness, and integrity to safeguard public resources, services and interests for which Council is responsible, at all times;

- (iv) Remaining vigilant, promptly reporting any suspicions of fraudulent or corrupt behaviour (including assisting or collaborating) in accordance with the Procedures document;
- (v) Not knowingly make a false or misleading report;
- (vi) Never acting in a discriminatory, retaliatory, or otherwise adverse manner in regard to a person, on account of that person making a genuine report or aiding in a relevant inquiry;
- (vii) Not hindering or impeding an investigation; and
- (viii) Assisting any person authorised by management to conduct an investigation.

Fraud, Bribery and Corruption Prevention

35-30. The primary means to prevent or minimise fraud, bribery and corruption is by implementation and continued operation of adequate systems of internal control, supported by written policies and procedures. These controls include, but are not limited to:

- (i) Segregation of duties;
- (ii) Appropriate delegations and authorisation levels;
- (iii) Enforcement of mandatory holidays;
- (iv) Active risk management through an effective internal control function;
- (v) Financial planning, reporting and monitoring.

36-31. Council's systems of internal control are evaluated each year by Council's auditors in accordance with the Internal Audit Plan. Any weaknesses identified ~~need to will~~ be addressed as a priority and on an ongoing basis.

Fraud Reporting and Investigation

37-32. All individuals falling under the scope of this Policy are required to promptly report any suspected incidents of fraud, bribery and corruption that come to their attention in accordance with the Protected Disclosure Policy for Employees, Contractors and Volunteers or the Protected Disclosures Policy For Elected Members ~~&~~ and Chief Executive.

38-33. Council will undertake a comprehensive investigation of any suspected acts of fraud, bribery, corruption, misappropriation or similar irregularity in accordance with the Procedures. Investigations will be fully documented, ~~underpinning~~ and underpinned by legal natural justice principles.

39-34. Incidences of significant suspected fraud, bribery, or corruption ~~(as defined at Section 6)~~ will be reported by the ~~Risk and Assurance Manager~~ Fraud Control Officer (or Alternate Fraud Control Officer) as follows:

- (i) To the Chair of the Audit and Risk Committee, Chief Executive, and Mayor within 48 hours; and

(ii) To the Audit and Risk Committee at its next meeting or earlier if appropriate.

~~40-35.~~ All credible suspicions of fraudulent or corrupt activity will be referred to an appropriate law enforcement authority or third party in collaboration with the Chief Executive and the Chair of the Audit & Risk Committee, in accordance with the Fraud, Bribery and Corruption Procedures.

~~41-36.~~ The Investigation team must be granted unrestricted access to Council records and premises for the purpose of conducting its inquiries and will ensure adherence to the Privacy Act 2020 and other relevant legislation where appropriate.

~~42-37.~~ Employees are not authorised to conduct investigations into suspected fraud or corruption, except in cases where they have been designated as the Investigating Officer in accordance with the Fraud, Bribery and Corruption Procedures.

~~43-38.~~ The engagement of specialist fraud, bribery and corruption investigation or forensic expertise should be made in collaboration with the Chief Executive and Chair of the Audit and Risk Committee.

~~44-39.~~ In cases where an allegation of suspected fraud or corruption involves an individual subject to the Council's Disciplinary Matters Policy (Corporate Policies Handbook 2017) or its successor, the ~~Group General Manager of Engagement & Culture~~ ~~People and Capability~~ must be informed.

~~45-40.~~ The ~~Group General Manager of Engagement & Culture~~ ~~People and Capability~~ must promptly notify the Fraud Control Officer of all suspected incidents of fraud, bribery and corruption ~~involving individuals that they become aware of subject to the Council's Disciplinary Matters Policy (Corporate Policies Handbook 2017) or its successor through disciplinary processes.~~

~~46-41.~~ Any Council officer who is subject to an investigation may be stood down on full pay for all or part of the duration of the investigation.

~~47-42.~~ Council will regard all correspondence and records of correspondence (including but not limited to, letters, emails, texts, instant messages, and phone calls) made during Council work hours or using Council property as belonging to Council, and this may be examined as part of any investigation process.

Confidentiality

~~48-43.~~ Subject to the requirements of the investigation or any legal requirements, everyone involved in a formal investigation or informal process has:

- (i) The right to have information they disclose kept confidential;
- (ii) The duty to respect the rights of others to the maintenance of confidence; and
- (iii) The right to have any limits of confidentiality explained to them.

~~49-44.~~ Council ~~o~~Officers reporting suspected instances of 'serious wrongdoing' are covered by the ~~TDC~~ Protected Disclosures for "Employees, Contractors, and Volunteers" Policy ~~2023 in accordance with the Protected Disclosures (Protection of Whistleblowers) Act 2022.~~

~~50-45.~~ The reporting by the Chief Executive and/or Elected Members of suspected instances of 'serious wrongdoing' are covered by the ~~TDC~~ Protected Disclosures

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for ~~Chief Executive and~~ Elected Members and Chief Executive Policy 2023 in accordance with the Protected Disclosures Act 2022.

~~51.46.~~ Notwithstanding the above, where fraud, bribery or corruption is found to have occurred, the Council reserves the right to share information with the Audit ~~and~~ Risk Committee, ~~Council-elected~~ members, the NZ Police, Serious Fraud Office, Audit NZ, Office of the Auditor General, and the Council's insurers, as it deems appropriate and is legal in the circumstances.

Monitoring

~~52.47.~~ The ~~Risk and Assurance Manager will work with the~~ Fraud Control Officer (or if implicated, one of the Alternate Fraud Control Officers) ~~to will~~ maintain the register of any fraud, bribery, or corruption notifications and investigations in a secure file and will ensure adherence to the Privacy Act 2020 and related policies, ~~specifically the Councils Protected Disclosures Policy for Elected Member and Chief Executive and Protected Disclosures Policy for Employees, Contractors, and Volunteers.~~

~~53.1.~~ ~~The Risk and Assurance Manager and Fraud Control Officer will report to Audit & Risk Committee quarterly on all claims or reports of fraud, bribery, and corruption in a Public Excluded meeting. Due to the sensitive nature of the information, reporting will only include the number of fraud, bribery or corruption reports, with a high level summary of any outcomes (i.e. no further action taken, upheld or dismissed).~~

~~54.48.~~ The ~~Risk Assurance Manager and~~ Fraud Control Officer will monitor and review the Council's Procedures and recommend adjustments as required.

~~55. An annual report will be prepared for Audit & Risk Committee on all initiatives undertaken by Council on training and awareness for all employees to support them complying with this Policy. This report will also assess if the process for managing and investigating fraud, bribery, or corruption complaints is meeting the needs of Council.~~

Reporting

~~49. The Risk and Assurance Manager and Fraud Control Officer will report to Audit and Risk Committee quarterly on all claims or reports of fraud, bribery, and corruption in a Public-Excluded meeting. Due to the sensitive nature of the information, reporting will only include the number of fraud, bribery or corruption reports, with a high level summary of any outcomes (i.e. no further action taken, upheld or dismissed).~~

~~50. An annual report will be prepared for Audit and Risk Committee on all initiatives undertaken by Council on training and awareness for all employees to support them complying with this Policy. This report will also assess if the process for managing and investigating fraud, bribery, or corruption complaints is meeting the needs of Council.~~

Delegations, References and Revision History					
Delegations Identify here any delegations related to the policy for it to be operative or required as a result of the policy					
Delegation Manual reference	Delegation				
TBC					
References Include here reference to any documents related to the policy (e.g. operating guidelines, procedures)					
Title	Document reference/ link				
Relevant Legislation	Secret Commissions Act 1910, Crimes Act 1961, Protected Disclosures Act 2022, Local Authorities (Members' Interests) Act 1968, Local Government Act 2002, Employment Relations Act 2000, Privacy Act 2020, Organised Crime and Anti-corruption Legislation Bill 2015, United Nations Convention Against Corruption (UNCAC)				
Relevant Documents	Fraud, Bribery and Corruption Procedures; Fraud, Bribery and Corruption Control Plan; Protected Disclosures Policy for Elected Members; Protected Disclosures Policy for Officers; Sensitive Expenditure Policy and Procedures; Conflict of Interests Policy; Procurement Policy; Employee Handbook; Delegations Register; Code of Conduct; Code of Conduct for Elected Members; Disciplinary Matters Policy (Corporate Policies Handbook 2017) or its successor.				
Revision History Summary of the development and review of the policy					
Revision	Owner	Date Approved	Approval By	Next Review	Doc Ref
1	Group Manager Commercial and Strategy	3 July 2023	Chief Executive	July 2025	#1582449
2	Assurance and Audit Officer	TBC	Chief Executive	TBC	#1837298

Appendix A: What is Fraud, Bribery and Corruption?

What is Fraud, Bribery and Corruption?

51. Fraud, bribery and corruption pose financial, cultural and reputational risk to TDC, as well as impacting on the values, culture and performance of the organisation and its employees.

52. Fraud includes, but is not limited to:

- (i) Unauthorised use of facilities, vehicles or equipment;
- (ii) Deliberately not recording leave taken, or any other employee theft of time;
- (iii) Misappropriation or improper disposal of assets, including cash, funds and supplies;
- (iv) Forgery or alteration of documents or accounts belonging to the TDC (resulting in loss to TDC and/or inappropriate gain to others);
- (v) Disclosing confidential or proprietary information to third parties;
- (vi) Manipulating reporting to obscure impropriety;
- (vii) Obtaining funds or any other benefit through misleading claims, representations or by false pretences;
- (viii) Inappropriate claims for expenses;
- (ix) Profiteering for personal (or another person or entities) gain as a result of insider knowledge of TDC's activities;
- (x) Unapproved destruction, removal or inappropriate use of records, furniture, fixtures, and equipment;
- (xi) Use of the Council's credit cards for non-council expenditure;
- (xii) Inappropriate payments to third parties;
- (xiii) Presenting false credentials or qualifications;
- (xiv) Supporting others in, or in any way being party to, fraud, or not reporting fraud; or
- (xv) Any of the above for personal gratification and/or edification, or for political or business advantage whether or not there is pecuniary gain;

53. Bribery and corruption includes, but is not limited to:

- (i) The provision or acceptance of cash, facilitation payments or kickbacks;
- (ii) Accepting or seeking anything of material value from contractors or persons, including before, during and after, any procurement processes;
- (iii) Facilitation of business transactions such as securing contracts or fast-tracking services for personal gain or when compromised by a conflict of interest;
- (iv) Unauthorised political or charitable contributions;
- (v) The improper use of a political / business position of authority or 'influence';

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(vi) Giving or receiving unauthorised gifts, travel and/or hospitality; or

(vii) Giving or receiving unauthorised rebates or reimbursements.

Appendix BA: Recognising Fraud, Bribery, and Corruption ‘Red Flags’

Individuals who encounter any of these red flags must report them promptly in accordance with this **Policy** and the associated **Procedures**.

There are a number of scenarios or activities (‘red flags’) that may raise concerns of potential fraud, bribery and corruption, and require further investigation to ensure no wrongdoing has been committed.

Recognising Fraud, Bribery, and Corruption Risks

Council recognises that generally there are four conditions often associated with organisational fraud, bribery, and corruption:

- **Incentives/pressures:** Where there is an incentive or being under pressure, this can motivate an individual to commit fraud or act in a corrupt manner e.g., personal financial trouble, addiction;
- **Attitudes/justification:** Being able to rationalise that fraudulent or corrupt actions are consistent with the persons ethics and values (for example, holding attitudes or beliefs such as “everybody else is doing it” or “I deserve it”);
- **Opportunities:** Circumstances exist that allow, for example, a Council Officer to commit fraud or act in a corrupt manner, when there is no appropriate fraud, bribery and corruption controls in place; or officers are able to get around or override ineffective controls e.g., managers being able to approve and authorise their own sensitive expenditure; and
- **Capability:** An individual’s possession of the necessary skills, knowledge, ability and resources to successfully commit a fraudulent or corruption activity (e.g. being able to overcome the stress, or have access to a particular system).

Fraud ‘Red Flags’

These may include, but are not limited to:

- An employee living ‘beyond their means’;
- An employee experiencing a period of significant/ protracted personal or financial difficulty;
- An inability to account for TDC assets and/ or inventory;
- Orders for inventory that exceed ‘normal’ business use, or purchases made outside of standard centralised processes and oversight;
- An employee receiving an invoice or payment request that is non-standard or customised, lacks key information or is ‘last minute and urgent’ (for example on a Friday at 4:55pm);
- A failure to maintain a clear ‘paper trail’ including an absence of emails, written agreements, business documentation or record keeping;

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- An employee exerting an unusual degree of control over a work process, procedure or system, or who is unwilling to share duties or business information (including a refusal to take leave);
- Unusual spikes in expenditure, invoice volume, financial adjustments (including 'rounded payments') and fee waivers, or the number and timing of service transactions – above and beyond business averages and trends;
- A lack of segregation of key system, financial or business access, process/duties and authority (including the ability to approve expenditure or manage critical financial transactions end-to-end); or
- A 'wheeler dealer' approach to business and disregard for process controls and business discipline.

Bribery and Corruption 'Red Flags'

These may include, but are not limited to:

- A third party with a reputation for having a "special relationship" with the TDC, including instances of open-ended ('evergreen') contracts or informal work agreements;
- An employee or third party has previously engaged in, or been accused of improper business practices;
- An employee or third party insists on receiving a commission or fee payment before committing to a contract or carrying out a service;
- An employee or third party requests payment be made in cash or to an unverified account (including at a different location or offshore);
- An employee or third party refuses to provide an invoice or receipt for a payment made;
- An employee or third party requests that a payment is made to 'overlook' potential legal or performance violations;
- An employee or third party insists on the use of side letters, refuses to put terms agreed in writing, or requires the use of an agent or intermediary that is not known to the TDC;
- An employee or third party requests/ is offered entertainment or gifts before commencing contract negotiations or services;
- An employee receives an invoice or makes a payment that appears large given the services provided;
- Unreported payments are made to third parties on the TDC's behalf;
- An employee has an unusually close relationships with third party vendors or customers, including an unwillingness to delegate management of a client relationship (services or portfolio);
- An employee provides/ offers unauthorised access to privileged information to a third party vendor or customer; or
- A refusal by employees or third party vendors to complete Conflict of Interest documentation or certify compliance with TDC Policy.

Fraud and Corruption Control for Elected Members Policy



Approved by:	Council
Date Approved:	23 February 2016
Keywords:	Fraud, Corruption, Whistleblower

1.0 Purpose

The purpose of the Fraud and Corruption Control policy is to establish an environment where fraud and corruption concerns associated with Elected Members can be identified and readily addressed. It will also potentially deter fraudulent and corrupt behaviour.

2.0 Background

The Council does not tolerate fraud or corruption at any level within the organisation. This policy outlines the controls and procedures that are in place to assist in the prevention and detection of any fraudulent or corrupt behaviour by Elected Members.

3.0 Key Definitions

Fraud is the misappropriation of what rightfully belongs to an organisation and usually involves some form of intentional misrepresentation of financial information, such as falsifying, altering or wilfully neglecting to update records to documents.

Corruption is a broad term used to cover a range of instances where a public official is inappropriately influenced in the exercise of their duties. Examples of corruption generally fall into one of the following three areas:

- The offering, giving or acceptance of an inducement or reward which may influence the actions taken by authority employees or elected members.
- The failure to declare a conflict of interest in making decisions that may have a financial or beneficial impact upon authority employees or elected members of their close associates; or
- The improper use or disclosure of official information to gain a pecuniary advantage.

Whistleblower is the term given to the act of an individual or individuals identifying their concerns to the Mayor. In the event that the allegation of fraudulent behaviour involves the Mayor, then the whistleblower should approach the Chief Executive or Human Resource Manager. In this respect wherever the "Mayor" is referred to in this document, this should also be construed as referring to the "Chief Executive" or Human Resource Manager, in the event that the allegation involves the Mayor.

#974907

4.0 Policy

4.1 Fraudulent or Corrupt Behaviour

4.1.1 Procedures

Controls and procedures are in place to assist in the prevention and detection of any fraudulent or corrupt behaviour.

Where an individual or individuals identify suspected fraudulent or corrupt behaviour, then this matter should be reported to the Mayor or Chief Executive or Human Resource Manager as appropriate. Every endeavour will be made to protect the "whistleblower" (individual who has identified their concern) from any reprisals.

All indications of fraud and corruption regardless of source of information and amount involved shall be investigated, and every endeavour will be taken to recover any losses sustained.

In serious instances of suspected fraudulent behaviour the matter will be referred by the Mayor or Chief Executive or Human Resource Manager, as appropriate, to the Police.

Any required media liaison will be through the Mayor or Chief Executive or Human Resource Manager, as appropriate (or his/her nominee).

4.1.2 Receipt and Offering of Gifts and Hospitality by Elected Members

Members should be alert to any situation in which they are offered gifts and/or hospitality that could be directly linked to any decisions that they are likely to be making in the near future, or have made at some time.

4.1.3 Gifts and Hospitality Policy for Elected Members

Elected members are required to record all gifts and hospitality valued at \$50.00 or more, which are received or offered as a result of their position as elected members of the Timaru District Council.

Council's Executive Assistant will maintain a register of such gifts and hospitality.

4.2 Fraud Response Plan

4.2.1 Procedures For Whistleblowing

- 1 The elected member should advise the Mayor or Chief Executive or Human Resource Manager (as appropriate) of any suspected fraudulent activity.
- 2 The Mayor will ensure confidentiality for all complaints. All indications of fraud, corruption or irregularities regardless of the source of information or the amount, will be investigated.
- 3 All anonymous complaints will be investigated.

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4.2.2 Roles

The Mayor

The role of the Mayor is to:

- I. Receive “complaints”.
- II. Liaise with the Chief Executive or Human Resource Manager regarding the organisation of any necessary investigation procedures.
- III. Report the result of any investigation to the individual who has made the allegation.

4.2.3 Investigation Procedures – Checklist

While it should be noted that the nature of individual investigations should be tailored to the type of allegation involved, the following serves as a useful checklist:

- 1 Once the Mayor has made general enquiries and determined that the allegation should be further investigated, then the following issues should be considered:
 - objectives of the investigation
 - likely outcomes
 - scope
 - target dates
 - key issues
 - staffing resources, skill mix and responsibilities
 - costs
- 2 Liaison with Police and/or Council insurers should be considered, as appropriate.
- 3 Secrecy and confidentiality should be strictly maintained and legal advice should be obtained on the strength of evidence available.
- 4 All documentary evidence should be obtained and secured as early as possible in the investigation.
- 5 Investigations and their costs should be monitored.
- 6 Post investigation assessments should be performed. Systems’ weaknesses should be identified and rectified.
- 7 If surveillance is going to be undertaken then there must be liaison with the Police and/or Council’s solicitors.

4.2.4 Procedures For Interviews

If an elected member is to be questioned then the following checklist should be referred to. This will ensure that the correct procedure is followed:

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- 1 Liaison with Police and/or Council solicitors should be considered prior to undertaking any interview.
- 2 The elected member must be told prior to questioning what the purpose of the meeting is.
- 3 The elected member must be cautioned and be advised of his or her right to be represented at the interview.
- 4 The date and start/finish times of the interview must be recorded.
- 5 Two people at the interview must take notes.
- 6 The interview notes must be immediately written up after the interview.
- 7 The interview notes (verified as to their correctness) should be signed by all parties.

5.0 Delegations, References and Revision History					
<i>5.1 Delegations - Identify here any delegations related to the policy for it to be operative or required as a result of the policy</i>					
<i>5.2 Related Documents - Include here reference to any documents related to the policy (e.g. operating guidelines, procedures)</i>					
<i>5.3 Revision History – Summary of the development and review of the policy</i>					
5.1 Delegations					
Delegation					Delegations Register
None					Reference
5.2 References					
Title					Document Reference
Code of Conduct					#829872
5.3 Revision History					
Revision #	Policy Owner	Date Approved	Approval by	Date of next review	Document Reference
1	Chief Executive		Council	February 2019	#974907

#974907

Protected Disclosure Policy for Employees, Contractors and Volunteers



Approved by:	Senior Leadership Team
Group:	Engagement and Culture <u>People and Capability</u>
Owner:	Group General Manager <u>Engagement and Culture</u> <u>People and Capability</u> / Protected Disclosure Contact Officer
Date adopted:	23 November 2023 <u>TBC</u> The policy becomes effective the day after adoption
Review:	Every 3 years; earlier if deemed necessary <u>The Audit and Risk Committee will be invited to review the draft policy and make recommendations. SLT must have regard to the feedback provided by the Audit and Risk Committee when adopting the policy.</u> This Policy does not cease to have effect because it is due for review, or being reviewed
Consultation:	<u>Required to give effect to s82 of the LGA 2002. In practice, employees, volunteers and the PSA will be consulted</u> Required – Employees and Union

Policy Purpose

1. The purpose of this policy is:

- ~~(i)~~ To provide a Timaru District Council (Council)-specific framework for employees, contractors and volunteers for making a protected disclosure.
- ~~(i)~~ (ii) To provide guidance to past and present employees, contractors, and volunteers about what type of serious wrongdoing disclosures are covered by the Protected Disclosures (Protection of Whistleblowers) Act 2022 (the “Act”).
- ~~(ii)~~ To provide guidance on how to make a protected disclosure.
- (iii) To protect past and present employees, contractors, and volunteers who report serious wrongdoing.
- (iv) To safeguard against damage to the reputation of Timaru District Council (Council) and all involved in its operations.
- (v) To give general guidance for employees, contractors, and volunteers to ensure compliance with the Act.
- (vi) To protect the public interest.

Scope

- 2. This policy outlines the policy principles and processes for all employees, contractors, and volunteers in relation to protected disclosures (or whistleblowing).
- 3. As determined by the Protected Disclosures (Protection of Whistleblowers) Act 2022, this includes past and present employees, contractors, and volunteers.

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Protected Disclosure Policy for Employees, Contractors and Volunteers

Page 1 of 10

4. ~~Please note, a~~All Elected Members (including the Mayor and Community Board members) and the Chief Executive (CE) are covered by the separate policy - Protected Disclosure Policy ~~for Elected Members & Chief Executive; this policy does not apply to them.~~

Definitions

~~5. Act: This policy is related to the "Protected Disclosures (Protection of Whistleblowers) Act 2022" (Act).~~

~~6. Council: In this policy Council refers to Timaru District Council.~~

~~7.5.~~Discloser: (defined in section 8 of the Act) in relation to an organisation means an individual who is (or was formerly)

- (i) ~~All~~ Council employees;~~;~~
- (ii) ~~A~~ Contractors~~;~~
- (iii) ~~People s~~Seconded to the organisation~~;~~ ~~or and;~~
- (iv) ~~A~~ Volunteers~~;~~

~~8.6.~~Protected Disclosure: A disclosure made by a person who:

- (i) ~~B~~believes on reasonable grounds that serious wrong-doing has occurred in that person's organisation, even if the wrongdoing occurred before the commencement of the Act~~;~~ ~~and~~
- (ii) Discloses the information in accordance with the Act~~;~~ ~~and~~
- (iii) Does not disclose in bad faith.

~~9.7.~~Protected Disclosure Contact Officer: A dedicated position attached to a Council Employee to whom persons can make a protected disclosure, and/or seek information and advice about this policy. The current Protected Disclosure Contact Officer details at any given time can be found on the TDC Intranet.

~~10. Guarantee for Protection (section 7 (2) of the Act): A discloser is entitled to protections such as 'no retaliation against the discloser's employment, immunity in court or disciplinary proceedings and a public sector organisation must provide practical assistance and advice to the discloser.~~

~~11.8.~~ Serious Wrongdoing (defined in section 10 of the Act): Refers to any act, omission, or course of conduct in (or by) an organisation that is:

- (i) an offence~~;~~ ~~or~~
- (ii) a serious risk to public health, public safety, the health or safety of any individual, the environment or the maintenance of the law including the prevention, investigation and detection of offences or the right to a fair trial~~;~~ ~~or~~
- (iii) an unlawful, corrupt or irregular use of public money or resources~~;~~ ~~or~~
- (iv) oppressive, unlawfully discriminatory, grossly negligent, or that is gross mismanagement by public officials.

Policy Statements

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Protected Disclosure Policy for Employees, Contractors and Volunteers

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Policy Principles

~~12-9.~~ Council will develop and maintain a safe workplace for all 'disclosers'.

~~13-10.~~ 'Disclosers' are encouraged and supported to report serious wrongdoing in their workplace if on reasonable grounds they believe it is occurring.

Protected Disclosure Processes Refer to Appendix A: Procedure for protected disclosures.

~~15-12.~~ Disclosers will be protected under the Act for a protected disclosure to Council or an appropriate organisation if ~~any of the following applies:~~

- (i) The information is about alleged serious wrongdoing by any or all of the following: Council elected member/s (including Community Board member/s and chair/s), Mayor, Chief Executive, employee/s, secondees contractor/s and volunteer/s; and

~~(ii)~~ The discloser reasonably believes the information to be true or likely to be true; and

~~(#)(iii)~~ The discloser wants the serious wrongdoing to be investigated; and

~~(#)(iv)~~ The discloser wishes to be protected by making the disclosure.

~~16-13.~~ Disclosures will not be protected under this policy if any of the following applies:

- (i) An individual falls outside the definition of a discloser as identified by this policy and the Act. ~~;~~
- (ii) They know the allegations to be false. ~~;~~
- (iii) They act in bad faith. ~~;~~
- (iv) The information they are disclosing is protected by legal professional privilege.

~~17. Protected Disclosures can be made to the Protected Disclosures Contact Officer who will provide information and support about the Disclosers' rights and responsibilities under this Policy and the Act.~~

Protections provided under this Policy

~~18-14.~~ Neither the discloser who makes a protected disclosure nor the Protected Disclosures Contact officer who refers a protected disclosure to the relevant authority is liable for any civil, criminal, or disciplinary proceedings because of making the protected disclosure.

~~19-15.~~ If a person makes a protected disclosure, Council will not retaliate or threaten to retaliate against the discloser, nor treat or threaten to treat the discloser less favourably.

~~20-16.~~ A discloser who suffers retaliatory action by Council for making a protected disclosure has a personal grievance under the Employment Relations Act 2000.

~~17. It is unlawful under the Human Rights Act 1993 to treat whistle-blowers or potential whistle-blowers less favourably than others in the same or similar circumstances. If a whistle-blower is victimised in this way the legal remedies under the Human Rights Act 1993 may be available to them.~~

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Protected Disclosure Policy for Employees, Contractors and Volunteers

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~~21. The Human Rights Act 1993 also provides protection to whistle-blowers (disclosers') or potential whistle-blowers (disclosers') and Council will not treat the discloser less favourably than others in the same or similar circumstances.~~

~~22-18.~~ Disclosers may seek support from a PSA representative or the Employee Assistance Provider at the given time that they are making their disclosure.

Confidentiality

~~23-19.~~ Where a person makes a disclosure and it meets the definition of serious wrongdoing ~~as per point 13 above and / or section 10 of the Act~~, information that identifies that individual will be kept confidential and protected in line with the Privacy Act 2020 and the Privacy Principles.

~~24-20.~~ Where a person makes a disclosure, they are required to maintain strict confidentiality surrounding this disclosure and must not discuss this with any other party ~~(including other employees)~~ except to seek formal professional advice, ~~including other employees.~~

~~25-21.~~ Information requested under the Local Government Official and Meetings Act 1987 that identifies a person who made a protected disclosure, will be declined.

~~26-22.~~ ~~However, e~~Exceptions to this confidentiality include:

- (i) exemptions in the Act that apply; or
- (ii) if consent is given to waiving the right to confidentiality; or
- (iii) if the individual's name must be released to:
 - a) ensure an effective investigation occurs, including an investigation by a law enforcement or regulatory agency; or
 - b) comply with the principles of natural justice; or
 - c) prevent serious risk to public health or public safety, the health or safety of any individual, or the environment.

Monitoring

~~23.~~ Monitoring of the effectiveness of this policy will be determined by the Group-General Manager Engagement and Culture ~~People and Capability~~, who may consider such aspects as the number of disclosures made and the number which have been investigated.

~~27-24.~~ ~~The General Manager People and Capability and the Assurance and Audit Officer will periodically review the Protected Disclosure process to measure the efficiency and appropriateness of the process, but not of the disclosures made.~~

~~28-25.~~ The Group-General Manager Engagement and Culture ~~People and Capability~~ will provide feedback and data numbers anonymised statistics to the CE when requested. No information ~~of disclosures nor any information~~ which may identify a discloser or the disclosure topic will be provided unless external and independent legal advice confirms it is appropriate for the information to be disclosed to the CE.

Reporting

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Protected Disclosure Policy for Employees, Contractors and Volunteers

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26. The Audit and Risk Committee will receive an annual report about protected disclosures.

29-27. No information relating to protected disclosures will be reported in an open meeting or publicly available report. The ~~Group Manager Engagement and Culture's~~ annual report to the Audit and Risk Committee in a publicly excluded meeting may include only the number of protected disclosures made and, if deemed appropriate, the outcome (i.e. if they were upheld or dismissed).

30-28. The ~~Group General Manager Engagement & Culture~~ ~~People and Capability~~ and ~~Risk and Assurance Manager~~ ~~the Assurance and Audit Officer~~ will maintain and have the sole access to the Disclosure Register and ensure compliance with all appropriate legislation.

Delegations, References and Revision History					
Delegations					
Identify here any delegations related to the policy for it to be operative or required as a result of the policy					
Delegation	Delegations Register Reference				
Group Manager Engagement and Culture					
Risk and Assurance Manager TBC					
References					
Title	Relevant Reference within Document				
Protected Disclosure Policy for Elected Members & Chief Executive	Find the latest version of the policy in the Master Policy Register #1539671#1562517 Protected Disclosure Policy for Elected Members and Chief Executive 2022				
Corporate Policy Manual	Find the latest version of the policy in the Master Policy Register #1539671 Corporate Management Policies				
Protected Disclosures (Protection of Whistleblowers) Act 2002	Protected Disclosures (Protection of Whistle blowers) Act 2022				
Employment Relations Act 2000	Employment Relations Act 2000				
Human Rights Act 1993	Human Rights Act 1993				
Revision History					
Summary of the development and review of the policy					
Revision	Owner	Date Approved	Approval By	Next Review	Doc Ref

~~#16323071833155~~
Protected Disclosure Policy for Employees, Contractors and Volunteers

1	Group Manager Engagement and Culture	23 November 2023	Chief Executive/ SLT	2026 Triennium	#1632307
2	General Manager People and Capability / Protected Disclosure Contact Officer	TBC	Senior Leadership Team	TBC	#1833155

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Protected Disclosure Policy for Employees, Contractors and Volunteers

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Appendix A: Procedures for Protected Disclosures

There are certain procedures involved for the making, receiving, and responding to a complaint made as a protected disclosure; this is provided for both in the Act and under this policy. The following guideline is for all 'disclosers' as defined by this policy and the Act, who may wish to make a complaint as a protected disclosure, and for those in Council who may receive and need to ~~deal with~~manage such a complaint.

How to make a protected disclosure

Disclosures need to be in writing. If the disclosure/s is made orally, a written confirmation is to be prepared by the receiver and sent to the discloser to confirm that it is accurate.

Anybody can make the disclosure to the Chief Executive (CE), Senior Leadership Team (SLT), ~~any Tier 3 Manager~~, or the dedicated Protected Disclosure Contact Officer. The current Protected Disclosure Contact Officer details at any given time can be found on the TDC Intranet.

An individual can make the disclosure directly to the CE if they believe on reasonable grounds that any of the other SLT or Elected Member/s may be involved or may be in a relationship or associated with a person who is or may be involved in the alleged serious wrongdoing; or where it is justified by the urgency of the matter or other exceptional circumstances.

An individual can make the disclosure to the Mayor if they believe on reasonable grounds the CE may be involved; or where they believe the CE may be in a relationship or associated with a person who is or may be involved in the alleged serious wrongdoing; or where it is justified by the urgency of the matter or other exceptional circumstances.

Alternatively, an individual can also make the disclosure directly to an Appropriate Authority (Part 4, section 25 of the Act, ~~and Section 8 of this Procedure~~) at any time if they do not wish to make the disclosure to the CE, Mayor, SLT, ~~Tier 2/3 Manager~~ or the dedicated Protected Disclosure Contact Officer.

Furthermore, a person can make the disclosure to a Minister of the Crown or appropriate authority if they have made substantially the same disclosure to any of the above parties and ~~that party has~~ they have either:

- Decided not to investigate, or
- Not made progress after 20 working days and have not advised of any reason for the delay in investigating, or
- Not taken any action or recommended any action after the investigation, and it is considered that the disclosure is still true or likely to be true.

Council's processes for responding to protected disclosures

Where a disclosure is made to an appropriate party listed above, they will as soon as possible, within 20 working days of receiving the disclosure engage the General Manager People and Capability/ Protected Disclosure Contact Officer (or the person acting in their role) to assist with processing the complaint. The exact distribution of roles and responsibilities will be agreed by the two and the CE.

Within 20 working days of the disclosure being originally made, the General Manager People and Capability/ Protected Disclosure Contact Officer and the original recipient of the disclosure:

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Protected Disclosure Policy for Employees, Contractors and Volunteers

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- ~~Will a~~Acknowledge receipt of the complaint, including summarising the complaint in writing if the disclosure was made orally and record the disclosure into the Disclosure Register; ~~and (the register will be managed by the Group Manager Engagement and Culture and the Risk and Assurance Manager);~~
- ~~Will i~~nform the CE ~~if the complaint is made to another member of the SLT, Mayor, Tier 2/3 Manager or dedicated Protected Disclosure Contact Officer (and is not about the if the complaint is not made about CE); or will inform the Mayor if the complaint is made about the CE; and~~
- ~~Inform the Mayor if the complaint is made about the CE;~~
- ~~Will h~~andle the complaint in the strictest of confidence and in line with the Privacy Act 2020 and Privacy Principles; and discuss the matter only where appropriate, such as seeking ~~independent~~ legal advice (including an assessment of whether or not the complaint is a protected disclosure under the Act) or another specialist ~~independent legal~~ advice; ~~and~~
- ~~Will u~~se ~~their~~ best endeavours not to disclose information that might identify the person who made the protected disclosure unless where ~~there are~~ exceptions ~~apply~~ (see the Confidentiality section ~~of this policy~~); ~~and~~
- ~~if the matter is fraudulent then the Fraud, Bribery and Corruption Policy will apply; if the matter is of the nature of misconduct then the Disciplinary Matters section of the Corporate Management Policies will apply.~~
- ~~May c~~onsider the assistance of a third party/ies to participate in and / or take notes of any interview/s; ~~and~~
- ~~Will i~~nterview the discloser with any appropriate third party/ies ~~(if required); and~~
- ~~Will p~~rovide the discloser with practical assistance and advice, including having a support person assistance and provide advice to the discloser on any risks to the discloser; ~~and~~
- ~~Will i~~nvestigate the allegation; ~~and~~
- ~~Will k~~ee a detailed file note recording the interview, the investigation and the explanation given to the discloser about procedures to be followed; ~~and~~
- ~~Will h~~ave the file note signed by the discloser to verify the accuracy and completeness of the interview notes and to record the discloser's acceptance of the procedures to be followed; ~~and~~
- ~~Will a~~ddress the matter by doing one or more of the following:
 1. Investigate the disclosure.;
 2. Address any serious wrongdoing by acting or recommending action.;
 3. Referring the disclosure to an appropriate authority in accordance with the Act.;
 4. Decide that no action is required.
- ~~Will r~~eport back to the discloser ~~within 20 working days on how the matter has been addressed (within reason) about what has been done or is being done to deal with the matter.~~
- If the ~~SLT member, CE or Mayor fails to~~complaint is not investigated ~~the complaint~~ in accordance with the above process, or the discloser is not satisfied that the serious wrongdoing has been addressed, the discloser may refer the matter to a Minister of the Crown or an appropriate authority.

See Flow chart of the process on page 10.

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Protected Disclosure Policy for Employees, Contractors and Volunteers

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Note: The individual who receives the disclosure will be the primary investigator, unless the CE or Mayor as appropriate assigns the investigation to another internal or external party to investigate. If the disclosure is made to someone other than the Group Manager Engagement and Culture or the Risk and Assurance Manager, that party may seek support from either of these the two officers to process the complaint.

Note: if the protected disclosure alleges wrongdoing by the General Manager People and Capability/ Protected Disclosure Contact Officer, the CE will identify a suitable alternative to process and investigate the disclosure. This may include seeking external specialist resource.

Appropriate Authorities

'Appropriate authorities' that a discloser may refer their protected disclosure to include the following [\(full details available in the Act\)](#):

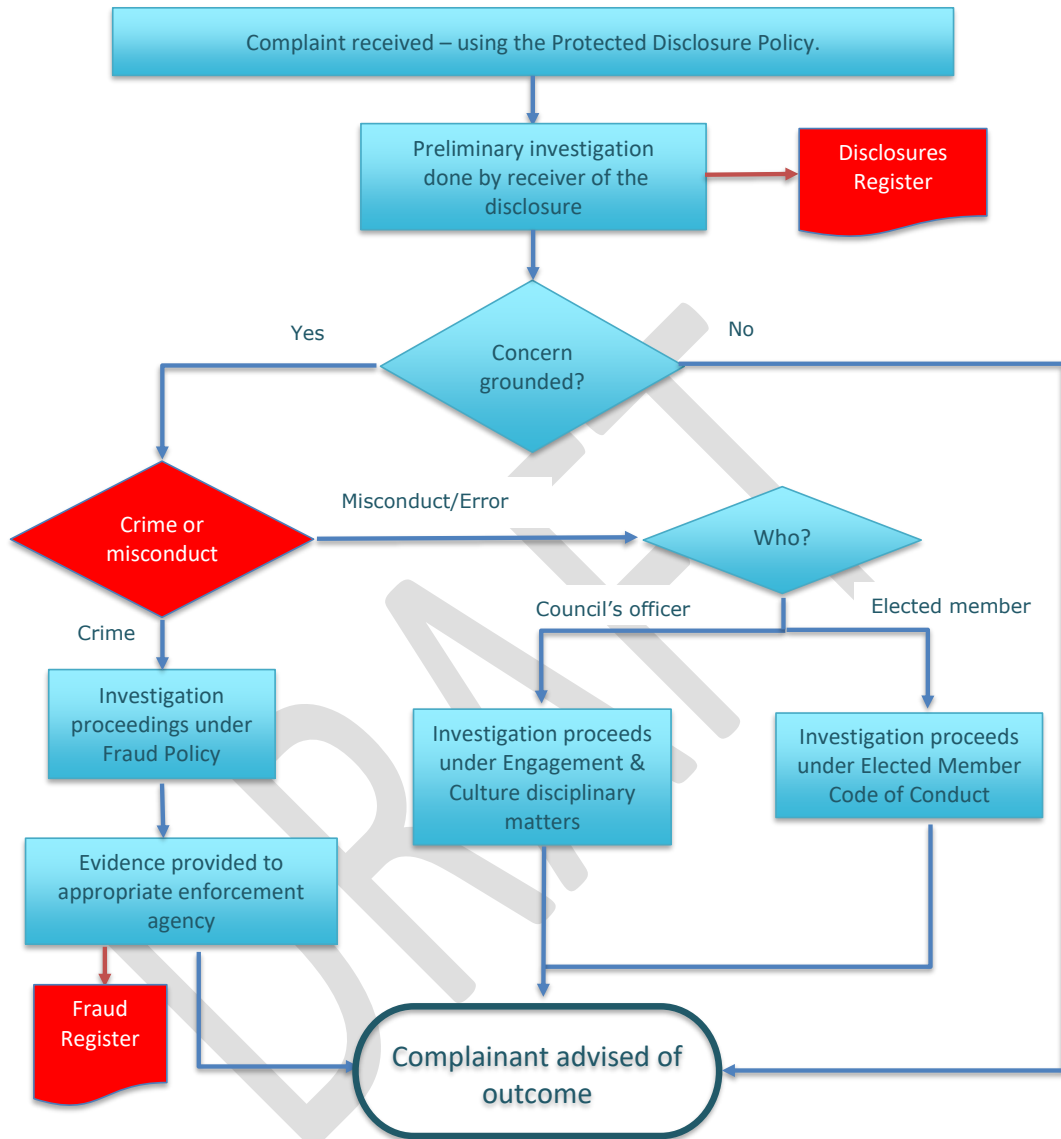
- The Ombudsman
- The Commissioner of Police
- The Controller and Auditor-General
- The Director of the Serious Fraud Office
- The Health and Disability Commissioner
- The Parliamentary Commissioner for the Environment
- The Solicitor-General
- The Public Services Commissioner
- WorkSafe New Zealand
- Department of Internal Affairs
- The head of every public sector agency
- Any officer of Parliament
- The Office of the Privacy Commissioner

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Protected Disclosure Policy for Employees, Contractors and Volunteers

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PROTECTED DISCLOSURE INVESTIGATION PROCESS



Protected Disclosures Policy for Elected Members and Chief Executive



Approved by:	Timaru District Council
Group:	Governance <u>People and Capability</u>
Owner:	Director Engagement & Culture <u>General Manager People and Capability/ Protected Disclosure Contact Officer</u>
Date adopted:	14 February 2023 <u>TBC</u> The policy becomes effective immediately upon adoption, unless otherwise specified
Review:	Every 3 years; earlier if deemed necessary <u>The Audit and Risk Committee will be invited to review the draft policy and make recommendations. Council must have regard to the feedback provided by the Audit and Risk Committee when adopting the policy.</u> This Policy does not cease to have effect because it is due for review, or being reviewed
Consultation:	<u>Required to give effect to s82 of the LGA 2002</u> Not required

Policy Purpose

- The purpose of this policy is ~~to~~:
 - To provide a Timaru District Council (Council)-specific framework for Elected Members (EMs) and the Chief Executive (CE) for making a protected disclosure.
 - ~~(i)~~ (ii) To provide guidance to past and present ~~Elected Members (EM's), which includes Community Board Members,~~ and ~~the Chief Executive (CEs)~~ about what type of serious wrongdoing disclosures are covered by the Protected Disclosures (Protection of Whistleblowers) Act 2022 (the "Act").
 - ~~(ii)~~ To provide guidance on how to make a protected disclosure.
 - (iii) To protect past and present EM's and CE's who want to report serious wrongdoing.
 - (iv) To safeguard against damage to the reputation of the Council and all involved in its operations.
 - (v) To give general guidance for ~~the EM's,~~ and ~~the CE's,~~ to ensure compliance with the Act.
 - ~~(v)~~ (vi) To protect the public interest.

Scope

- This policy outlines the policy principles and processes for all elected members and the Chief Executive in relation to protected disclosures (or whistleblowing).
- As determined by the Protected Disclosures (Protection of Whistleblowers) Act 2022, this includes past and present Elected Members (EM's), ~~which includes Community Board Members,~~ and ~~the~~ Chief Executives (CEs).

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Protected Disclosures Policy for Elected Members and Chief Executive

Page 1 of 9

4. ~~Please note, all paid staff~~All employees, contractors and volunteers are covered by the Protected Disclosures Policy— for Employees, Contractors and Volunteers; this policy does not apply to them.

Definitions

5. Discloser: this term has a very broad definition under the Act and therefore includes current and former:

- (i) Councillors and Mayors;
- (ii) Community Board members and Chair; and,
- (iii) Chief Executive.

6. Elected Members: for the purpose of this policy, refers to any persons elected to the position of Mayor, Councillor or Community Board Member for the Timaru District.

7. Protected Disclosure: A disclosure made by a person who:

- (i) believes on reasonable grounds that serious wrong-doing has occurred in that person's organisation, even if the wrongdoing occurred before the commencement of the Act; and
- (ii) Discloses the information in accordance with the Act; and
- (iii) Does not disclose in bad faith.

- ~~6-8.~~ Serious Wrongdoing: refers to any act, omission, or course of conduct in (or by) an organisation that is:

- (i) An unlawful, corrupt or irregular use of public money or resources; or
- (ii) A serious risk to public health, public safety, the health or safety of any individual, the environment or the maintenance of the law; or
- (iii) Any offence; or
- (iv) Oppressive, unlawfully discriminatory, grossly negligent or that is gross mismanagement by public officials.

Policy Statements

Policy Principles

- ~~7-9.~~ Council has a statutory and contractual obligation to develop and maintain a safe workplace for all “disclosers” as defined by this policy and the Act, and a duty to protect the public interest.

- ~~8-10.~~ All “disclosers” ~~as defined by this policy and the Act,~~ are encouraged to report serious wrongdoing in their workplace if they are concerned that it may be occurring. ~~in order to help prevent the Council from being brought into disrepute. A discloser can be an employee: see Protected Disclosure Policy for Employees, Contractors and Volunteers.~~

Protected Disclosures Processes

- ~~9-11.~~ Refer Appendix A: Procedure for protected disclosures.

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Protected Disclosures Policy for Elected Members and Chief Executive

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~~10-12.~~ Disclosures will be protected under this policy if ~~any of the following applies:~~

- (i) The information is about serious wrongdoing by any or all of the following: Council elected members ~~(including Community Board members and chairs)~~, the Chief Executive, employees, contractors and volunteers; and
- (ii) The discloser reasonably believes the information to be true or likely to be true; and
- (iii) The discloser wants the serious wrongdoing to be investigated; and
- (iv) The discloser wishes to be protected making the disclosure.

~~11-13.~~ Disclosures will not be protected under this policy if any of the following applies:

- (i) An individual falls outside the definition of an discloser as identified by this policy and the Act;
- (ii) They know the allegations to be false;
- (iii) They act in bad faith;
- (iv) The information they are disclosing is protected by legal professional privilege.

Protections provided under this policy

~~12-14.~~ The Act provides that no civil, criminal, or disciplinary proceedings can be taken against a person for making a protected disclosure, or for referring one to an appropriate authority.

~~13-15.~~ If a person makes a protected disclosure, Council shall not retaliate or threaten to retaliate against the discloser, nor treat or threaten to treat the discloser less favourably.

~~14-16.~~ The Act provides that a discloser who suffers retaliatory action by Council for making a protected disclosure can take a personal grievance under the Employment Relations Act 2000.

~~15-17.~~ It is ~~also~~ unlawful under the Human Rights Act 1993 to treat whistle-blowers or potential whistle-blowers less favourably than others in the same or similar circumstances. If a whistle-blower is victimised in this way the legal remedies under the Human Rights Act 1993 may be available to them.

~~16-18.~~ ~~Protection does not apply where allegations are made that are known to be false or the discloser acts in bad faith.~~

Confidentiality

~~17-19.~~ If a person makes a disclosure and it meets the definition and threshold of serious wrongdoing, information which identifies that individual will be kept confidential and in accordance with the Privacy Act 2020 and its principles. Information requested under the Local Government Official Information and Meetings Act 1987 that identifies a person who made a protected disclosure, will be refused.

~~18-20.~~ However, exceptions to this ~~anonymity confidentiality~~ include:

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Protected Disclosures Policy for Elected Members and Chief Executive

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- (i) ~~If e~~Exemptions in the Act apply; or
- (ii) If consent is given to waiving the right to confidentiality; or
- (iii) If the individual’s name must be released to:
 - a) ~~e~~Ensure an effective investigation occurs, including an investigation by a law enforcement or regulatory agency; or
 - b) ~~c~~Comply with the principles of natural justice; or
 - c) ~~p~~Prevent serious risk to public health or public safety, the health or safety of any individual, or the environment.

Monitoring

~~19-21.~~ ~~The Director Engagement and Culture General Manager People and Capability will work with Risk and Assurance Manager and the Assurance and Audit Officer to will periodically~~ review the Protected Disclosure process to measure the efficiency and appropriateness of the process, but not of the disclosures made.

Reporting

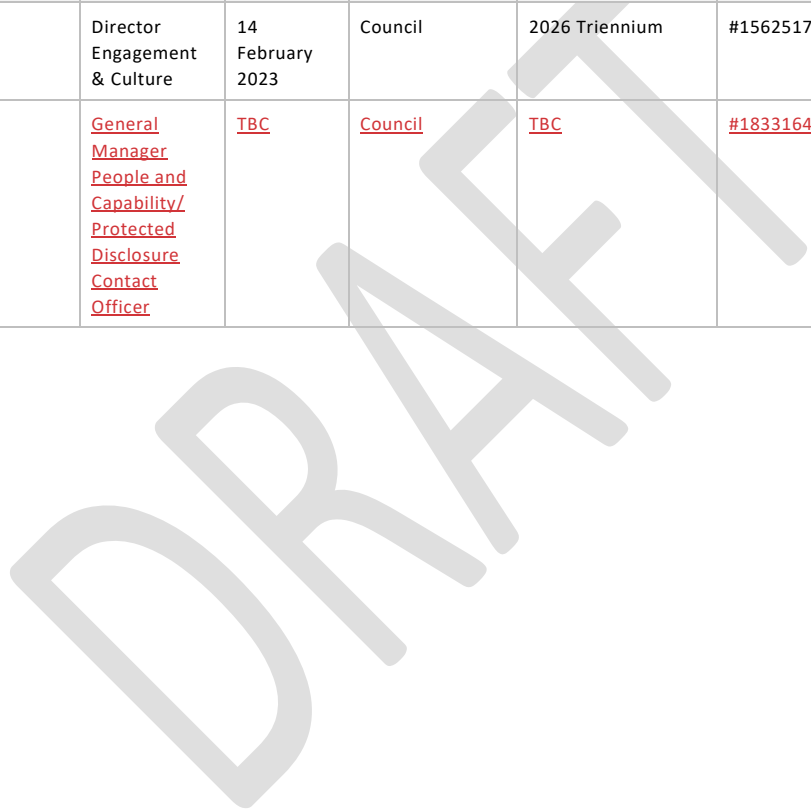
~~22.~~ ~~The Audit and Risk Committee will receive an annual report about protected disclosures.~~

~~20-23.~~ ~~Due to the sensitive nature of the information, n~~No information relating to protected disclosures will be reported in an open meeting or publicly available report. The ~~Director Engagement and Culture’s~~ annual report to Audit and Risk Committee in a publicly excluded meeting may include only the number of protected disclosures made and if appropriate, the outcome (i.e. if they were upheld or dismissed).

~~21-24.~~ ~~The Director Engagement & Culture along with Manager Risk & Assurance General Manager People and Capability and the Assurance and Audit Officer will maintain and have sole access to~~ the Disclosure Register ~~and ensureing~~ compliance with all appropriate legislation.

Delegations, References and Revision History	
Delegations Identify here any delegations related to the policy for it to be operative or required as a result of the policy	
Delegation	Delegations Register Reference
TBC	
References Include here reference to any documents related to the policy (e.g. operating guidelines, procedures)	
Title	Document Reference
Protected Disclosure Policy for Employees, Contractors & Volunteers	Find the latest version of the policy in the Master Policy Register #1539671
Elected Members Code of Conduct	https://www.timaru.govt.nz/council/elected-council-members/council-code-of-conduct

Protected Disclosures (Protection of Whistleblowers) Act 2002	https://legislation.govt.nz/act/public/2022/0020/latest/whole.html#LMS320346				
Employment Relations Act 2000	https://www.legislation.govt.nz/act/public/2000/0024/latest/whole.html				
Human Rights Act 1993	https://www.legislation.govt.nz/act/public/1993/0082/latest/DLM304212.html				
Revision History					
Summary of the development and review of the policy					
Revision	Owner	Date Approved	Approval By	Next Review	Doc Ref
1	Director Engagement & Culture	14 February 2023	Council	2026 Triennium	#1562517
<u>2</u>	<u>General Manager People and Capability/Protected Disclosure Contact Officer</u>	<u>TBC</u>	<u>Council</u>	<u>TBC</u>	<u>#1833164</u>



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Protected Disclosures Policy for Elected Members and Chief Executive

Appendix A: Procedures for Protected Disclosures

There are certain procedures involved for the making, receiving, and responding to a complaint made as a protected disclosure; this is provided for both in the Act and under this policy. The following guideline is for all 'disclosers' as defined by this policy and the Act, who may wish to make a complaint as a protected disclosure, and for those in Council who may receive and need to ~~deal with~~manage such a complaint.

How to make a protected disclosure

Disclosures need to be in writing.

An individual can make the disclosure to the Mayor if they believe on reasonable grounds that the CE may be involved; or where they believe the CE may be in a relationship or associated with a person who is or may be involved in the alleged serious wrongdoing; or where it is justified by the urgency of the matter or other exceptional circumstances.

An individual can make the disclosure to the CE if they believe on reasonable grounds the Mayor or an Elected Member may be involved or where they believe the Mayor or Elected ~~M~~member may be in a relationship or associated with a person who is or may be involved in the alleged serious wrongdoing.

Alternatively, an individual can also make the disclosure directly to an Appropriate Authority at any time if they do not wish to make the disclosure to the CE or Mayor.

Furthermore, a person can make the disclosure to a Minister of the Crown or appropriate authority if they have made substantially the same disclosure to any of the above parties and ~~they that party~~ has~~ve~~ either:

- Decided not to investigate, or
- Not made progress after 20 working days and have not advised of any reason for the delay in investigating, or
- Not taken any action or recommended any action after the investigation, and it is considered that the disclosure is still true or likely to be true.

Council's processes for responding to protected disclosures

Where the disclosure is made to the ~~Mayor or CE~~CE or Mayor, with support from an appropriate officer, within 20 working days of receiving the disclosure: The CE or Mayor may they will engage the ~~Director Engagement and Culture or the Manager of Risk and Assurance~~General Manager People and Capability/ Protected Disclosure Contact Officer (or the person acting in their role) to process the complaint.

Within 20 working days of the disclosure being originally made, the General Manager People and Capability/ Protected Disclosure Contact Officer:

- ~~The officer processing the complaint will~~ Will acknowledge receipt of the complaint, including summarising the complaint in writing if the disclosure was made orally; and
- Record the disclosure in the Disclosure Register; and
- Will hHandle the complaint in the strictest of confidence; and discuss the matter only where appropriate, such as seeking ~~independent~~ legal advice (including an assessment of whether

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Protected Disclosures Policy for Elected Members and Chief Executive

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- or not the complaint is a protected disclosure under the Act and including adherence to the Privacy Act 2020 and the Privacy Principles) or other specialist ~~independent legal~~ advice; ~~and~~
- ~~Will u~~Use their best endeavours not to disclose information that might identify the person who made the protected disclosure unless ~~where there are~~ exceptions ~~apply~~ (see the Confidentiality section ~~of this policy~~); ~~and~~
 - ~~May s~~Seek the assistance of a third party/~~parties~~ to participate ~~&-and/~~ or take notes of the interview; ~~and~~
 - ~~Will i~~Interview the discloser with any appropriate third party/~~ies~~; ~~and~~
 - ~~Will p~~Provide the discloser with practical assistance and advice, including having a support person assess and provide advice to the discloser on any risks to the discloser; ~~and~~
 - ~~Will i~~Investigate the allegation;
 - ~~Will k~~Keep a detailed file note recording the interview, the investigation and the explanation given to the discloser about procedures to be followed; ~~and~~
 - ~~Will h~~Have the file note signed by the discloser to verify the accuracy and completeness of the interview notes and to record the discloser's acceptance of the procedures to be followed; ~~and~~
 - ~~Will address~~Deal with the matter by doing one or more of the following:
 1. Investigate the disclosure;~~;~~
 2. Address any serious wrongdoing by acting or recommending action;~~;~~
 3. Referring the disclosure to an appropriate authority in accordance with the Act;~~;~~
 4. Decide that no action is required.
 - ~~Will r~~Report back to the discloser ~~within the 20 working days what the receiver has about what has been~~ done or is ~~being done~~ing to deal with the matter.
 - If the ~~complaint is not investigated~~ ~~Complaint Processing Officer fails to investigate the complaint~~ in accordance with the above process, or the discloser is not satisfied that the serious wrongdoing has been addressed, the discloser may refer the matter to a Minister of the Crown or an appropriate authority.

Flow chart of the process on page ~~97~~.

Appropriate Authorities

'Appropriate authorities' that a discloser may refer their protected disclosure to include the following ~~(full details available in the Act)~~:

- The Ombudsman
- The Commissioner of Police
- The Controller and Auditor-General
- The Director of the Serious Fraud Office
- The Health and Disability Commissioner
- The Parliamentary Commissioner for the Environment
- The Solicitor-General
- The Public Services Commissioner
- WorkSafe New Zealand
- Department of Internal Affairs
- The head of every public sector agency

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Protected Disclosures Policy for Elected Members and Chief Executive

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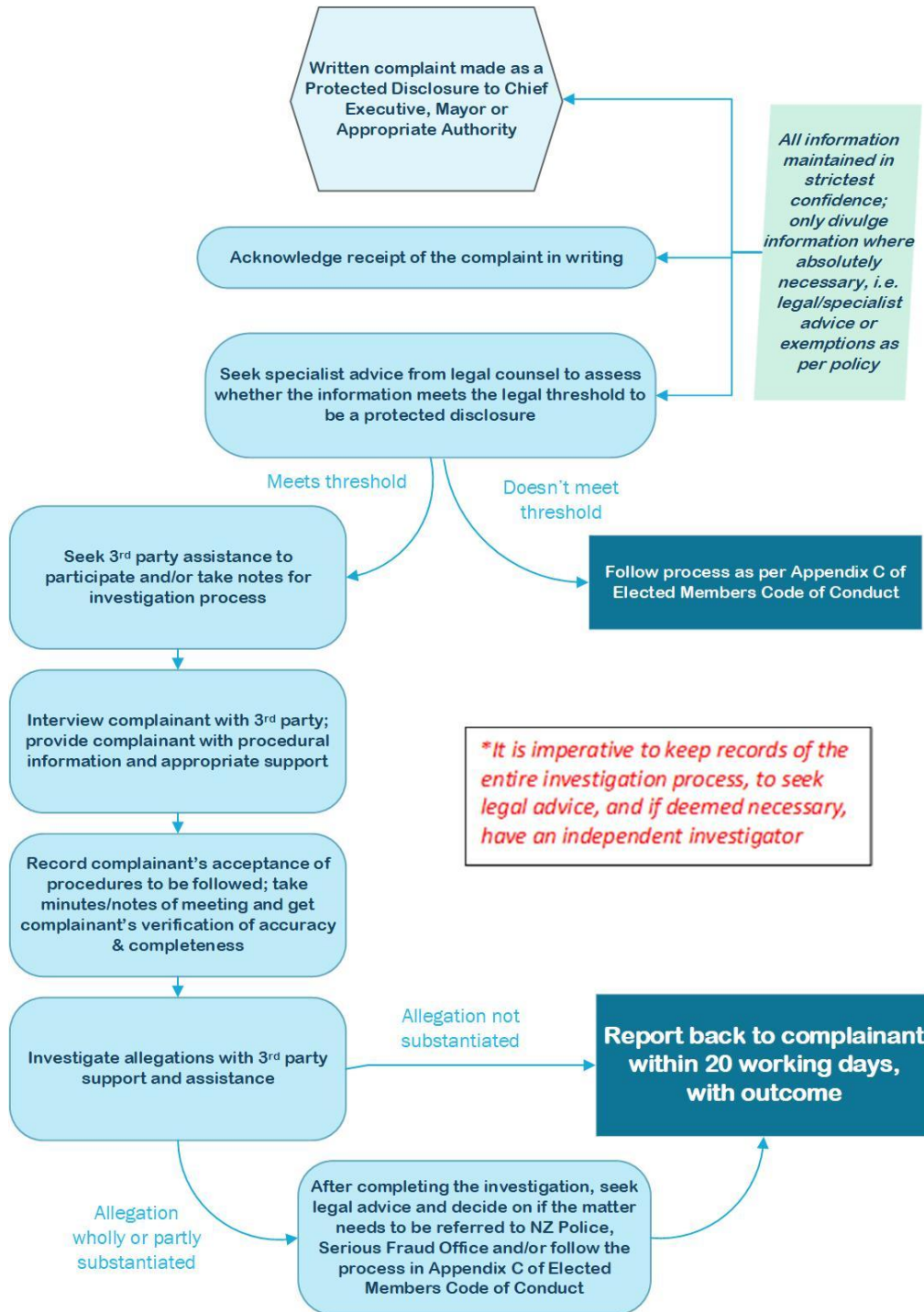
- Any officer of Parliament
- The Office of the Privacy Commissioner

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Protected Disclosures Policy for Elected Members and Chief Executive

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PROTECTED DISCLOSURE INVESTIGATION PROCESS



Employee Conflicts of Interest Policy



Approved by:	Chief Executive
Group:	Risk and Assurance <u>People and Capability/ Corporate</u>
Owner:	Chief Executive/ GM Commercial & Strategy <u>General Manager People and Capability/ Assurance and Audit Officer</u>
Date adopted:	28 November 2022 <u>TBC</u> The policy becomes effective immediately upon adoption, unless otherwise specified
Review:	Every three years, or earlier if deemed necessary <u>The Audit and Risk Committee will be invited to review the draft policy and make recommendations. The policy can then be approved under delegated authority by the Chief Executive, who must have regard to the feedback provided by the Audit and Risk Committee</u> This Policy will be reviewed and endorsed every three years by the Audit and Risk Committee. The policy can then be approved under delegated authority by the Chief Executive. Any amendments will be endorsed by the Audit and Risk Committee and approved by the Chief Executive. This Policy does not cease to have effect because it is due for review or being reviewed
Consultation:	Required to give effect to s82 of the LGA 2002. In practice, employees, volunteers and the PSA will be consulted

Policy Purpose

1. The purpose of this policy is to:
 - (i) Affirm Timaru District Council's commitment to the principles which guide the management of conflicts of interest, and the public business conducted by Council;
 - (ii) Provide guidance to Officers and Agents of Council regarding conflicts of interest and to establish a clear framework for disclosing actual, potential and perceived conflicts and accepting gifts, discounts and hospitality;
 - (iii) Encourage organisational transparency and preserve the reputation of Council and its Officers and Agents through the appropriate and transparent management, reporting and review of conflicts of interest.

Scope

- ~~2. The Conflict of Interest Policy provides a principles based framework around managing actual, potential, or perceived conflicts of interest for all Council employees.~~
- ~~3.2. The principles and standards set out in this Policy have been guided by advice from the OAG.1 The principles and standards in the Policy are also aligned with and complement the principles and standards set out in Council's Sensitive Expenditure Policy 2022. Persons affected by this Policy must read and be familiar with Council's Sensitive~~

¹ ~~"Managing conflicts of interest: A guide for the public sector", Office of the Auditor General, 2020. #18458014549514~~

~~Expenditure Policy 2022 as being a party to sensitive expenditure can also give rise to a conflict of interest or the perception of a conflict of interest.~~

- ~~3.~~ This Policy applies to all Council Officers and Agents who work for or on behalf of, and represent Council, and it This includes employees, ~~professional advisors, consultants, contractors~~ and volunteers.
4. Persons affected by this policy must read and be familiar with Council's Sensitive Expenditure Policy, as being a party to sensitive expenditure can also give rise to a conflict of interest or the perception of a conflict of interest.
- ~~5.~~ This policy does not apply to Elected Members (including Community Board members) are not covered by this policy. Refer to the Code of Conduct for Elected Members.
- ~~5-6.~~ This policy does not apply to consultants and contractors. Refer to the Supplier Code of Conduct and relevant contract documentation.

Definitions

- ~~6-7.~~ Conflict of Interest: A conflict of interest is any situation where the duties or responsibilities an officer or agent of Council conflict, or could be seen to conflict, with some other interest they might have outside of work. The conflict may be actual, perceived or potential. The other interest and/or duty might be:
- (i) A financial conflict – where the officer or agent's own financial or business affairs or those of a family member or close associate may influence, affect or compromise the fair and impartial discharge of their duties and/or responsibilities; or
 - (ii) A non-financial conflict – where a relationship or personal connection (family or otherwise) may influence, affect or compromise the fair and impartial discharge of the officer or agent's duties and/or responsibilities; or
 - (iii) A conflict of roles – another role held by the officer or agent (paid or otherwise) which may influence, affect or compromise the fair and impartial discharge of their duties and/or responsibilities; or
 - (iv) Predetermination on an issue – an opinion or view held by the officer or agent that does not permit an impartial and objective assessment of an issue.

Further information about conflicts of interest is contained in Appendix A.

- ~~7-8.~~ Council Officers or Agents: Any representative (excluding Elected Members) of Council including all employees, ~~professional advisors, contractors, consultants, volunteers and others agents~~ with financial or decision making delegations acting on behalf of Council.
- ~~8.~~ Limited Activities: ~~Activities which officers or agents must have the approval of their Manager, Group Manager/ Director or the Chief Executive to be involved in include:~~
- ~~(i) — Owning shares in organisations that have dealings with Council;~~
 - ~~(ii) — Working for any organisations that have dealings with Council; and~~
 - ~~(iii) — Making a submission to Council, or another organisation where a conflict of roles may arise.~~
9. One-Up Principle: Where approval or a decision is required in relation to a conflict of interest, this must be made by a more senior officer at Tier 3 officer level or above. In

respect of a conflict involving the Chief Executive, approval or decision-making will be undertaken by the Mayor or the Chair of the Audit and Risk Committee.

10. Personal Connection: Includes a spouse, partner, parent, child, sibling, or any other close relatives; a close friend; a current or previous business associate; or an organisation or group the ~~employee-Council officer or agent~~ is a member of.

~~11.1. Prohibited Activities: Officers and agents may not be involved in:~~

- ~~(i) A decision to appoint or employ a person with whom the officer or agent has a personal connection;~~
- ~~(ii)(i) The decision to conduct business and the supply of goods and/or services with a person or organisation with whom the officer or agent has a personal connection;~~
- ~~(iii)(i) Influencing or participating in a decision to award grants or contracts where the officer or agent is personally connected to a person or organisation that submitted an application or tender.~~
- ~~(iv)(i) Influencing or participating in regulatory decisions (such as to grant a consent, license, certificate or permit) where the officer or agent is connected to the applicant or a person who opposes the application.~~
- ~~(v)(i) Investigating a complaint where the officer or agent has a personal connection with either the complainant or the person or entity complained about.~~

Policy Statements

Principles

~~12.11.~~ Council recognises that, as a public organisation, our business should be conducted with a spirit of:

- (i) Integrity;
- (ii) Impartiality;
- (iii) Accountability;
- (iv) Respect; and
- (v) Responsiveness.

~~13.12.~~ These principles will guide any Council decisions made regarding conflicts of interest.

Breach of Policy

~~14.13.~~ This policy is breached if a Council officer or agent:

- ~~(i) Fails to act in accordance with the requirements of this policy; or~~
- ~~(ii) Has a conflict of interest and knowingly becomes involved in prohibited activities; or~~
- ~~(iii) Has a conflict of interest and knowingly becomes involved, or continues to be involved, in a limited activity without the consent of their Manager, Group Manager/Director, or the Chief Executive appropriate approval; or~~

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Employee Conflicts of Interest Policy

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~~(iii)(iv)~~ Accepts a gift, discount, or hospitality without following the process set out in this policy. ~~(section 11)~~.

~~15-14.~~ A breach of this policy may be considered misconduct or serious misconduct and give rise to disciplinary action under ~~Council's policies the Disciplinary Policy as set out in the Corporate Management Policies Manual (Manual)~~.

~~16-15.~~ Any complaints regarding conflicts of interest, non-disclosure of conflicts of interest, or the management of conflicts of interest should be directed to a ~~Group Manager/Director~~ member of the Senior Leadership Team or the Chief Executive.

Disclosing a conflict

~~17-16.~~ All officers and agents are ~~expected~~ required to disclose all of their actual, potential or perceived conflicts of interest. This includes changes or updates to conflicts of interest.

~~18-17.~~ Officers and agents ~~should~~ are required to err on the side of caution in deciding whether to make a disclosure. If they are unsure whether there is a conflict, they should discuss the matter with their manager, a ~~Group Manager/ Director~~ Senior Leadership Team member or the Chief Executive.

~~19-18.~~ Disclosures must be made at the earliest possible opportunity (and no later than five working days after becoming aware of it) in writing via the current disclosure process² to a Tier 3 Unit Manager, a Group Manager/ Director or the Chief Executive. A Conflict of Interest Declaration must be made in writing (refer Appendix B for the Declaration).

~~20-19.~~ All conflicts requiring a declaration must be entered into the Employee Interests Register, which is managed by the ~~Risk and Assurance Manager~~ People and Capability Group.

Managing a conflict

~~20.~~ Once notified, the line manager of the discloser will assess the notification and their proposal to manage it, to ensure appropriateness. The notification will then be forwarded to the General Manager (if they are not the line manager) for approval to ensure oversight at a SLT level, before the notification is then sent to People and Capability for final acceptance into the register.

21. All conflicts will be assessed for risk to Council and appropriate actions will be put in place, relative to the level of the assessed risk. A standardised risk assessment matrix will be used. These risk assessments and actions for all declared conflicts will be entered into the Employee Interests Register.

22. The risk assessment will take into account factors such as the following:

- (i) The type and size of the officer or agent's interest;
- (ii) The nature or significance of the particular decision or activity being carried out by Council;

² At the time of writing, Flowingly is the software used to disclose a conflict of interest.
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Employee Conflicts of Interest Policy

- (iii) The extent to which the officer or agent's interest could specifically affect, or be affected by, Council's decision or activity, or be perceived to do so; and
 - (iv) The nature or extent of the officer or agent's current or intended involvement in Council's decision or activity.
23. The type of changes or other treatments that may be appropriate for managing a conflict could involve one or more of the following:
- (i) Seeking consent of all other affected parties for the involvement of the officer or agent;
 - (ii) Ensuring additional oversight or review of the officer or agent's duties relevant to the conflict;
 - (iii) Withdrawing the officer or agent from discussion or decision-making on any issue relating to the conflict;
 - (iv) Excluding the officer or agent from a committee or working group dealing with the issue;
 - (v) Withholding certain confidential information or placing restrictions on access to information;
 - (vi) The officer or agent relinquishing the private interest;
 - (vii) Resignation or dismissal from one or other position or entity.
24. The ~~Group Manager/Director~~Senior Leadership Team member or Chief Executive will decide whether any change to the officer's role is required to manage the conflict. This decision will be reported, in writing, to the officer and their manager, in conjunction with the ~~Director Engagement and Culture~~General Manager People and Capability. For agents, ~~the Group Manager/Director~~Senior Leadership Team member or Chief Executive will decide whether any change to the agent's role is required to manage the conflict. This decision will be reported in writing to the agent.
25. Where a medium-to-high risk is identified in the Conflict of Interest Declaration, the ~~Risk and Assurance Manager~~Assurance and Audit Officer will undertake an assessment of the proposed management of the conflict, endorse it or recommend alternatives, and refer the issue either back to the appropriate manager, ~~or to the Senior Leadership Team and SLT member~~ for approval, ~~based on the assessed level of risk. The risk assessment will be conducted applying the risk assessment matrix set out in Appendix C.~~
26. If the conflict is deemed to be particularly sensitive or high risk by the ~~Risk and Assurance Manager~~Audit and Assurance Officer, ~~or the Senior Leadership Team~~ or the Chief Executive, a written assessment of the conflict and management plan will be undertaken. The Chief Executive will be advised in writing as soon as possible of any conflict deemed high risk.
27. In all cases of conflicts of interest, the one-up principle will be applied to the approval and management processes. Where the Chief Executive is involved in a conflict of interest, the Mayor, ~~or the Chair of the Audit and Risk Committee~~ will undertake the approval and management requirements of this Policy.

Employee Interests Register

- 28. The Employee Interests Register will be held and maintained by the ~~Risk and Assurance Manager~~People and Capability Advisor. All disclosed conflicts, their risk assessment and treatments will be entered onto this register.
- 29. The Employee Interests Register will be reviewed ~~biannually~~every six months by the Senior Leadership Team.

Responsibilities – ~~Employees and Other Representatives of Council~~Council officers and agents

- 30. All officers and agents are ~~expected~~required to disclose all actual, potential or perceived conflicts of interest at the earliest possible opportunity (and no later than five working days than becoming aware of it). This includes situations where existing, disclosed conflicts of interest change, and where retrospective conflicts are identified after the fact, ~~Retrospective disclosures in which case disclosure should occur as soon as must~~ include possible with an explanation for the delay. ~~Council officers and agents are also expected to notify their direct line manager of any changes regarding any disclosed interests.~~
- 31. All Council officers and agents are ~~expected~~required to comply with any changes or actions required to manage the conflict.

Responsibilities – ~~Managers~~People Leaders (including Group Managers/Directors and Chief Executive)

32. All ~~managers~~people leaders must:

- (i) Ensure that, ~~where required~~ officer and agent’s Conflict of Interest Declarations are completed, including the risk assessment and the management of that conflict, ~~and provided to the Risk and Assurance Manager;~~
- (ii) ~~Directly~~Advise the Risk and Assurance ManagerAssurance and Audit Officer in writing as soon as possible of any actual or perceived conflict of interest assessed to be of medium-to-high risk that officer and agents disclose to them ~~as soon as possible;~~
- ~~(iii) Advise their Group Manager/ Director or the Chief Executive respectively of any actual or perceived high risk conflicts of interest that officers and agents disclose to them;~~
- ~~(iv)~~(iii) Apply necessary and approved actions, ~~review and report on any actions~~ established to manage conflicts of interest, and review and report these as set out in ~~the Reporting and Review Requirements~~this policy (section 10); and
- ~~(v)~~(iv) Ensure that known conflicts of interest are considered in the undertaking of any new work and ~~raised with the Risk and Assurance Manager, Group Manager/ Director, or Chief Executive if necessary~~managed as per this policy.
- ~~(vi)~~(v) Where a conflict involves the Chief Executive, its management will be elevated to the Mayor or the Chair of the Audit and Risk Committee.

Responsibilities – Risk and Assurance Manager Assurance and Audit Officer

~~33. The Risk and Assurance Manager will maintain the Employee Interests Register and the Gifts Register as identified in Point 10.8 following.~~

~~34-33.~~ Where a conflict has been identified by a manager as being of medium-to-high risk or sensitive, the ~~Risk and Assurance Manager Assurance and Audit Officer~~ will undertake an assessment to either confirm or recommend amending the proposed management of the conflict. The ~~Risk and Assurance Manager Assurance and Audit Officer~~ will then refer the issue either back to the appropriate ~~Group Manager/Director~~ Senior Leadership Team member (and also the Chief Executive for approval, ~~based on the assessed level of risk if deemed sensitive or high risk).~~

~~35-34.~~ The ~~Risk and Assurance Manager Assurance and Audit Officer~~ will report all high risk conflicts to the ~~Senior Leadership Team (SLT) for approval of the actions to manage the conflict~~ Chief Executive, and ~~undertake a written risk assessment of high risk conflicts on request of the SLT.~~

~~35.~~ The ~~Risk and Assurance Manager Assurance and Audit Officer (with the People and Capability Group)~~ is responsible for reporting on the management of conflicts for officers and agents to the Senior Leadership Team ~~biannually~~ six monthly and the Audit and Risk Committee annually.

~~36. Provide internal support and expertise to officers regarding conflicts of interest, upon request.~~

Responsibilities – People and Capability Group

~~37. The People and Capability Advisor will maintain and manage the Employees Interest Register.~~

~~38. The People and Capability Group (with the Assurance and Audit Officer) is responsible for reporting on the management of conflicts for officers and agents to the Senior Leadership Team six monthly and the Audit and Risk Committee annually.~~

Responsibilities – Executive Support Manager

~~39. The Executive Support Manager (and their direct reports as deemed appropriate) will maintain and manage the Gift Register, and reporting on this to SLT six monthly.~~

Responsibilities – Senior Leadership Team

~~37-40.~~ The Senior Leadership Team will:

- (i) Undertake ~~biannual~~ six monthly reviews of the Employee Interests Register, including a review of all high risk conflicts and risk assessments referred by the ~~Risk and Assurance Manager Assurance and Audit Officer~~, and approve the recommended actions to manage the conflict.
- (ii) Undertake a ~~6~~ six monthly review of the Gifts Register ~~as identified in Point 10.8 following.~~
- (iii) Ensure ~~o~~ Officers have access to appropriate training and guidance on the management of conflicts, including, where appropriate, seeking advice from the Office of the Auditor General.

Gifts, Discounts and Hospitality

~~38-41.~~ Accepting gifts, discounts and/or hospitality can give rise to a conflict and the following provisions apply to managing the conflict of interest.

~~39-42.~~ Gifts of cash are prohibited. No officer or agent may accept any gift of cash of any value in relation to the performance of their duties.

~~40-43.~~ Any offer of a cash gift, ~~whether accepted or not,~~ must be immediately reported to ~~the relevant Unit Manager~~ an officers' people leader or agents' direct report, a a Group Manager/ Director Senior Leadership Team member, or the Chief Executive.

~~41-44.~~ This excludes gift cards or vouchers that contain a cash value, which must be disclosed as gifts in accordance with ~~10.4 below~~ this policy.

~~42-45.~~ Council o Officers and agents must disclose ~~to their manager~~ via the approved process, as soon as possible but not longer than five working days of the offer or receipt of:

- (i) All gifts over the value of \$50;
- (ii) All discounts offered to ~~employees~~ Council officers or ~~Council~~ agents (other than those offered via any employee purchasing scheme of those offered to all customers of a business); and
- (iii) All hospitality gifts over \$50 offered by a person or organisation that the officer or agent has dealings within the performance of their duties. Note: incidental coffee or food purchases are not considered to be of a level requiring disclosure, however officers and agents should consider the frequency and expense of such purchases and should ensure they are infrequently offered and accepted. Events happening more than once per month should be considered frequent.

~~43-46.~~ Where an officer or agent has disclosed an offer, or has received a gift, a discount, or hospitality valued at \$50 or more, the manager (in consultation with ~~a Group Manager/ Director~~ the relevant SLT member, the ~~Risk and Assurance~~ Assurance and Audit Officer-Manager, or the Chief Executive as appropriate) will decide whether it is appropriate for the officer(s) or agent(s) to accept or keep ~~as appropriate~~ the gift, discount or hospitality. If it is decided that a gift cannot be accepted, the gift will be returned to the donor or, with approval of the donor, given to charity.

~~44-47.~~ In making this decision, the following factors are relevant:

- (i) The value and nature of the gift, discount or hospitality;
- (ii) The extent of the personal benefit to the officer or agent and donor from the gift, discount or hospitality;
- (iii) The context, reason or occasion for the gift, discount or hospitality; and
- (iv) Any imminent decisions to be made by Council that could be seen to be affected by the acceptance of the gift, discount or hospitality.

~~45-48.~~ All gifts over the value of \$50 are to be recorded in the Gifts Register, which will be maintained by the ~~Risk and Assurance Manager~~ Executive Support Team.

~~49.~~ The Senior Leadership Team will review the Gifts Register ~~every six~~ monthly.

~~50. Limited Activities: Activities which officers or agents must have the approval of their relevant SLT member or the Chief Executive to be involved in include:~~

~~(i) Owning shares in organisations that have dealings with Council;~~

~~(ii) Working for any organisations that have dealings with Council; and~~

~~(iii) Making a submission to Council, or another organisation where a conflict of roles may arise.~~

~~51. Prohibited Activities: Officers Council officers and agents may not be involved in:~~

~~(i) A decision to appoint or employ a person with whom the officer or agent has a personal connection;~~

~~(ii) The decision to conduct business and the supply of goods and/or services with a person or organisation with whom the officer or agent has a personal connection;~~

~~(iii) Influencing or participating in a decision to award grants or contracts where the officer or agent is personally connected to a person or organisation that submitted an application or tender.~~

~~(iv) Influencing or participating in regulatory decisions (such as to grant a consent, license, certificate or permit) where the officer or agent is connected to the applicant or a person who opposes the application.~~

~~(v) Investigating a complaint where the officer or agent has a personal connection with either the complainant or the person or entity complained about.~~

Monitoring

~~46. Managers will report, in writing, on the management and review of conflicts of interest disclosed by employees and other Council agents to their Group Manager/ Director and the Risk and Assurance Manager according to the nature of the conflict, the risk, and its management actions.~~

~~47-52.~~ The Senior Leadership Team will review the Employee Interest Register ~~6~~ six monthly to ensure consistent and high quality management of actual, potential, and perceived conflicts of interest across Council. This includes reviewing the Gift Register six monthly.

~~48-53.~~ If a declared conflict does not justify taking any action or reporting because it is considered too indirect or insignificant, this will be noted in the Conflict of Interest Declaration and the Employee Interests Register. -Such a decision must be made by the relevant a Group Manager/DirectorSLT member or the Chief Executive.

~~49. In the case of a declared conflict affecting the Chief Executive the decision on whether it is sufficiently indirect or insignificant to justify taking action will be made by the Mayor and the Chair of the Audit and Risk Committee. The declared conflict is required to be recorded in the Conflict of Interest Declaration and Employee Interest Register.~~

Reporting

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Employee Conflicts of Interest Policy

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~~50-54.~~ An annual report will be prepared for the Audit and Risk Committee regarding the management of actual, potential, and perceived conflicts of interest for all Council Officers and Agents, in addition to consultants and contractors. This report should focus on conflicts assessed to be of medium-to-high risk to Council.

Delegations, References and Revision History					
Delegations					
Identify here any delegations related to the policy for it to be operative or required as a result of the policy					
Delegation	Delegations Register Reference				
Risk and Assurance Manager will establish, maintain and report on the Conflict of Interest Register to Audit & Risk Committee annually.	To be added				
References					
Include here reference to any documents related to the policy (e.g. operating guidelines, procedures)					
Title	Document Reference				
#	Conflict of Interest Declaration (Appendix B)				
#	Conflict of Interest Risk Assessment (Appendix C)				
#	Employee Interest Register				
#	<u>Risk Assessment for Conflicts of Interest</u>				
Office of the Auditor General Advice	<u>https://ao.parliament.nz/resources/good-practice/conflicts-of-interest</u> ; and <u>"Managing conflicts of interest: A guide for the public sector"</u> <u>https://oag.parliament.nz/2020/conflicts/docs/conflicts-of-interest.pdf</u>				
Revision History					
Summary of the development and review of the policy					
Revision	Owner	Date Approved	Approval By	Next Review	Doc Ref
1 - this document	Risk and Assurance Manager	28 November 2022	CE/ ARC	November 2025	#1549514
<u>2</u>	<u>General Manager People and Capability/ Assurance and Audit Officer</u>	<u>TBC</u>	<u>Chief Executive</u>	<u>TBC</u>	<u>#1845801</u>

Appendices to the Employee Conflicts of Interest Policy ~~2022~~

Appendix A: Conflicts of Interest Explanation

~~Appendix B: Conflicts of Interest Declaration~~

~~Appendix C: Conflicts of Interest Risk Assessment~~

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Employee Conflicts of Interest Policy

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Appendix A: Conflicts of Interest Explanation

1. Having a personal interest, on its own, is not what causes a conflict. Everyone has multiple roles and interests at work, at home, in their extended families, or in the community. A potential conflict of interest only arises where duties or responsibilities as an employee-officer or agent of Council overlap with another role, interest or connection.
2. Some conflicts are serious, some less so. Some conflicts are unavoidable, especially in a small country like New Zealand. However, in any situation where activities are paid for out of public funds, or carried out in the public interest, the public needs to be confident that decisions are made for the right reasons and are not influenced by personal interests or ulterior motives.
3. The risk with having a conflict of interest – at least one that is not properly managed – is that an employee-officer or Council agent could be seen to be advancing their own interests or the interests of others they feel a sense of loyalty or obligation to, rather than the interests of their role as representative of Council.
4. Even if an employee-officer or Council agent has no intention of acting improperly, and is confident they can act impartially, if it looks like they might be influenced by personal interest or an ulterior motive when making a decision, the Council agent risks undermining public confidence in the integrity of that decision. This may also expose Council to legal, commercial, political, or reputational risk.
5. There is a higher expectation about conflicts of interest in the public sector because it is public money that is being spent, and public powers that are being exercised.
6. Where activities are paid for out of public funds, or decisions are made exercising public powers, members of the public rightly expect that the people making those decisions will act impartially, without any possibility that they could be influenced by favouritism or improper personal motives, or that public resources could be misused for private benefit.
7. A conflict of interest may be actual, perceived or potential.
8. Actual - An actual conflict of interest occurs when there is a conflict between a person's official duties and responsibilities in serving the public interest, and their personal interest.
9. Perceived - A perceived conflict of interest occurs when a reasonably informed objective bystander considers that a conflict of interest may exist in the circumstances. A perceived conflict is just as important as an actual conflict. The test is objective, and does not require proof of an actual conflict, simply the possibility is sufficient.
10. Potential - A potential conflict of interest occurs where a person has a personal interest that could conflict with their official duties in the future.
11. A conflict of interest extends to family members and close associates.
12. Those disclosing a conflict of interest are required to err on the side of caution, if unsure whether a conflict may exist in a particular circumstance.

~~Appendix B: Conflicts of Interest Declaration~~

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Any Officer or Agent involved in a Council procurement activity or responsible for any Council activity involving external consultant or contractor support must complete this agreement before developing procurement documents, accessing procurement process files, joining an evaluation panel, awarding a contract or engaging an external third party. Before you complete this form, read the [Quick-Guide: Conflicts of Interest](#).

Name:	
Position:	
Organisation:	
Tender/Contract:	
Role in the procurement or contracting activity:	

For further guidance, please refer to the Office of the Auditor General's good practice guide on [Managing Conflicts entities of interest: Guidance for public](#)

Do you have any actual, potential or perceived conflicts of interest?

<p>Do you have any personal interest in the purchasing decision? <i>(e.g. you own shares in a supplier or related company)</i></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Potentially (tick 'potentially' if others could perceive you have a conflict)</p>
<p>Are you a relative or close friend of someone with a personal interest in the goods or services being purchased or who could be personally affected by the purchasing decision? <i>(e.g. a family member is an employee or shareholder of a supplier)</i></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Potentially (tick 'potentially' if others could perceive you have a conflict)</p>
<p>Do you have any personal obligations, loyalties or bias that could influence the way you conduct procurements, evaluate offers and recommend purchases? <i>(e.g. a close friendship with an employee of a supplier, having dealt with a tenderer previously and potentially have a bias (positive or negative) towards them? Are you employed by, have you been employed by, or do you have a professional relationship with, or hold any office with any tenderer, including executive relationships such as Director or Board Member)</i></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Potentially (tick 'potentially' if others could perceive you have a conflict)</p>

<p>Have you recently (e.g. within the past two years) been offered any special discounts, gifts, trips, hospitality, rewards or favours by suppliers of the goods or services being purchased? <i>(e.g. free travel; free samples for your own use)</i></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Potentially (tick 'potentially' if others could perceive you have a conflict)</p>
<p>Are you aware of anything that could give the appearance that you might be biased towards or against a particular supplier? <i>(e.g. you have expressed strong views about a supplier; you worked for/contracted to/worked for a supplier; you use a supplier's corporate box at a sports event, you have been a witness for or against any tenderer, or an expert witness in proceedings involving any tenderer in the past two years)</i></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Potentially (tick 'potentially' if others could perceive you have a conflict)</p>

Confidentiality responsibilities

All of the procurement or contracting project's discussions, meetings and material (written and electronic) are confidential and I agree to keep this information safe on Timaru District Council files only. I will not give this information to anyone outside the immediate evaluation team without prior approval from the Project Manager.

~~If you are a Procurement Panel Chair or Contracting Manager you also undertake to:~~

- ~~• arrange for the secure filing of this tender on CM9.~~
- ~~• securely dispose of all other material pertaining to the evaluation of the tender or contract being awarded that is in your control and has been returned to you by each panellist.~~
- ~~• retain any copies of confidential and/or commercially sensitive information relating to this tender or contract in CM9.~~

Restrictions on contact with suppliers

~~I agree that my contact with potential suppliers (including incumbents) is restricted during the period of the procurement. I understand that until the successful supplier has been announced I will not:~~

- ~~• pass information or make comments to them about the procurement~~
- ~~• receive any gift, gratuity, hospitality or any inducement from them~~
- ~~• meet them (unless mitigation is in place, ie; two or more staff meeting with incumbent supplier) or have any discussion about the procurement or contract being awarded.~~

~~I will pass any requests for information and meetings from potential suppliers to the Project Manager.~~

Declaration of conflict of interest

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<p>Actual conflict of interest is where you already have a conflict.</p> <p>Potential conflict of interest is where the conflict is about to happen or could happen.</p> <p>Perceived conflict of interest is where other people might reasonably think you are not being objective.</p>	<p>If you have answered 'Yes' or 'Potentially' to any of the above questions, please provide details here. Otherwise sign the declaration below.</p>
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Your declaration

Declaration—I confirm that the above details are correct to the best of my knowledge and I make this declaration in good faith.

I declare that if there is any change to the above details at any stage in the procurement or contract award process, then I will make this known to the project manager or evaluation leader e.g. once tenderers are known.

Signature:		Date:
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Review by Project Manager/Sponsor—I confirm that I have received this declaration and noted the contents. Where a conflict of interest is declared, complete the next part of the form.

Name:	
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Signature:		Date:
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Conflict of Interest Management Plan

Who and when?

The Project Manager/Sponsor must complete this Plan when you declare a conflict of interest. Decide how to manage the conflict, give details below and then send the completed Plan to the Group Manager and Risk and Assurance Manager

~~Tender or Contract:~~

~~How the conflict of interest will be managed~~

~~There are five options for managing or resolving your conflict of interest:~~

- ~~• Restrict your involvement in the process~~
- ~~• Recruit an independent third party to oversee part or all of the process~~
- ~~• Remove yourself from the process~~
- ~~• Relinquish your private interest that causes the conflict~~
- ~~• Resign from the Council~~

~~The following plan has been agreed to manage your declared conflict of interest. This takes into account the conflict's likely effect on your role and responsibilities in the procurement activity, as well as the risks to the process and the agency's reputation.~~

~~Approval—I approve the above Conflict of Interest Management Plan~~

~~Signature:~~

~~Project Manager/Sponsor~~

~~Date:~~

~~Declaration—I agree to the above Conflict of Interest Management Plan~~

~~Signature:~~

~~Person making the declaration~~

~~Date:~~

~~Risk Assurance—the conflict of interest has been resolved and no further action/or the following action is required~~

~~Signature:~~

~~Date:~~

<p><i>Procurement Advisor or other person responsible for Risk Assurance</i></p>		
<p>Group Manager/Director—the conflict of interest has been resolved and no further action/or the following action is required</p>		
<p><i>Signature: Group Manager or Director of group the procurement or contract is being sought for</i></p>		<p><i>Date:</i></p>

Appendix C: Conflicts of Interest Risk Assessment

Consequence Categories									
Scale	Achievement of the Vision and Community Outcomes	Financial	Health and Safety (Employees, contractors, public)	Service delivery to community	Organisational capability and capacity	Reputation	Business Continuity	Environment	Legislative / regulatory compliance
Severe	Failure to achieve multiple community outcomes Lost opportunity to significantly advance multiple community outcomes	Financial impact of more than \$5m	Loss of life Permanent disability Permanent health effects e.g. asbestososis, cancer, loss of limb, silicosis, corrosive burns	Key service not available to a large proportion of the community for one week or more Continued severe service degradation for one month or more	Organisation unable to function for more than two days Serious reduction in organisational capability greater than one month Unable to recruit or retain staff causing staff numbers to drop below sustainable 80% level	Insurmountable loss of community confidence National adverse political or media comment for more than one week Requirement for (beleived) public apology or defence Adverse comments or questions in Parliament	Business interruption >1 week Total loss of IT services for an extended period. Need to replicate systems at alternative location	Major spill / release, destruction, with widespread damage to environment / property. Likely prosecution in Environment court Permanent impact that risks survival of significant flora or fauna Destruction of items/area of significant cultural value	Court proceeding or criminal for breach or non-compliance for imprisonment of elected staff Judicial review on a matter or other finding, or on a matter significant financial impact
Major	Failure to achieve a specific community outcome Lost opportunity to significantly advance a specific community outcome	Financial impact of over \$1M to \$5M	Lost Time injury (LTI) or Notifiable event to Workable Long term health effects e.g. chronic back injury, repetitive strain injury	Key service not available to a significant portion of the community for two days or more Continued severe service degradation for one week or more	Organisation unable to function between 10 hours and 2 days Serious reduction in organisational capability between one and one month High staff turnover >30% pa. unable to recruit staff or retain skill set	Loss of community confidence requiring significant time to remedy National adverse political or media comment for more than two days Regional adverse political or media comment for more than one week Requirement for (beleived) public explanation	Business interruption >24hrs but <1 week Major IT failure e.g. need to recreate, important lost or corrupted data, major interruption to IT services	Off-site release with obvious detrimental effects on environment. RMA notice likely to be served by council Damage to significant flora or fauna requires years to recover Significant damage to items/area of significant cultural value	Significant breach or non-compliance resulting in regulatory action or restrictions on Council activity
Moderate	Significant difficulty introduced to achievement of the Vision and community outcomes Lost opportunity to contribute positively to one or more of the Vision and community outcomes	Financial impact of over \$250k to \$1M	Medical treatment required (MTI) Reversible health effects e.g. skin irritation, food poisoning	Key service not available to some of the community for ten hours or more Continued service degradation for two days or more	Organisation unable to function for less than 10 hours Serious reduction in organisational capability one week and 2 weeks Staff turnover >20% but <30% p.a.	Short term and manageable loss of community confidence Regional adverse political or media comment for more than two days Significant social media commentary or campaign from news sources	Business interruption >8hrs but <24hrs Significant IT failure e.g. loss or corruption of data, interruption to local server	Off-site release with obvious detrimental effects on environment. RMA notice likely to be served by council Damage to significant flora or fauna requires years to recover Significant damage to items/area of significant cultural value	Complaint to the Ombud Auditor-General or other statutory body Multiple related minor non-compliance due to an underlying system issue Significant breach or non-compliance resulting in regulatory action
Minor	Inconvenience or delay in achieving the Vision and community outcomes No impact on the Vision and community outcomes	Financial impact of over \$100k to \$250k	First aid treatment (FAT) - injury of health effect Not affecting work performance and not affecting daily life activities	Reduced service delivery that does not compromise the community's health and wellbeing	Loss of organisational capability in some areas resulting in sub-optimal support to external delivery activities Staff turnover <15% p.a.	Short term loss of confidence among small sections of the community Regional adverse political or media comment for one or two days Sustained 'letters to the editor' (or online equivalent) commentary in local sources	Business interruption >4hrs but <8hrs Short term IT failure e.g. loss or localised corruption of data, interruption to local area services (email, intranet)	On-site effects immediately addressed, cleaned up, mitigated etc. Minor threat to significant flora or fauna	One-off minor regulatory or non-compliance with potential to impact the community's health or wellbeing
Insignificant	No impact on the Vision and community outcomes No impact on the Vision and community outcomes	Financial impact up to \$100k	No injury or health effect sustained	Short term reduction in service delivery which is easily restored and does not compromise the community's health and wellbeing	Temporary problem with organisational capability resulting in no impact on external service delivery	Negative feedback from individuals Short term 'letters to the editor' (or online equivalent) commentary	Business interruption >4hrs Minor IT failure e.g. readily recoverable loss of data or communications links	Negligible and sporadic environmental effects No threat to significant flora or fauna	One-off minor regulatory or non-compliance with no direct impact on the community's health or wellbeing

6.13 Group Tax Risk Governance Framework 2026**Author:** John Liddiard, Projects Accountant**Authoriser:** Andrea Rankin, Chief Financial Officer**Recommendation**

That the Audit and Risk Committee:

1. Receive and note the Group Tax Risk Governance Framework 2026 report; and
2. Recommend that Council adopt the Group Tax Risk Governance Framework 2026 and the Group Tax Risk Governance Framework Management Strategy 2026.

Purpose of Report

- 1 The purpose of this report is to present the updated Group Tax Risk Governance Framework and the associated Group Tax Risk Governance Framework Management Strategy for recommendation to Timaru District Council (Council) for adoption.

Assessment of Significance




- 2 This matter has low significance in terms of Council's Significance and Engagement Policy. This has been determined by the low level of direct impact the decisions are likely to have on Council's operations and on the community and therefore community engagement on the contents of this report is not recommended.

Discussion

- 3 The Group Tax Risk Governance Framework establishes the tax risk governance framework for the Timaru District Council Group which currently includes: Council, Timaru District Holdings Limited (TDHL) and Venture Timaru (VT) but will also apply to any other entities controlled by Timaru District Council following the promulgation of this framework.
- 4 Inland Revenue, supported by Audit New Zealand, has been explicit in their expectation that all large organisations have tax risk management incorporated within their governance framework.
- 5 The full Council Group encapsulates the formal "tax group" which currently consists of TDC and TDHL, however the Framework is not restricted to the tax group.
- 6 The Group's primary tax advisers, PriceWaterhouseCoopers (PWC), have assisted in preparing and reviewing the proposed updated Framework, including dividing it between the Framework itself and the Framework's management strategy to agree with current "good practice".
- 7 The Framework does not include detailed tax management decisions or activities which may be undertaken in the context of the Framework to mitigate tax liabilities. It is anticipated that these will be the focus of the development of the tax management approach in 2027, working with Group members and with PWC advice as necessary although there are likely to be only limited opportunities for tax mitigation.

- 8 The previous Framework was approved by the Committee on 5 October 2021. The Committee at that time requested that the Group entities specifically also approve the Framework. Following this a protracted period of discussion ensued regarding whether such a Framework should be enacted or whether this might reduce the operational independence of Group members. The Framework was promptly adopted by Aorangi Stadium Trust at the time, however that organisation has now been dissolved. Venture Timaru never formally considered the Framework. The TDHL Board agreed to the Framework on 4 June 2025.
- 9 It was intended that the Framework be reviewed triennially however due to the ongoing discussions this has been delayed, consequently this update is resetting the timeframe so that the next review would be in the year ended 30 June 2029.
- 10 The Group tax risk has not materially changed since the Framework was last approved however potential future Group changes will need to be managed under this Framework with as yet indeterminate implications.
- 11 It is planned to specifically seek Council agreement to the Framework and to subsequently advise subsidiary companies of their required adherence to the Framework.

Attachments

1. TDC Group tax risk governance framework 2021 to 2025 [↓](#) 
2. TDC Group tax risk governance framework 2026 [↓](#) 
3. TDC Group tax risk governance framework management strategy 2026 [↓](#) 

*Timaru District
Council*

*Timaru District
Holdings Limited*

Venture Timaru

Tax Risk Governance Framework

May 2025



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1. Purpose

This document establishes the tax governance framework for Timaru District Council (Council), Timaru District Holdings Limited (TDHL), Venture Timaru (VT) and any other entities controlled by Timaru District Council following the promulgation of this framework, established by the Audit and Risk committee(s) or equivalent bodies.

1.1 Background

Council, Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs) have a significant public profile and responsibility to provide services to the District and must maintain exemplary governance and tax compliance standards.

These organisations are required to correctly account for corporate income tax, goods and services tax, fringe benefit tax, PAYE and a range of other withholding taxes and other taxes as mandated by central government.

The aim of this document is to ensure that the framework exists for tax obligations to be complied with efficiently and in a timely fashion.

Inland Revenue, supported by Audit New Zealand, expects that all large organisations should have tax risk management incorporated within their governance framework, consistent with international best practice and in concert with other tax jurisdictions. The consolidated tax group ("Tax Group") includes Council and all CCOs/CCTOs which are specifically included in the Tax Group.

Council and all CCOs/CCTOs may be collectively referred to as "the Group", however the Tax Group includes those members of the Group specifically included in the Tax Group.

1.2 Risk management

The Audit and Risk Committee (or equivalent body) is, along with other responsibilities, tasked to:

- Assist management to determine the Group's appetite for risk.
- Review the comprehensive risk management framework and associated procedures for effective identification and management of significant risks.
- Consider whether appropriate action is being taken by management to mitigate significant risks.
- Ensure that management is kept apprised of the governance bodies views on uncontrolled risk.
- Ensure management are keeping the Audit and Risk Committee, or equivalent body, fully apprised of independent sources of assurance, via the risk management framework.

Proactive tax risk management can facilitate mitigation of:

- Operational risk: Reducing the potential for reputational damage as a result of non-compliance, and the possible negative impacts on stakeholders.
- Financial risk: Minimising the financial impact of non-compliance and the associated costs.
- Compliance risk: Ensuring areas of non-compliance are identified to minimise any penalties or interest being imposed by Inland Revenue and reducing the risk of being subject to an Inland Revenue audit.

This tax risk management framework is intended to cover all entities controlled by and including the Timaru District Council and its Council Controlled Organisations and Council Controlled Trading Organisations. Where there is shared management control of an organisation it is expected that this framework will be applied as much as practicable within that context and any additional risk identified and managed appropriately.

2. Tax risk profile

Council and its CCOs/CCTOs have a statutory requirement to comply with tax obligations as required by tax legislation, including but not limited to the:

- Income Tax Act 2007

- Goods and Services Tax Act 1985
- Tax Administration Act 1994
- KiwiSaver Act 2006

Due to the high profile and public governance nature of Council and the CCOs/CCTOs it is appropriate to adopt a conservative approach to tax management and compliance and therefore they are expected to adopt a "LOW" tax risk profile and to engage in an open and honest working relationship with Inland Revenue or any other tax authorities.

3. Tax risk management strategies

The following strategies will be adopted to ensure the maintenance of a low tax risk profile and management of tax obligations and tax risks.

Management will develop a tax risk management plan to be formally adopted by the Audit and Risk Committee, or equivalent body, which will be reviewed *at least* every three years and will:

- Identify key areas of tax compliance risk.
- Establish the steps required to effectively manage or mitigate each risk area.
- Identify and action significant income tax efficiency planning for Council and the tax group.
- Ensure clear and realistic timeframes for the steps to be completed.
- Reviewing the level of knowledge of tax issues by Council staff responsible for such matters and review of potential training and development requirements.

3.1 Responsibility for tax issues

The Chief Financial Officer has overall responsibility for the management of the tax issues of Council and the Tax Group and may delegate responsibility for tax issues to another appropriately qualified person, however individual CCOs/CCTOs have primary responsibility for their tax management within the context of Group policies and practices.

IRD requires a designated individual to be the Executive Office Holder (EOH) who is responsible for ensuring that appropriate staff are authorised to access requisite sections with "myIR." Each CCO/CCTO should ensure that an appropriate EOH is appointed.

The EOH for Council and designated CCOs/CCTOs must be a member of the senior leadership team of the Council or CCO/CCTO who is not managing financial services, however where that is not practical an EOH may be appointed from Council. The EOH is responsible for administering and maintaining staff delegations and permissions of "myIR" login accounts and for ensuring delegations are updated as and when staff leave the organisation, however this may be delegated to an appropriate individual.

3.2 Reporting tax risks to Audit and Risk Committee

Any 'significant tax risks' will be reported in the first instance to the Chief Executive or Board of the CCO/CCTO as soon as they are identified and where appropriate, to the chair of the Audit and Risk Committee within two weeks of being identified.

A "significant tax risk" to the Tax Group, Council and/or CCOs/CCTOs may be where an incorrect interpretation is made that results in a situation where:

- Significant penalties and interest may be imposed.
- A consequent tax liability is required to be settled that is in excess of \$20,000.
- Council or a CCO/CCTO could be subject to prosecution.
- An accusation of tax avoidance could be levied.
- There is risk of negative publicity.

Council and its CCOs/CCTOs will report on all tax risk management matters to the Audit and Risk Committee at least annually, including a summary setting out key issues, which may include the following:

- Key financial information including any outstanding taxes overdue, and any interest or penalties imposed during the year.
- Particulars of any proposed legislative tax changes which could impact Council or the CCOs/CCTOs.
- Details of any significant disputes with Inland Revenue including any disputed outstanding taxes.
- Details of advice sought and future matters to consider.
- A table of tax tools and services used and whether each aligns with the Group's 'LOW' risk tax profile; i.e. Strategy vs Achievement.

3.3 Efficient tax planning

Council and the CCOs/CCTOs are separate legal entities, however for corporate tax planning purposes there is a consolidated tax group ('the Tax Group'). Where legally allowed, and where it is appropriate from a tax planning perspective all CCOs/CCTOs should be members of the Tax Group to facilitate the optimisation of the tax position overall. Proposed changes to the Tax Group should be presented to the Audit and Risk Committee, or equivalent body, for their review and agreement prior to enacting changes. The Tax Group will coordinate to ensure that tax requirements are optimised, including:

- Projecting the Tax Group's income tax efficiency and ensuring available deductions are optimised;
- Considering the timing of revenue and deductible expenditure, including the deductibility of donations; and
- Ensuring tax loss offsets and subvention payments are optimised to mitigate the Tax Group's overall income tax liability.

As far as possible, CCOs/CCTOs outside of the Tax Group will also coordinate with members of the Tax Group to ensure efficient tax planning.

3.4 Tax awareness and training

Relevant staff should be provided with adequate training and resources to effectively identify and manage tax obligations and risks, including staff attending external courses or engaging specialist in-house instruction and support as considered necessary.

3.5 Meetings and correspondence with Inland Revenue

The Group will endeavour to maintain strong working relationships with Inland Revenue, other government bodies, and related third parties. All dealings with external parties will be undertaken in a professional and timely manner. Council, and CCOs/CCTOs should also endeavour to separately maintain a strong working relationship for issues which are managed locally or individually.

Apart from routine tax returns, payments or correspondence, all other correspondence, meeting requests or queries from Inland Revenue must be immediately referred to the Chief Financial Officer or the Council Chief Executive Officer as appropriate, who is authorised to correspond or meet with Inland Revenue to discuss tax matters relating to the Tax Group and any CCOs/CCTOs which do not employ financial services staff directly. An equivalent delegation should be made by any CCO/CCTO not included in the Tax Group which does employ financial services staff, except that role may be delegated to the Chief Financial Officer for Council as agreed. Delegation of responsibility for such discussions may be made by the Chief Financial Officer or Council Chief Executive Officer to others, including external consultants, as appropriate.

3.6 Tax advice and rulings

Detailed information and computations supporting all tax filing positions will be maintained, including as relevant for each Group entity and the Tax Group jointly. If there is any uncertainty in respect of a filing position where the amount of tax exceeds \$10,000, the Group will seek written advice from external tax advisors.

Occasionally, the degree of uncertainty over a particular tax issue may warrant seeking a Binding Ruling from Inland Revenue. No approach should be made for a Binding Ruling without the prior approval of the Chief Financial Officer or the Council Chief Executive Officer as appropriate, relating to the Tax Group and any CCOs/CCTOs where tax management responsibility has been delegated to Council. It is expected that for any other CCOs/CCTOs advice would be sought from the Chief Financial Officer in Council prior to seeking such a ruling. Agreement may be sought from the Committee prior to seeking a specific ruling.

3.7 Tax returns and payments

The preparation and filing of returns will be transparent, and fully disclose all relevant information supporting a tax position in a tax return. Only tax positions that are highly likely to be correct based on current law should be adopted, however the most legitimate tax efficient position should be adopted.

Authorisation for Council and Tax Group tax payments exceeding \$20,000 lies with the Chief Financial Officer, however this responsibility may be delegated to an appropriate person. Tax payments for CCOs/CCTOs lie with the senior manager in each organisation, but where that is not applicable responsibility will be held by the Chief Financial Officer in Council, however this responsibility may be delegated to an appropriate person.

Tax payments must be supported by detailed tax computations and explanations which are "initialed" by the preparer and then "countersigned" by that person's manager prior to payment or the electronic equivalent of that process.

Accounts related to tax, including the creditors' accounts for Inland Revenue, should be reconciled monthly and cleared promptly with any unreconciled items resolved promptly.

3.8 Filing and record keeping

As required by the Tax Administration Act 1994, tax records are to be retained for 7 years. To assist in archiving and the subsequent retrieval of relevant tax records, each tax return and supporting computation and advisory correspondence based on the year of assessment and tax type will be separately and identifiably filed.

A detailed index of the relevant tax files will be maintained to enable their efficient retrieval should they be requested by Inland Revenue. The index should contain details relating to the file reference, relevant tax period, tax type, subject of the document on file and location of the file, and evidence of review by the appropriate manager. This index should be maintained irrespective of whether the information is in electronic or hard copy format.

3.9 Regular reviews

Tax risks potentially increase over time through a combination of personnel and legislative changes. To ensure the tax compliance procedures of the Group are kept up to date and accurate, an independent external review of GST, PAYE/Withholding Taxes and FBT should be undertaken every three years. This review would normally expect to be undertaken in a 'rolling' format, with a different tax type being reviewed each year. The materiality levels outlined in the framework will also be reviewed triennially based on the risk profiles agreed for Council and the CCOs/CCTOs, however individual CCOs/CCTOs should ensure that their own processes are regularly reviewed.

3.10 Penalties and voluntary disclosures

Wherever possible the Group should endeavour to minimise any penalties and use of money interest. Accordingly, any tax discrepancies identified should be addressed and disclosed to Inland Revenue as soon as possible. Unless the discrepancy has been identified pursuant to a current or ongoing tax investigation, the Group, jointly or individually dependent on circumstances (in consultation with the Audit and Risk Committee as necessary) should always and preferentially consider making a voluntary disclosure as a means of minimising any potential penalties.

3.11 Tax policies

To assist staff with the day to day tax treatment of issues specific to the Group and to ensure a consistent tax treatment of items across the organisation, the Group will subscribe to PwC's Online Tax Policies or an equivalent platform, which should maintain PAYE, GST, FBT, and KiwiSaver tax policies, regularly updated for legislative changes. These tax policies will provide an outline of common tax issues arising and how they should be treated in the various tax returns of the Group.



Timaru District Council Group

Tax Risk Governance Framework



February 2026

1. Purpose

This document constitutes the tax governance framework for the Timaru District Council Group ('the Group'). For the avoidance of doubt, the Group includes:

- Timaru District Council ('Council');
- Timaru District Holdings ('TDHL');
- Venture Timaru ('VT'); and
- Any other entities established by Council in the future where Council has, or will have, control.

2. Background

Council, Council Controlled Organisations ('CCOs'), Council Controlled Trading Organisations ('CCTOs') and Water Services Council Controlled Organisations ('WSCCOs') have a significant public profile and responsibility to provide services to Timaru District.

As such, they must maintain exemplary governance and tax compliance standards. These organisations are required to correctly account for corporate income tax, goods and services tax, fringe benefit tax, PAYE (including KiwiSaver contributions), and a range of withholding and other taxes as mandated by central government.

The purpose of this document is to ensure that the Group has a framework outlining its commitment to meeting its tax obligations in an efficient and timely manner

3. Tax Governance Expectations

Inland Revenue, supported by Audit New Zealand, has been explicit in their expectation that all large organisations have tax risk management incorporated within their governance framework. This expectation has been apparent from:

- The use by Inland Revenue of a "Tax Governance Questionnaire" to assess individual organisations approach to tax risk management, which is now also being used in Inland Revenue audits;
- Applying a different lens to the application of penalties for organisations that are found to be non-compliant and that do not have a formalised tax governance strategy and risk management plan;
- Commentary in the "Multinational Enterprise Compliance Focus 2024" document, that can be equally taken to apply to any New Zealand Significant Enterprise, which notes that:
"Not only is a robust tax governance framework fundamental to tax compliance, but MNEs today are expected to demonstrate tax responsibility as part of their broader environmental, social and governance (ESG) commitments, aligning with global trends towards sustainability and ethical business practices."
- The publication of guidance on their website¹ regarding their expectations for significant enterprises, which the Group entities would be fall within the definition of.

This framework covers all members of the Group, regardless of whether they are also members of the consolidated tax group ("Tax Group").

Unless otherwise stated, the Chief Financial Officer (CFO) or Chief Executive (CE) refer to the CFO and CE of the Timaru District Council, who are ultimately responsible for the management of the Group's tax affairs.

4. The Group's Commitment

The Group is committed to meeting all tax compliance obligations, and the expectations of the tax authorities in

¹ <https://www.ird.govt.nz/managing-my-tax/audits-tax-governance/tax-governance>

New Zealand, and in any overseas jurisdiction that it transacts with. This includes, but is not limited to, correctly accounting for Income Tax, Goods and Services Tax, Fringe Benefit Tax, PAYE (including KiwiSaver compliance), and a range of other withholding taxes.

Timaru District Council has determined that:

- The Group, and particularly Council, should operate applying a low tax risk approach.
- Management has delegated responsibility to devise an appropriate tax risk management plan to ensure that Council and the Group entities meet this commitment.
- Management will report and communicate on an open and transparent basis to the Audit and Risk Committee:
 - On an annual basis with a summary of the tax compliance obligations met, risk management mitigation undertaken for the preceding year and the plan for the forthcoming year.
 - On an as required basis, in relation to, but not limited to:
 - Actual material errors in the tax positions taken
 - Notification of an Inland Revenue audit or other correspondence from tax authorities of matters of significance
 - Significant developments in tax law or practice that could impact Council or an entity within the Group
 - The tax consequences of any material transaction being contemplated by Council or the Group as part of the business case / decision paper; or any other material matter.

Tax risk governance framework - adoption

Signature:	Signature:
Name:	Name:
Position:	Position:
Date:	Date:

Next review scheduled for: (+3 years)

DRAFT

Timaru District Council Group Tax Risk Management Strategy

February 2026

1. Tax risk profile

The Timaru District Council Group ('the Group') recognises that it has an obligation to fulfil its tax compliance obligations in any tax jurisdictions that it undertakes transactions within. Reference to the Group hereafter means:

- Timaru District Council ('Council');
- Timaru District Holdings ('TDHL');
- Venture Timaru ('VT'); and
- Any other entities established by Council in the future where Council has, or will have, control.

For completeness, reference to the Tax Group refers to Council and members of the consolidated tax group, as recognised by Inland Revenue.

In New Zealand, the core tax legislation that the Group is required to comply with is the Income Tax Act 2007, Goods and Services Tax Act 1985 and Tax Administration Act 1994.

Council has determined that a low tax risk profile is appropriate for the Group. It will aim to:

- Ensure all compliance obligations are met, including filing of the various tax returns and payment of tax liabilities, on time.
- Adopt tax positions that are likely to be correct based on current law
- Adopt practices to mitigate material tax risks.
- Have an open and transparent working relationship with Inland Revenue.
- Proactively engage with Inland Revenue regarding uncertain tax positions where appropriate and make a voluntary disclosure where a material error occurs.
- Use recognised tax advisors on an as appropriate basis, to provide technical support and provide independent evaluations of compliance.
- Have regular interactions between Management and the Audit & Risk Committee, and Council as necessary, regarding material tax matters in a manner that is open, transparent and timely.

Council has empowered Management to devise an appropriate approach to tax risk management, and this is now established below.

2. Tax risk management strategy

2.1. Responsibility for tax issues

The CFO has overall responsibility for the management of the tax issues of the Group. As appropriate, the CFO may delegate responsibility for tax issues to another appropriately qualified person, however individual entities within the Group have primary responsibility for their tax management within the context of Group policies and practices.

Inland Revenue requires a designated individual to be Executive Office Holder (EOH) who is responsible for ensuring that appropriate staff are authorised to access requisite sections within "myIR." Council (including for the Group) and each CCO/CCTO/WSCCO will appoint an appropriate EOH.

The EOH is responsible for administering and maintaining staff delegations and permissions of myIR login accounts and for ensuring delegations are updated as and when staff leave the organisation, however this may be delegated to an appropriate individual.

2.2. Reporting tax risks to the Audit & Risk Committee

The Tax Governance Framework adopted by Council requires reporting on tax matters by the CFO (or an appropriate designated officer), initially to the Audit & Risk Committee, as follows:

- At least annually with a summary of:
 - Key financial information including, tax paid, any outstanding taxes due or late filing penalties, and any material interest or other penalties imposed during the year

- Particulars of any proposed legislative tax changes which could impact the Group
- Details of any significant outstanding taxes in dispute with Inland Revenue
- Details of significant advice sought and future matters to consider
- A table of tax tools and services used and whether each aligns with the Group's low risk tax profile i.e. Strategy vs Achievement.

2.3. Efficient tax planning

Members of the Group are separate legal entities however for corporate tax planning purposes there is a consolidated tax group (the "Tax Group"). Where legally allowed, and unless specifically excluded, all CCOs/CCTOs/WCCOs should be members of the Tax Group. Proposed changes to the Tax Group should be advised to the Audit & Risk Committee prior to enacting changes. Wherever feasible the Tax Group will coordinate to ensure that tax requirements are optimised, including:

- Managing where feasible the Tax Group's income tax efficiency and ensuring that available deductions are optimised
- Considering the timing of revenue and deductible expenditure, including donations and grants
- Ensuring tax loss offsets and other available and appropriate tax reduction methods are optimised to mitigate the Tax Group's overall income tax liability.

2.4. Tax awareness and training

The Group will ensure that all relevant staff are provided with adequate training and resources to effectively identify and manage its tax obligations and risks. Where appropriate, this may involve sending selective staff on external courses or engaging an external speaker to conduct in-house training.

2.5. Meetings and correspondence with Inland Revenue

The Group will endeavour to maintain strong working relationships with all relevant stakeholders, including but not limited to Inland Revenue, other government bodies, and related third parties. All dealings with external parties will be undertaken in a professional and timely manner. Council, and all entities within the Group should also endeavour to separately maintain a strong working relationship for issues which are managed locally or individually.

Apart from routine PAYE, FBT and GST returns and payments, all other correspondence, meeting requests or queries from Inland Revenue must be immediately referred to the Council Chief Financial Officer or the Council Chief Executive as appropriate. The CFO and CE are the only people authorised to correspond or meet with Inland Revenue to discuss tax matters relating to the Tax Group and any entity within the Group that does not employ financial services staff directly.

An equivalent delegation should be made by any Group entity not included in the Tax Group which does employ financial services staff, except that role will be delegated to the Council Chief Financial Officer. Delegation of responsibility for such discussions may be made by the Council CFO or Council CE to others, including external consultants, as appropriate.

2.6. Tax advice and rulings

The Group will maintain detailed information and computations supporting all tax return filing positions, including as relevant for each Group entity and the Tax Group jointly. If there is any uncertainty in respect of a filing position where the amount of tax exceeds \$10,000, the Group will consider whether written advice from external tax advisors is required.

In some instances, the degree of uncertainty over a particular tax issue may warrant seeking a Binding Ruling from Inland Revenue (or some other Inland Revenue agreement). No approach should be made to Inland Revenue/ for a Binding Ruling without the prior approval of the Council Chief Financial Officer. Advice may be sought from the Committee prior to seeking a specific ruling.

2.7. Tax returns and payments

The Group will file all returns and pay any resulting tax liability on, or before, the stipulated due dates. When preparing and filing tax returns, the Group will be transparent and fully disclose all relevant information supporting a tax position in a tax return. The Group will only adopt tax positions that are likely to be correct based on current law.

Any tax payments for Council and Tax Group in excess of \$20,000 must be authorised by the CFO, although they may delegate this in accordance with the delegated financial authority.

Tax payments must be supported by detailed tax computations and explanations which are initialled by the preparer and then countersigned by that person's superior prior to payment.

The CFO (or someone delegated by them) will review the Inland Revenue "myIR" accounts monthly to ensure that all returns have been assessed by Inland Revenue and payments have been allocated appropriately. Any unreconciled items will be reported to the appropriate person who will determine the steps required to achieve a reconciled "myIR" account.

2.8. Filing and record keeping

In terms of the Tax Administration Act 1994, the Group is required to retain tax records for several years. To assist in archiving and the subsequent retrieval of relevant tax records, the Group will separately file each tax return and supporting computation and advisory correspondence based on the year of assessment and tax type.

In addition, the Group will maintain a detailed index of the relevant tax files to enable their efficient retrieval should they be requested by Inland Revenue in later years. Specifically, the index should contain details relating to the file reference, relevant tax period, tax type, subject of the document on file and location of the file, and evidence of review by the appropriate manager. This index should be maintained irrespective of whether the information is in electronic or hard copy format.

2.9. Regular reviews

The tax risks of the Group potentially increase over time through a combination of personnel and legislative changes. To ensure the tax compliance procedures of the Group are kept up to date and accurate, an independent external review of GST, PAYE/Withholding Taxes and FBT should be undertaken every three years. This review will tend to be undertaken in a 'rolling' format, with a different tax type being reviewed each year.

Refer to the Appendix for a draft illustration of the 2025 Tax Risk Management Strategy. A similar plan will be prepared annually, with the content and timing of the work to be undertaken determined as part of the Annual Tax Update and after considering specific risks and issues emerging at the time.

2.10. Penalties and voluntary disclosures

Wherever possible the Group should endeavour to minimise any penalties and Use Of Money Interest. Accordingly, any tax discrepancies identified should be addressed and disclosed to Inland Revenue as soon as possible. Unless the discrepancy has been identified pursuant to a (current) tax investigation, the Group (in consultation with the Audit and Risk Committee) should always consider making a Voluntary Disclosure as a means of minimising any potential penalties.

The details of any penalties paid by members of the Group will be provided to the CFO as part of the annual reporting process to the Audit & Risk Committee as outlined above.

2.11. Tax policies

To assist staff with the day-to-day tax treatment of issues specific to the Group and to ensure a consistent tax treatment of items across the organisation, the Group subscribes to PwC's Online Tax Policies. PwC maintains PAYE, GST, FBT, and KiwiSaver tax policies, and are regularly updated for legislative changes. These tax policies will provide an outline of common tax issues arising and how they should be treated in the various tax returns of the Group.

3. Tax Risk Management Strategy - adoption

Name:	Name:
Position:	Position:
Date:	Date:

Next review scheduled for: (+3 years)

4. Tax Risk Management Strategy - To Be Reviewed and Updated Annually

Group's tax strategy - proposed

Financial Year to 30 June:	2025	2026	2027	2028	2029
External tax helpdesk facility	✓	✓	✓	✓	✓
Online tax policies & guides	✓	✓	✓	✓	✓
Independent tax evaluations:					
GST standard review		✓			
GST data analytics (optional add-on)					✓
PAYE - Standard			✓		
Payroll analytics (optional add-on)					
FBT	✓			✓	
Tax Control Framework Effectiveness Assessment					✓
Report to Audit and Risk Committee on tax risk management	✓	✓	✓	✓	✓
External advice sought on major issues	As required	As required	As required	As required	As required
Tax training provided to staff	✓	✓	✓	✓	✓

6.14 Draft Information Technology Strategy**Author:** Justin Bagust, Chief Information Officer**Authoriser:** Nigel Trainor, Chief Executive**Recommendation**

That the Audit and Risk Committee receives and notes the Information Technology Strategy.

Purpose of Report

- 1 To update the Audit and Risk Committee (ARC) on the Draft Council Digital Strategy and give the Committee the opportunity to provide feedback on the Strategy.

Assessment of Significance

- 2 The content of this report is deemed to have a low level of significance when considered against the Significance and Engagement Policy as it reflects normal operational activity within Timaru District Council.

Discussion

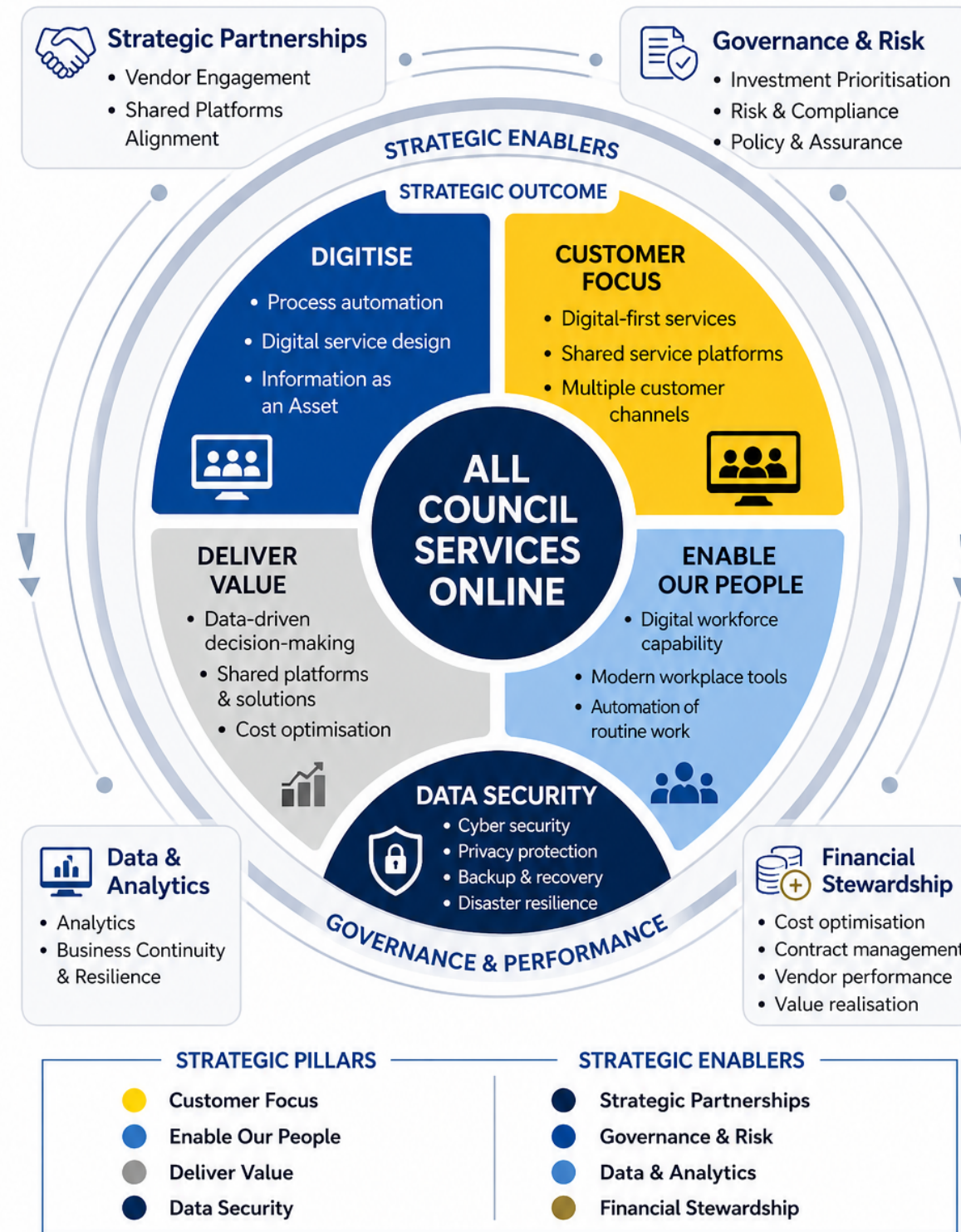
- 3 A request was made in previous ARC Meetings for Information Technology (IT) to show the current Draft Council Digital Strategy, this will be the second iteration shown to ARC to date.
- 4 The strategy has been updated showing links to council's strategic pillars and organisational priorities as found in the current Long Term Plan, this has also been reviewed to better reflect the current environment and challenges facing local councils. It is provided as Attachment 1
- 5 As requested in the March ARC meeting, a current IT project roadmap for the next 2-3 years is provided as Attachment 2.

Attachments

1. IT Strategy linked to LTP and IT Roadmap [↓](#) 
2. IT Project Roadmap [↓](#) 

Council Digital Strategy: Delivering Value & Trust for the Community

Transforming **all council services** online to enhance access, efficiency, and community trust.



Empowering Digital, Secure, Resilient, and Inclusive **Council Services**.

Linking the IT Strategy to the Long Term Plan

How digital investment supports Council wellbeing outcomes

IT Strategy pillar	Primary LTP links	How the link shows up in delivery
Customer Focus	Connected Citizens Enhanced Lifestyle	Digital-first services, shared customer channels, and simpler online access make Council easier to reach and use.
Enable Our People	Connected Citizens Resilient Infrastructure	Modern workplace tools, digital workforce capability, and process redesign help staff deliver reliable services faster.
Deliver Value	Diverse Economy Resilient Infrastructure Sustainable Environment	Shared platforms, lifecycle investment, automation, integration, and cost optimisation strengthen sustainable service delivery.
Data Security	Resilient Infrastructure Connected Citizens	Cyber security, privacy protection, backup, recovery, and resilient cloud/platform design protect public trust and continuity.

All five LTP wellbeing outcomes: Connected Citizens | Enhanced Lifestyle | Sustainable Environment | Diverse Economy | Resilient Infrastructure

Source: Timaru District Council Long Term Plan 2024-2034, "The Five Community Wellbeing Outcomes are", page 255.

Digital Strategy: Context and Case for Change

Why transformation is critical for Council's future

Current Environment

- Rising community expectations for digital services.
- Increasing regulatory, privacy, resilience, and security requirements.
- Ageing systems, technical debt, and legacy on-premise dependencies.
- Growing cost pressures and workforce capability challenges.
- Core enterprise platforms require lifecycle investment and modern integration patterns.

Strategic Imperative

- Digital capability is now core infrastructure for every Council service.
- Authority/Civica Altitude modernisation is a foundational dependency for integration, automation, and future modules.
- Sustainable delivery requires modern platforms, disciplined governance, and coordinated investment.
- Investment must sequence foundation work before dependent service improvements.

Digital Strategy: Our Approach

How we will deliver sustainable digital services

Strategic Pillars

- Customer Focus: digital-first services, shared service platforms, and multiple customer channels.
- Enable Our People: digital workforce capability, modern workplace tools, and automation of routine work.
- Deliver Value: shared platforms, lifecycle investment, cost optimisation, and reduced legacy dependency.
- Data Security: cyber security, privacy protection, backup and recovery, and disaster resilience.

Strategic Enablers and Principles

- Governance, risk management, and architecture standards.
- Integration architecture and platform governance across core systems.
- Data and analytics capability, strategic partnerships, and financial stewardship.
- Customer-first design, security by design, phased investment, strong business ownership, and continuous improvement.

Core Platform Modernisation

Why Authority/Civica Altitude is a foundation programme

What The Programme Enables

- Reduces legacy and on-premise platform risk.
- Creates a stronger base for finance, contracts, timesheets, CRM, and integration work.
- Improves lifecycle management and upgrade readiness for critical Council systems.
- Supports business process redesign instead of simply replacing technology like-for-like.

Delivery Dependencies

- Make existing code bases Altitude ready before dependent uplift and module work.
- Complete the Authority/Civica Altitude upgrade and on-premise uplift as 2026 H2 foundation work.
- Sequence timesheets, contracts, and GL restructure after foundation readiness.
- Use architecture governance to manage integration, data quality, and business ownership decisions.

Digital Roadmap: Foundation Before Expansion

How the project roadmap sequences core platform change and service improvement

Phase	Delivery focus	Relevant examples
2026 H1	Stabilise in-flight work and replan older due-date items.	Payble, Museum Web, GITOPS, legacy plans, social services directory, aerial capture.
2026 H2	Deliver core platform foundations and high-confidence uplift work.	Authority/Civica Altitude upgrade and on-prem uplift, codebase readiness, Unified CRM, HRIS, cyber enhancements.
2027 H1	Extend online services and process capability once foundations are in place.	Online Animals, Online Forms, LGOIMA, Authority Timesheets, Content Manager cloud shift.
2027 H2	Modernise modules, integrations, and asset/finance workflows.	Authority Contracts, Esker replacement/decommissioning, bank rec integration, Redruth asset data.
2028	Resolve held dependency work and deeper financial structure change.	Authority GL restructure and held integration items.
TBA	Do not assign a roadmap phase until governance prioritisation is complete.	Idea and TBA status items remain unscheduled.

Digital Strategy: Outcomes and Governance

What success looks like and how it will be managed

Expected Outcomes

- Improved customer satisfaction and increased digital uptake.
- Reduced operational costs and stronger benefits realisation.
- Reduced legacy platform risk and improved resilience of core Council systems.
- Stronger cyber resilience, privacy protection, and continuity of critical services.
- Better data-driven decisions and more reliable integrations across Council platforms.

Governance and SLT Role

- Executive sponsorship with quarterly roadmap, risk, dependency, and benefits reporting.
- Business case prioritisation, lifecycle funding, cost optimisation, and value realisation tracking.
- Architecture, data, security, and integration assurance for major platform changes.
- SLT to endorse direction, support sustainable investment, monitor performance, and champion transformation.

IT Project Multi-Year Roadmap V3

Readable PDF summary generated from IT_Project_Multi_Year_Roadmap_V3.xlsx

46	21	19	5	1	1
Active projects	On track	Waiting / blocked	Decision required	Completed	Cancelled

Roadmap Phase Summary

Projects by Theme and Phase

Roadmap Phase	Project Count
2026 H1	11
2026 H2	12
2027 H1	7
2027 H2	5
2028	5
2029+	0
TBA	5

Theme	2026 H1	2026 H2	2027 H1	2027 H2	2028	2029+	TBA
Customer & Digital Services	3	3	5		1		1
Core Systems & Integrations	2	4	1	4	2		3
Infrastructure & Cloud	2	3	1		1		1
Data & Analytics	2			1			
Cyber & Resilience		1					
Portfolio & Planning	2	1			1		

Phase Narrative

Phase	Delivery focus	Key projects
2026 H1	Stabilise core platforms, complete in-flight digital channels, and replan overdue items.	Cohesity cluster replacement/rebuild; Urban Aerial Capture Contract; Museum Web; Move to GITOPS for open shift; Links Software - Art Gallery & Museum; Old plan migration (legacy plans register); Social services directory; Payble Implementation
2026 H2	Deliver customer platform, Authority Altitude uplift, workforce tooling, and resilience improvements.	Citizen Central Implementation; Citizen Central Implementation; Making existing code bases Altitude ready; Unified CRM integration; Hyperfibre to larger remote sites; ElementTime - Timesheeting; NinjaOne Rollout (WSUS replacement); New Theater and Museum sites (physical sites not just web)
2027 H1	Extend online services and formal process/records capability.	Art Gallery new web; TDC Main Website redevelopment; Content Manager shift to Cloud; Online Forms Review; Authority Timesheets Module (link to PM system); LGOIMA Process/Register; Online Animals Implementation
2027 H2	Modernise replacement platforms, asset data, finance, contracting, and integration work.	Redruth Landfill Asset Data; ESKER Decommission; Receipt/bank rec between CBay <-> TDC integration; Esker Replacement; Authority Contracts Module
2028	Resolve held integrations and lower-certainty dependency work.	Fibre to the Reservoir; Library Website; Statutory Delegations Management (POC); JIRA integration with IPS/Auth/RAMM; Authority GL Restructure
2029+	Longer-horizon delivery items with dates beyond 2028.	No active projects currently assigned.
TBA	No roadmap phase assigned while Jira status remains Idea or TBA.	AMS integration with Finance; Parking Enforcement Software System Change; PM Software; APNK replacement (libraries); Further Integration work with M365

Detailed Project Roadmap

Grouped by roadmap phase. Source data is retained in the workbook; this PDF focuses on readable programme-level detail.

2026 H1

Issue	Project	Theme	Pillar	Status	Due	Confidence
IPR-53	Cohesity cluster replacement/rebuild	Infrastructure & Cloud	Data Security	On Track	31 Oct 2025	High
IPR-51	Urban Aerial Capture Contract	Data & Analytics	Deliver Value	On Track	30 Jun 2026	High
IPR-49	Museum Web	Customer & Digital Services	Customer Focus	On Track	30 Apr 2026	High
IPR-44	Move to GITOPS for open shift	Infrastructure & Cloud	Enable Our People	On Track	18 Apr 2026	High
IPR-39	Links Software - Art Gallery & Museum	Customer & Digital Services	Customer Focus	On Track	31 May 2026	High
IPR-27	Old plan migration (legacy plans register)	Data & Analytics	Deliver Value	On Track	30 Jun 2026	High
IPR-26	Social services directory	Customer & Digital Services	Data Security	On Track	30 Jun 2026	High
IPR-22	Payble Implementation	Portfolio & Planning	Deliver Value	On Track	15 May 2026	High
IPR-28	Active Transport Strategic Planning Stage 2	Portfolio & Planning	Deliver Value	On Hold	30 Nov 2025	Needs decision
IPR-19	EDE+ rates data integration with QV	Core Systems & Integrations	Deliver Value	On Hold	31 Dec 2025	Needs decision
IPR-13	Infor IPS/GIS Integration project.	Core Systems & Integrations	Deliver Value	On Hold	30 Oct 2025	Needs decision

2026 H2

Issue	Project	Theme	Pillar	Status	Due	Confidence
IPR-58	Citizen Central Implementation	Customer & Digital Services	Customer Focus	On Track	30 Nov 2026	High
IPR-56	Citizen Central Implementation	Customer & Digital Services	Customer Focus	On Track		Medium
IPR-55	Making existing code bases Altitude ready	Infrastructure & Cloud	Deliver Value	On Track	30 Nov 2026	High
IPR-54	Unified CRM integration	Core Systems & Integrations	Deliver Value	On Track	30 Nov 2026	High
IPR-47	Hyperfibre to larger remote sites	Infrastructure & Cloud	Deliver Value	On Track		Medium
IPR-40	ElementTime - Timesheeting	Core Systems & Integrations	Enable Our People	On Track	31 Oct 2026	High
IPR-24	NinjaOne Rollout (WSUS replacement)	Infrastructure & Cloud	Enable Our People	On Track	01 Jul 2026	High
IPR-23	New Theater and Museum sites (physical sites not just web)	Customer & Digital Services	Customer Focus	On Track	31 Dec 2026	High
IPR-17	Authority Altitude (uplift from on-prem)	Core Systems & Integrations	Deliver Value	On Track	30 Nov 2026	High
IPR-12	Authority Altitude Upgrade	Core Systems & Integrations	Deliver Value	On Track	30 Nov 2026	High
IPR-6	Further Cyber Security enhancements (SOC/SIEM)	Cyber & Resilience	Data Security	On Track	11 Aug 2026	High
IPR-3	HRIS Project (Pulse)	Portfolio & Planning	Enable Our People	On Track	01 Aug 2026	High

2027 H1

Issue	Project	Theme	Pillar	Status	Due	Confidence
IPR-50	Art Gallery new web	Customer & Digital Services	Customer Focus	Waits		Low
IPR-38	TDC Main Website redevelopment	Customer & Digital Services	Customer Focus	Waits	01 Mar 2027	Medium
IPR-36	Content Manager shift to Cloud	Infrastructure & Cloud	Deliver Value	Waits	01 Apr 2027	Medium
IPR-16	Online Forms Review	Customer & Digital Services	Customer Focus	Waits	02 Feb 2027	Medium
IPR-14	Authority Timesheets Module (link to PM system)	Core Systems & Integrations	Enable Our People	Waits	12 Mar 2027	Medium
IPR-9	LGOIMA Process/Register	Customer & Digital Services	Customer Focus	Waits	03 Feb 2027	Medium
IPR-57	Online Animals Implementation	Customer & Digital Services	Customer Focus	On Track	31 Mar 2027	High

2027 H2

Issue	Project	Theme	Pillar	Status	Due	Confidence
IPR-52	Redruth Landfill Asset Data	Data & Analytics	Deliver Value	Waits	01 Dec 2027	Medium
IPR-29	ESKER Decommission	Core Systems & Integrations	Deliver Value	Waits	01 Jul 2027	Medium
IPR-21	Receipt/bank rec between CBay <-> TDC integration	Core Systems & Integrations	Deliver Value	Waits		Low
IPR-10	Esker Replacement	Core Systems & Integrations	Deliver Value	Waits	01 Sep 2027	Medium
IPR-5	Authority Contracts Module	Core Systems & Integrations	Deliver Value	Waits	30 Jul 2027	Medium

2028

Issue	Project	Theme	Pillar	Status	Due	Confidence
IPR-46	Fibre to the Reservoir	Infrastructure & Cloud	Deliver Value	Waits		Low
IPR-48	Library Website	Customer & Digital Services	Customer Focus	On Hold		Needs decision
IPR-20	Statutory Delegations Management (POC)	Portfolio & Planning	Deliver Value	On Hold		Needs decision
IPR-7	JIRA integration with IPS/Auth/RAMM	Core Systems & Integrations	Enable Our People	On Hold		Needs decision
IPR-1	Authority GL Restructure	Core Systems & Integrations	Deliver Value	On Hold	17 Feb 2028	Needs decision

TBA

Issue	Project	Theme	Pillar	Status	Due	Confidence
IPR-30	AMS integration with Finance	Core Systems & Integrations	Deliver Value	Idea		Needs decision
IPR-34	Parking Enforcement Software System Change	Customer & Digital Services	Customer Focus	TBA		Needs decision
IPR-32	PM Software	Core Systems & Integrations	Enable Our People	TBA		Needs decision
IPR-31	APNK replacement (libraries)	Infrastructure & Cloud	Deliver Value	TBA		Needs decision
IPR-4	Further Integration work with M365	Core Systems & Integrations	Enable Our People	TBA		Needs decision

Complete

Issue	Project	Theme	Pillar	Status	Due	Confidence
IPR-8	CRM Review	Core Systems & Integrations	Deliver Value	Completed	30 Apr 2026	Delivered

Cancelled

Issue	Project	Theme	Pillar	Status	Due	Confidence
IPR-33	Waste App	Customer & Digital Services	Customer Focus	Cancelled		Removed

Roadmap Assumptions

Area	Default used	Reason	How to Change It
Time horizon	2026 to 2029+, plus TBA	Idea and TBA work is separated from committed roadmap phases.	Change Jira status and Roadmap Phase once approved.
Due dates	Where present, updated due dates drive phase placement except for Idea/TBA.	Committed timing remains visible while unapproved work stays unscheduled.	Change Due Date or Roadmap Phase.
Idea / TBA status	Roadmap Phase is TBA.	These are not assigned to a delivery year until prioritised.	Update Status first, then assign a Roadmap Phase.
Past due dates	2025 due dates are treated as 2026 H1 review/replan items.	Older dates need validation in a current roadmap.	Update the Due Date once confirmed.
Undated On Track	Placed in 2026 H2.	Active work without a date is assumed to be in the current delivery window.	Move to another phase if resourced later.
Waits	Placed by due date where present; otherwise by dependency/theme.	The updated CSV schedules several waiting items into 2027.	Confirm dependencies and update Roadmap Phase.
Cancelled	Excluded from active roadmap counts.	Cancelled work is retained for traceability only.	Change Status if it re-enters the programme.
LTP links	Mapped to Connected Citizens, Enhanced Lifestyle, Sustainable Environment, Diverse Economy, and Resilient Infrastructure.	Uses the LTP wellbeing outcome framing already added to the IT Strategy.	Edit LTP Outcome Link in Project Roadmap.

6.15 Continuous Improvement Update

Author: Sam Esterhuyse, Continuous Improvement Business Partner

Authoriser: Justin Bagust, Chief Information Officer

Recommendation

That the Audit and Risk Committee receive and notes the Continuous Improvement Update report.

Purpose of Report

- 1 The purpose of this report is to provide the Committee with an update on the Continuous Improvement Work Programme and outline the next steps.

Assessment of Significance

- 2 Reporting on Continuous Improvement activities is considered of low significance in terms of the Council's Significance and Engagement Policy as this matter is operational in nature. The matters raised in this report do not affect strategic assets or rates.

Discussion

3 Flowingly

- 3.1 Flowingly is used as a process management platform designed to help organisations automate, manage, and optimise workflows and processes. It provides tools to create, track, and streamline processes.
- 3.2 Processes are continuing to be added to the system, with ongoing creation and review to ensure they are streamlined, efficient and aligned with best practices.
- 3.3 The risk module, which was proposed to support risk recording and management, will not be progressed further. Alternative options are currently being explored to meet these requirements.

4 Pulse HRIS

- 4.1 Pulse HRIS is a Human Resource information system designed to streamline and integrate various HR functions. It offers a comprehensive suite of modules that cater to the entire employee lifecycle, enhancing efficiency in HR operations.
- 4.2 The Recruitment module has gone live in May 2026, with HR Core, Onboarding, Learning & Development modules currently in preparation for go-live.

5 OneReg

- 5.1 OneReg is a digital compliance platform designed to streamline regulatory and safety reporting processes within the aviation sector. It provides organisations with a centralised system to manage compliance obligations, track safety requirements, and ensure adherence to industry standards.

5.2 A close out report has been created and attached to this report.

6 **Payble**

6.1 Payble helps councils improve how they manage rates receivables by offering flexible billing options such as instalments and recurring payments, while also enhancing customer engagement around upcoming or overdue bills. This initiative aims to support our community by providing more flexible and convenient options for paying rates, helping to reduce financial pressure and improve accessibility.

6.2 The project was originally scheduled to go live for new user sign-ups in May 2026; however, this has now been deferred to the next rates notice period, which will be issued in August/September 2026. This decision has been made to ensure a clearer customer experience. A May go-live will result in new customers signing up and starting payments only to pause after a month due to annual rates striking, which will place a hold on payment plans until the new year rates have been confirmed later in July. Commencing in August/September will align payments with a full annual cycle and support more consistent ongoing payments.

7 **Civica Altitude**

7.1 Civica Authority (and its cloud version, Authority Altitude) is a core enterprise/local government system used by Council for over 14 years, supporting key functions such as finance, reporting, regulatory services, rates, assets, infrastructure, and customer engagement.

7.2 Currently, Council operates the system on-premises, meaning it is hosted and managed within Council's Information and Communication Technology (ICT) environment, with responsibility for infrastructure, backups, patching, disaster recovery, and upgrades.

7.3 Civica has since introduced Authority Altitude, a cloud-based SaaS version of the platform. Unlike the on-premises model, the cloud solution is managed by the vendor and reduces internal infrastructure responsibilities while enabling easier maintenance, automatic updates, and ongoing delivery of new features.

7.4 This project has been divided into three phases: Phase One involves the Authority upgrade to Altitude and Citizen Central; Phase Two focuses on the implementation of Procure to Pay and Contract Management, and Phase Three covers the General Ledger (GL) restructure.

7.5 The Altitude upgrade has kicked off in May, with build work beginning in July.

7.6 At the last Audit and Risk Committee meeting, a request was made for a report outlining key risks to be provided for ongoing oversight. A copy of the Project Status Report for the upgrade has been attached. This report is also submitted to the Projects and Procurement Committee monthly with progress updates.

8 **ElementTime**

8.1 ElementTime is an online platform used to manage timesheets, leave and scheduling.

8.2 The current system relies on outdated processes, with some staff using paper-based methods and it will not be compatible once the organisation transitions to the Altitude cloud-based platform.

8.3 This project is currently in progress, with build work underway. The planned go-live date is scheduled for the end of November 2026.

Attachments

1. **Audit & Risk Committee Report - Project Close-Out Report OneReg June 2026** [↓](#) 
2. **Continuous Improvement - Project Summary - June 2026** [↓](#) 
3. **Projects and Procurement Committee - IT Project Status Report - Altitude - April 2026** [↓](#) 



OneReg Project Close Out Report

8 June 2026

Project Overview

Project Name	OneReg System for the Timaru Airport
Project Manager	Sam Esterhuysen
Project Sponsor	Andrew Dixon
Scope and Objectives	The project aimed to improve Timaru Airport's incident management and emergency response capability by enhancing and replacing the current Veochi system. The focus was on improving usability, document accessibility, and regulatory compliance management, while ensuring staff could efficiently report incidents, access critical information, and respond effectively to emergencies.
Start Date	04 August 2025
End Date	31 January 2026
End Date (financial closure)	31 May 2026

Performance Summary

Aspect	Status/RAG	Comments
Overall	Green	Project has successfully gone live with OneReg, delivering a balanced outcome across scope, quality, cost and schedule. Go-live was achieved as planned.
Scope	Green	Agreed scope for go-live has been successfully delivered.
Quality	Green	Deliverables met required quality standards. Testing and user acceptance testing (UAT) were successfully completed prior to go-live.
Budget	Green	Project was on approved budget with no overruns incurred.
Schedule	Green	Go-live was achieved in line with the approved schedule. Key milestones were met.

Scope Delivery

Deliverable / Milestone	Status/Quality Achieved	Notes
Core build	Completed – Fit for purpose	System successfully configured and deployed to production environment.

Regulatory workflows implemented	Completed – Meets requirements	Regulatory workflows re live and operations supporting core business processes.
Data migration from legacy system	Completed – Accepted	Required data successfully migrated.
User Acceptance Testing	Completed – Approved	UAT completed and signed off.
Training and user readiness	Completed – Effective	Training delivered to end users and support materials provided.
Reporting and Dashboard setup	Completed – Functional	Initial reporting is live and operations
Go-live	Completed – Successful	OneReg successfully went live on the agreed date with no issues impacting deployment.

Outcome Realisation

Outcome (description)	Category* and Assigned Value (\$)	Measure/ data source	Baseline	Target (SMART)	Status/Comments
Reduction in manual processing of regulatory transactions	Quantifiable non-cash releasing	System usage reports, workflow analytics	High manual processing	60-80% of transactions processed end to end in OneReg within 3 months of go live	On track. OneReg went live as planned.

Outstanding Action items, Issues & Risks

Description	Impact	Resolution / Comment
Development of operational processes	M	Operational processes are currently being created post go-live to support staff in using OneReg for day-to-day operations. This work is ongoing and is being managed as part of the transition to business as usual.

Financial Summary

Approved Budget	
CAPEX	\$5,400
OPEX	\$13,800
Actual Spend*	
CAPEX	\$5,400
OPEX	\$13,800
Variance	\$0.00
WO / GL codes	W2067.355.553
Capitalised Assets	\$5400 Depreciation - Y
Consequential Opex required	\$13,800 per annum Budgeted - Y

Contracts Summary

Supplier/Contract	Contract Type	Original Value	Final Value	Variance	Explanation
OneReg	Software Implementation & Support Services.	\$19,200	\$19,200	\$0.00 Within approved contingency.	Contract delivered in line with approved scope and budget.

Vendor Debriefing

Contractor/Consultant	Contractor/Consultant Observations	Client Observations	Incidents raised*	Incidents resolved*
OneReg	Strong delivery support across configuration, testing and go-live activities. Responsive to issues and assisting with resolving this.	Engagement was effective and clear communications throughout delivery.	Minor defects identified during UAT and go-live preparation.	All resolved prior to go-live. Minor issues either resolved or logged post go-live enhancement.

Operational and Financial Transition

Task	Status Y/N	Details
Operational team assigned	Y	Operational ownership has been assigned and conformed for ongoing system support and management.
Final certification, compliance completed	Y	All required certifications and compliance checks have been completed and signed off prior to go-live.
SOPs or instruction manuals provided	Y	Standard Operating Procedures and user guides have been delivered to support ongoing operations and system use.
Operational team acceptance	Y	Operational team participated in implementation and has accepted the handover.
Capitalisation completed	Y	Project capitalisation process completed in accordance with financial requirements.

Lessons Learned

Consider both project management and project governance actions, decisions and mechanisms.

Effective Actions, Decisions and Mechanisms	Recommendation
Strong stakeholder engagement throughout the project lifecycle ensured alignment on scope, priorities and go-live readiness.	Continue early structured stakeholder engagement in future projects, with clearly defined roles and communication cadence.
Robust user test approach helped identify and resolve issues prior to go-live.	Maintain testing cycles and ensure adequate time is allocated for UAT in future project plans.
Close collaboration between vendor and users supported smooth deployment.	Continue integrated delivery model with clear accountability across all teams.
Ineffective/Suboptimal Actions, Decisions and Mechanisms	Recommendation
None identified during this reporting period.	Continue with current governance, decision-making processes, and project controls, as these are operating effectively and supporting successful project delivery.

Project Status Summary Report								
Reporting Period: June 2026						Colour Key Green – On Track Amber – In Progress / Minor Issues Red – Delayed/ Major Issues		
Project	Schedule	Financials	Scope	Resources	Stakeholders	Overall	Forecast Completion Date	Overall Commentary
Flowingly Processes	Green	Green	Green	Green	Green	Green	Sept 2025	The Flowingly Processes project has been successfully completed, with workflows implemented and transitioned into BAU operations.
Flowingly Risk	Red	Red	Red	Red	Red	Red	N/A	The Flowingly Risk project will not proceed further as the solution did not meet the required reporting requirements. Alternative options are currently being explored.
Pulse HRIS	Green	Green	Green	Green	Green	Green	Mar 2026	The Pulse HRIS project is in progress. The Recruitment module successfully went live in May 2026, with HR Core, Onboarding and Learning & Development modules currently in preparation for go-live.
OneReg	Green	Green	Green	Green	Green	Green	Oct 2025	The OneReg implementation has successfully gone live and transitioned into BAU.
Payble	Green	Green	Green	Green	Green	Green	Sept 2026	The Payble project is progressing through implementation and readiness activities.
Civica Altitude Phase One	Green	Green	Green	Green	Green	Green	Nov 2026	Phase One of the Civica Altitude implementation is underway and in line with the approved delivery plan and key project milestones.
ElementTime	Green	Green	Green	Green	Green	Green	Nov 2026	The ElementTime project is progressing through the early implementation phase.
Progress this Period								
Flowingly Processes		Processes are currently under review to identify opportunities for automation. Further automaton opportunities in progress of being identified.						
Flowingly Risks		The Risk module will not be progressed further.						
Pulse HRIS		The Recruitment module has gone live in May 2026. The next modules scheduled to go live are HR Core, Onboarding and Learning & Development.						
OneReg		The system has gone live and transitioned to BAU.						
Payble		The Payble implementation is progressing with key documentation and customer communications being finalised.						

Civica Altitude Phase One	The Altitude Upgrade has started in May, with build work commencing in July.				
ElementTime	The first workshop for ElementTime has been completed, and initial discovery and requirements gathering activities are underway to support system design and implementation planning.				
Risks Watch List					
	Risk		Status	Description	Action/Mitigation

IT Project Report

Project Name	Migration to Civica Altitude	Reporting Period	April 2026
Business Owner	Justin Bagust	Project Manager	Sam Esterhuysen
Executive Summary			
A business case for the Migration to Civica Authority Altitude has been approved at a Council meeting dated 04 November 2025. This involves transitioning the existing Authority system to the cloud-based Altitude platform, with the aim of improving operational efficiency, reducing risk, and enhancing digital service delivery for the community.			
RAG Key: Green (G) = On track; Amber (A) = At risk / needs attention; Red (R) = Off track / critical			
Status area	Status	Comments	
Status Summary	G	The project is progressing as scheduled, with timelines and the project plan confirmed. The planning phase is in progress.	
Scope Status	G	The project scope has been agreed and confirmed.	
Quality Status	G	For reporting in MagiQ we have refined this change to provide elected members with an interactive dashboard, supported by Altitude in the background. Reporting will continue using the same fields and frequency until the GL restructure is completed. Quality checks are in place, including preparation for user acceptance testing.	
Cost Status	G	A payment milestone plan is in place for the initiation phase, with 20% scheduled for 31 March 2026. A reprioritisation of the IS Project Management external budget amount that was in the business case has been undertaken to ensure sufficient resourcing is available for Finance.	
Schedule Status	G	The project has commenced, with key milestones and start dates confirmed. The Altitude Upgrade and Citizen Central is scheduled to begin in May, with build work commencing in July. ElementTime has commenced in April.	
Reference Table			
Term	Description	Notes	
Build	Technical setup and configuration of the system, including modules, workflows, and integrations.	Foundations for system functionality and readiness for testing.	
Cloud	Internet-based servers used to store, manage, and process data instead of local servers.	Project data will be migrated from Authority to the cloud.	

Civica	Provider of the software, including Authority (current version 7.1) and Altitude.	Key project partner providing system configuration, support, and implementation services.				
Citizen Central	Customer-facing platform or portal that allows users to access services, submit requests, and interact with the organisation online.	May be implemented alongside or ahead of core system changes depending on project timing.				
ElementTime	ElementTime is an online platform for managing timesheets, leave and scheduling.	Used for time recording, rostering and leave management to support payroll processes.				
Go-Live	The point at which the new system becomes fully operational.	Marks the official start of production use.				
Pre-requisite Checklist	A list of conditions or tasks that must be completed before the project/system can progress.	Ensures all necessary preparations are in place for build, testing, and go-live.				
UAT	User Acceptance Testing – the phase where end users test the system to confirm it meets business requirements.	Ensures business processes work correctly on the new platform before sign-off.				
General Ledger (GL)	Financial module used to record, classify and summarise all financial transactions.	Will be restructured as part of the project to improve financial reporting, accuracy, and alignment with business needs.				
Cost details						
Budget	Spend to date	Committed	Estimate to Completion	Estimate at Completion	Variance	Comments
Capex - \$1,205,000	\$18,519.20	\$0.00	\$1,186,480.80	\$1,205,000	\$0.00	Project is in early stages with minimal spend to date.
Opex - \$1,795,000	\$0.00	\$0.00				
Achievements for this period						
The date for the ElementTime kick off workshop has been scheduled.						
The Project kick off meeting with Civica has been held.						
Planned activities for this period not achieved						
There were no planned activities for this period that were not achieved.						

Planned activities for next period						
Document and distribute the confirmed milestones, deliverables and key dependencies to all stakeholders.						
Commence any preparatory configuration or system set up activities.						
Identify and mitigate any risks that may impact delivery timeframes.						
Milestone Progress						
No.	Milestone	% Complete	Baseline Finish Date	Actual Finish Date	RAG Status	Comments/Notes/Actions
1	Phase 1 - Altitude Upgrade	0%	30/11/2026		G	
	Planning and Setup				G	The project kick-off meeting was held on 7 April 2026 and included the core project group and the Civica Project Manager.
	Build and Integration					Provisioning cloud infrastructure, migrating data from Authority to the cloud, and configuring payment gateways, EFTPOS, and receipt printing.
	Training and Workshops					

	User Acceptance Testing					Testing business processes in Altitude to ensure they function as expected, with formal sign-off required.
	Go-Live					
2	Phase 1 - Citizen Portal	0%	30/11/2026		G	The Citizen Portal is an online self-service platform that enables residents to access council services, submit requests, and track interactions digitally.
	Planning and Setup					
	Build and Integration					
	User Acceptance Testing					
	Go-Live					
3	Phase 1 - ElementTime	0%	30/11/2026		G	ElementTime is a timesheet management system used to capture and manage employee time for payroll processing.
	Planning and Setup					Project kick off workshop has been scheduled for the 05 May 2026.

	Build and Integration					
	Onboarding and Refinement					This phase focuses on reviewing and enhancing what has been built, with user testing conducted through separate indoor and outdoor groups.
	User Acceptance Testing					
	Altitude Integration					
	Go-Live					
4	Phase 2: Procure to Pay & Contracts Module	0%	31/10/2027		G	These are indicative dates and have not yet been finalised with Civica. They may change depending on Civicas consultant availability.
	Build and Integration					
	User Acceptance Testing					
	Go-Live					
	Decommission of Esker					
5	Phase 3: GL Restructure	0%	TBC		G	This is still in discussion to develop a timeline over the next few months.

Issues						
No.	Description	Raised	Owner	Rating	Target Date	Comments/Notes/Actions
				(L/M/H)		
1	There have been no issues identified.	N/A	N/A		N/A	Monitor Project, no actions required at this time
Risks						
No.	Description	Likelihood	Consequence	Mitigation/Treatment		Residual Risk
1	Complex Data migration from Esker	Medium	High	Vendor-led migration with council validation and testing.		Low
2	Data Loss	Medium	Medium	Full back up of systems before any changes are made.		Low
3	Disruption to production systems	Medium	Medium	Use Test environment to fully check changes before altering production systems.		Low
4	Staff adaptation to system changes	Medium	Medium	Early engagement, clear communications, training, and support.		Low
5	Budget Overruns due to scope creep	Medium	Medium	Regular financial reporting and contingency allocation.		Low
6	Project Delays	Medium	Medium	Strong project governance, milestone tracking, and escalation processes.		Low
7	Integration failures	Medium	High	Integration testing.		Low
8	Insufficient user testing	Medium	High	Structured UAT plan, unit tests assigned to subject matter experts and champions.		Low
9	Vendor delays or dependency issues	Medium	High	Clearly defined deliverables, timelines and Sla's in the contract.		Low
10	Performance issues	Medium	Medium	Performance testing & monitoring.		Low
11	Unable to modify software	Medium	Low	Investigate other ways of achieving same result.		Low

12	Loss of key project personnel	Medium	Low	Source an alternate staff resource.	Low	
Contracts and variations						
No.	Description	Provider	Original value	Variation value	Status	Comments/Notes/Actions
1	There have been no variations	Civica	\$0.00	\$0.00		

7 Consideration of Urgent Business Items

8 Consideration of Minor Nature Matters

9 Exclusion of the Public

Recommendation

That the public be excluded from—

- *(a)the whole of the proceedings of this meeting; or
- *(b)the following parts of the proceedings of this meeting, namely,—

10.1 Public Excluded Minutes of the Audit and Risk Committee Meeting held on 2 March 2026

10.2 Public Excluded Actions Register Update

10.3 Cyber Security Report

10.4 Issues Watch Register

10.5 Internal Audit Quarterly Report

10.6 Health and Safety Performance Report

10.7 Committee and Auditor only time (Agenda Placeholder)

10.8 Committee and Internal Auditor only time (Agenda Placeholder)

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
<p>10.1 - Public Excluded Minutes of the Audit and Risk Committee Meeting held on 2 March 2026</p> <p>Matters dealt with in these minutes:</p> <p>10.1 - Public Excluded Minutes of the Audit and Risk</p>	<p>Section 48(1) of the Local Government Official Information and Meetings Act 1987.</p>	<p>The public excluded minutes of the meeting held on 2 March 2026 are considered confidential pursuant to the provisions of the LGOIMA Act of 1987.</p> <p>The specific provisions of the Act that relate to these minutes can be found in the open minutes of</p>

<p>Committee Meeting held on 26 January 2026</p> <p>10.2 - Public Excluded Actions Register Update</p> <p>10.3 - Cyber Security Report</p> <p>10.4 - Authority Altitude - Continuous Improvement Update</p> <p>10.5 - Issues Watch Register</p> <p>10.6 - Internal Audit Quarterly Report</p> <p>10.7 - Insurance Programme Update</p> <p>10.8 - Health and Safety Performance Report</p> <p>10.9 - Committee and Chief Executive only time (Agenda Placeholder)</p> <p>10.10 - Committee and Auditor only time (Agenda Placeholder)</p> <p>10.11 - Committee and Internal Auditor only time (Agenda Placeholder)</p>		<p>the meeting held on 2 March 2026.</p>
<p>10.2 - Public Excluded Actions Register Update</p>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p>	<p>To protect a person’s privacy, including the privacy of deceased persons</p> <p>To protect commercially sensitive information</p>
<p>10.3 - Cyber Security Report</p>	<p>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	<p>To prevent use of the information for improper gain or advantage</p>
<p>10.4 - Issues Watch Register</p>	<p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p>	<p>To protect all communications between a legal adviser and clients from being disclosed</p>

	s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	without the permission of the client To enable Council to carry out commercial activities
10.5 - Internal Audit Quarterly Report	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(f)(ii) - The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees, and persons from improper pressure or harassment</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>To protect commercially sensitive information</p> <p>To protect the effective conduct of public affairs</p> <p>To enable Council to carry out commercial activities</p>
10.6 - Health and Safety Performance Report	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p>	<p>To protect a person’s privacy, including the privacy of deceased persons</p> <p>To protect commercially sensitive information</p>
10.7 - Committee and Auditor only time (Agenda Placeholder)	s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person	To protect information that is subject to an obligation of confidence and/or that was required by law to be provided; and to ensure that the supply of

	<p>has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source and is in the public interest that such information should continue to be supplied</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>such information is not affected in the future, when it is in the public interest for it to be provided</p> <p>To enable Council to carry out commercial activities</p>
<p>10.8 - Committee and Internal Auditor only time (Agenda Placeholder)</p>	<p>s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source and is in the public interest that such information should continue to be supplied</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>To protect information that is subject to an obligation of confidence and/or that was required by law to be provided; and to ensure that the supply of such information is not affected in the future, when it is in the public interest for it to be provided</p> <p>To enable Council to carry out commercial activities</p>

*I also move that [\[name of person or persons\]](#) be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of [\[specify\]](#). This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because [\[specify\]](#)

.

*Delete if inapplicable.

Note

[Section 48\(4\)](#) of the Local Government Official Information and Meetings Act 1987 provides as follows:

- “(4)Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof)—
 - (a)shall be available to any member of the public who is present;
and
 - (b)shall form part of the minutes of the local authority.”

10 Public Excluded Reports

11 Readmittance of the Public