



# AGENDA

## **Audit & Risk Committee meeting Monday, 23 February 2026**

**I hereby give notice that a Audit & Risk Committee meeting will be held  
on:**

**Date: Monday, 23 February 2026**

**Time: 9:00 am**

**Location: Tauranga City Council Chambers  
L1, 90 Devonport Road  
Tauranga**

*Please note that this meeting will be livestreamed and the recording will be publicly available on  
Tauranga City Council's website: [www.tauranga.govt.nz](http://www.tauranga.govt.nz).*

**Marty Grenfell  
Chief Executive**

# Terms of reference – Audit & Risk Committee

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## Common responsibility and delegations

The following common responsibilities and delegations apply to all standing committees.

### Responsibilities of standing committees

- Establish priorities and guidance on programmes relevant to the Role and Scope of the committee.
- Provide guidance to staff on the development of investment options to inform the Long Term Plan and Annual Plans.
- Report to Council on matters of strategic importance.
- Recommend to Council investment priorities and lead Council considerations of relevant strategic and high significance decisions.
- Provide guidance to staff on levels of service relevant to the role and scope of the committee.
- Establish and participate in relevant task forces and working groups.
- Engage in dialogue with strategic partners, such as Smart Growth partners, to ensure alignment of objectives and implementation of agreed actions.
- Confirmation of committee minutes.

### Delegations to standing committees

- To make recommendations to Council outside of the delegated responsibility as agreed by Council relevant to the role and scope of the Committee.
- To make all decisions necessary to fulfil the role and scope of the Committee subject to the delegations/limitations imposed.
- To develop and consider, receive submissions on and adopt strategies, policies and plans relevant to the role and scope of the committee, except where these may only be legally adopted by Council.
- To consider, consult on, hear and make determinations on relevant strategies, policies and bylaws (including adoption of drafts), making recommendations to Council on adoption, rescinding and modification, where these must be legally adopted by Council.
- To approve relevant submissions to central government, its agencies and other bodies beyond any specific delegation to any particular committee.
- Engage external parties as required.

# Terms of reference – Audit & Risk Committee

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## Membership

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<b>Chair</b>	Dame Kerry Prendergast
<b>Deputy chair</b>	Cr Steve Morris
<b>Members</b>	Deputy Mayor Jen Scoular Mayor Mahé Drysdale (ex officio) Rohario Murray - Tangata Whenua Representative
<b>Non-voting members</b>	(if any)
<b>Quorum</b>	<u>Half</u> of the members present, where the number of members (including vacancies) is <u>even</u> ; and a <u>majority</u> of the members present, where the number of members (including vacancies) is <u>odd</u> .
<b>Meeting frequency</b>	Quarterly

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## Role

The role of the Audit and Risk Committee is:

- To assist and advise the Council in discharging its responsibility and ownership of health and safety, risk management, internal control, and financial management practices, frameworks and processes to ensure that these are robust and appropriate to safeguard the Council's staff and its financial and non-financial assets.

## Scope

- Oversee Council's relationship with the external auditor.
- Review with the external auditor, before the audit commences, the areas of audit focus and the audit plan.
- Review with the external auditor, representations required by elected representatives and senior management for the purposes of the audit.
- Receive and review the external auditor's report on the audit and management's responses to any issues raised.
- Make any recommendations necessary to the Office of the Auditor-General regarding the appointment or re-appointment of an external auditor.
- Review and approve an annual internal audit plan, including the integration of that plan with Council's risk profile, and monitor the implementation of that plan.
- Review the reports of the internal audit function, in particular considering findings, conclusions, and recommendations and management's response to such. Make any recommendations to Council on such as the Committee considers appropriate.
- Review, approve and monitor the implementation of Council's Risk Management Policy, including regular review of the corporate risk register.
- Review reporting of new or emerging risks as needed.

- Review the effectiveness of risk management and internal control systems including all material financial, operational, compliance, and other managerial controls.
- Review the effectiveness of health and safety policies and processes to ensure a healthy and safe workplace for representatives, staff, contractors, visitors and the public.
- Assist elected representatives and the Chief Executive to discharge their statutory roles as 'officers' in terms of the Health and Safety at Work Act 2015.
- Monitor compliance with laws and regulations as appropriate.
- Review and provide advice on policies relevant to the Committee's role including, but not limited to, policies addressing fraud, protected disclosures, and conflicts of interest.
- Review and monitor policy and processes to manage responsibilities under the Local Government Official Information and Meetings Act 1987 and the Privacy Act 2020 and any actions from any Office of the Ombudsman's report.
- Review and monitor current and potential litigation and other legal risks.

### **Power to Act**

- To make all decisions necessary to fulfil the role, scope and responsibilities of the Committee subject to the limitations imposed.
- To establish sub-committees, working parties and forums as required.

### **Power to Recommend**

- To Council and/or any standing committee as it deems appropriate.

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- 1 OPENING KARAKIA**
- 2 APOLOGIES**
- 3 PUBLIC FORUM**
- 4 ACCEPTANCE OF LATE ITEMS**
- 5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**
- 6 CHANGE TO ORDER OF BUSINESS**

## **7 CONFIRMATION OF MINUTES**

### **7.1 Minutes of the Audit & Risk Committee meeting held on 17 November 2025**

**File Number: A19711978**

**Author: Anahera Dinsdale, Governance Advisor**

**Authoriser: Sarah Holmes, Team Leader: Governance & CCO Support Services**

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### **RECOMMENDATIONS**

That the Minutes of the Audit & Risk Committee meeting held on 17 November 2025 be confirmed as a true and correct record.

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### **ATTACHMENTS**

#### **1. Minutes of the Audit & Risk Committee meeting held on 17 November 2025**



# **DRAFT MINUTES**

**Audit & Risk Committee meeting  
Monday, 17 November 2025**

Unconfirmed

## Order of Business

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**MINUTES OF TAURANGA CITY COUNCIL  
AUDIT & RISK COMMITTEE MEETING  
HELD AT THE TAURANGA CITY COUNCIL CHAMBERS, L1 ROAD, TAURANGA  
ON MONDAY, 17 NOVEMBER 2025 AT 9.30AM**

**MEMBERS PRESENT:** Deputy Mayor Jen Scoular, Cr Steve Morris, Mayor Mahé Drysdale, Tangata Whenua Representative Rohario Murray

**ALSO PRESENT** Cr Glen Crowther, Cr Marten Rozeboom, Cr Rod Taylor

**IN ATTENDANCE:** Marty Grenfell (Chief Executive), Kathryn Sharplin (Acting COFO), Anahera Dinsdale (Governance Advisor), Caroline Irvin (Governance Advisor)

Timestamps are included at the start of each item and signal where the agenda item can be found in the recording of the meeting held on 17 November 2025 at [Tauranga City Council's YouTube Channel](#).

**1 OPENING KARAKIA**

Tangata Whenua Representative Rohario Murray opened the meeting with a karakia.

**2 APOLOGIES**

Nil

**3 PUBLIC FORUM**

Nil

**4 ACCEPTANCE OF LATE ITEMS**

Nil

**5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**

Nil

**6 CHANGE TO ORDER OF BUSINESS**

The Chair advised that item 9.4 – Policy Review – Risk Management Policy would be addressed before item 9.3 – Policy Review – Conflicts of Interest Policy.

## 7 CONFIRMATION OF MINUTES

Timestamp: 6 minutes

### 7.1 Minutes of the Audit & Risk Committee meeting held on 21 July 2025

#### COMMITTEE RESOLUTION AR/25/4/1

Moved: Tangata Whenua Representative Rohario Murray

Seconded: Deputy Mayor Jen Scoular

That the Minutes of the Audit & Risk Committee meeting held on 21 July 2025 be confirmed as a true and correct record subject to the following corrections:

- (a) Members Present section of minutes – Correct Cr Marten Rozeboom spelling of name.

**CARRIED**

## 8 DECLARATION OF CONFLICTS OF INTEREST

Nil

## 9 BUSINESS

Timestamp: 8 minutes

### 9.1 Status Update on actions from prior Audit & Risk Committee meetings

**Staff** Kathryn Sharplin, Acting COFO

#### COMMITTEE RESOLUTION AR/25/4/2

Moved: Deputy Mayor Jen Scoular

Seconded: Tangata Whenua Representative Rohario Murray

That the Audit & Risk Committee:

- (a) Receives the report "Status Update on actions from prior Audit & Risk Committee meetings".
- (b) **Attachment 2** can be transferred into the open can be released when the full report is reviewed

**CARRIED**

Timestamp: 13 minutes

## 9.2 Risk Appetite Report - November 2025

**Staff** Chris Quest, Manager Risk & Assurance  
Chris Smith, Risk and Business Continuity Advisor

**Resolution Note:**

- Resolution (b) should reference Attachment 1 not Attachment 2. This was corrected at the meeting.

Unconfirmed

## COMMITTEE RECOMMENDATION

Moved: Mayor Mahé Drysdale  
Seconded: Cr Steve Morris

That the Audit & Risk Committee:

- (a) Receives the report "Risk Appetite Report - November 2025".
- (b) Endorses the risk appetite statements as outlined in Attachment 1 of this report.
- (c) Commences a 12-month reporting cycle of Tauranga City Council's risk against the preliminary risk appetite statements to further define tolerance levels and consequences.
- (d) **Attachment 2** to remain in public excluded permanently.
- (e) **Attachment 3** to remain in public excluded permanently.

An amendment was proposed:

Moved: Tangata Whenua Representative Ms Rohario Murray  
Seconded: Deputy Mayor Jen Scoular

- (f) That the Environmental risk be moved from moderate to low risk appetite

For: Deputy Mayor Jen Scoular, Cr Steve Morris and Tangata Whenua Representative Rohario Murray

Against: Cr Mahé Drysdale

**CARRIED 3/1**

## COMMITTEE RESOLUTION AR/25/4/3

Moved: Mayor Mahé Drysdale  
Seconded: Cr Steve Morris

That the Audit & Risk Committee:

- (a) Receives the report "Risk Appetite Report - November 2025".
- (b) Endorses the risk appetite statements as outlined in Attachment 1 of this report.
- (c) Commences a 12-month reporting cycle of Tauranga City Council's risk against the preliminary risk appetite statements to further define tolerance levels and consequences.
- (d) **Attachment 2** to remain in public excluded permanently.
- (e) **Attachment 3** to remain in public excluded permanently.
- (f) That the Environmental risk be moved from moderate to low risk appetite

**CARRIED**

Timestamp: 51 minutes

#### 9.4 Policy Review - Risk Management Policy

**Staff** Chris Quest, Manager Risk & Assurance  
Chris Smith, Risk and Business Continuity Advisor  
Sharon Herbst, Policy Analyst

#### Actions

- That staff create a glossary of terms, in particular with how it refers to all associated with TCC and the groupings there of.

#### COMMITTEE RESOLUTION AR/25/4/4

Moved: Cr Steve Morris

Seconded: Deputy Mayor Jen Scoular

That the Audit & Risk Committee:

- (a) Receives the report "Policy Review - Risk Management Policy".
- (b) Approves and adopts the revised Risk Management Policy incorporating changes provided in the report for the policy to take effect immediately, including:
  - (i) updating the definitions of the terms Business Continuity, Council, Tauranga City Council, the Committee, council staff, risk, Enterprise Risk Management System (ERMS), group and division
  - (ii) including Te Ao Māori principles in the principles section of the policy in alignment with Tauranga City Council's Code of Conduct/ Ngā Kawa Arataki
  - (iii) updating the responsibilities in the policy for Council, the Committee and the Chief Executive
  - (iv) changing the frequency of the review of risk registers from quarterly by department to regularly by each division
  - (v) including a description of strategic risks and how they are recorded.
- (c) Delegates to the Acting Chief Operating and Financial Officer - Commercial and General Counsel to make any necessary minor drafting or presentation changes to the Risk Management Policy prior to it being published.

**CARRIED**

Timestamp: 1 hour

#### 9.3 Policy Review - Conflicts of Interest Policy

**Staff** Chris Quest, Manager Risk & Assurance  
Chris Smith, Risk and Business Continuity Advisor  
Sharon Herbst, Policy Analyst

### COMMITTEE RESOLUTION AR/25/4/5

Moved: Cr Steve Morris

Seconded: Tangata Whenua Representative Rohario Murray

That the Audit & Risk Committee:

- (a) Receives the report "Policy Review - Conflicts of Interest Policy".
- (b) Endorses the updated policy (**Attachment One**).

**CARRIED**

Timestamp: 1 hour and 12 minutes

### 9.5 Policy Review - Privacy Policy

**Staff** Andrew Hough, General Counsel  
Sharon Powell, Privacy Officer  
Sharon Herbst, Policy Analyst

### COMMITTEE RESOLUTION AR/25/4/6

Moved: Mayor Mahé Drysdale

Seconded: Deputy Mayor Jen Scoular

That the Audit & Risk Committee:

- (a) Receives the report "Policy Review - Privacy Policy".
- (b) Endorses the creation of a new Privacy Policy (**Attachment One**) for the Executive to consider and adopt, which includes:
  - (i) a scope that includes all council workers, including the mayor, councillors and persons appointed to council committees
  - (ii) applying the Information Privacy Principles (IPPs) and ensuring appropriate systems are in place to manage personal information
  - (iii) a commitment to enhancing culturally aligned practices
  - (iv) an annually reviewed privacy statement on the council website
  - (v) clear roles and responsibilities for privacy officers
  - (vi) annual privacy training for workers
  - (vii) effective management of privacy breaches.

**CARRIED**

Timestamp: 1 hour 17 minutes

## 9.6 LGOIMA and Privacy Q1 Report for 2025/26

**Staff** Kathryn Norris, Team Leader: Information Requests

### COMMITTEE RESOLUTION AR/25/4/7

Moved: Mayor Mahé Drysdale

Seconded: Deputy Mayor Jen Scoular

That the Audit & Risk Committee:

- (a) Receives the report " LGOIMA and Privacy Q1 Report for 2025/26".

**CARRIED**

## 10 DISCUSSION OF LATE ITEMS

Nil

## 11 PUBLIC EXCLUDED SESSION

**Resolution to exclude the public**

**COMMITTEE RESOLUTION AR/25/4/8**

Moved: Deputy Mayor Jen Scoular

Seconded: Tangata Whenua Representative Rohario Murray

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter 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 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	Ground(s) under section 48 for the passing of this resolution
<p><b>11.1 - Public Excluded Minutes of the Audit &amp; Risk Committee meeting held on 21 July 2025</b></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)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</p> <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 Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</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>s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
<p><b>11.2 - Digital/Cyber Risk Quarterly Report</b></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)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</p>	<p>s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
<p><b>11.3 - Risk Register - Quarterly Update</b></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>s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under</p>

		section 6 or section 7
<b>11.4 - Internal Audit &amp; Assurance - Quarterly Update</b>	s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>11.5 - Health, Safety and Wellbeing Quarterly Report: Q1 July to September 2025</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>Confidential Attachment 2 - 9.1 - Status Update on actions from prior Audit &amp; Risk Committee meetings</b>	s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>Confidential Attachment 2 - 9.2 - Risk Appetite Report - November 2025</b>	s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>Confidential Attachment 3 - 9.2 - Risk Appetite Report - November 2025</b>	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 it is in the public interest that such information should continue to be supplied	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

**CARRIED**

## 12 CLOSING KARAKIA

Cr Steve Morris closed the meeting with a karakia.

The meeting closed at 11:28am.

The minutes of this meeting were confirmed as a true and correct record at the Audit & Risk Committee meeting held on 23 February 2026.

Unconfirmed

**8      DECLARATION OF CONFLICTS OF INTEREST**

## 9 BUSINESS

### 9.1 Results of 2024/25 Audit by Audit New Zealand

**File Number:** A19471414

**Author:** Marin Gabric, Team Leader - Financial Accounting and Compliance  
Sheree Covell, Manager: Treasury & Financial Processes

**Authoriser:** Craig Rice, Chief Operating and Financial Officer

#### PURPOSE OF THE REPORT

1. The purpose of this report is to present Audit New Zealand's (Audit NZ) findings from the audit of Tauranga City Council for the year ended 30 June 2025. The two Audit NZ reports outline the results of the annual audit and highlight the areas where Council is performing well and those where improvements are recommended.

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#### RECOMMENDATIONS

That the Audit & Risk Committee:

- (a) Receives the report "Results of 2024/25 Audit by Audit New Zealand".
- (b) Notes the recommendations from Audit NZ contained within the report to Council.

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#### EXECUTIVE SUMMARY

2. This report presents Audit New Zealand's (Audit NZ) findings from the audit on TCC for the year ended 30 June 2025. The two Audit NZ reports outline the results of the annual audit, highlighting areas where Council is performing well and areas where improvements are recommended. While no significant risks require the Committee's attention, all new matters identified during the audit are summarised in the background section of this report.
3. While this is a report on the Audit of 2024/25 financial year, additional information has been added for your consideration. The background section of this report highlights matters that will likely have an impact on the 2025/26 Audit and Annual Report. The attached 2025/26 Audit NZ audit Plan confirms that these matters that will require specific audit focus.

#### BACKGROUND

4. Audit New Zealand has completed its audit of TCC for the year ended 30 June 2025. An unmodified opinion was given for the adoption of the 2025 Annual Report on 29 October 2025.
5. The audit report outlines matters identified during the audit, makes recommendations and includes Council comments on these recommendations. An update on matters identified during the previous audit is also provided.
6. Audit NZ provides recommendations for improvement and prioritises these as urgent, necessary, or beneficial. The report also reviews earlier recommendations and notes whether these have been addressed by Council.
7. There were six new recommendations made by audit, five of which are deemed medium risk and one low. These recommendations are detailed below.
8. **New Recommendation #1:** One Councillor failed to declare an interest in Council's Conflict of Interest Register.

9. During NZ Audit's review of the Council's Interest Register, NZ Audit identified one instance where a Councillor failed to declare an interest. Council currently reviews the Interest Register six-monthly; Council will now undertake quarterly reviews by Internal Audit/Risk/Democracy.
10. **New Recommendation #2:** The Mayor's expenditure was not approved in one instance.
11. The Elected Members' Expense and Resource Policy require all the Mayor's expenditure to be approved by the Deputy Mayor or CEO.
12. The process has been confirmed with relevant staff and governors and will be followed going forward. In this instance there was verbal approval, which was not documented.
13. **New Recommendation #3:** Capitalisation should occur in the correct accounting period to support accurate financial reporting and depreciation calculations.
14. A vehicle asset was recorded in July 2024, but the documentation was dated June 2024. Value was \$61k. High level checks were done on material WIP balances and adjusted accordingly. This instance was not considered material by Council staff.
15. **New Recommendation #4:** A Journal for fuel allocation was not authorised.
16. This has been raised with the team concerned and the process of authorising journals has been noted.
17. **New Recommendation #5:** Two of Council CCOs did not meet their statutory deadline to be audited.
18. After multiple requests from Council staff to the Office of the Auditor General, and the team at Audit NZ, an auditor was appointed for Te Manawataki o Te Papa Limited and Te Manawataki o Te Papa Charitable Trust. The statutory accounts were audited post adoption. Going forward this will not be an issue. The finance team work closely with the CCOs and note the Annual Reports are being prepared in a timely manner but the market for auditors still remains constrained and beyond the control of Council.
19. **New Recommendation #6:** City Operations have no Delegated Financial Approval for work conducted by City Care Ltd.
20. There is an existing agreement in place between Tauranga City Council and City Care Ltd (CCL) whereby maintenance requests are issued by Council to CCL. When the work has been completed, CCL notifies Council and provides a summary of the work performed, together with costings and photos as evidence of the work performed. The workflow is then closed off by Council staff (Senior Infrastructure Information Specialist). Currently the Senior Infrastructure Information Specialist does not have a Delegated Financial Authority, and no financial approval takes place for City Operations' work orders.
21. **Prior Year Recommendations**
22. There are nine recommendations from prior years, all of which continue to be monitored and worked on. The detail and Council staff comments are on pages 6-11 of the Audit Management Report. Staff continue to work on solutions for these recommendations but consider them to be of low risk to the organisation.
23. **Matters for Considerations for 2025/26 Audit & Annual Report:**
24. While the impacts are not fully known, the following matters will likely be of concern to Audit NZ during the preparation of the Audit and Annual Report.
25. The recent Mauao weather event will incur unbudgeted costs, which will go through a cost recovery process and create potential accounting considerations for Audit NZ to review as part of the 2025/26 Audit.
26. Mauao landslides will include significant write downs of the holiday park assets and Mount Hot Pools within Bay Venues Ltd accounts for the 2025/26 financial year. There will also be impacts for budgeted revenue and expenses for the remainder of the 2025/26 financial year for both of these venues. The effects of this event have unidentified costs that will also affect the remainder of Council's Annual Financial Statements.

27. Revaluations of major infrastructure assets occur on a three-year cycle. In the 2025/26 financial year the items to revalue include Spaces & Places Assets (parks & reserves), Airport Infrastructure and Marine Assets.
- Impacts of the revaluations will be presented in the first draft of the 2025/26 Annual Report, which will be presented at the September 2026 City Delivery Committee meeting.
28. The Local Water Done Well (LWDW) potential transfer to the new entity in 2027, will not have a significant impact on Council's Annual Report for the 2025/26 financial year. The expectation is that for the 2026/27 financial year, there will be a significant focus and impact on the Annual Report. This is dependent on decisions regarding structure, ownership and guarantees, which will be decided by Council.
29. The attached 2025/26 audit plan from Audit NZ confirms that these matters will require specific focus during the annual audit. Outside of these matters the focus continues to be the value and capitalisation of assets as well as the accounting treatment of significant financial transactions.

### STATUTORY CONTEXT

30. The audit report is part of the process of financial accounting and reporting set out under the Local Government Act 2002.

### OPTIONS ANALYSIS

31. There are no options presented in this report.

### FINANCIAL CONSIDERATIONS

32. Audit NZ have indicated there will be some cost overruns from the Audit. These have not been quantified at the time of preparing this document.

### LEGAL IMPLICATIONS / RISKS

33. There are no specific legal implications or risks directly as a result of this report.

### CONSULTATION / ENGAGEMENT

34. No further consultation or engagement is required in relation to this document.

### SIGNIFICANCE

35. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
36. This assessment considers the impact and potential consequences for:
- (a) the current and future social, economic, environmental, or cultural well-being of the district or region
  - (b) any persons who are likely to be particularly affected by, or interested in, the decision.
  - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
37. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.




### ENGAGEMENT

38. Taking into consideration the above assessment, that the matter is of low significance, staff are of the opinion that no further engagement is required prior to Council making a decision. Click here to view the [TCC Significance and Engagement Policy](#)

**NEXT STEPS**

39. Council will continue to work through Audit NZ's recommendations for improvement in our processes and reporting.
40. The impacts of LWDW and the Mauao weather event and asset revaluations will be presented in the 2025/26 Annual Report.

**ATTACHMENTS**

1. **2025 Report to Governors on the audit of TCC (Final) - A19717991** [↓](#) 
2. **2025 Report to Management on the audit of TCC (Final) - A19717993** [↓](#) 
3. **TCC Audit Plan June 2026 (Final) - A19753969** [↓](#) 



## Our audit report

### We issued an unqualified audit opinion

We issued a non-standard audit report on 29 October 2025. We are satisfied that the financial statements and statement of service performance present fairly the Tauranga City Council's (the City Council) and Group's activity for the year and its financial position at the end of the year.

Without modifying our audit opinion, we included two emphasis of matter paragraphs to draw the users' attention to:

- the disclosure in the statement of service performance which outlines the inherent uncertainty in the reported greenhouse gas emissions; and
- the disclosures in the annual report about the future of water delivery.

This report sets out all matters that we consider need to be considered by a Council committee. In addition to reports provided to Council we also intend to provide a more detailed report to management. This will include recommendations on areas for improvement we identified during the audit.

### Corrected and uncorrected misstatements

We have discussed any misstatements that we found with management, other than those which were clearly trivial.

The misstatements that have not been corrected are listed in the representation letter. We are satisfied that these misstatements are individually and collectively immaterial.

We also identified misstatements that were corrected by management. A list of corrected misstatements is available on request.

### Thank you

We would like to thank the Council, management, and staff for the assistance they provided during the audit.



Leon Pieterse  
Appointed Auditor  
29 October 2025



## Focus areas from the Audit Plan

Focus area	Outcome
<b>The risk of management override of internal controls</b>	
There is an inherent risk in every organisation of fraud resulting from management override of internal controls.	We completed testing to address this risk and did not identify any matters that we need to bring to your attention.
<b>Valuation of infrastructure assets</b>	
<p>The City Council revalue its infrastructure assets whenever there is expected to be a material movement in the fair value of those assets.</p> <p>The City Council revalued the following asset class as at 30 June 2025:</p> <ul style="list-style-type: none"> <li>• Three waters assets (water supply, wastewater and storm water).</li> </ul>	We concluded the valuation was appropriate and that the resulting valuation movement was correctly recognised in the financial statements.
<b>Fair value assessment of infrastructure assets (non-revaluation year)</b>	
<p>For those assets that the City Council does not plan to revalue, the City Council needs to perform a fair value movement assessment to determine whether there could be a material difference between the fair value and the carrying value.</p> <p>If the fair value movement of the assets, individually or in combination with other asset classes, is likely to be material, the City Council will need to complete a full revaluation.</p>	We completed our testing of the management’s assessment of carrying value compared to fair value. We were satisfied that the difference is not material, and the infrastructure assets not revalued are fairly stated in the financial statements.



Focus area	Outcome
<p><b>Fair value of investment property</b></p>	
<p>The fair value of the City Council investment properties needs to be revalued annually in accordance with the requirements of PBE IPSAS 16, Investment Property.</p> <p>Given the volatility in the property market there is potential for large valuation movements year on year, which need to be accounted for within the Statement of Comprehensive Income.</p> <p>Due to the nature and value of the revaluations, any bias or errors in the inputs used or calculations performed could result in a material misstatement in the value of the investment property.</p>	<p>We concluded the valuation was appropriate and that the resulting valuation movement was correctly recognised in the financial statements.</p>



Focus area	Outcome
<p><b>Major capital projects</b></p>	
<p>The City Council continues to have a significant ongoing capital programme. A number of capital projects are either underway or about to commence.</p> <p>Accounting for capital projects, whether completed during the year or in progress at balance date, requires assumptions and judgements to be made that can have a significant impact on the financial statements. Management and the Council are responsible for managing the financial statement risks associated with capital projects. This includes ensuring:</p> <ul style="list-style-type: none"> <li>• project costs are reviewed to ensure these are appropriately classified as capital or operational in nature including additional covid related payments to contractors;</li> <li>• work in progress (WIP) balances for projects already completed or available for use are transferred to the appropriate class of asset in a timely manner and depreciated accordingly from the date of capitalisation;</li> <li>• WIP balances on projects that span an extended period of time are assessed regularly for impairment over the period of the project. Costs no longer meeting criteria for recognition as an asset should be expensed in a timely manner;</li> <li>• asset components are identified at an appropriate level, and appropriate useful lives are assigned to these components on completion;</li> <li>• the value and remaining useful life (RUL) of existing assets remains appropriate given replacement projects underway; and</li> <li>• capital commitments related to contracts entered into before balance date are disclosed in the notes to the financial statements.</li> </ul>	<p>We reviewed Work-In-Progress (WIP) and considered the project expenditure against budget to assess if the project had been completed during the current period. We specifically considered if there were any assets that had minimal expenditure during the current year – indicating they might be complete or discontinued.</p> <p>We reviewed a sample of assets capitalised during the period and assessed the useful lives, and resulting depreciation rates, were appropriate.</p> <p>Commitments were separately tested, which included assessing the progress for the longer-term projects and ensured an appropriate value for commitments outstanding at balance date was recorded.</p> <p>We concluded the accounting treatment for project costs was materially correct.</p>



Focus area	Outcome
<p><b>Funding mechanism for new infrastructure projects</b></p>	
<p>In the 2021/31 Long Term Plan (LTP) amendment and continuing into the 2024/34 LTP, the City Council agreed to make use of a funding mechanism that would not have an impact on the City Council’s debt limits. The City Council proposes to apply for this funding to progress its Transport System Plan and Tauriko West infrastructure development. The new infrastructure projects will be financed by an external party that would charge levies. The City Council will administer the levies alongside its own rates. The City Council expects the private financing cost to be affordable and similar to that currently available to the City Council.</p> <p>Obtaining this funding is dependent on the external party raising the required funds from private investors and requires Government approval.</p> <p>At the time of the LTP amendment, City Council obtained its own accounting opinion from a third party and followed that accounting advice when preparing the final forecast financial statements.</p> <p>We reviewed the draft agreements in conjunction with the draft financial statements and the external accounting advice the City Council received. We concluded the accounting treatment was reasonable.</p>	<p>The City Council obtained funding from TSP Finance Ltd, a subsidiary of Crown Infrastructure Partners Ltd. A levy will be charged to the ratepayers to repay TSP Finance Ltd.</p> <p>The City Council obtained external expert advice on the accounting treatment for these transactions in previous financial periods and followed that advice, which resulted in the initial funding being treated as grants in the 30 June 2023 period.</p> <p>In the prior period we reviewed the City Council’s external advice and documents, and concluded the accounting treatment was reasonable and that was our view this year as well.</p>



Focus area	Outcome
<p><b>New Council head office building (90 Devonport Road)</b></p>	
<p>The City Council has entered into an arrangement with a third party to build and manage a new head office building. Our understanding is that once completed, the City Council will lease the building from the third party.</p> <p>As part of the arrangement, the City Council has sold the land to the third party but the settlement will be deferred until the building is complete.</p> <p>The City Council should obtain accounting advice on the sale and future lease agreement when preparing the financial statements.</p>	<p>The initial agreement, and the external advice on the accounting treatment related to it, were reviewed as part of the 30 June 2023 audit.</p> <p>We agreed with the initial accounting treatment recognised in the 2023 and 2024 financial years but there remained some accounting treatment matters that were to be resolved once the actual lease agreement was signed in the future.</p> <p>During the 2025 financial year the City Council accounted for the transaction as a finance lease and recognised a Right of Use Asset and a Lease Liability was recognised for \$82m on the practical completion date (31 March 2025). We are satisfied that the City Council have correctly accounted for and disclosed the lease in the current financial year.</p>



## Other matters identified during the audit

Matters identified	Outcome
<b>Inherent uncertainties in the measurement of Greenhouse gas emissions</b>	
<p>The City Council has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.</p>	<p>We were satisfied that the annual report adequately discloses the Inherent uncertainties in the measurement of Greenhouse gas emissions and outlines the uncertainty in the reported GHG emissions.</p> <p>We have included an emphasis of matter paragraph in our audit report.</p> <p>We will continue to monitor developments in this area and how the City Council is responding to these.</p>



Local Water Done Well programme	
<p>The Local Government (Water Services Preliminary Arrangements) Act 2024 established a variety of requirements that City Council needs to meet. A further Local Government Water Services Bill is expected to be introduced to Parliament before December 2025, detailing changes to the water services delivery and regulatory systems.</p> <p>The Government enacted a water reform programme in February 2024 by repealing previous legislation and passing the Local Government Water Services Preliminary Arrangements Act 2024. This new legislation required the City Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government.</p> <p>On 15 August, Council resolved to establish a multi-council Water Organisation (multi-council WO) with Western Bay of Plenty District Council (subject to due diligence) to deliver water services, from 1 July 2027.</p> <p>To support the next step in this process, the mayor and councillors adopted the Local Water Done Well, Water Services Delivery Plan (WSDP) on 26 August, which was submitted to the Department of Internal Affairs (DIA) on 3 September 2025. The DIA are in the process of assessing the proposal.</p> <p>Council also endorsed the Commitment Agreement with Western Bay of Plenty District Council, to enable due diligence to begin.</p>	<p>We reviewed the City Council’s assessment of the impact of the legislative change on the annual report as well as the affected groups of activity to ensure accounting or disclosure implications were considered.</p> <p>We were satisfied that the annual report adequately discloses the impact that Local Water Done Well programme and Water Services Delivery Plan has on the City Council.</p> <p>We have included an emphasis of matter paragraph in our audit report.</p> <p>We will continue to monitor developments in this area and how Council is responding to these.</p>



Marine Precinct – Term loan agreement	
<p>The City Council sold the Land assets in relation to the Marine precinct in two stages to Tumblehome Bay Limited and the Vessel Works business (including all assets) to Pacific Safe Harbours Limited. This included a Term Loan agreement with Tumblehome Bay Limited and a Leaseback agreement (for area 5 for 3 years) with Tumblehome Bay Limited.</p> <p>With the completion of the Initial Settlement Date (30 April 2025); Stage 2 of the Sale and Purchase agreement has been entered. The Term Loan agreement with a value of \$9.5 million was signed by both parties on 24 November 2024.</p> <p>The City Council has recognised the term loan entered into by recognising the NPV of the loan receivable, interest receivable (implicit interest) and the deferred revenue.</p>	<p>We are satisfied that the City Council correctly accounted for and disclosed the term loan in the current financial year.</p>



## Financial statements and service performance information

### Judgements made in significant accounting policies, disclosures, and related matters

The City Council’s property, plant and equipment includes various classes of assets consolidated from its subsidiaries. The accounting standards require that if an item of property, plant and equipment is revalued, the entire class to which that asset belongs is revalued. This prevents the selective revaluation of individual assets, and inconsistency within asset classes.

Historically, the group has not revalued all assets within the same class simultaneously due to differences in asset grouping at the component level versus the group level. We concluded that these inconsistencies did not materially misrepresent the property, plant, and equipment balance as at 30 June 2025. There is a risk an asset class could be materially misstated in future annual reports if this is not corrected.

### Quality and timeliness of information provided for audit

The Council’s responsibilities include understanding whether management produce quality information, and whether there are




adequate resources, skills, and expertise applied in the reporting process. Our expectations were informed by the FMA’s *Audit Quality Monitoring Report (expectations for directors) and Guidance and expectations for keeping proper accounting records.*

Expectation	Grading	Reason
Financial statements prepared by management comply with accounting standards	⊖ <b>Acceptable</b>	Generally, good quality sets of draft financial statements were provided in a timely manner. The number of drafts required was fewer than in prior years.
Quality supporting financial information is prepared and available on a timely basis	⊖ <b>Acceptable</b>	The process this year has generally improved. In particular, the use of Audit Dashboard assisted in the smooth provision of documents and information between Council and audit staff. There were still a number of misstatements and disclosure matters requiring correction.
Accounting records and supporting documentation reconcile to the financial statements	⊕ <b>Good</b>	



Expectation	Grading	Reason
Accounting records support the accounting treatment applied by management	✔ Good	
Management prepares accounting papers for unusual or more complex transactions and estimates	✔ Good	
Governors challenge the process and the outcomes of management’s judgements	✔ Good	
Service performance reporting prepared by management complies with accounting standards	⚠ Acceptable	The Service performance reporting prepared by management did not include narrative around the critical assumptions and judgements used in calculating the performance measure results as required by PBE FRS 48.
Quality supporting service performance information is prepared and available on a timely basis	⚠ Acceptable	The service performance reporting audit process went smoothly this year. Having a central person responsible for performance reporting made the process more efficient. There were still some misstatements and disclosure matters requiring correction, particularly around the implementation of new sector related guidance.
Reported service performance agrees to supporting records	✔ Good	
Issues raised in our previous reports are addressed in a timely manner	⚠ Acceptable	Some previous recommendations were addressed, but others remain outstanding.



Grading	Explanation
 <b>Good</b>	The quality and timeliness of the information was of a good standard with no significant deficiencies.
 <b>Acceptable</b>	Quality and timeliness were of an acceptable standard but with some minor deficiencies and room for improvement.
 <b>Attention</b>	There were numerous and/or significant deficiencies and/or delivery was significantly late.

**Commentary**

Our audit fee is based on reviewing two sets of draft financial statements and one printer's proof version. We will seek cost recovery for the additional time incurred reviewing severance payments, capitalised payroll costs, multiple sets of consolidation adjustments, and error corrections in the draft financial statements, and draft summary annual reports.



## Appendix 1: Disclosures



### Our responsibilities in conducting the audit

We carried out this audit on behalf of the Controller and Auditor General. We are responsible for expressing an independent opinion on the financial statements and performance information. This responsibility arises from section 15 of the Public Audit Act 2001.

The audit of the financial statements does not relieve management or the Council of their responsibilities. Our audit engagement letter contains a detailed explanation of the responsibilities of the auditor and the Council.

### Auditing standards

We carry out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect every instance of misstatement, fraud, irregularity, or inefficiency that are immaterial to your financial statements. The Council and management are responsible for implementing and maintaining a system of internal control for detecting these matters.

### Auditor independence

We confirm that, for the audit of the Tauranga City Council's financial statements for the year ended 30 June 2025, we have maintained our independence in accordance with the requirements of the Auditor General-, which incorporate the independence requirements of the External Reporting Board.

In addition to the audit, we have carried out an assurance engagement of the City Council's Debenture Trust Deed. We also provided regulatory assurance engagements for two companies within the group. These engagements are compatible with the Auditor-General's independence requirements. Other than the audit and these engagements, we have no relationship with or interests in the City Council or its subsidiaries.

### Fees

The audit fee for the year is \$535,000 (inclusive of GST and disbursement), as detailed in our Audit Proposal Letter. Other fees charged in the period are \$11,800 (provisional), for annual assurance engagement for the City Council's Debenture Trust Deed.

### Other relationships

We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with Tauranga City Council that is significant to the audit.

We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with Tauranga City Council during or since the end of the financial year.



AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

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## Introduction

We completed our audit of Tauranga City Council on 29 October 2025. The significant matters arising from the audit were covered in our Report to Council dated 2 December 2025.

The purpose of this report is to report to management on relevant matters identified during the audit. It supplements the Report to Council, covering other matters identified and our recommendations for improvements. For each recommendation we provide an indicative priority rating.

We would like to thank management, and staff for the assistance they provided during the audit.



Leon Pieterse  
Appointed Auditor  
30 January 2026



## Recommendations

Ref	Priority	Recommendation	Why we are making this recommendation	Management comments
1	🟡 Medium	<p>Although there were no related transactions, it is important that all interests are declared so that actual or perceived conflicts can be adequately managed.</p> <p>We recommend that Councillors and senior management declare all interests to effectively identify and manage conflicts. Additionally, the Council should update and review its interests register more frequently to maintain transparency and accountability.</p> <p>Raised 2024/25.</p>	<p>During our review of the Council's Interest Register, we identified one instance where a Councillor failed to declare an interest.</p>	<p><i>Council currently reviews the Interest Register six-monthly; Council will look at quarterly reviews by Internal Audit/Risk/Democracy.</i></p>
2	🟡 Medium	<p>To comply with the Elected Members Expense and Resource Policy 2024, the mayor's expenditure, including conference attendance, should be pre-approved by the Deputy Mayor or CEO, with documented evidence of authorization.</p> <p>Raised 2024/25.</p>	<p>The Elected Members Expense and Resource Policy requires the mayor's conference attendance to be approved by the Deputy Mayor or CEO.</p> <p>A review found that the mayor's attendance at an LGNZ National Meeting lacked proper approval. Although verbal approval was reportedly given, there is no documented evidence to verify it.</p>	<p><i>The process has been confirmed with relevant staff and governors and will be followed going forward. In this instance there was verbal approval which wasn't documented. This conference was attended by both Mayor and DM (+1 staff member). Going forward, and depending on the timing and cost of expenditure, the Mayor's EA will request and record approval via written memo or it will be captured via Council meeting minutes.</i></p>



Ref	Priority	Recommendation	Why we are making this recommendation	Management comments
3	⊖ Medium	<p>Capitalisation should occur in the correct accounting period to support accurate financial reporting and depreciation calculations.</p> <p>Ensure the strengthening of controls over asset recognition timing to ensure it aligns with supporting documentation.</p> <p>Raised 2024/25.</p>	<p>A vehicle asset was recorded as acquired and capitalized on 1 July 2024, but supporting documentation shows it was acquired in June 2024.</p> <p>This misalignment raises concerns about asset recognition cut-off and completeness and affects depreciation accuracy due to the deferred commencement date.</p>	<p><i>Staff strive to complete as much capitalisation as possible prior to 30 June. Efforts are concentrated on WIP of material value as the close off date approaches. In this instance, the vehicle was paid for on 17 June for a total value of \$61k.</i></p> <p><i>High level checks are done on material WIP balances and adjusted accordingly for year-end results. There is no material impact on financials from this.</i></p>
4	⊖ Medium	<p>The Council should strengthen its controls over journal processing particularly those relating to fuel allocations. All journals should be supported by source documentation, and any relevant reconciliations, including clear evidence of review and approval.</p> <p>Raised 2024/25.</p>	<p>The Council was unable to provide supporting documentation or evidence for the approval of a BP fuel allocation journal dated May 2025, totalling \$564.29.</p>	<p><i>Council will review the fuel allocation journal process and ensure staff are trained in the approval process.</i></p>



Ref	Priority	Recommendation	Why we are making this recommendation	Management comments
5	⊖ Medium	Consider if CCOs can be assisted to meet their statutory deadlines.  Re-raised 2024/25.	We note that two of the Council Controlled Organisations (CCOs) that the City Council is the parent of, did not meet their statutory deadline to obtain audited annual reports by 30 September 2025. These being Te Manawataki o Te Papa Limited and Te Manawataki o Te Papa Charitable Trust.  While the City Council is not responsible for the CCOs meeting the statutory deadline, there may be opportunities to assist the CCOs in meeting their statutory deadlines.	<i>Council will continue to offer support to CCOs as part of the preparation of the group accounts, however TCC has no influence on Auditing firms and their ability to resource audits to meet deadlines.</i>  <i>2024/25 was the first year that an auditor was appointed to the two new CCOs after multiple requests for auditors to be appointed.</i>
6	⊕ Low	Each job completed by City Care Limited on behalf of Council, as part of the agreement for facilities maintenance services, has proper financial approval within delegated financial authority.  Raised 2024/25.	There is an existing agreement in place between Council and City Care Limited (CCL) whereby maintenance requests are issued by Council to CCL. When the work has been completed, CCL notifies Councils and provides a summary of the work performed, together with costings and photos as evidence of the work performed. The workflow is then closed off by Council (Senior Infrastructure Information Specialist). Currently the Senior Infrastructure Information Specialist does not have a DFA, and no financial approval takes place for City Op work orders.	<i>Council will review the processes in relation to third party maintenance requests and apply what Audit has recommended.</i>



Ref	Priority	Recommendation	Why we are making this recommendation	Management comments
7	⊖ Medium	<p>Obtain independent external accounting advice as early as possible when considering unique contractual arrangements to ensure the accounting outcome aligns with the City Council’s intentions.</p> <p>Raised 2023/24.</p>	<p>The City Council has entered into some complex contractual arrangements in recent years. These may include asset sales that incorporate deferred settlement or transactions structured in stages that require future events to occur before the next stage will be triggered. Recently the City Council was one of the first to utilise a new funding arrangement provided through central government that incorporated levies from ratepayers as a Funding mechanism for new infrastructure projects.</p> <p>The City Council has entered into these arrangements to effectively meet its and the community’s business needs. We note that these arrangements can lead to unintended accounting consequences.</p>	<p><i>Given that Audit Technical has previously challenged accounting advice provided, TCC is reluctant to incur additional costs for further external accounting advice at this time.</i></p>
8	⊖ Medium	<p>Analysis of cost information for infrastructure assets.</p> <p>Raised 2023/24.</p>	<p>Valuations of most infrastructure assets use the depreciated replacement cost method, and this has a significant impact on the carrying value of the City Council’s assets. It takes considerable time to audit these valuations as we seek to ensure the unit rates used as the basis of the valuation are appropriate and reasonable for financial reporting purposes.</p>	<p><i>Council will continue to review and utilise Contract unit rates in valuations as recommended by Audit.</i></p>



Ref	Priority	Recommendation	Why we are making this recommendation	Management comments
			<p>On 11 September 2024 we wrote to the Chief Financial Officer requesting the analysis of recent cost information used to develop unit rates for estimating replacement costs in the valuations. This information included:</p> <ul style="list-style-type: none"> <li>• Recent contract information;</li> <li>• Sizable renewal programme information; and</li> <li>• Vested asset information.</li> </ul> <p>We reiterate that such information will be requested every year that a material class of infrastructure assets is revalued on the depreciated replaced cost method. This is typically transportation and three waters assets. As the City Council is currently in the process of constructing several buildings, we would also be interested in similar data for the next revaluation of building assets also.</p> <p>This information will also be important for developing expectations fair value movements between planned revaluation cycles.</p>	



Ref	Priority	Recommendation	Why we are making this recommendation	Management comments
9	🟡 Medium	Strengthen network login passwords to current acceptable practices. Raised 2023/24.	Our review of information systems noted that network passwords are below current acceptable standards.  Council is using a minimum password length of eight characters with mandatory complexity requirements. The NZ Information Security Manual and other international best practice standards recommend a minimum of ten characters with complexity requirements or a minimum of 16 characters without complexity requirements.  We understand that a project is underway to improve password settings.	<i>With the rollout of new laptops password security has been significantly strengthened to include biometrics amongst other security initiatives.</i>  <b>Audit response:</b> <i>Audit will verify this during the 2026 audit engagement.</i>
10	🟡 Medium	Review and improve the process for removing all users access to IT systems (staff and contractors). Raised 2023/24.	Our testing regarding the removal of access to the SAP system noted that when contractors cease, their network access is not always being removed. We also noted that if a manager does not advise Digital Services when a staff member leaves, the staff member's access may not be removed. Whilst our sample testing did not note any issues with SAP access, network access had not been removed for some contractors.	<i>All contractors who are given access to TCC systems are recorded in our new HR system Success Factors. Success Factors is used to notify Digital that a contractor has finished, and their access is then revoked.</i>  <b>Audit response:</b> <i>Audit will verify and close this recommendation during the 2026 audit engagement.</i>



Ref	Priority	Recommendation	Why we are making this recommendation	Management comments
11	⊖ Medium	<p>Establish a process to ensure assets are accurately classified and assigned appropriate useful lives when capitalised.</p> <p>Raised 2022/23.</p>	<p>We did not identify any significant misclassified assets, or inappropriate useful lives.</p>	<p><i>Asset useful lives are reviewed and monitored on a regular basis.</i></p> <p><i>All the new Three Water asset life's will be loaded in the 2026 year and will reflect the asset life's as provided by the valuer in the latest revaluation as at June 2025.</i></p> <p><b>Audit response:</b></p> <p><i>Audit will verify this during the 2026 audit engagement.</i></p>
12	⊖ Medium	<p>Include the issuing, cancelling and use of the Bee card in the sensitive expenditure policy.</p> <p>Establish a monitoring system to confirm the cards are only used for their intended purpose.</p> <p>Raised 2022/23.</p>	<p>The Sensitive Expenditure policy was updated on 11 April 2024 and now includes appropriate guidance on the use of the Bee card.</p> <p>We are advised a system had been established with quarterly monitoring of Bee Card transactions.</p>	<p><i>Given this complex nature and time delay in receiving the data from BOPRC this is a resource heavy requirement. Rather than monitoring the data, TCC will monitor the spend on a quarterly basis to identify and investigate spikes in \$ usage.</i></p>



Ref	Priority	Recommendation	Why we are making this recommendation	Management comments
13	🟡 Medium	<p>Appropriate processes are established to track deposits held, including reconciliations and lists of all deposits held.</p> <p>Raised 2021/22.</p>	<p>A list of all deposits held is still not available but the movements in the general ledger have been reconciled since 2023.</p> <p>We continue to recommend a listing similar to a creditor listing be prepared, as this enables the aging of deposits to be monitored and assists council in refunding deposits or following up on old deposits.</p>	<p><i>Whilst TCC is operating two accounting systems it is not currently possible to provide a single listing of Deposits Held. Council refined their processes 18+ months ago to manually monitor accounts and these have been provided to audit over the last two years.</i></p> <p><b>Audit response:</b></p> <p><i>Audit will close this recommendation during the 2026 audit engagement as Council have accepted the risk relating to this matter.</i></p>
14	🟡 Medium	<p>Review the useful lives for all assets that remain in use beyond their recorded useful lives.</p> <p>Raised 2020/21.</p>	<p>We continue to identify assets held at nil value at balance date. This indicates useful lives may be inappropriate, which in turn impacts depreciation expense.</p>	<p><i>TCC will continue to review assets useful lives as part of Council's annual impairment process and adjust those lives appropriately.</i></p>



Ref	Priority	Recommendation	Why we are making this recommendation	Management comments
15	⊖ Medium	<p><b>Performance measures</b></p> <p>We have previously recommended:</p> <ul style="list-style-type: none"> <li>sufficient details and clearer descriptions are provided in the report for each event to help the data processor and reviewer make informed judgments on whether the event has met the criteria of the performance measure per DIA guidance;</li> <li>record and use the number of connections as per 30 June for three waters related performance result calculation;</li> <li>regularly review the event report and adjust types of events accordingly. This is to ensure three-waters issues have been correctly differentiated and classified; and;</li> <li>regularly review the event report and ensure all private nature related events are removed from year-end population.</li> </ul> <p>Raised 2019/20.</p>	<p>We again found misclassified complaints in the customer management system that impacted the fault response time and wastewater overflow performance measure results.</p>	<p><i>The last 3 recommendations will be taken on board by the Corporate Planning and 3 waters teams to help ensure the correct data is being identified and reported on. They will be actioned during the quarterly monitoring reports and for the Annual Report for 2024/25.</i></p> <p><i>Regarding the first recommendation - Providing sufficient details and clearer descriptions is a work in progress. There are restrictions with our reporting system and one of those is that job notes are not displayed. That makes it difficult for both us and the auditor. There is a project in its infancy which will hopefully see this rectified however this isn't a quick fix, and any changes would likely be around 18 months away.</i></p> <p><b>Audit response:</b></p> <p><i>Audit will verify the response to the first recommendation during the 2026 audit engagement.</i></p>



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## 9.2 Business Continuity Policy

**File Number:** A19580655

**Author:** Sharon Herbst, Policy Analyst  
Chris Quest, Manager: Risk & Assurance  
Chris Smith, Risk and Business Continuity Advisor

**Authoriser:** Craig Rice, General Manager: Chief Operating and Financial Officer

### PURPOSE OF THE REPORT

1. To approve and adopt a new Business Continuity Policy.

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### RECOMMENDATIONS

That the Audit & Risk Committee:

- (a) Receives the report "Business Continuity Policy".
- (b) Approves and adopts a new Business Continuity Policy to take effect immediately which includes:
  - (i) Te Ao Māori principles and council values
  - (ii) a commitment to business continuity and a consistent process for all staff
  - (iii) governance roles and responsibilities
  - (iv) assumptions about continuity and recovery and council actions to support them
  - (v) activation criteria and triggers for Business Continuity Plans
  - (vi) identification and management of high-impact events.
- (c) Delegates to the Chief Operating and Financial Officer and General Counsel to make any necessary minor drafting or presentation changes to the Business Continuity Policy, prior to it being published.

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### EXECUTIVE SUMMARY

2. The Audit & Risk Committee (the Committee) is asked to approve and adopt a new Business Continuity Policy (the policy) for Tauranga City Council (the council). This policy strengthens organisational resilience by ensuring essential services can continue or recover quickly during disruptions through a structured Business Continuity Management System.
3. When reviewing policies that have a relevant international standard (such as business continuity and risk management), the council ensures alignment with that standard<sup>1</sup>. The Risk Management Policy, which was revised and approved in November 2025, aligns with the risk standard (ISO 31000). During that review, we identified a gap in meeting the business continuity standard (ISO 22301).
4. To address this gap, we recommended developing a new Business Continuity Policy that provides the necessary depth and operational clarity to make continuity arrangements actionable, measurable, and embedded across the organisation.

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<sup>1</sup> Standards jointly developed by Standards Australia and Standards New Zealand: Risk Standard AS/NZS ISO 31000 and Business Continuity Standard AS/NZS ISO 22301.

5. On 19 February 2025, the Committee agreed to include a Business Continuity Policy in its forward work plan to be presented to the Committee in February 2026. This work aligns with the Committee's Terms of Reference, which include overseeing risk management and the effectiveness of internal control systems<sup>2</sup>.
6. The new policy sets high-level commitments, principles, and governance responsibilities. It is supported by an operational framework that details processes for business impact analysis, threat and risk assessment, continuity planning, testing, and review. Together, these documents embed resilience across the organisation and reflect our decentralised model, where divisions must engage with continuity planning.
7. The Executive considered the draft policy and framework on 4 February 2026 and recommended the Committee adopt the policy. The Committee is asked to confirm the recommended policy elements and adopt the policy (**Attachment One**). The framework has been endorsed by the Executive and will guide implementation; it does not require Committee approval. Current budgets are sufficient to support delivery, and any additional resource needs will be addressed through standard planning processes.
8. There is low to moderate public interest, so no public consultation is planned.
9. There are no direct financial implications in adopting this policy.
10. If approved, staff will finalise the policy, begin implementation of the Business Continuity Management System, and report progress to the Committee.

## BACKGROUND

11. As a public organisation, the council must be prepared to respond effectively to unplanned events that could impact service delivery, community wellbeing, or organisational viability. During the recent review of the Risk Management Policy, which now aligns with the ISO 31000 risk standard, we identified a gap in meeting the ISO 22301 business continuity standard. To address this, a standalone Business Continuity Policy has been developed to ensure continuity arrangements are actionable, measurable, and embedded across the organisation. This supports our commitment to protecting people, assets, and reputation while maintaining public confidence.
12. The policy and framework have been developed as complementary documents to guide the council's approach to resilience and service continuity.
  - (a) The policy sets out high-level commitments to business continuity, principles, governance responsibilities, and expectations for maintaining essential services.
  - (b) The framework operationalises the policy by detailing the structure, processes, and tools of the Business Continuity Management System. It includes methodologies for business impact analysis, threat and risk assessment, continuity planning, testing, and review.
13. On 4 February 2026, the Executive considered the draft policy and framework, endorsed the framework, and recommended that the Committee adopt the policy.

## STATUTORY CONTEXT

14. While the Local Government Act 2002 does not mandate a standalone business continuity policy, structured continuity planning supports prudent management and service resilience, aligning with council's obligations under the Act. The Civil Defence Emergency Management Act 2002 requires local authorities to plan for the continuation of essential services during and after emergencies. It mandates coordinated emergency management planning, making business continuity a core responsibility for councils.

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<sup>2</sup> The Committee's Terms of Reference require it to "review, approve and monitor the implementation of Council's Risk Management Policy," "review the effectiveness of risk management and internal control systems," and "review reporting of new or emerging risks."

15. The Emergency Management Bill, set to replace the Civil Defence Emergency Management Act 2002, will strengthen local accountability, raise minimum standards for emergency planning, and ensure continuity of essential services through a whole-of-society approach.

**STRATEGIC ALIGNMENT**

16. This contributes to the promotion or achievement of the following strategic community outcome(s):

	<b>Contributes</b>
We are an inclusive city	✓
We value, protect and enhance the environment	✓
We are a well-planned city that is easy to move around	✓
We are a city that supports business and education	✓
We are a vibrant city that embraces events	✓

17. Business continuity planning supports these outcomes by ensuring essential services remain available during disruptions: protecting vulnerable communities, safeguarding environmental assets, maintaining transport and infrastructure, enabling business and education continuity, and preserving the city’s cultural vibrancy through resilient event planning.

**OPTIONS ANALYSIS**

18. The policy (**Attachment One**) and framework have been developed as complementary documents to guide council’s approach to resilience and service continuity.
19. The documents have been developed collaboratively by the Risk and Assurance and the Policy team and reviewed by the Emergency Management team. The Risk and Assurance team will support implementation of the policy, while the Executive will endorse the policy and approve the framework. The Committee are asked to confirm their approval of the creation of a new policy (Issue 1), confirm the policy elements to be included in the policy (Issue 2) and adopt the proposed policy (**Attachment One**).

**Issue 1: Adopting a Business Continuity Policy**

20. While business continuity is referenced in the Risk Management Policy, there is currently no standalone document outlining the council’s overarching approach. A dedicated policy would elevate visibility, clarify roles, and support compliance with ISO 22301.

**Table 1: Options for adopting a Business Continuity Policy**

<b>Option</b>		<b>Advantages</b>	<b>Disadvantages</b>
1a	Create and adopt a new business continuity policy  <b>Recommended</b>	<ul style="list-style-type: none"> <li>• Establishes a formal, consistent approach to continuity planning.</li> <li>• Aligns with ISO 22301 and best practice.</li> <li>• Clarifies roles and responsibilities across the organisation.</li> </ul>	<ul style="list-style-type: none"> <li>• Adds another document to the policy suite.</li> <li>• Requires ongoing review and maintenance.</li> </ul>
1b	Status quo. Do not develop a new policy and only maintain current references within the risk management policy	<ul style="list-style-type: none"> <li>• Keeps policy landscape simpler.</li> </ul>	<ul style="list-style-type: none"> <li>• Increases risk of non-compliance and reduced preparedness for disruptions.</li> <li>• Lack of commitment to develop a business continuity policy which represents best practice.</li> <li>• May lack operational clarity.</li> </ul>

**Issue 2: Business Continuity Policy elements**

21. To ensure the policy is comprehensive, practical, and aligned with council values and ISO 22301, the following elements are proposed for inclusion in the policy. The recommended content is designed to reflect strategic commitments, provide operational clarity, and ensure cultural responsiveness.

**Table 2: Options for defining policy content**

Option		Advantages	Disadvantages
2a	Include Te Ao Māori principles and council values <b>Recommended</b>	<ul style="list-style-type: none"> <li>• Supports culturally safe practice.</li> <li>• Supports partnership with tangata whenua and inclusive decision-making</li> <li>• Aligns with Ngā Kawa Arataki/Code of Conduct.</li> <li>• Builds trust with communities.</li> </ul>	<ul style="list-style-type: none"> <li>• May require ongoing training and support.</li> </ul>
2b	Include a commitment to business continuity and a consistent process for all workers <b>Recommended</b>	<ul style="list-style-type: none"> <li>• Reinforces organisational resilience.</li> <li>• Ensures clarity and consistency across teams.</li> </ul>	<ul style="list-style-type: none"> <li>• May require tailored guidance for different roles.</li> </ul>
2c	Include governance roles and responsibilities <b>Recommended</b>	<ul style="list-style-type: none"> <li>• Clarifies accountability.</li> <li>• Supports effective implementation and oversight.</li> </ul>	<ul style="list-style-type: none"> <li>• Adds length and complexity to the policy.</li> </ul>
2d	Outline assumptions about continuity and recovery and council actions to support them <b>Recommended</b>	<ul style="list-style-type: none"> <li>• Sets realistic expectations for service levels during disruption.</li> <li>• Supports planning and resource allocation.</li> </ul>	<ul style="list-style-type: none"> <li>• May require regular review as risks and operations evolve.</li> </ul>
2e	Include activation criteria and triggers for Business Continuity Plans <b>Recommended</b>	<ul style="list-style-type: none"> <li>• Ensures clarity during disruptions.</li> <li>• Supports timely and structured response.</li> </ul>	<ul style="list-style-type: none"> <li>• May require updates as new risks emerge.</li> <li>• Relies on maintenance of Business Continuity Plans</li> </ul>
2f	Include identification and management of high-impact events <b>Recommended</b>	<ul style="list-style-type: none"> <li>• Strengthens preparedness for critical (or essential) services.</li> <li>• Supports targeted planning and testing.</li> </ul>	<ul style="list-style-type: none"> <li>• May require additional coordination across teams.</li> </ul>

**FINANCIAL CONSIDERATIONS**

22. Adopting the new policy does not have any financial implications. Implementation will be managed within existing budgets; any additional resource needs will be addressed through standard planning processes.

## LEGAL IMPLICATIONS / RISKS

23. There are no significant risks associated with the recommendations to adopt the new policy. The review process reflects best practice guidance consistent with AS/NZS ISO 31000 and AS/NZS ISO 22301, supporting a systematic and integrated approach to managing risk and organisational resilience. Adoption reduces legal and reputational risk by aligning with ISO standards and emergency management obligations

## TE AO MĀORI APPROACH

24. Application of Te Ao Māori principles in our business continuity approach has been considered in consultation with the Takawaenga Unit. The principles section of the proposed draft policies aligns with the council's Code of Conduct/ Ngā Kawa Arataki. This includes specific examples of how the values guide the approach to business continuity through Whanaungatanga and Collaboration; Manaakitanga and Respect; Whāia te tika and Service; and Pono and Integrity.
25. These principles guide how we plan for and respond to disruptions in ways that uphold mana, foster collaboration, and support inclusive recovery. Embedding these principles strengthens trust and ensures culturally grounded recovery planning.

## CLIMATE IMPACT

26. While there are no direct impacts resulting from the adoption of this policy, continuity planning supports resilience to climate-related disruptions.

## CONSULTATION / ENGAGEMENT

27. There is low to moderate public interest and therefore no public consultation or engagement has been undertaken. To ensure our policy remains aligned with best practice, the Risk and Assurance team continues to engage with sector peers, participate in local government forums and working groups, benchmark against other councils, review guidance from oversight bodies, incorporate feedback from internal audits, and monitor legislative and regulatory developments. Internal engagement included review by the Emergency Management team and endorsement by the Executive.

## SIGNIFICANCE

28. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
29. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
  - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
  - (b) any persons who are likely to be particularly affected by, or interested in, the decision.
  - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
30. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of low significance.

## ENGAGEMENT

31. Taking into consideration the above assessment, that the decision is of low significance, officers are of the opinion that no further engagement is required prior to the Committee making a decision.

**NEXT STEPS**

32. If the Committee decides to adopt the new Business Continuity Policy, it will take effect immediately. The policy will be made available on council's website, and the framework will be available to staff internally. Implementation will include staff training, testing of continuity plans, and regular reporting to the Committee.

**ATTACHMENTS**

1. **Draft Business Continuity Policy - A19688013** [↓](#) 















### 9.3 Health, Safety and Wellbeing Quarterly Report: Q2 October to December 2025

**File Number:** A19727917

**Author:** Tracy Benjamin, Health, Safety & Wellness Manager

**Authoriser:** Craig Rice, Chief Operating and Financial Officer

#### PURPOSE OF THE REPORT

1. To provide an overview of Health, Safety and Wellbeing activities for the 2025 October to December quarter.

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#### RECOMMENDATIONS

That the Audit & Risk Committee:

- (a) Receives the report "Health, Safety and Wellbeing Quarterly Report: Q2 October to December 2025".

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#### EXECUTIVE SUMMARY

2. **Health, Safety and Wellbeing – Q2 2025/26:** This report provides a summary of health, safety and wellbeing activities and outcomes for the quarter, intended to keep the Audit and Risk Committee informed. Key data for this quarter is to raise awareness on an emerging risk with asbestos and acknowledge the recent landslip event. Whilst the landslip event did not occur within the reporting period, the significance warranted entry into this report. Any feedback regarding content or topics that the Committee would like is welcome.
3. **Major Event – Mount Maunganui Landslip:** A significant landslip occurred on 22 January 2026 at the Mount Maunganui Holiday Park, resulting in six fatalities. Council submitted a WorkSafe notification on the day and continues to fully engage in enquiries.
4. **Emerging Risk – Asbestos Management:** An internal review identified improvement opportunities within council's asbestos management system. A structured programme of work has commenced to strengthen assurance, prioritise high-risk assets for resurveying, and assess digital solutions to improve visibility, communication, and long-term management of asbestos-related risk.
5. **Event Data and Reporting Metrics:** Work is nearing completion to refine event categorisation. This will improve accuracy, enable clearer insights into event data, and support more targeted interventions.

#### ATTACHMENTS

1. **2025\_26 Q2\_HSW Quarterly Report\_PDF - A19712125** [↓](#) 







**9.4 LGOIMA and Privacy Q2 Report for 2025/26****File Number:** A19768128**Author:** Sarah Pharo, Administrator: Information Requests**Authoriser:** Craig Rice, Chief Operating and Financial Officer**PURPOSE OF THE REPORT**

1. The purpose of this report is to update the Committee on Local Government Official Information and Meetings Act 1987 (LGOIMA) and Privacy requests for Q2 of the 2025/26 financial year.
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**RECOMMENDATIONS**

That the Audit &amp; Risk Committee:

- (a) Receives the report "LGOIMA and Privacy Q2 Report for 2025/26".
- 

**ATTACHMENTS**

1. **Q2 Report LGOIMA and Privacy Requests - Oct-Dec 2025 - A19768115**  





## 9.5 Status Update on actions from prior Audit & Risk Committee meetings

**File Number:** A19711970

**Author:** Anahera Dinsdale, Governance Advisor

**Authoriser:** Craig Rice, Chief Operating and Financial Officer

### PURPOSE OF THE REPORT

1. This report provides a status update on actions requested during previous Audit & Risk Committee meetings.

### RECOMMENDATIONS

That the Audit & Risk Committee:

- (a) Receives the report "Status Update on actions from prior Audit & Risk Committee meetings".
- (b) **Public excluded Attachment** can be transferred into the open once the report that generated this action is released from public excluded.

### BACKGROUND

2. This is a recurring report provided to each Audit & Risk Committee meeting. The next report will be provided to the meeting on 5 May 2026.
3. The attached update includes all open actions and actions completed since the last report on 17 November 2025. Once reported, completed actions are archived and made available in the Stellar library<sup>3</sup>.

### DISCUSSION

4. A summary of outstanding and recently closed actions is provided in the table below:

Status of actions	No. actions
Closed (completed since the last report)	4
In progress	7
Pending (waiting on something)	0
To be actioned	0
<b>Total actions included in this report</b>	<b>11</b>

5. The full status update information is provided as:  
**Attachment 1** (5 actions from public agenda items) and  
**Attachment 2** (6 actions from public excluded agenda items).

### ATTACHMENTS

1. **Actions from Audit and Risk Committee Open 23 February 2026 - A19771074** [↓](#) 

<sup>3</sup> Stellar pathway: Council & Committees → Audit & Risk Committee → Requests from Audit & Risk Committee meetings.





**10 DISCUSSION OF LATE ITEMS**

## 11 PUBLIC EXCLUDED SESSION

### Resolution to exclude the public

#### RECOMMENDATIONS

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter 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 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	Ground(s) under section 48 for the passing of this resolution
<b>11.1 - Public Excluded Minutes of the Audit &amp; Risk Committee meeting held on 17 November 2025</b>	<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)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</p> <p>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>11.2 - Internal Audit &amp; Assurance - Quarterly Update</b>	s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>11.3 - Risk Register - Quarterly Update</b>	s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>11.4 - Health, Safety and Wellbeing Quarterly Report: Q2 October to December 2025</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>11.5 - Digital/Cyber Risk Quarterly Report</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good

	<p>deceased natural persons</p> <p>s7(2)(b)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</p>	<p>reason for withholding would exist under section 6 or section 7</p>
<p><b>11.6 - Public Excluded Attachment to Item 9.5 - Status Update on actions from prior Audit &amp; Risk Committee meetings</b></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>s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>

**12 CLOSING KARAKIA**