



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.

Marty Grenfell
Chief Executive

Terms of reference – Audit & Risk Committee

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

Membership

Chair	Dame Kerry Prendergast
Deputy chair	Cr Steve Morris
Members	Deputy Mayor Jen Scouler Mayor Mahé Drysdale (ex officio) Rohario Murray - Tangata Whenua Representative
Non-voting members	(if any)
Quorum	<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> .
Meeting frequency	Quarterly

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

RECOMMENDATIONS

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

ATTACHMENTS

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



DRAFT MINUTES

Audit & Risk Committee meeting
Monday, 17 November 2025

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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 Scouler, 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 Scouler

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 Scouler
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.

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 Scouler

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

For: Deputy Mayor Jen Scouler, 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 Scouler

That the Audit & Risk Committee:

- Receives the report "Policy Review - Risk Management Policy".
- Approves and adopts the revised Risk Management Policy incorporating changes provided in the report for the policy to take effect immediately, including:
 - 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
 - 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
 - updating the responsibilities in the policy for Council, the Committee and the Chief Executive
 - changing the frequency of the review of risk registers from quarterly by department to regularly by each division
 - including a description of strategic risks and how they are recorded.
- 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 Scouler

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 Scouler

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 Scouler

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
11.1 - Public Excluded Minutes of the Audit & Risk Committee meeting held on 21 July 2025	<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>	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
11.2 - Digital/Cyber Risk Quarterly 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)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</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
11.3 - Risk Register - Quarterly Update	<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
11.4 - Internal Audit & Assurance - Quarterly Update	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
11.5 - Health, Safety and Wellbeing Quarterly Report: Q1 July to September 2025	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
Confidential Attachment 2 - 9.1 - Status Update on actions from prior Audit & Risk Committee meetings	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
Confidential Attachment 2 - 9.2 - Risk Appetite Report - November 2025	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
Confidential Attachment 3 - 9.2 - Risk Appetite Report - November 2025	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.

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.

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**  

Report to the Council

on the audit of Tauranga City Council

For the year ended 30 June 2025

AUDIT NEW ZEALAND
Mana Arotake Aotearoa



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
The risk of management override of internal controls	
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.
Valuation of infrastructure assets	
The City Council revalue its infrastructure assets whenever there is expected to be a material movement in the fair value of those assets. The City Council revalued the following asset class as at 30 June 2025: <ul style="list-style-type: none">Three waters assets (water supply, wastewater and storm water).	We concluded the valuation was appropriate and that the resulting valuation movement was correctly recognised in the financial statements.
Fair value assessment of infrastructure assets (non-revaluation year)	
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. 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.	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>Fair value of investment property</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>Major capital projects</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.</p> <p>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"> • project costs are reviewed to ensure these are appropriately classified as capital or operational in nature including additional covid related payments to contractors; • 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; • 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; • asset components are identified at an appropriate level, and appropriate useful lives are assigned to these components on completion; • the value and remaining useful life (RUL) of existing assets remains appropriate given replacement projects underway; and • capital commitments related to contracts entered into before balance date are disclosed in the notes to the financial statements. 	<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>Funding mechanism for new infrastructure projects</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>New Council head office building (90 Devonport Road)</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
Inherent uncertainties in the measurement of Greenhouse gas emissions	
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.	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. We have included an emphasis of matter paragraph in our audit report. We will continue to monitor developments in this area and how the City Council is responding to these.



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	 Acceptable	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	 Acceptable	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	 Good	



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
🟡 Good	The quality and timeliness of the information was of a good standard with no significant deficiencies.
🟠 Acceptable	Quality and timeliness were of an acceptable standard but with some minor deficiencies and room for improvement.
🔴 Attention	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

www.auditnz.parliament.nz



Report to management

on the audit of
Tauranga City Council

For the year ended 30 June 2025

AUDIT NEW ZEALAND
Mana Arotake Aotearoa



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>	During our review of the Council's Interest Register, we identified one instance where a Councillor failed to declare an interest.	<i>Council currently reviews the Interest Register six-monthly; Council will look at quarterly reviews by Internal Audit/Risk/Democracy.</i>
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>	<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>



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">• Recent contract information;• Sizable renewal programme information; and• Vested asset information. <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	<p>Strengthen network login passwords to current acceptable practices.</p> <p>Raised 2023/24.</p>	<p>Our review of information systems noted that network passwords are below current acceptable standards.</p> <p>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.</p> <p>We understand that a project is underway to improve password settings.</p>	<p><i>With the rollout of new laptops password security has been significantly strengthened to include biometrics amongst other security initiatives.</i></p> <p>Audit response:</p> <p><i>Audit will verify this during the 2026 audit engagement.</i></p>
10	● Medium	<p>Review and improve the process for removing all users access to IT systems (staff and contractors).</p> <p>Raised 2023/24.</p>	<p>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.</p>	<p><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></p> <p>Audit response:</p> <p><i>Audit will verify and close this recommendation during the 2026 audit engagement.</i></p>



Ref	Priority	Recommendation	Why we are making this recommendation	Management comments
11	● Medium	Establish a process to ensure assets are accurately classified and assigned appropriate useful lives when capitalised. Raised 2022/23.	We did not identify any significant misclassified assets, or inappropriate useful lives.	<i>Asset useful lives are reviewed and monitored on a regular basis.</i> <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> Audit response: <i>Audit will verify this during the 2026 audit engagement.</i>
12	● Medium	Include the issuing, cancelling and use of the Bee card in the sensitive expenditure policy. Establish a monitoring system to confirm the cards are only used for their intended purpose. Raised 2022/23.	The Sensitive Expenditure policy was updated on 11 April 2024 and now includes appropriate guidance on the use of the Bee card. We are advised a system had been established with quarterly monitoring of Bee Card transactions.	<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>



Ref	Priority	Recommendation	Why we are making this recommendation	Management comments
13	● Medium	Appropriate processes are established to track deposits held, including reconciliations and lists of all deposits held. Raised 2021/22.	A list of all deposits held is still not available but the movements in the general ledger have been reconciled since 2023. 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.	<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> Audit response: <i>Audit will close this recommendation during the 2026 audit engagement as Council have accepted the risk relating to this matter.</i>
14	● Medium	Review the useful lives for all assets that remain in use beyond their recorded useful lives. Raised 2020/21.	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.	<i>TCC will continue to review assets useful lives as part of Council's annual impairment process and adjust those lives appropriately.</i>



Ref	Priority	Recommendation	Why we are making this recommendation	Management comments
15	● Medium	<p>Performance measures</p> <p>We have previously recommended:</p> <ul style="list-style-type: none"> • 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; • record and use the number of connections as per 30 June for three waters related performance result calculation; • 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; • regularly review the event report and ensure all private nature related events are removed from year-end population. <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>Audit response:</p> <p><i>Audit will verify the response to the first recommendation during the 2026 audit engagement.</i></p>





Audit plan

Tauranga City Council

For the year ending 30 June 2026

AUDIT NEW ZEALAND
Mana Arotake Aotearoa



Executive Summary

I am pleased to present our audit plan for the audit of Tauranga City Council (the Council) for the year ending 30 June 2026. Our role as your auditor is to give an independent opinion on the financial statements and service performance information. We also recommend improvements we identified during the audit.

We consider the following to be areas that require specific audit focus:

- the valuation of property, plant and equipment;
- local water done well;
- the impact of the recent events that occurred in Tauranga during January 2026; and
- management override of controls.

These are all more fully described under Audit Risks and Issues on page 3.

The contents of this plan provide a basis for discussion with you. We are happy to elaborate further on the matters raised. If there are additional matters that you think we should include or any matters requiring clarification, please discuss these with me.

Yours sincerely



Leon Pieterse
Appointed Auditor
5 February 2026



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Focus areas: audit risks and issues



Based on the planning work and discussions we have completed to date; we set out the main audit risks and issues in the table below. These will be the focus areas during the audit. Additional risks may also emerge during the audit. These risks will be factored into our audit response and our reporting to you.

Risk/issue	Our audit response
The risk of management override of internal controls – Council and Group	
There is an inherent risk of fraud in every organisation due to management override of internal controls. Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none">• testing the appropriateness of selected journal entries;• reviewing accounting estimates for indications of bias; and• evaluating any unusual or one-off transactions, including those with related parties. <p>For the Group we will rely on the work of the auditors of the main components in the group. This will include the group auditor issuing instructions to those component auditors and reviewing information provided by the component auditors in relation certain audit risks in those components.</p>
Valuation of property, plant and equipment – Council	
The Council revalues its infrastructure assets whenever there is expected to be a material movement in the fair value of those assets. We understand that the Council intends to revalue the following asset classes (as per the table) as at June 2026:	<p>We will:</p> <ul style="list-style-type: none">• review the valuation report to assess the objectivity and competence of the valuer and whether the requirements of accounting standard, PBE IPSAS 17, <i>Property, Plant and Equipment</i>, have been met;



Risk/issue	Our audit response															
<table border="1" data-bbox="384 409 1111 684"> <thead> <tr> <th data-bbox="384 409 774 446">Asset Class</th><th data-bbox="774 409 954 446">Last valuation</th><th data-bbox="954 409 1111 446">Next valuation</th></tr> </thead> <tbody> <tr> <td data-bbox="384 446 774 498"><i>Parks facilities</i></td><td data-bbox="774 446 954 498">1 July 2023</td><td data-bbox="954 446 1111 498">30 June 2026</td></tr> <tr> <td data-bbox="384 498 774 584"><i>Jetties, wharves, marine facilities and structures</i></td><td data-bbox="774 498 954 584">30 June 2022</td><td data-bbox="954 498 1111 584">30 June 2026</td></tr> <tr> <td data-bbox="384 584 774 636"><i>Airport infrastructure assets</i></td><td data-bbox="774 584 954 636">30 June 2023</td><td data-bbox="954 584 1111 636">30 June 2026</td></tr> <tr> <td data-bbox="384 636 774 684"><i>Library collection</i></td><td data-bbox="774 636 954 684">30 June 2023</td><td data-bbox="954 636 1111 684">30 June 2026</td></tr> </tbody> </table> <p>The reasonableness of the valuation depends on the valuation method applied, the completeness and accuracy of the source data, and the appropriateness of key assumptions. Some valuations are inherently complex and involve the use of numerous data sources and key assumptions that can have significant impacts on valuations and the future depreciation expense.</p> <p>The Council will need to collate information about the underlying assumptions and data to support the valuations. One of the key assumptions in a depreciated replacement cost valuation is the unit rate adopted for significant components. When developing the unit rates, the Council should have a documented methodology and database of cost information to support the unit rate applied in the valuation.</p> <p>The Council should ensure the scope of the valuation work is sufficient and the reasons for the movement in the valuation are documented and justified.</p>	Asset Class	Last valuation	Next valuation	<i>Parks facilities</i>	1 July 2023	30 June 2026	<i>Jetties, wharves, marine facilities and structures</i>	30 June 2022	30 June 2026	<i>Airport infrastructure assets</i>	30 June 2023	30 June 2026	<i>Library collection</i>	30 June 2023	30 June 2026	<ul style="list-style-type: none"> assess relevant quality controls that support the integrity of the underlying data and assumptions schedules used in the valuation; obtain an understanding of and test the underlying source data used in the valuation; review the methodology used to develop unit rates and test those rates back to the Council's analysis of recent contract costs; engage with the valuers as necessary when assessing the reasonableness of the assumptions and methodology used and the reasons for movements in key asset components; review the accounting entries and the fixed asset register to ensure the values are correctly updated; and review the appropriateness of the disclosure, including any narrative.
Asset Class	Last valuation	Next valuation														
<i>Parks facilities</i>	1 July 2023	30 June 2026														
<i>Jetties, wharves, marine facilities and structures</i>	30 June 2022	30 June 2026														
<i>Airport infrastructure assets</i>	30 June 2023	30 June 2026														
<i>Library collection</i>	30 June 2023	30 June 2026														



Risk/issue	Our audit response
<p>As a minimum, the reasons for the movement should identify and explain movements at an asset component level since the last valuation due to changes in source data (for example, lengths and volumes), unit rates and any other significant adjustments.</p> <p>Valuations prepared by a firm external to the Council should be subject to quality reviews by the valuation firm and suitably experienced members of the Council's management team. When a valuation is completed internally this should be peer reviewed by a suitably experienced and qualified person, for example an external valuation firm would be considered appropriate.</p>	
Fair value assessment of property, plant and equipment (non-revaluation year) – Council and Group	
<p>For those assets that the Council does not plan to revalue, the Council needs to perform a fair value movement assessment (assessment) to determine whether there could be a material difference between the fair value and the carrying value.</p> <p>For the component Bay Venues Limited (the Company), the two asset classes - Property, Plant and Equipment, and Land and Buildings, were last revalued as at 30 June 2024.</p> <p>The Company needs to perform a fair value movement assessment (assessment) to determine whether there could be a material difference between the fair value and the carrying value.</p> <p>An assessment should:</p> <ul style="list-style-type: none"> • factor in local cost information; • utilise relevant and reliable price movement indicators; and • involve consultation with valuers, where necessary. 	<p>We will review the reasonableness of the Council's assessment including the appropriateness of the assumptions used in the assessment.</p> <p>For the Group we will rely on the work of the component auditors which includes issuing group auditor instructions, reviewing information provided by the component auditors in relation to the group instructions and reviewing the component auditors audit file.</p>



Risk/issue	Our audit response																											
<p>If the fair value movement of the assets, individually or in combination with other asset classes, is likely to be material, the Council and/or Company will need to complete a full revaluation. If specified criteria are met, the Council and/or Company may be able to undertake an index-based revaluation.</p> <p>Our understanding of the future scheduled asset valuations is listed below:</p> <table border="1" data-bbox="384 568 1102 1108"><thead><tr><th data-bbox="384 568 676 616">Asset class</th><th data-bbox="676 568 900 616">Last valuation</th><th data-bbox="900 568 1102 616">Next valuation</th></tr></thead><tbody><tr><td data-bbox="384 616 1102 663">Council</td><td></td><td></td></tr><tr><td data-bbox="384 663 676 774"><i>Three Waters assets (water supply, wastewater and stormwater)</i></td><td data-bbox="676 663 900 774">30 June 2025</td><td data-bbox="900 663 1102 774">30 June 2028</td></tr><tr><td data-bbox="384 774 676 822"><i>Roading assets</i></td><td data-bbox="676 774 900 822">30 June 2024</td><td data-bbox="900 774 1102 822">30 June 2027</td></tr><tr><td data-bbox="384 822 676 901"><i>Land and Buildings (operational, restricted and airport)</i></td><td data-bbox="676 822 900 901">30 June 2024</td><td data-bbox="900 822 1102 901">30 June 2027</td></tr><tr><td data-bbox="384 901 676 949"><i>Plant and Equipment</i></td><td data-bbox="676 901 900 949">30 June 2024</td><td data-bbox="900 901 1102 949">30 June 2027</td></tr><tr><td data-bbox="384 949 1102 997">Component Bay Venues Limited</td><td></td><td></td></tr><tr><td data-bbox="384 997 676 1044"><i>Land and Buildings</i></td><td data-bbox="676 997 900 1044">30 June 2024</td><td data-bbox="900 997 1102 1044">30 June 2027</td></tr><tr><td data-bbox="384 1044 676 1092"><i>Plant and Equipment</i></td><td data-bbox="676 1044 900 1092">30 June 2024</td><td data-bbox="900 1044 1102 1092">30 June 2027</td></tr></tbody></table>	Asset class	Last valuation	Next valuation	Council			<i>Three Waters assets (water supply, wastewater and stormwater)</i>	30 June 2025	30 June 2028	<i>Roading assets</i>	30 June 2024	30 June 2027	<i>Land and Buildings (operational, restricted and airport)</i>	30 June 2024	30 June 2027	<i>Plant and Equipment</i>	30 June 2024	30 June 2027	Component Bay Venues Limited			<i>Land and Buildings</i>	30 June 2024	30 June 2027	<i>Plant and Equipment</i>	30 June 2024	30 June 2027	
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Risk/issue	Our audit response
<p>Fair value of investment property - Council</p> <p>The Council values its investment property at fair value annually in accordance with accounting standard PBE IPSAS 16, Investment Property. This standard requires the fair value of investment properties to reflect the fair value of the properties based on the market conditions as at the reporting date.</p> <p>Determination of the fair value requires key judgements and assumptions to be made by the Council's valuer. These include:</p> <ul style="list-style-type: none">the valuation methodology best suited to the subject property, for example, sales comparisons, discounted cash flows, or capitalisation approach.The key inputs and assumptions required for the methodology such as relevant sales data, expected market cashflows and discount rates and the determination of capitalisation rates.	<p>We will:</p> <ul style="list-style-type: none">review the valuation report and hold discussions with management and their valuer to confirm our understanding of the approach taken to estimate fair value, key judgements made, assumptions applied, and source data used;assess the valuer's expertise and their objectivity;evaluate whether an acceptable approach has been taken to estimate fair value, and assess this (and the related disclosures in the financial statements) for compliance with the requirements of accounting standards;review the source data for errors and omissions, and assess the reasonableness of key judgements made and assumptions applied; andtest calculations, determine if the revaluation has been correctly accounted for, assess the overall valuation movement and obtain explanations for any significant or unusual changes in value.



Risk/issue	Our audit response
Severe event – Council and Group	
<p>The Council's property, plant and equipment portfolio includes property held at Mount Maunganui, which was significantly impacted by the extreme event that occurred at Mount Maunganui in January 2026, with significant damage being experienced at this location.</p> <p>Bay Venues Management Limited's property, plant and equipment portfolio includes the Mount Hot Pools, which was also significantly impacted.</p> <p>We understand that the impact of this event is still being determined.</p> <p>There are a number of accounting and reporting issues that the Council will need to consider, including:</p> <ul style="list-style-type: none"> • Estimating asset impairment and derecognition and changes in useful lives at balance date; • Classification of repair costs incurred up to balance date as capital or expenditure; • Accounting for insurance proceeds and government funding/grants; and • Accounting and disclosure implications of the impact of any impairment, derecognition or repairs. <p>In addition, Council should consider the impact on Council's performance reporting, for example, what additional information should be included in the annual report about the performance of emergency management, stormwater and flood management.</p>	<p>We will engage with management to gain an understanding of the known effects of the extreme weather events in January 2026 and the process undertaken by management to determine and quantify damages.</p> <p>We will review the assessment performed by management and ensure that the impact and subsequent remediation has been correctly accounted for in the financial statements in accordance with PBE IPSAS 26 and PBE IPSAS 17.</p> <p>We will review disclosure made by management in the financial statements and annual report and consider whether these are fairly stated.</p> <p>We will also ensure any insurance claims have been appropriately identified and recognised in the financial statements.</p> <p>For the Group we will rely on the work of the component auditors which includes issuing group auditor instructions, reviewing information provided by the component auditors in relation to the group instructions and reviewing the component auditors audit file.</p>



Risk/issue	Our audit response
<p>Local Water Done Well – Council</p> <p>Council resolved to establish a multi-council Water Organisation with Western Bay of Plenty District Council to deliver water services, from 1 July 2027.</p> <p>The Council will need to decide on the appropriate accounting and reporting response to the changes in the management of their water assets under the Government's Local Water Done Well (LWDW) programme. The response will depend on the nature and timing of the changes and the agreements in place or expected to be in place. The Council will need to consider how to account for the transfer of net assets to the water services entity and how to account for their interest in that entity. The appropriate accounting is going to be determined by the founding documents such as the constitution and the shareholder's agreements, as well as other facts and circumstances specific to the Council's arrangements.</p> <p>Given the potential accounting and reporting changes the Council should consider getting professional advice to help develop their response to the accounting and reporting implications of the agreements. Council and CCOs will also need to develop an implementation plan to ensure the appropriate policies process and controls are established.</p>	<p>We will review the Council's proposed response to the reporting implications of the LWDW programme including any advice obtained about the reporting implications.</p>



Risk/issue	Our audit response
Accounting for impairment, capitalisation of costs and recognition of completed assets – Council and Group	
<p>Impairment</p> <p>Assets are required to be assessed for indicators of impairment at each reporting date. In addition, work in progress (WIP) values on projects that span an extended period of time should be assessed regularly for impairment over the period of the project.</p> <p>Capitalisation of costs</p> <p>The Council and component Bay Venues Limited (the Company) should ensure appropriate policies and processes are in place to identify and capitalise costs that are capital in nature. This includes both direct and indirect capital costs.</p> <p>Completed projects</p> <p>The Council and the Company also need to ensure that, as phases of a project are completed, and assets become operational, capitalisation of the WIP balance is performed in a timely manner. This will ensure that depreciation on these assets starts when the asset is complete and ready for use.</p> <p>Both the Council and the Company had a significant WIP balance at 30 June 2025 with a risk that some projects within the balance may have been abandoned and should be written off. The Council and the Company should analyse the aging of WIP balances by year and consider whether any old balances should be written off or impaired.</p>	<p>We will:</p> <ul style="list-style-type: none"> assess the processes used by management to assess for impairment, including all significant WIP balances and review the analysis of WIP aging; update our understanding of the Council and the Company policy and processes to identify and capitalise both direct and indirect capital costs; and review management's processes to ensure that the capitalisation of WIP costs is performed in a timely manner.



Risk/issue	Our audit response
Funding mechanism for new infrastructure projects - Council	
<p>In the 2021/31 Long Term Plan (LTP) amendment and continuing into the 2024/34 LTP, the Council agreed to make use of a funding mechanism that would not have an impact on the Council's debt limits. The 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 Council will administer the levies alongside its own rates. The Council expects the private financing cost to be affordable and similar to that currently available to the 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, Council did obtain 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 Council received. We concluded the accounting treatment was reasonable.</p>	<p>Even though we concluded the accounting treatment was reasonable, we did state that this assessment was made based on the draft agreements provided. If there are any changes to the final signed agreements, the accounting treatment will need to be reviewed and potentially changed depending on changes to the agreements.</p> <p>We will review any agreements entered by the Council and any further accounting advice obtained by the Council as a result of changes to the final agreements.</p> <p>We will ensure the accounting treatment and disclosures are in line with the agreements and the accounting standards.</p>
Completeness of revenue – Group	
<p>For the component (Bay Venues Limited), the revenue from user fees is made up of a large number of lower value transactions that in total form a significant component of total revenue.</p> <p>Any weaknesses in the process and controls over user fee transactions could result in errors or omissions in the recognition and completeness of revenue.</p>	<p>For the Group we will rely on the work of the component auditors which includes issuing group auditor instructions, reviewing information provided by the component auditors in relation to the group instructions and reviewing the component auditors audit file.</p>



Group audit



Our audit approach for the group is designed to obtain sufficient assurance on the group's financial statements and service performance information. The assessed the risks of material misstatement and our approach for each component of the group is detailed below.

We will report any significant internal control deficiencies to the Council and management of the group, and in particular, deficiencies related to:

- group-wide internal controls; or
- internal controls at each component.

Deficiencies reported may be identified by the group engagement team or brought to our attention by a component auditor.

We will also communicate any fraud identified by the group engagement team or brought to our attention by a component auditor.

Component	Our audit approach
Bay Venues Limited	<p>The component will be audited by Audit New Zealand, the Audit Service Provider of the Council. The audit work on this component will be a full financial statement and service performance report audit. We will issue group instructions to the component auditor specifying the information we will need from them for the group audit.</p> <p>The significant audit risks relevant to this component are:</p> <ul style="list-style-type: none">• Fair value assessment of property, plant and equipment (non-revaluation year); and• The risk of management override of internal controls. <p>Other areas of focus relevant to this component are:</p> <ul style="list-style-type: none">• Accounting for impairment, capitalisation of costs and recognition of completed assets; and• Completeness of revenue.

This table shows the work we have planned for each component where we are asking component auditors to perform work for the group audit.



Materiality

Materiality refers to information that, if omitted, misstated, or obscured, could reasonably be expected to:

- influence readers' overall understanding of the financial statements and service performance information; and
- influence readers in making decisions about the stewardship and allocation of resources or assessing your performance.

This definition of materiality is broader than the one used in the private sector.

It is a matter of judgement whether information is material considering the surrounding circumstances and its impact. Qualitative considerations are just as important as quantitative considerations.

The Council and management need to make their own assessment of materiality from a preparer's perspective. The Council and management should not rely on our materiality assessment as a basis for making its own judgements about the integrity of the financial statements and service performance information.

Financial statements materiality

	\$'000
Overall group materiality	460,000
Specific group materiality	16,400
Group clearly trivial threshold	820
Overall parent materiality	450,000
Specific parent materiality	16,000
Parent clearly trivial	805

For this audit, we have set a lower, **specific group materiality** and **specific materiality** for all items not related to the fair value of property, plant and equipment. A lower specific materiality is also determined separately for some items due to their sensitive nature. For example, a lower specific materiality is determined and applied for related party and key management personnel disclosures.

This materiality is subject to change once the actual results for the current year are available.



We design our audit procedures to detect misstatements at a lower level than overall materiality. This takes account of the risk of cumulative misstatements and provides a safety net against the risk of undetected misstatements.

We will report all uncorrected misstatements to the Governing Body other than those that are **clearly trivial** with no relevant qualitative considerations. Where management does not wish to correct a misstatement, we will seek written representations from the Governing Body on the reasons why the corrections will not be made.

Materiality for service performance information

At an overall level, we assess whether the service performance information is suitable, given your purpose and the nature of your activities, and whether the reporting allows for an informed assessment of the Council's performance. In doing this, we consider whether the information is relevant, complete, reliable, neutral, and understandable.

We set materiality for service performance information at an individual measure level based on what we expect would influence readers' overall

Misstatements

Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader's overall understanding of your financial statements and service performance information. We assess the effects of any detected and uncorrected misstatements, individually and in aggregate, against materiality and qualitative considerations.

understanding, decision-making, or assessment of Tauranga City Council's performance. We normally express this materiality as a percentage of the reported result.

Outlined below are the measures we assessed as material and our materiality for planning purposes. We will reassess this during the audit.

Material measure	Materiality
Drinking water - safety of drinking water Compliance with the Drinking Water Standards for New Zealand and the Drinking Water Quality Assurance Rules.	None applied as the result will be either Achieved or Not Achieved.
Drinking water - water loss The percentage of real water loss from Council's networked reticulation system (includes real losses through leaks in the network, non-revenue water and apparent losses through metering inaccuracies or water theft).	8% of actual reported result.
Wastewater - compliance with resource consents Compliance with Council's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices; b) infringement notices; and c) enforcement orders,	5% of actual reported result.



Material measure	Materiality	Material measure	Materiality
d) convictions, received by Council in relation to those resource consents.		The number of flooding events that occur in a Council's district.	
Wastewater - fault response times (resolution time) Where the Council attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: b) resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	8% of actual reported result.	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the Council's stormwater system).	
Stormwater - resource consents Council's stormwater compliance with resource consents for discharge from its stormwater system measured by the number of: (a) abatement notices; (b) infringement notices; (c) enforcement orders, and (d) convictions. received in relation to those resource consents.	8% of actual reported result.	Roading - road condition Average quality of ride of the sealed road network as measured by Smooth Travel Exposure e.g. percentage of smooth travel exposure.	8% of actual reported result.
Stormwater flooding – system adequacy	5% of actual reported result.	Roading - traffic congestion Duration of peak across the transport network (where traffic is travelling at 50% of free flow speed of 59k/hr).	5% of actual reported result.
		Building and resource consents - processing times Percentage of building consent applications processed in accordance with statutory timeframes.	5% of actual reported result.
		Building and resource consents - processing times Percentage of new resource consent applications processed within statutory timeframes.	5% of actual reported result.



Expectations

For the audit process to go smoothly for both you and us, there are expectations that each of us need to meet. Our respective responsibilities are set out in our audit engagement letter. Your responsibilities, with appropriate assistance from management, include:

- preparing the financial statements and performance information in accordance with legal requirements and financial reporting standards;
- providing us with access to all relevant records and providing information in a timely manner;
- providing access to staff, who will provide an appropriate level of assistance;
- providing draft financial statements and performance information, including all relevant disclosures, in accordance with the agreed timetable;
- maintaining accounting and other records supporting the information in the financial statements and providing us with access to those records; and
- subjecting the annual report, financial statements, and Service Performance Information to appropriate levels of quality review before they are provided to us.

Our responsibilities include carrying out the audit, maintaining our independence, and providing you with an audit report.

To help you prepare for the audit, we will liaise with management and provide them with a detailed list of the information we will need for the

audit. We will use AuditDashboard to make these requests and for transferring files as part of the audit.

Draft financial statements and performance information

We expect that we will need to perform a detailed review of three versions of the annual report:

- A good quality draft set of financial statements and performance information (including notes) that is reasonably complete, received before or at the start of the final audit visit.
- A final set of financial statements and performance information incorporating all changes identified during the audit, received at the end of the audit.
- A final signed annual report or printers proof version.

We do not intend performing a detailed check of additional versions. If this becomes necessary, we will discuss this with you first and there will be an additional cost.

Year-end processes

The year-end financial statement close process and the preparation of the annual report require significant time and effort to complete them effectively. We want the audit process to run smoothly, and we will work with management to achieve this through bringing forward the timing of audit procedures.



Bringing forward audit procedures

A lot of audit work is traditionally performed after the financial year-end. Where possible, we will aim to bring audit procedures earlier in the year. This will be focused on year-to-date transactions for revenue and expenditure and revaluations of PPE. Completion of these tests earlier in the year enables more timely identification and resolution of errors and reduces the time your management needs to support the audit process at year-end, when the annual report is being prepared.

We will work with management to ensure the required information is available at the right time. We will communicate with management if information is not available as agreed, including any impact on the year-end audit.

Timetable

Our proposed timetable is:

Interim audit begins	18 May 2026
Draft report to Management issued	12 June 2026
Draft Financial Statements and Service Performance Information available for audit (including notes) with actual year-end figures	28 August 2026
Final audit begins	1 September 2026

Annual report available, including any Mayor and Chief Executive's overview or reports	30 September 2026
Adoption of Bay Venues Limited annual report	30 September 2026
Final financial statements available, incorporating all the amendments agreed to between us	9 October 2026
Verbal audit clearance given	16 October 2026
Report to Governing Body issued	16 October 2026
Adoption of the Annual Report and audit report issued	20 October 2026
Draft Report to Management issued	20 October 2026
Summary Annual Report Audit Opinion issued	28 October 2026
Final report to Management issued	11 November 2026

The timetable may change subject to discussions with Council and management.



Reporting

Communication with the Governing Body and management

We will meet with the Governing Body and management throughout the audit. We will maintain ongoing, proactive discussion of issues as and when they arise to ensure there are “no surprises”.

At our discretion, we may also provide an interim report to the Governing Body and separate reports to management on less significant findings arising from our audit. We will advise the Governing Body if we issue a report to management.

Meeting with	Planned timing
Mayor / CE / CFO	Initial planning meeting, timing dependant on availability.
Audit and Risk Committee (ARC)	Regularly as required.
Finance and Strategy Teams	Frequently (weekly whilst audit phases are underway).

Reports to the Governing Body

At the end of the audit, we will report to the Governing Body on:

- our findings on the audit risks identified in this plan;
- any other significant matters found during our audit, including significant deficiencies in internal controls;
- the level of prudence in key judgements made by management in preparing the financial statements; and
- the quality and timeliness of information provided for audit by management.



Our team

Our engagement team is selected to ensure we have the right subject-matter expertise and sector knowledge. Each member of the audit team has received tailored training to develop their expertise.

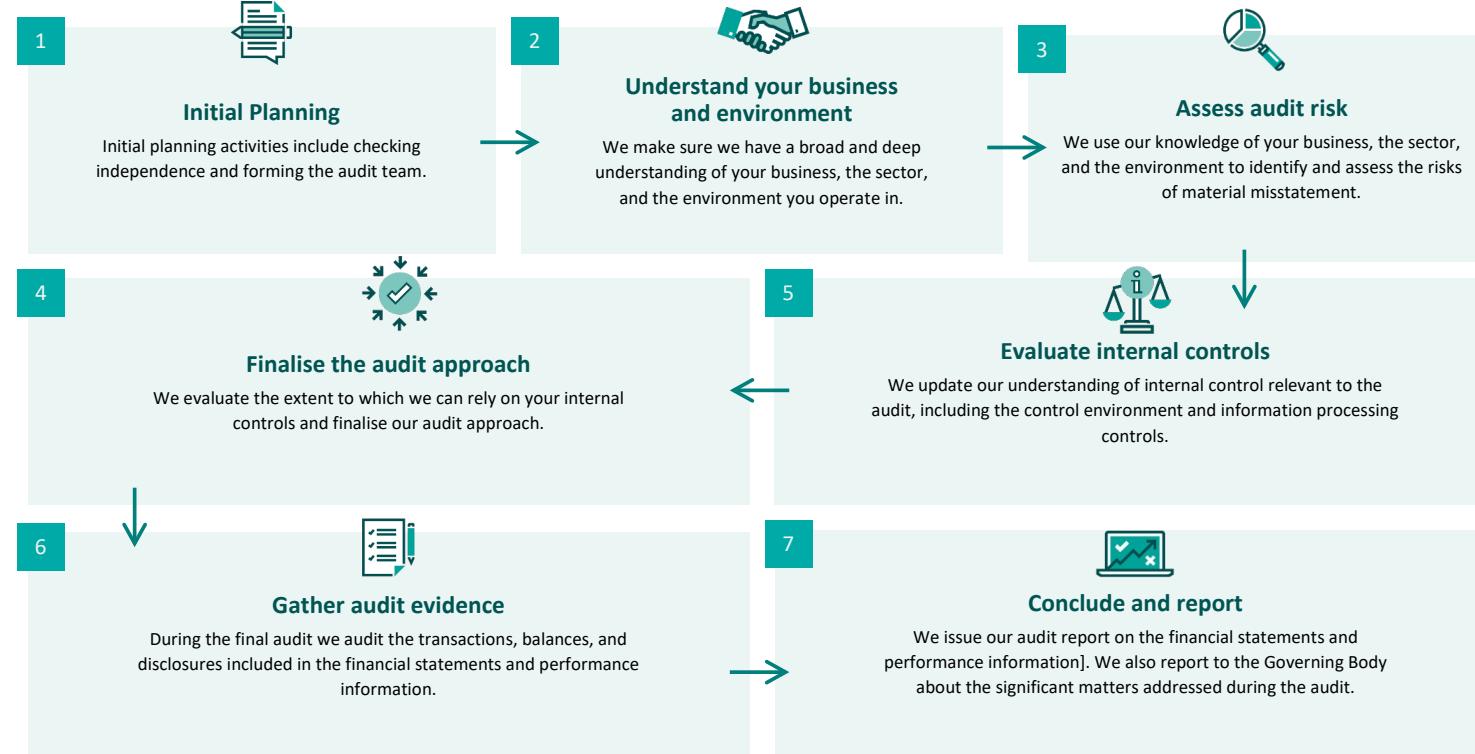
Our senior audit team members are:

Leon Pieterse	Appointed Auditor
Carl Wessels	Engagement Quality Review Director
Darryl Knoesen	Audit Manager
Shyal Singh	Assistant Manager
Dieter Rohm	Director Information Systems Audit and Assurance

The Engagement Quality Review (EQR) Director forms an important part of our internal quality assurance process to maintain and enhance the quality of your audit. They are independent from the day-to-day audit field work and so provide an independent challenge to the audit team on their judgements. The EQR will work with your Appointed Auditor and the audit team but will not have direct contact with you.



Our audit process



Fraud risks

Misstatements in the financial statements and performance information can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional. Our consideration of fraud risk covers both misstatements resulting from fraudulent reporting and misstatements resulting from misappropriation of assets.

Your responsibility

The primary responsibility for the prevention and detection of fraud and error rests with the Governing Body, with assistance from management.

Our responsibility

Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and service performance information are free from material misstatement, including any resulting from fraud. Our approach to obtaining this assurance is to:

- identify fraud risk factors and evaluate areas of potential risk of material misstatement;
- evaluate the effectiveness of internal controls in mitigating the risks;
- perform audit testing to address the risks identified; and
- remain alert for indications of potential fraud in evaluating audit evidence.

The Auditor-General has published useful information on fraud that can be found at oag.parliament.nz/reports/fraud-reports.

Professional judgement and professional scepticism

Auditing standards require us to maintain professional scepticism throughout the audit. Professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. Professional scepticism is fundamentally a mindset that leads to a questioning approach when considering information and forming conclusions. It means not accepting information at face value, being alert for inconsistencies or anomalies, and considering the possibility of fraud or error.

Exercising professional scepticism means that we will not accept everything you tell us at face value. We will ask you and management to provide evidence to support what you tell us. We will also challenge your judgments and assumptions and weigh them against alternative possibilities.

It also means we do not assume that what was true last year remains true this year. Because of this, the audit team will ask management some of the same questions we asked last year. Circumstances can change, information can become outdated, and our audit evidence needs to be current.



Wider public sector considerations

A public sector audit also examines whether:

- Tauranga City Council carries out its activities effectively and efficiently;
- waste is occurring or likely to occur because of any act or failure to act by Tauranga City Council;
- there is any sign or appearance of a lack of probity because of any act or omission by Tauranga City Council or by one or more of its members, office holders, or employees; and
- there is any sign or appearance of a lack of financial prudence because of any act or omission by Tauranga City Council or by one or more of its members, office holders, or employees.



How we manage quality



We apply a risk-based approach to designing, implementing, and operating the components of our system of quality management (SOQM) in an interconnected and coordinated manner to proactively manage the quality of our audits.

Quality objectives

Quality objectives are the desired outcomes for each component of the SOQM.

Audit quality encompasses the key elements that create an environment which maximises the likelihood that we perform quality audits on a consistent basis. Audit quality is about more than issuing the right audit opinion, it is also about how we reach that opinion. We maintain a persistent focus on audit quality and on continuing improvement to audit quality over time.

Quality objective	What this involves
Governance and leadership	Establishing an environment that supports the system of quality management.
Relevant ethical requirements	All staff understand and fulfil their responsibilities regarding ethical requirements.
Acceptance and continuance	Making judgments about accepting or continuing engagements and our ability to perform each engagement.
Engagement performance	Performing a quality engagement, including directing and supervising the team, exercising professional judgment, consulting on difficult or contentious matters, and ensuring appropriate engagement documentation.
Resources	Having sufficient and appropriate human, technological, and intellectual resources.
Information and communication	Maintaining and communicating information regarding the quality management system both internally and externally.



Risk identification and key responses included in our SOQM

We perform an annual risk assessment to identify any risks to achieving our quality objectives. We then implement responses to address these risks. The combination of responses ranges from specific controls to developing policies and procedures for our audit teams. Some of these operate at a firm level, while others are applied to each individual audit.

Of these numerous responses, there are two notable responses that we would like to share as examples:

Independence

Our independence and conflicts of interest policy require all employees to be scrupulous about identifying and managing any conflicts of interest or independence risks. We manage this through our ethics and independence declarations for every staff member, including a compulsory annual review, supplemented by individual independence declarations for each engagement.

Internal and external inspections

All our Appointed Auditors are subject to internal and external inspections on a cyclical basis to ensure that our engagements comply with standards. The Office of the Auditor-General, the Financial Markets Authority, and the New Zealand Institute of Chartered Accountants perform the external inspections. We perform a root cause analysis on selected findings from these reviews and develop action plans to address the identified root causes.

Monitoring and assessing the SOQM

Monitoring and assessment of the SOQM is ongoing. We perform regular monitoring which informs our annual assessment of whether we are achieving our quality objectives and therefore complying with professional requirements. Our most recent assessment to June 2025 noted that our system was effective, with some improvements needed around the timeliness of completing some monitoring activities.

Independent quality reviews are integral to our assessment of our SOQM. Our most recent FMA review in 2022, which focused only on FMC entities, assigned an overall grade of 'compliant' on a scale of good, compliant, and non-compliant.

The NZICA review, also conducted in 2022, raised relatively few findings from the files they inspected and made the following observation:

It was evident from our review that Audit New Zealand seeks to apply a high standard of quality in its audits, which is comparable with the major commercial audit firms. Since Audit New Zealand does not have the resources of a global network behind it, maintaining this standard requires significant investment in local technical resources to keep the audit methodology up to date. A high level of technical competence was apparent both from our file reviews and the FMA's review of the quality control system.



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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.

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.

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 standard¹. 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.

¹ 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 systems².
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.

² 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):

Contributes	
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

Option	Advantages	Disadvantages
1a Recommended	<ul style="list-style-type: none"> Establishes a formal, consistent approach to continuity planning. Aligns with ISO 22301 and best practice. Clarifies roles and responsibilities across the organisation. 	<ul style="list-style-type: none"> Adds another document to the policy suite. Requires ongoing review and maintenance.
1b	<ul style="list-style-type: none"> Keeps policy landscape simpler. 	<ul style="list-style-type: none"> Increases risk of non-compliance and reduced preparedness for disruptions. Lack of commitment to develop a business continuity policy which represents best practice. May lack operational clarity.

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

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:

- the current and future social, economic, environmental, or cultural well-being of the district or region
- any persons who are likely to be particularly affected by, or interested in, the decision.
- 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](#) 

DRAFT BUSINESS CONTINUITY POLICY



Policy type	City		
Authorised by	Council		
First adopted	2026	Minute reference	
Revisions/amendments	N/A	Minute references	N/A
Review date	As required, every three years, or when significant organisational or environmental changes occur.		

1. PURPOSE

- 1.1. This policy aims to ensure Tauranga City Council undertakes effective business continuity management by:
 - setting Tauranga City Council's commitment to maintaining essential services during disruptions through its Business Continuity Management System (BCMS)
 - establishing an operational Business Continuity Framework (framework) for a consistent approach to continuity planning and response
 - clarifying business continuity roles and responsibilities across the organisation
 - establishing documented methods to protect against, reduce the likelihood of, prepare for, respond to, and recover from disruptions.
- 1.2. Effective business continuity management ensures critical functions are maintained or restored within acceptable timeframes following a disruption. This strengthens community confidence, supports organisational resilience, and enables continued public service delivery.

2. SCOPE

- 2.1. This policy applies to all Tauranga City Council prioritised services and activities and council staff who have responsibilities or are affected by business continuity planning and response (as identified through Business Impact Analysis (BIA)).

3. DEFINITIONS

Term	Definition
Activation	The formal declaration that Tauranga City Council's business continuity arrangements are to be enacted in response to a disruption, enabling the continuation of essential or critical services.
Business Continuity	The capability of Tauranga City Council to continue delivery of products or services at acceptable pre-defined levels following a disruptive incident.

Business Continuity Management (BCM)	A coordinated set of activities and processes that includes: <ul style="list-style-type: none"> • operational planning and control • BIA and threat and risk assessment • development of continuity strategies and solutions • creation and maintenance of BCPs • testing and exercising programmes • ongoing evaluation and improvement of continuity arrangements.
Business Continuity Management System (BCMS)	A structured, organisation-wide approach that identifies potential threats and their impacts, and establishes resilience and response capabilities to protect stakeholders, reputation, and critical services.
Business Continuity Plan (BCP)	Documented procedures that guide Tauranga City Council in responding to, recovering from, and restoring services following a disruption, in alignment with continuity objectives.
Business Impact Analysis (BIA)	A systematic process to assess the potential effects of a disruption over time on Tauranga City Council's operations and service delivery.
Council	The elected member body representing Tauranga City.
Council staff	Includes all current permanent, fixed term staff, contractors and consultants.
Critical	A designation for resources, processes, or functions that must be operational continuously or restored as early as possible following a disruption.
Disruption	An unplanned event—anticipated or unanticipated—that negatively affects the delivery of services in line with Tauranga City Council's objectives.
Division	Is led by a Tier 3 manager (e.g. a head of a division or similar)
Framework	A structured business continuity framework that is a set of processes, procedures, and tools for continuity planning and response that operationalises BCMS, translating its organisation-wide strategy into practical, actionable guidance.
Group	Is led by a Tier 2 manager (e.g. a general manager, the chief operating and financial officer or similar)
Incident	An event that may lead to, or has led to, a disruption, emergency, or crisis.
Maximum Tolerable Period of Disruption (MTPD)	The maximum duration that a critical activity can be disrupted before the impact becomes unacceptable to Tauranga City Council.
Minimum Business Continuity Objective	The minimum level of service or operational capacity required to meet Tauranga City Council's business objectives during a

(MBCO)	disruption.
Prioritised services or activities	Essential functions that must be restored promptly to protect Tauranga City Council's assets, meet legal and regulatory obligations, and maintain service delivery. These are critical to achieving Tauranga City Council's minimum business continuity objectives.
Process	A set of interrelated or interacting activities that transform inputs into outputs to deliver services or outcomes.
Recovery Point Objective (RPO)	The point in time to which data must be restored to enable resumption of activities at acceptable levels.
Recovery Time Objective (RTO)	The target timeframe within the MTPD for resuming disrupted activities at a minimum acceptable level.
Risk	The effect of uncertainty on achieving objectives, whether negative, positive, or both. Risk is calculated using likelihood and consequence.
Tauranga City Council	Means Tauranga City Council or any Committee, Sub Committee or elected member of Council or officer or other person authorised to exercise the authority of Council
The Committee	The committee that is responsible to assist and advise Council in discharging its responsibility and ownership of risk management (as of February 2026, this is the Audit and Risk Committee).
Threat	A potential cause of an incident that may result in harm to individuals, the environment, or the community.

4. PRINCIPLES

- 4.1. Tauranga City Council's approach to business continuity is consistent with the Joint Australian New Zealand International Standard Business Continuity Management Systems (BCMS)– Principles and guidelines (AS/NZS ISO 22301:2019).
- 4.2. The values outlined in Tauranga City Council's Code of Conduct/ Ngā Kawa Arataki guide the approach to business continuity. This includes:
 - Whanaungatanga & Collaboration: Early, proactive and reflective engagement with communities and stakeholders, including tangata whenua in partnership with the Takawaenga Māori Unit, to ensure continuity planning is inclusive and culturally grounded.
 - Manaakitanga & Respect: Timely and considerate actions that support people and services during disruptions, fostering inclusive, respectful, and supportive relationships that uphold community wellbeing and resilience.
 - Whāia te tika & Service: Making ethical, holistic decisions in continuity planning and response through collaboration and shared responsibility, considering broader implications and interdependencies across services and communities.
 - Pono & Integrity: Upholding the mana of continuity by ensuring plans and actions are reviewed by appropriate experts, with clear escalation pathways and transparent decision-making before, during, and after disruptions.

5. POLICY STATEMENT

5.1 Commitment to Business Continuity

5.1.1 Tauranga City Council is committed to continuity of essential services during disruption by:

- ensuring the welfare of personnel
- maintaining stakeholder satisfaction
- enhancing organisational stability
- reducing risk exposure and potential financial losses
- minimising legal liabilities
- anticipating and meeting future regulatory requirements
- protecting Tauranga City Council's image and reputation.

5.2 Business Continuity Approach

5.2.1 Everyone in Tauranga City Council will follow a consistent process for business continuity as detailed in the framework.

5.3 Business Continuity Roles and Responsibilities

5.3.1 Business continuity is everyone's responsibility relevant to their role as set out below:

Role	Responsibilities
Council	<ul style="list-style-type: none"> • Owns and governs business continuity • Overall accountability for the development, implementation and maintenance of the BCMS • Delegate endorsement and approval of business continuity documents to the Committee and/or Executive team.
The Committee	<ul style="list-style-type: none"> • Assist and advise Council in discharging its responsibility and ownership of business continuity • Review and approve this policy • Review reports from management and auditors and monitor the effectiveness of business continuity management processes and implementation.
Chief Executive	<ul style="list-style-type: none"> • Lead and promote the importance of effective business continuity management and foster a culture of continual improvement.
The Executive team	<ul style="list-style-type: none"> • Accountable to Council for an effective BCMS • Endorse this policy and recommend it to the Committee, approve the framework and champion them to the organisation • Approve the business continuity strategy and allocate the necessary resources to support the recovery of prioritised services or activities. • Ensure the allocation of adequate financial, human, and technological resources to support the establishment, implementation, and maintenance of the BCMS. • Ensuring the integration of business continuity principles into Tauranga City Council's strategic and operational processes. • Oversee the performance of the BCMS and ensure regular reporting to the Committee.
Appropriate Group Manager Sponsor	<ul style="list-style-type: none"> • Strategic oversight and operational coordination of the BCMS • Maintain the currency of this policy and framework and provide proposed updates on significant changes to the Committee • Coordinate regular reviews of recovery strategies outlined in BCPs,

(currently the Chief Operating and Financial Officer)	<p>including assessments of insurance coverage, financial provisions, and resource availability. Where material changes are identified, ensuring BCPs are updated accordingly.</p> <ul style="list-style-type: none"> Lead the planning and execution of regular testing and validation exercises to assess the effectiveness and practicality of BCPs. Report on the performance, maturity, and continuous improvement of the BCMS to the Committee.
Tier 3 manager	<ul style="list-style-type: none"> Maintain the relevance and accuracy of BCPs within their division Coordinate updates to BCPs in response to operational or structural changes, with support from their manager. Submit all material amendments to BCPs to the relevant group manager for review and approval.
Manager Risk and Assurance	<ul style="list-style-type: none"> Ensure the operational coordination of the BCMS as delegated by the Group Manager Sponsor through the relevant Tier 3 manager
Risk and Assurance Team	<ul style="list-style-type: none"> Develop and maintain this policy and framework Lead the rollout of the BCMS and framework Assist business areas with developing their BIAs, threat and risk assessments and BCPs Educate and assist managers and leaders to implement the BCMS and framework in their divisions and teams.

5.4 Assumptions

5.4.1 Tauranga City Council assumes operations will be reduced during disruptions, with a focus on critical services and prioritised services or activities, and a carefully managed phased recovery. It is assumed that disruptions will not occur simultaneously at both the primary and alternate operational site(s) where identified.

5.4.2 To support these assumptions, Tauranga City Council will ensure the following:

- Each business area will use the Business Impact Analysis (BIA) process to identify the following for staff, equipment, systems, applications, and vital records: Recovery Time Objectives (RTO); Recovery Point Objectives (RPO); Maximum Tolerable Period of Disruption (MTPD); and Minimum Business Continuity Objectives (MBCO).
- Resources will be allocated and maintained in accordance with the MBCO for each agreed critical service or process, ensuring that essential community services can be sustained during and after a disruption.
- All procedures and processes outlined in Business Continuity Plans (BCPs) and supporting documentation will be regularly tested, exercised, reviewed, and updated to ensure readiness, continued effectiveness and alignment with organisational priorities.
- A comprehensive training program will be managed to ensure those with designated continuity responsibilities are well-prepared. General awareness training will also be provided to all staff to foster a culture of resilience.
- This policy and framework will be made available to all relevant interested parties, as appropriate, to support transparency and stakeholder engagement.
- Where essential services are delivered by third-party providers, TCC will ensure that these entities have adequate and tested BCPs in place.

5.5 Activation of Business Continuity Plans (BCPs)

5.5.1 BCPs are activated in response to an actual or potential disruption that impacts the delivery of prioritised services or activities. Activation may be initiated when a

disruption threatens the continuity of critical services or the ability of the organisation to operate effectively.

- 5.5.2 Potential triggers for the BCP activation include, but are not limited to:
 - Temporary denial of access to Tauranga City Council buildings or operational sites
 - Complete loss of one or more Tauranga City Council facilities
 - Unavailability or loss of key personnel essential to critical operations
 - Disruption or failure of critical or prioritised services or activities
 - Prolonged outage of core information technology and communication systems.
- 5.5.3 BCP activation will be guided by the nature, scale, and anticipated duration of the disruption, with the primary objective of maintaining essential services to the community and ensuring a structured and timely recovery.
- 5.5.4 The framework provides detailed roles and responsibilities for the activation and implementation of BCPs.

5.6 Identification and Management of High-Impact Events/High-Impact Disruption Risks

- 5.6.1 The identification and management of high-impact events are essential to maintaining the continuity of critical operations and services.
- 5.6.2 This will be achieved through the structured implementation of threat and risk assessments, conducted within the context of disruption risk. These assessments are designed to identify potential threats and plausible disruption scenarios that could adversely affect Tauranga City Council's ability to deliver prioritised services or activities.
- 5.6.3 By integrating this process into the BCMS, Tauranga City Council ensures that:
 - threat identification is systematic, evidence-based, and regularly reviewed
 - risk assessments are aligned with organisational objectives and community service obligations
 - identified scenarios inform the development, testing, and refinement of BCPs
 - activation criteria for BCPs are clearly defined and based on realistic, high-impact disruption scenarios.
- 5.6.4 This proactive approach supports a resilient organisational culture and ensures that Tauranga City Council is prepared to respond effectively to disruptions, minimising impacts on service delivery and community wellbeing.

6 RELEVANT DELEGATIONS

- 6.1 The chief executive or their nominee has delegated authority for the implementation of this policy.

7 REFERENCES AND RELEVANT LEGISLATION

Business Continuity Institute 'Good Practice Guidelines, Edition 7.0, 2023

ISO 22301:2019 Security and resilience – Business continuity management systems

ISO/TS 22317:2021 Security and resilience – Guidelines for business impact analysis

ISO/TS 22318:2021 Security and resilience – Guidelines for supply chain management

ISO 3100:2018 Risk Management - Guidelines

8 ASSOCIATED POLICIES/PROCEDURES

Business Continuity Framework
Business Continuity Management System
Risk Management Policy

DRAFT

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.

RECOMMENDATIONS

That the Audit & Risk Committee:

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

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](#) 



Q2 October - December

Health, Safety & Wellbeing



Safe + well every day

Landslip Welfare Response

Mount Maunganui Landslip

On 22 January 2026, a significant landslide impacting the Mount Maunganui Holiday Park occurred, resulting in six fatalities. A formal WorkSafe notification was submitted on the day, and TCC continues to engage with WorkSafe as their enquiries continue.

Staff Support

Immediately following the event, TCC established a tiered support response, providing:

- Professional wellbeing support, including onsite access to OCP.
- Targeted support for teams directly impacted, including those on site at the time and those involved in response and decision-making activities.
- Development of internal resources to support monitoring and structured check-ins across teams.

Community Support

In partnership with community agencies, TCC established He Maimai Aroha – Community Care Centre, offering a safe space for reflection and connection for those affected. Welfare and needs assessments were also provided to impacted groups.



TCC Due Diligence Site Visits

Due diligence activities this quarter focused on providing executive and governance visibility of health and safety risk management across major capital projects and key operational portfolios.

Senior leaders and officers undertook site visits at Te Manawataki o Te Papa, the Library, and Civic Whare, Exhibition Centre and Museum (CWEM) sites to observe work activities and confirm that critical risk controls were operating as intended. Areas of focus included:

- Working at height
- Lifting operations and crane work
- Vehicle and pedestrian interactions
- Contractor and site management practices

Leaders engaged with workers and contractors, reviewed incident reporting and housekeeping, and observed worker behaviours and site controls. Feedback indicated good reporting of minor incidents, effective traffic management, and positive engagement with drug and alcohol testing processes.

No material health and safety concerns were identified and Executive discussions with portfolio leaders confirmed that health, safety and wellbeing considerations remained visible during high workload and organisational transition periods, with appropriate support pathways understood.

COMPLY

Ensure TCC has processes in place to meet its obligations:

- Ensure the health and safety management system is regularly tested to confirm legislative compliance, with internal audits completed and actions closed out.
- Support worker participation by ensuring health and safety working group meetings occur and by understanding the group's key activities and achievements.

VALIDATE



Q2 October - December

Health, Safety & Wellbeing

Emerging risk: Asbestos management system assurance

An internal review of Council assets has identified emerging risks associated with the current asbestos management system, particularly in relation to survey requirements and the accessibility of asbestos-related information. A number of asset surveys are now beyond review timeframes, and a small quantity of assets were identified without any asbestos surveys. In addition, the existing approach to storing and communicating asbestos information is highly manual and does not readily support consistent access for workers, tenants, and contractors.

In response, a coordinated programme of work has been initiated to strengthen assurance and improve the effectiveness of asbestos risk management across the organisation. This includes urgent surveying of previously unsurveyed assets, the development of a tiered survey approach to prioritise higher-risk assets, and engagement with executive leaders to determine the most appropriate pathway to address legislative and risk-based considerations.

Recognising the limitations of current systems, work is also underway to assess and implement an improved digital solution capable of better managing asbestos information and supporting clearer communication of risks. This is expected to improve long-term visibility, accessibility, and assurance of asbestos management arrangements, while enabling a more sustainable approach to ongoing survey cycles.

These actions collectively support a risk-based, staged improvement approach, with executive oversight and decision-making guiding the balance between immediate risk reduction, system capability, and longer-term resilience of asbestos management controls.



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Critical Risk: Asbestos Exposure



Asbestos is New Zealand's leading cause of work-related health deaths. When breathed in, asbestos becomes embedded in the lungs and may cause diseases such as lung cancer, asbestosis, and mesothelioma (a severe fatal cancer).

Asset identification and monitoring	A central asbestos register is maintained to identify asbestos-containing materials across Council assets, with ongoing monitoring of asset condition.
Risk management and planning	Risk assessments are undertaken for asbestos-related work, with the hierarchy of controls applied. Depending on the level of risk asbestos is either removed or maintained in place.
Surveys and due diligence	Asbestos surveys are completed by competent persons as required, including prior to maintenance, refurbishment and demolition.
Communication, competency and land controls	Asbestos risks and survey information are communicated to workers and contractors before work begins. Relevant workers receive asbestos awareness training. Asbestos-contaminated land is recorded on the Hazardous Activities and Industries List (HAIL) and checked prior to earthworks.



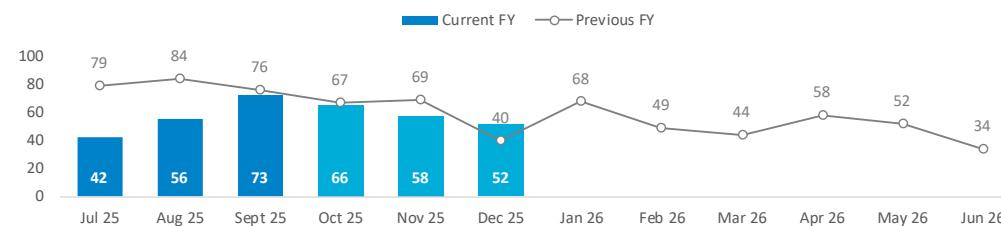
Q2 October - December

Health, Safety & Wellbeing

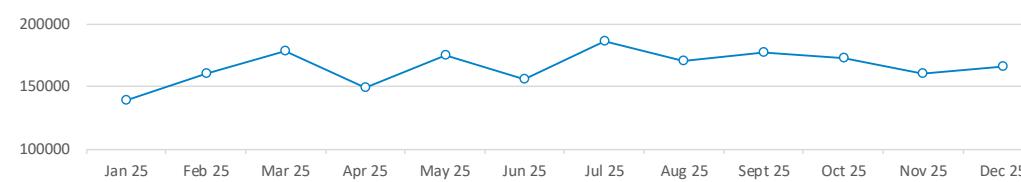


Safe + well every day

ALL EVENTS BY MONTH



HOURS WORKED BY MONTH



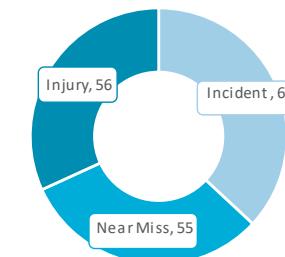
TOP EVENT CATEGORIES - Q2

CATEGORY	Q2	Q1	TRENDING
Assault (verbal/ physical) or antisocial behaviour	30	54	▼
Fall/ trip/ slip (on same level)	19	17	▲
Hit into stationary object	16	11	▲
Hit by moving object	10	14	▼
Security/ trespass/ criminal activity/ terrorism/ damage...	9	12	▼

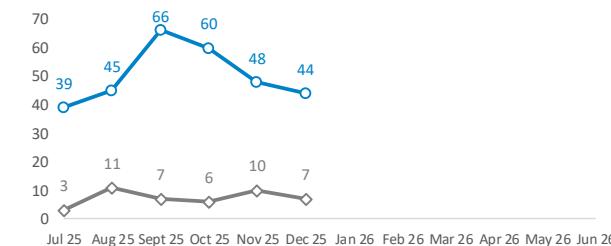
▲ Trending Up ▼ Trending Down — No Change

Q2 EVENT DATA (OCT - DEC)

EVENT TYPE - Q2



EVENTS BY PERSON TYPE



WORKER



THIRD PARTY



176

TOTAL EVENTS IN Q2



5↑

MORE THAN Q1



56

INJURY EVENTS



0

NOTIFIABLE EVENTS



4

DUE DILIGENCE

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.

RECOMMENDATIONS

That the Audit & 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** 

LGOIMA and Privacy Q2 Report for 2025/26 year

How many requests did we receive?

98 = **84** LGOIMA + **13** Privacy + **1** combined LGOIMA & Privacy

- Requests have decreased 3% since last quarter and 36% since the same quarter in the 2024/25 year. There were **9** follow up requests received in addition to the numbers above.
- All requests from this quarter have been completed.

How long did it take us to respond?

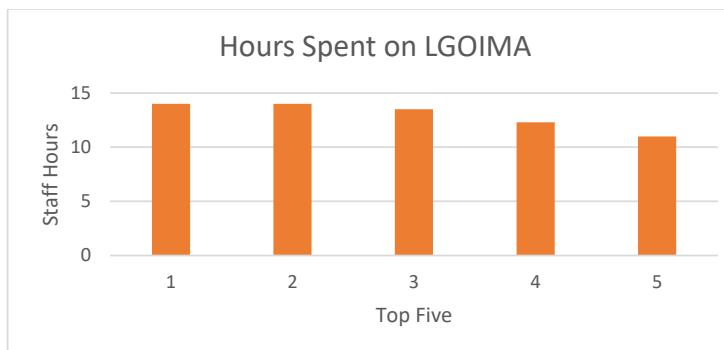
13 = the average number of days to provide a response, same as last quarter.

100% = requests responded to within the statutory time frame.

- There were **95** responses provided within the 20 working-day time frame.
- There were **3** extensions notified and responded to within the extended time frame.
- Response times ranged from a minimum of **1** day to a maximum of **32 days** (extended response).

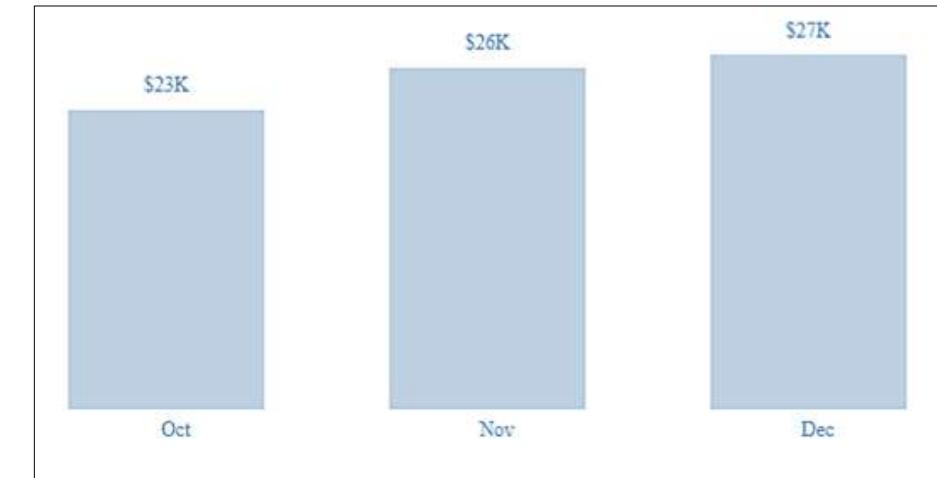
This quarter includes first reporting on staff costs by group and individual requesters. This data comes from reporting on staff time per request, not including additional legal review. The data is collated and linked with internal standardised staff reporting costs based on role. There is a limitation on the data, being that we are using self-reported time spent.

The following two graphs are for LGOIMA requests only, they are the top five by hours spent, and the same top five by staff costs.



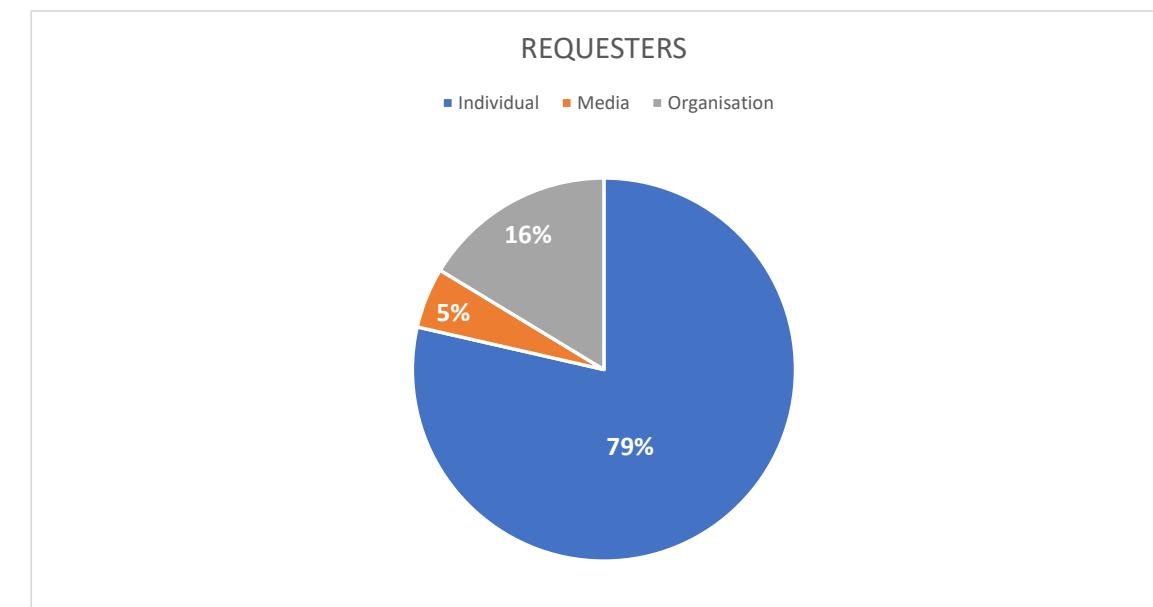
Overall, all requests (LGOIMA, Privacy, Follow Ups, and CCTV) are estimated to have taken a total of 449 staff hours at a cost of \$75,420, broken down by month as follows

Cost by Month of All Responses



Who did the requests come from?

77 individuals + **16** organisations + **8** media organisations



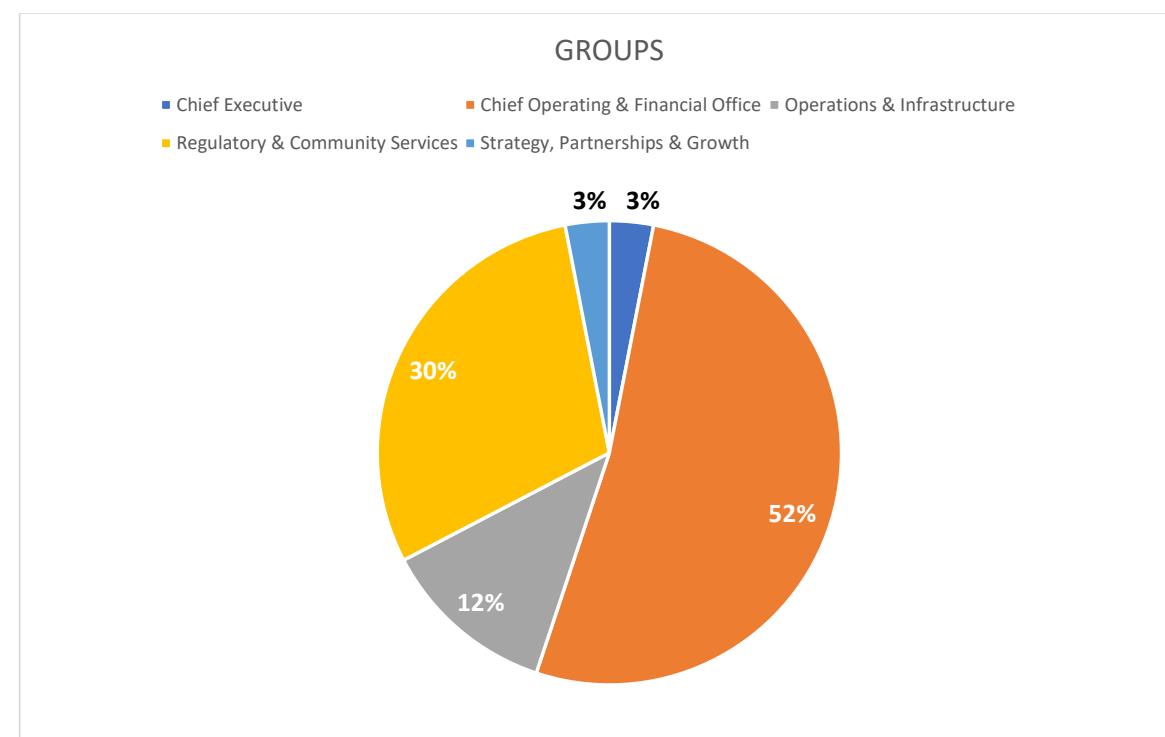
Repeat Requests

8 = number of requesters who made two or more requests

- Five individuals made 2 requests
- Two individual made three requests.
- One individual made nine requests.

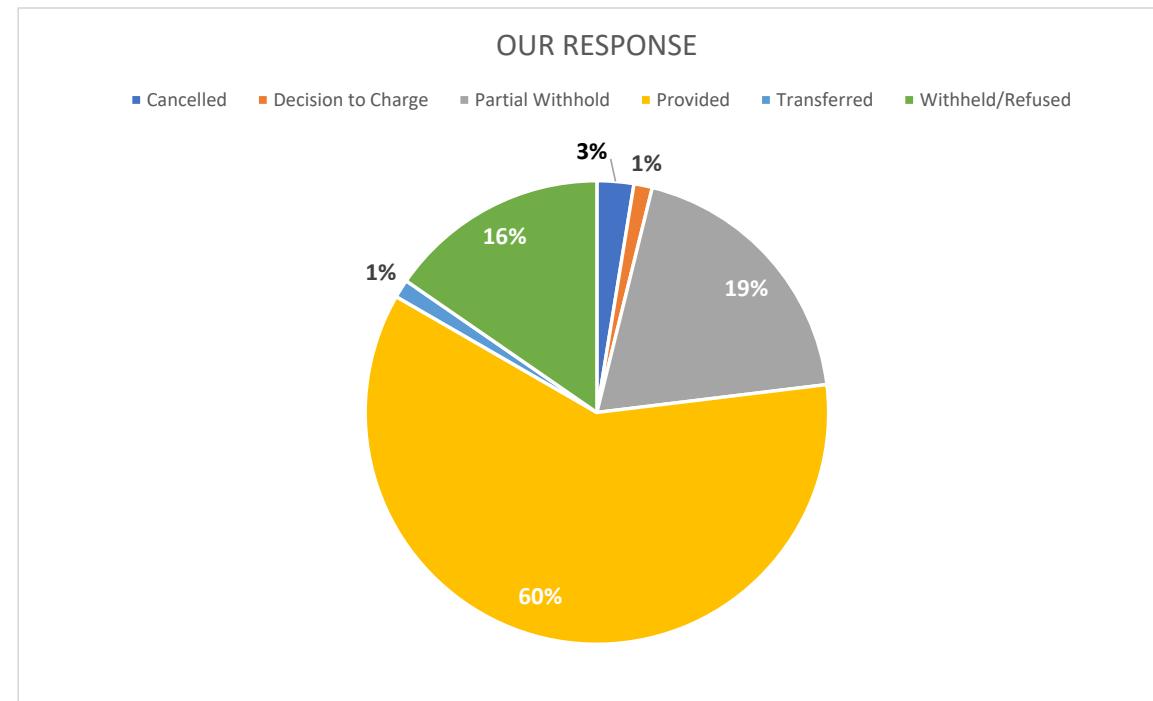
What groups received the requests?

3 Chief Executive + **51** Chief Operating & Financial Office + **12** Operations & Infrastructure + **29** Regulatory & Community Services + **3** Strategy Partnerships & Growth

**What was our response?**

47 provided + **15** partially withheld + **12** refused.

In addition, **2** cancelled + **1** transferred + **1** Decision to charge.

**Common requests**

- There was a broad range of requests this month with no real observable trends, there were **(5)** requests on parking changes

CCTV Requests

There were **84** requests for CCTV footage. TTOC provides the footage, and Information Requests manages the request.

Of the CCTV requests, 45 were withheld/refused for privacy reasons or because we did not have the footage.

Office of the Ombudsman complaints

3 investigations initiated this quarter. There are 3 cases open.

Privacy Commissioner complaints

1 complaint was made and remains open yet to be finalised.

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 library³.

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
Total actions included in this report	11

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** 

³ Stellar pathway: Council & Committees → Audit & Risk Committee → Requests from Audit & Risk Committee meetings.

Audit & Risk Committee			PUBLIC EXCLUDED	Actions status update as at: 16 February 2026			
Meeting Date	Agenda Ref.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
17 Nov 2025	9.4	Policy Review - Risk Management Policy	That staff create a glossary of terms for use of Council vs the council etc (in particular with how all associated with TCC are referred to)	The policy team have developed a glossary of terms that will be included when policies are developed or revised. This includes separately defining the elected member body, the council organisation, and council staff. These definitions will be used unless there is a policy-specific reason why alternate definitions should be proposed. It is possible that internally focused policies, such as the two considered at the 17 Nov 2025 meeting, will continue to have slightly different definitions because the scope, focus and audience for those policies is different.	Closed	1 Dec 2025	Christine Jones
19 May 2025	9.3	Status Update on Actions from Prior Audit and Risk Committee Meetings	That a report on critical risk be brought to a Council meeting in June 2025. Added at the 17 Nov 2025 meeting: That staff provide a current status update to the first Audit & Risk Committee meeting in 2026.	Superseded by upcoming public excluded risk appetite workshop on 4 August Following the 17 November Audit & Risk Committee meeting, the Risk Appetite report is now being prepared for Council on 16 December 2025. A report based on Risk Appetite (i.e. showing those risks out of appetite) will then be prepared for the Audit & Risk Committee on 23 February 2026.	In progress		Craig Rice
19 May 2025	9.3	Status Update on Actions from Prior Audit and Risk Committee Meetings	That staff consider bringing a complementary report on critical risk to Audit & Risk Committee meetings going forward. Added at the 17 Nov 2025 meeting: That staff provide a current status update to the first Audit & Risk Committee meeting in 2026.	After the 4 August public excluded risk workshop, more targeted risk reporting will occur based on risk appetite Following the 17 November Audit & Risk Committee meeting, the Risk Appetite report is now being prepared for Council on 16 December 2025. A report based on Risk Appetite (i.e. showing those risks out of appetite) will then be prepared for the Audit & Risk Committee on 23 February 2026.	In progress		Craig Rice

Meeting Date	Agenda Ref.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
19 May 2025	9.5	Policy Review - Risk Management Policy	<p>That staff hold a workshop for Councillors on how they should carry out risk management.</p> <p>Added at the 17 Nov 2025 meeting: That staff provide a current status update to the first Audit & Risk Committee meeting in 2026.</p>	<p>Offer of further risk workshop options to be included as part of the 4 August public excluded workshop</p> <p>Following the 17 November Audit & Risk Committee meeting, the current status update on how Cllrs should carry out risk management will be prepared for the Audit & Risk Committee on 23 February 2026.</p>	In progress		Craig Rice
19 Feb 2025	8.3	Fleet update	<p>That Councillors be provided with data on the total costs of fleet vehicles before and after city operations were brought in-house.</p> <p>Added at the 17 Nov 2025 meeting: Staff to provide a report on this to the first Audit & Risk Committee meeting in 2026.</p>	<p>1 Sep 2024 to 30 Sep 2024 Exl GST - \$104,495.50 1 Sep 2025 to 30 Sep 2025 – Exl GST - \$100,532.68</p> <p>A brief report will be provided to the 23 February 2026 Audit & Risk Committee</p>	In progress		Craig Rice
2024							
29 Oct 2024	11.6	Delegations Manual Review	<p>It was agreed that more time was needed to consider other issues and it was requested that a report be presented to the an Audit and Risk Committee to clarify the financial delegations.</p>	<p>Delegations are being updated to reflect the implications of reset and will be reported to Council where required.</p> <p>The Legal Team have fully updated the delegations manual and this has been signed off by Marty.</p> <p>There are a couple of delegations that will need to go to the Audit & Risk meeting of 23 February 2026.</p> <p>There is a separate resolution from December that the finance team will present financial delegations information to the EMs, but that is separate and not related to this action. The delegations manual task mentioned is complete and should be closed.</p>	Closed	1 Dec 2025	Craig Rice

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
11.1 - Public Excluded Minutes of the Audit & Risk Committee meeting held on 17 November 2025	<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
11.2 - Internal Audit & Assurance - Quarterly Update	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
11.3 - Risk Register - Quarterly Update	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
11.4 - Health, Safety and Wellbeing Quarterly Report: Q2 October to December 2025	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
11.5 - Digital/Cyber Risk Quarterly Report	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

	deceased natural persons 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	reason for withholding would exist under section 6 or section 7
11.6 - Public Excluded Attachment to Item 9.5 - Status Update on actions from prior Audit & Risk Committee meetings	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

12 CLOSING KARAKIA