



# AGENDA

## Risk and Assurance Committee Meeting

**Date:** Wednesday, 3 June 2026

**Time:** 9:00 am

**Location:** Council Chambers  
Waikato Regional Council  
Level 1, 160 Ward Street, Hamilton

**Members:** Paul Connell – Independent Chair  
Cr Chris Hughes – Deputy Chair  
Cr Robert Cookson  
Cr Keith Holmes  
Cr Warren Maher  
Cr Tipa Mahuta  
Graham Naylor - Independent Member  
Cr Noel Smith

**Alternates:** Cr Mich'eal Downard  
Cr Garry Reymer

# Risk and Assurance Committee

## *Ngā Tikanga Whakahaere* | Terms of Reference

### 1. *Mana ā-Ture* | Status

This Committee was created by Council pursuant to clause 30(1)(a) of Schedule 7 of the Local Government Act 2002. It is a discretionary committee of Council. It was established, and can be disestablished, by resolution of Council.

### 2. *Ngā Kawenga* | Responsibilities

This Committee is responsible for the promotion and enhancement Council's risk and assurance processes including strengthening the monitoring of Council's risk control and compliance framework:

#### 2.1 *Tātari Mai Waho* | External Audit

- a. Engaging with Council's external auditors regarding the external audit work programme.
- b. Recommending to Council the terms and arrangements for the external audit programme.
- c. Reviewing the effectiveness of the annual audit and 10-year plan audit, to ascertain whether emphasis is being placed on areas where the Committee, management or auditors believe special attention is necessary.
- d. Reviewing management response to audit reports and the extent to which external audit recommendations concerning internal controls and other matters are implemented.

#### 2.2 *Tātari Mai Roto me te Tuatari Kounga* | Internal Audit and Assurance

- a. In conjunction with the Chief Executive, agreeing the scope of the annual internal audit work programme.
- b. Monitoring the delivery of the internal audit work programme.
- c. Assessing whether all significant recommendations of the Internal Audit programme have been properly implemented by management.

#### 2.3 *Whakahaere Tūraru* | Risk Management

- a. Reviewing whether management has in place a current and comprehensive risk management framework, and associated procedures for effective identification and management of the Council's financial and business risks, including fraud.
- b. Reviewing whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings.
- c. Reviewing the effect of Council's risk management framework on its control environment and insurance arrangements.
- d. Reviewing whether a sound and effective approach has been followed in establishing Council's business continuity planning arrangements, including whether disaster recovery plans have been tested periodically.
- e. Reviewing Council's fraud policy and satisfying itself that Council has appropriate processes and systems in place to capture and effectively investigate fraud-related information.
- f. Provide ongoing oversight of Council's major projects or undertakings that have a higher potential risk (and associated consequence) in terms of achieving the project goals and objectives within the approved time, scope and budget.

#### 2.4 *Anga Arotake* | Control Framework

- a. Reviewing whether management's approach to maintaining an effective internal control framework, including over external parties such as contractors and advisers, is sound and effective.
- b. Reviewing whether management has in place relevant policies, processes, and procedures, and that these are periodically reviewed and updated.
- c. Reviewing whether appropriate policies and procedures are in place for the management and exercise of delegations.

- d. Reviewing regular reporting on processes ensuring compliance with key controls including six monthly gift register reporting, and policy updates.

#### 2.5. *Tautuku ki Ngā Ture* | **Legislative Compliance**

- a. Determining whether management has appropriately considered legal and compliance risks as part of Council's risk assessment and management arrangements.
- b. Reviewing the effectiveness of the system for monitoring Council's compliance with relevant legislation, and associated government policies.

#### 2.6. *Tauākī Pūtea ā-Tau* | **Annual Financial Statements**

Reporting to the Finance Committee on any matters pertaining to the Committee's work programme that may impact on the adoption of the Annual Report.

### 3. *Ngā Apatono* | **Powers**

The Committee has the following powers required to carry out its responsibilities:

- a. Receiving and considering external and internal audit reports on financial matters.
- b. Receiving and considering staff reports on audit, assurance, internal control, and risk management related matters.
- c. Making recommendations to Council on financial, internal control and risk management policies and procedures.
- d. Making recommendations to Council on financial, internal control and risk management policies and procedures.
- e. Recommending the approval of the Auditor's engagement letter.

### 4. *Ngā Tūranga* | **Membership:**

#### 4.1 *Ngā Mema* | **Members**

The Committee has eight members as follows:

- a. Chair of the Finance and Performance Committee
- b. Chair of Council
- c. Four councillors appointed by Council
- d. Two external appointees appointed by Council (refer to the *Policy - Appointment of external members* Doc #21982904)

#### 4.2 *Ngā Kairiwhi* | **Alternates**

- a. The Deputy Chair of Council is the alternate for the Chair of Council on this Committee, unless otherwise appointed.
- b. The Deputy Chair of Finance and Performance is the alternate for the Chair of Finance and Performance on this committee.

#### 4.3 *Ūpoko me te Ūpoko Tuarua* | **Chair and Deputy-Chair**

One of the external appointees is the Chair and the Finance and Performance Committee Chair is the Deputy Chair of this Committee.

### 5. *Tokamatua* | **Quorum**

Two, of whom one must be a member of Council. Refer clause 23(3)(b) of Schedule 7 of the Local Government Act 2002.

### 6. *Ngā Tikanga Pōti* | **Voting**

Decisions of the Committee are made by majority vote of members present and voting. In the case of equality of votes, the Chair has a deliberative and casting vote. Refer to clause 24 of Schedule 7 of the Local Government Act and *Standing Orders*.

### 7. *Ngā Hui i te Tau* | **Frequency of meetings**

Quarterly or as required.

**Order Of Business**

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**1 KARAKIA TIMATANGA**

<b>Whakataka te hau ki te uru</b>	<b>Cease o winds from the west</b>
<b>Whakataka te hau ki te tonga</b>	<b>Cease o winds from the south</b>
<b>Kia mākinakina ki uta</b>	<b>Bring calm breezes over the land</b>
<b>Kia mātaratara ki tai</b>	<b>Bring calm breezes over the sea</b>
<b>E hī ake ana te atakura</b>	<b>And let the red-tipped dawn come</b>
<b>He tio</b>	<b>With a touch of frost</b>
<b>He Huka</b>	<b>A sharpened air</b>
<b>He hau hū</b>	<b>And promise of a glorious day</b>
<b>Tīhei mauri ora!</b>	<b>Behold we live</b>

**2 APOLOGIES****3 CONFIRMATION OF AGENDA****4 DISCLOSURES OF INTEREST**

Members are reminded of the need to be aware of maintaining a clear separation between personal interests and duties and their role as an elected member.

If any member has an interest that creates an actual, or could be perceived to create, a conflict in relation to any item on the agenda, it is recommended that this be disclosed.

**5 MINUTES FOR CONFIRMATION OR RECEIPT**

Risk and Assurance Committee Meeting – 16 March 2026



# MINUTES

## Risk and Assurance Committee Meeting

Monday, 16 March 2026

## Order Of Business

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**Waikato Regional Council**  
**Risk and Assurance Committee Meeting**

**OPEN MINUTES**

**Date:** Monday 16 March 2026, 9.03am

**Location:** Council Chambers  
 Waikato Regional Council  
 Level 1, 160 Ward Street, Hamilton

**Members Present:** Paul Connell - Independent Chair  
 Cr Chris Hughes – Committee Deputy-Chair  
 Cr Graham Naylor – Independent Member  
 Cr Robert Cookson (from 9.04am)  
 Cr Keith Holmes  
 Cr Warren Maher  
 Cr Tipa Mahuta (virtually via Teams, from 10.09am until 10.21am, back from 11.22am until 12.30pm)  
 Cr Noel Smith

**In Attendance:** Cr Garry Reymer (virtually via Teams, from 9.30am)

**Staff Present:** Janine Becker – Director, Customer and Corporate Services  
 Jess Hood – Democracy Advisor

***The contents of these minutes meet all legal requirements and include a full set of decisions.***

***An audio-visual recording of the open session of the meeting is available on Waikato Regional Council's public website.***

<b>Recording</b>	<b>Document ID #</b>	<b>YouTube Link</b>
Open Recording #1	#34934960	<a href="https://youtu.be/ldbyR0_3jsk">https://youtu.be/ldbyR0_3jsk</a>
Open Recording #2	#34936438	<a href="https://youtu.be/gCATVJqvXaM">https://youtu.be/gCATVJqvXaM</a>
Public Excluded Recording	#34937854	-
Open Recording #3	#34936190	<a href="https://youtu.be/GCVXAQlg398">https://youtu.be/GCVXAQlg398</a>

**1 KARAKIA TIMATANGA**

Item commenced in open recording 1, at start.

The Director, Customer and Corporate Services (Janine Becker) opened the meeting with a karakia.

**2 APOLOGIES**

Item commenced in open recording 1, at 28 seconds.

No apologies were received.

**3 CONFIRMATION OF AGENDA**

Item commenced in open recording 1, at 41 seconds.

**COMMITTEE RESOLUTION RAC26/01**

**Moved:** Cr Chris Hughes

**Seconded:** Cr Warren Maher

1. That the agenda of the Risk and Assurance Committee Meeting of 16 March 2026, as circulated, be confirmed as the business of the meeting.
2. That the order of items follows the order set out in the minutes.
3. That the meeting may sit longer than two hours continuously and continue longer than six hours including adjournments.

**CARRIED**

**4 DISCLOSURES OF INTEREST**

Item commenced in open recording 1, at 54 seconds.

No interests were disclosed pertaining to items on the agenda or interests not already recorded on a relevant register.

**5 MINUTES FOR CONFIRMATION OR RECEIPT**

Item commenced in open recording 1, at 1 minute 10 seconds.

**RISK AND ASSURANCE COMMITTEE MEETING - 17 SEPTEMBER 2025****COMMITTEE RESOLUTION RAC26/02**

**Moved:** Paul Connell

**Seconded:** Cr Chris Hughes

**That the minutes of the Risk and Assurance Committee Meeting held on 17 September 2025 be confirmed as a correct record.**

**CARRIED**

## **6 GENERAL ITEMS**

### **6.1 RISK AND ASSURANCE COMMITTEE WORK PLAN 2026**

Item commenced in open recording 1, at 1 minute 32 seconds.

Presented by the Director, Customer and Corporate Services (Janine Becker).

#### **COMMITTEE RESOLUTION RAC26/03**

**Moved: Cr Keith Holmes**

**Seconded: Cr Warren Maher**

**That the report *Risk and Assurance Committee Work Plan 2026* (Risk and Assurance Committee, 16 March 2026) be received.**

**CARRIED**

### **6.2 RISK MANAGEMENT ACTIVITY UPDATE**

Item commenced in open recording 1, at 9 minute 49 seconds.

Presented by the Manager, Business Advisory Services (Fiona Hunter) and Strategic Risk Advisor (James Brennan).

#### **COMMITTEE RESOLUTION RAC26/04**

**Moved: Graham Naylor**

**Seconded: Cr Chris Hughes**

**That the report *Risk Management Activity Update* (Risk and Assurance Committee, 16 March 2026) be received.**

**CARRIED**

### **6.3 INTERNAL AUDIT ACTIVITY UPDATE**

Item commenced in open recording 1, at 56 minutes 36 seconds.

Presented by the Manager, Business Advisory Services (Fiona Hunter), PwC Director (Aaron Steele) and PwC Partner (Jade Collins).

10.09am – Cr Tipa Mahuta entered the meeting.

#### **COMMITTEE RESOLUTION RAC26/05**

**Moved: Paul Connell**

**Seconded: Cr Chris Hughes**

**That the report *Internal Audit Activity Update (Risk and Assurance Committee, 16 March 2026)* be received.**

**CARRIED**

#### **6.4 LEGAL COMPLIANCE SURVEY RESULTS JULY - DECEMBER 2025**

Item commenced in open recording 1, at 1 hour, 11 minutes and 37 seconds.

Presented by the Manager, Business Advisory Services (Fiona Hunter).

##### **COMMITTEE RESOLUTION RAC26/06**

**Moved: Cr Chris Hughes**

**Seconded: Graham Naylor**

**That the report *Legal Compliance Survey Results July - December 2025 (Risk and Assurance Committee, 16 March 2026)* be received.**

**CARRIED**

10.21am – The meeting adjourned.

During the adjournment, Cr Tipa Mahuta left the meeting.

10.31am – The meeting reconvened.

#### **6.5 AUDIT NEW ZEALAND'S GOVERNANCE REPORT FOR THE AUDIT OF THE 2024/25 ANNUAL REPORT**

Item commenced in open recording 2, at start.

Presented by the Chief Financial Officer (Raj Suppiah) and Audit New Zealand Manager (Jaimala Singh).

10.33am – Crs Chris Hughes and Robert Cookson entered the meeting.

##### **COMMITTEE RESOLUTION RAC26/07**

**Moved: Paul Connell**

**Seconded: Cr Noel Smith**

- 1. That the *Audit New Zealand's Governance Report for the audit of the 2024/25 Annual Report (Risk and Assurance Committee, 16 March 2026)* be received.**
- 2. That the Risk and Assurance Committee notes that management is progressing actions to address matters raised in the audit.**

**CARRIED**

#### **6.6 AUDIT NEW ZEALAND ENGAGEMENT DOCUMENTS FOR THE 2025/26 ANNUAL REPORT AUDIT**

Item commenced in open recording 2, at 20 minutes 39 seconds.

Presented by the Chief Financial Officer (Raj Suppiah) and Audit New Zealand Manager (Jaimala Singh).

**COMMITTEE RESOLUTION RAC26/08**

**Moved: Graham Naylor**

**Seconded: Cr Chris Hughes**

- 1. That the report *Audit New Zealand Engagement Documents for the 2025/26 Annual Report Audit* (Risk and Assurance Committee, 16 March 2026) be received.**
- 2. That the Risk and Assurance Committee recommends to Council that the Council Chair (Cr Warren Maher) signs the Audit Engagement Letter and Audit Proposal for the annual report audit of Waikato Regional Council for the year ended 30 June 2026.**

**CARRIED**

**6.7 KEY PROJECTS UPDATE**

Item commenced in open recording 2, at 25 minutes.

Presented by the Business and Education Services Manager (Dean King) and Director, Regional Transport Connections (Phil King).

**COMMITTEE RESOLUTION RAC26/09**

**Moved: Graham Naylor**

**Seconded: Cr Chris Hughes**

**That the report *Key Projects Update* (Risk and Assurance Committee, 16 March 2026) be received.**

**CARRIED**

**6.8 INFOR BENEFITS REPORT**

Item commenced in open recording 2, at 39 seconds 28 seconds.

Presented by the Executive Manager, People and Capability (Stuart Brown).

11.22am – Cr Tipa Mahuta entered the meeting.

**COMMITTEE RESOLUTION RAC26/10**

**Moved: Cr Chris Hughes**

**Seconded: Cr Noel Smith**

**That the *Infor Benefits Report* (Risk and Assurance Committee, 16 March 2026) be received.**

**CARRIED**

### 6.9 INSURANCE PROGRAMME UPDATE

Item commenced in open recording 2, at 1 hour, 4 minutes and 17 seconds.

Presented by the Manager, Business Advisory Services (Fiona Hunter).

#### COMMITTEE RESOLUTION RAC26/11

Moved: Cr Chris Hughes

Seconded: Cr Keith Holmes

That the report *Insurance Programme Update (Risk and Assurance Committee, 16 March 2026)* be received.

CARRIED

### 6.10 ANNUAL LEAVE MANAGEMENT WELLBEING AND HEALTH AND SAFETY INDICATORS

Item commenced in open recording 2, at 1 hour, 8 minutes and 1 second.

Presented by the Executive Manager, People and Capability (Stuart Brown).

#### COMMITTEE RESOLUTION RAC26/12

Moved: Graham Naylor

Seconded: Cr Keith Holmes

That the report *Annual Leave Management Wellbeing and Health and Safety Indicators (Risk and Assurance Committee, 16 March 2026)* be received.

CARRIED

### 6.11 POLICY REVIEW SCHEDULE

Item commenced in open recording 2, at 1 hour, 13 minutes and 50 seconds.

Presented by the Manager, Business Advisory Services (Fiona Hunter).

#### COMMITTEE RESOLUTION RAC26/13

Moved: Paul Connell

Seconded: Cr Warren Maher

1. That the report *Policy Review Schedule (Risk and Assurance Committee, 16 March 2026)* be received.
2. That the Risk and Assurance Committee note the updated *Health and Safety Policy (Risk and Assurance Committee Agenda, 16 March 2026 at page 210)*.
3. That the Risk and Assurance Committee notes the updated *Procedural Delegations Manual (Risk and Assurance Committee Agenda, 16 March 2026 at page 211)* and recommends to Council that it be adopted.

- 4. That the Risk and Assurance Committee endorses the updated *Risk Management Framework (Risk and Assurance Committee Agenda, 16 March 2026 at page 278)*.
  - 5. That the Risk and Assurance Committee notes the updated *Protected Disclosures (Whistle-blower) Policy (Risk and Assurance Committee Agenda, 16 March 2026 at page 303)* and recommends to Council that it be adopted.
- CARRIED**

**6.12 ELECTED MEMBER INTERESTS REGISTER UPDATE TO 28 FEBRUARY 2026**

Item commenced in open recording 2, at 1 hour, 24 minutes and 30 seconds.

Presented by the Team Leader, Democracy Services (Dave Doggart) who requested the report be taken as read.

**COMMITTEE RESOLUTION RAC26/14**

Moved: Cr Chris Hughes  
 Seconded: Cr Noel Smith

That the report *Elected Member Interests Register Update to 28 February 2026 (Risk and Assurance Committee, 16 March 2026)* be received.

**CARRIED**

**7 PUBLIC EXCLUDED ITEMS**

Item commenced in open recording 2, at 1 hour, 25 minutes and 29 seconds.

**RESOLUTION TO EXCLUDE THE PUBLIC**

**COMMITTEE RESOLUTION RAC26/15**

Moved: Paul Connell  
 Seconded: Cr Graham Naylor

1. That in accordance with section 48(1) of the *Local Government Official Information and Meetings Act 1987 (Act)* and the interests protected by section 6 or 7 of that Act, the public is excluded from the following parts of this meeting. The general subject of the matters to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds for excluding the public are set out below:

Meeting item no. and subject	Grounds for excluding the public	Reason for excluding the public
7.1 - Key Projects Activity Update - Vessel	s7(2)(b)(ii) of the Act - To avoid unreasonable prejudice the commercial position of the person who supplied or who is the subject of the information	section 48(1)(a)(i) of the Act - 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

	s7(2)(h) of the Act - To enable Council to carry out, without prejudice or disadvantage, commercial activities	withholding would exist under section 6 or section 7
7.2 - Cyber Security Update March 2026	s7(2)(j) of the Act - To prevent the disclosure or use of official information for improper gain or improper advantage	section 48(1)(a)(i) of the Act - 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
7.3 - Fraud Risk Management Activity Update	s7(2)(j) of the Act - To prevent the disclosure or use of official information for improper gain or improper advantage	section 48(1)(a)(i) of the Act - 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
7.4 - Potential Liability Report	s7(2)(b)(ii) of the Act - To avoid unreasonable prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(g) of the Act - To maintain legal professional privilege s7(2)(h) of the Act - To enable Council to carry out, without prejudice or disadvantage, commercial activities	section 48(1)(a)(i) of the Act - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>CARRIED</b>		

11.56am – The meeting moved into public excluded session and was adjourned.

### 7.1 KEY PROJECTS ACTIVITY UPDATE - VESSEL

Item commenced in public excluded recording 1, at start.

Presented by the Director, Integrated Catchment Management (Greg Ryan).

#### COMMITTEE RESOLUTION RAC26/16

Moved: Graham Naylor

Seconded: Cr Keith Holmes

1. That the report *Key Projects Activity Update - Vessel* (Risk and Assurance Committee, 16 March 2026) be received.
2. That the decision be released into the open session of the meeting.

**CARRIED**

## 7.2 CYBER SECURITY UPDATE MARCH 2026

Item commenced in public excluded recording 1, at 8 minutes 18 seconds.

Presented by the Chief Information Officer (John Crane) .

### COMMITTEE RESOLUTION RAC26/17

**Moved:** Graham Naylor

**Seconded:** Cr Warren Maher

That the report *Cyber Security Update March 2026* (Risk and Assurance Committee, 16 March 2026) be received.

**CARRIED**

## 7.3 FRAUD RISK MANAGEMENT ACTIVITY UPDATE

Item commenced in public excluded recording 1, at 20 minutes 46 seconds.

Presented by the Chief Financial Officer (Raj Suppiah).

### COMMITTEE RESOLUTION RAC26/18

**Moved:** Cr Chris Hughes

**Seconded:** Cr Keith Holmes

1. That the report *Fraud Risk Management Activity Update* (Risk and Assurance Committee, 16 March 2026) be received.
2. That the decision be released into the open session of the meeting.

**CARRIED**

## 7.4 POTENTIAL LIABILITY REPORT

Item commenced in public excluded recording 1, at 39 minutes 32 seconds.

Presented by the Senior Solicitor (Jonathan Ridling).

12.30pm – Cr Tipa Mahuta left the meeting.

### COMMITTEE RESOLUTION RAC26/19

**Moved:** Cr Warren Maher

**Seconded:** Cr Chris Hughes

1. That the *Potential Liability Report (Risk and Assurance Committee, 16 March 2026)* be received.
2. That the decision be released into the open session of the meeting.

**CARRIED**

Item commenced in public excluded recording 1, at 47 minutes 57 seconds.

1. **COMMITTEE RESOLUTION RAC26/20**

**Moved: Paul Connell**

**Seconded: Cr Robert Cookson**

**That the meeting return to the open session.**

**CARRIED**

12.50pm – The meeting moved back to open session.

## **8 KARAKIA WHAKAMUTUNGA**

Item commenced in open recording 3, at start.

The Director, Customer and Corporate Services (Janine Becker) closed the meeting with a karakia.

12.50pm – The meeting closed.

## 6 GENERAL ITEMS

### 6.1 RISK MANAGEMENT ACTIVITY UPDATE

<b>Rā   Date:</b>	<b>13 May 2026</b>
<b>Kaituhi   Author:</b>	<b>James Brennan, Strategic Risk Advisor</b>
<b>Kaituku   Authoriser:</b>	<b>Janine Becker, Director, Customer and Corporate Services</b>
<b>Mana whakatau   Delegation Status:</b>	<b>Committee has delegated authority to make the recommended decision</b>

#### TE ARONGA | PURPOSE

1. To update the Risk and Assurance Committee on current and emerging risks and Waikato Regional Council's risk management activities.

#### KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. The Risk Management Activity report updates the Committee on the ongoing management of key risks which includes a summary of the deep dives undertaken this quarter as well as current and emerging risks. A separate report is provided in the agenda on the review of these strategic risks which, if approved by Council, would be reflected in future reports.
3. Since the last Risk and Assurance Committee meeting, staff completed deep dives into three of the ten strategic risks:
  - (i) STRAT RISK 01 – Emergency Management
  - (ii) STRAT RISK 03 – Relationships
  - (iii) STRAT RISK 08 – Fraud
4. The report includes findings from these deep dives.
5. The efficacy of the controls for the three strategic risks was explored as part of the deep dives and have been assessed, with changes made where necessary.

#### TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *Risk Management Activity Update* (Risk and Assurance Committee, 3 June 2026) be received.

#### HOROPAKI | BACKGROUND

6. An update on current and emerging risks facing the organisation is provided to set the scene for this report, reflecting feedback from the Executive Leadership Team.
7. Informing the identification of these risks are the discussions held through the Risk Forum – a group of senior staff from across the organisation who meet monthly to discuss emerging

risks, as well as to participate in the risk deep dives that inform the risk ratings associated with Council's strategic risks.

8. Feedback from the Risk Forum is provided to the Executive Leadership Team (ELT) to ensure insights and feedback on the key areas of concern being voiced by the organisation are visible.
9. Since the last Committee meeting deep dives were conducted on three of Waikato Regional Council's (WRC) ten strategic risks. This report provides further details from these reviews, as well as a summary of the efficacy of the controls and mitigations.
10. Strategic risks and mitigation actions are monitored by staff and reported quarterly to the Risk and Assurance Committee.

### **CURRENT AND EMERGING RISKS**

11. New Zealand has entered a period of persistent volatility, where fuel prices, inflation pressure, fiscal constraint, and social cohesion risks are reinforcing each other. This is no longer a short-term "shock" environment - central agencies, credit rating agencies and banks are now planning for sustained disruption rather than quick normalisation.
12. For Council, this environment does not primarily increase crisis risk, but it shrinks margins for error. How decisions are sequenced, justified and communicated will matter more than in recent years. At the same time, this environment presents clear opportunities for leadership, particularly where Council can strengthen resilience, affordability awareness, and trust.

### **Global context – from shocks to sustained volatility**

13. The global environment has shifted decisively away from the idea of short-lived shocks followed by recovery. International economic and geopolitical signals now point to persistent volatility as the baseline condition.
14. The Middle East conflict has moved into a prolonged impasse rather than resolution. While ceasefires have been extended, oil supply routes remain subject to disruption, particularly through the Strait of Hormuz. The key risk now is not escalation, but duration, with elevated oil prices and refinery margins that persist for months rather than weeks. The longer this impasse continues, the more costs are absorbed by households and businesses across importing economies like New Zealand.
15. The UAE's exit from OPEC and OPEC+, will weaken coordinated supply management and may reduce spare capacity. Alongside ongoing disruption to key supply routes, this likely means that instability in global energy markets will persist and shift risk from short-term shocks to structural volatility.
16. Globally central banks are responding by shifting focus away from headline fuel spikes and towards second-order impacts such as inflation. This means interest rates are less likely to fall quickly, even as growth slows. In parallel, senior central bankers in the UK and Europe have openly warned that financial markets may be under-pricing these risks, raising the prospect of renewed economic volatility or asset-price corrections.
17. For Council, this global backdrop reinforces the need to plan for longer-lasting cost pressure, not brief disruption, and to assume continued volatility in fuel, construction and financing inputs. This is being reflected in Council's planning, including the development of a fuel supply plan aligned with the Government's phased approach, alongside integration of these assumptions into Annual Plan and Long Term Plan (LTP) processes to ensure resilience is built into funding decisions.

**National context – a narrower margin for error**

18. At the national level, global pressures are now feeding directly into New Zealand’s fiscal, economic and social settings. While fuel supply is expected to remain reliable, supported by Government fuel security and phased supply planning, the dominant impact is sustained cost pressure rather than physical shortage.
19. Two international credit-rating agencies (Moody’s and Fitch) have shifted New Zealand’s outlook to negative, explicitly citing higher debt, persistent inflation and global energy shocks. While New Zealand’s AAA rating remains intact, it is clear that the margin for fiscal and policy error is narrowing.
20. In line with these macroeconomic signals, the Reserve Bank positioning indicates that monetary policy is likely to remain tighter for longer. Inflation is expected to decline only gradually and remains exposed to upside risks (particularly from fuel and global supply factors), limiting the scope for near-term OCR reductions. This reinforces a “higher for longer” cost environment, where borrowing, delivery, and household affordability pressures persist.
21. This context explains Treasury’s unusual decision to reopen its Budget economic forecasts only weeks before Budget Day. Treasury has publicly modelled a range of oil-price scenarios, including severe downside cases where inflation rises sharply, growth slows dramatically and unemployment increases. Even the “most likely” scenario presented still involves slower growth and inflation staying above target.
22. At the same time, structural weaknesses in the economy are becoming more visible. Statistics New Zealand data shows weak and declining productivity, particularly in capital productivity, confirming that investment has not been translating efficiently into output. This reduces the chance of simply “growing out” of debt or cost pressures.
23. Overlaying these economic signals is growing evidence of social strain. The Helen Clark Foundation’s 2026 Social Cohesion report finds that financial stress is the dominant driver of declining trust, participation and belief in fairness in New Zealand. Trust in institutions has fallen sharply, and differences in financial security – including the growing divide between homeowners and renters – are increasingly shaping how people engage with public decisions.
24. Earth Sciences New Zealand are indicating that a significant El Niño influence is likely from winter onwards, with increased risk of reduced rainfall across parts of the country, including northern and eastern regions. Importantly, El Niño will not arrive as a single or isolated climate event. It is best understood as a threat-multiplier—intensifying economic, energy, infrastructure and social pressures that are already present. In an environment of elevated fuel prices, constrained public finances and declining social cohesion, climate variability increases the likelihood that shocks persist longer, interact more strongly, and are felt unevenly across communities.
25. The Climate Change Commission’s recently released 2026 National Climate Change Risk Assessment highlights that New Zealand is already experiencing the impacts of climate change, with risks expected to intensify significantly without decisive and coordinated adaptation. The assessment identifies widespread exposure of communities, infrastructure, and natural systems to hazards such as flooding, coastal erosion, and extreme weather, alongside escalating social, economic, and environmental consequences. It emphasises that climate risks are increasingly systemic, cascading, and unevenly distributed, disproportionately affecting vulnerable communities. Overall, New Zealand faces growing,

cross-system climate risks, and without urgent, coordinated action—particularly in relation to funding, infrastructure resilience, and managed retreat—impacts and associated costs are expected to escalate rapidly.

26. For Council this points to a future of constrained finances, cautious central government support, and heightened sensitivity to affordability and fairness.

### **Legislative Reform and Policy Uncertainty**

27. Risks associated with legislative and regulatory uncertainty remain. Consultation has recently closed on a number of significant reform initiatives, including the Proposed Rates Target Model, the Natural Environment Bill, Planning Bill, Emergency Management Bill, proposals on development levels, and the Infrastructure Funding and Financing Amendment Bill.
28. Consultation on Simplifying Local Government also closed, and on 5<sup>th</sup> May 2026 the Government announced a time-limited “Head Start” pathway inviting councils to voluntarily put forward locally led proposals to fast-track local government reform, with the alternative being centrally directed intervention. Regional councils are unable to submit proposals. This follows the Government’s consideration of submissions, which have signalled a clear expectation of structural change.
29. While the Government has signalled a strong expectation of reform, the emerging delivery approach introduces further uncertainty. The “Head Start” pathway places responsibility on territorial authorities to develop and advance reform proposals within a compressed timeframe, with limited clarity on the preferred end-state, implementation roadmap, or central resourcing.
30. This approach effectively devolves both design and delivery risk to the local government sector, while retaining the ability for central government to intervene if outcomes are not achieved. As a result, there is a risk that reform progresses in an uncoordinated or uneven manner across regions, with potentially diffuse accountability for outcomes.
31. The absence of a clearly articulated long-term system design or transition strategy may increase the likelihood of suboptimal or inconsistent structural outcomes, particularly given concurrent reform pressures and capacity constraints across the sector. The framing of reform as locally led also provides limited flexibility in how progress and outcomes are attributed between central and local government.

### **Regional context – exposure, but also leadership opportunity**

32. Waikato sits at the intersection of these global and national pressures. At the same time, Waikato is one of New Zealand’s fastest-growing regions, facing ongoing housing, infrastructure and environmental pressures.
33. The region’s freight-intensive, land-based economy makes it particularly exposed to persistent fuel price increases. Diesel costs flow through agriculture, manufacturing, construction, public transport and emergency response. Even where services remain operational, sustained cost pressure reduces household resilience and narrows tolerance for additional financial burdens.
34. Central government’s increasing use of fast-track approvals signals urgency – but also compresses delivery timelines and raises coordination demands on regional systems.
35. Socially, Waikato reflects the national pattern identified by the Helen Clark Foundation: financial stress correlates strongly with lower trust and participation. In a region with strong

population growth, diverse communities and a high share of renters, how decisions are experienced matters as much as what decisions are made.

36. For Waikato Regional Council, the challenge is not crisis response, but governance under tighter system constraints. The opportunity is to:
- (a) Lead on long-term resilience, particularly around energy, transport and land use.
  - (b) Embed affordability and fairness consciously into decision-making, recognising their role in maintaining social licence.

### DEEP DIVES INTO STRATEGIC RISKS

37. Deep dives were conducted on four of the ten strategic risks since the last RAC meeting:
- (a) STRAT RISK 01 – Emergency Response;
  - (b) STRAT RISK 03 – Relationships; and
  - (c) STRAT RISK 08 – Fraud.
38. Details from the deep dives conducted can be found in the report below.

#### STRAT RISK 01 – Emergency Management

39. The risk description is
- (a) *There is a risk that Waikato Regional Council is unable to effectively respond to a critical event or situation due to staff not being adequately trained, operational systems not being fit for purpose or decision making not being as informed by the most recent and relevant data. Ultimately this could lead to a range of consequences including loss of life, damage to property and critical infrastructure.*
40. No change in risk rating is proposed since the last report.
41. Emergency Management<sup>1</sup> remains a material and escalating risk for Council, driven by repeated events, increasing response expectations, and structural gaps between response and recovery capability. While operational response arrangements are generally well established, sustained response capacity and recovery arrangements have not been tested creating ongoing resilience, workforce, and assurance risks.
42. Key themes emerging from this deep dive include capacity strain, fatigue, and BAU displacement following emergency events. Emergency activations consistently divert staff from core business activities, yet there are limited mechanisms to explicitly recognise, measure, or recover this lost capacity. This creates compounding backlogs, reduces organisational resilience between events, and obscures the true cost and impact of emergency response.
43. It is also noted that there is a need to define Council's framework for the recovery of services following emergencies. The current Emergency Management system, both nationally and within Council, is strongly oriented toward response, with recovery resourced as an implicit or ad-hoc activity. WRC currently has no formally trained recovery personnel, increasing reliance on already stretched response staff and heightening the risk of prolonged organisational and community impacts post-event.

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<sup>1</sup> For clarity and context this is reference to WRC only emergency responses and explicitly excludes reference to CDEM

44. The deep dive also examined the ambiguity within the wider organisation about the perceived lack of understanding about the range of Emergency Management functions Council is obliged to undertake. This ambiguity may be contributing to inefficiencies, unclear accountabilities, and pressure points during extended or concurrent events.
45. The deep dive noted that training alone does not equate to deployment readiness. While formal training requirements are met in many areas, practical readiness, role familiarity, mentoring, and team-based preparedness are inconsistent. This raises questions about the reliability and sustainability of emergency management capability under prolonged or overlapping events.
46. Finally, emerging legislative and system-level factors amplify these risks. Proposed national emergency management reforms may further increase expectations on regional councils without corresponding clarity on funding or mandate, reinforcing the need for Council to clearly articulate its risk appetite, minimum service expectations, and recovery thresholds.
47. Existing controls were considered effective. However, three new controls have been identified, to strengthen the mitigations available for this risk. These new controls are focused on:
  - (a) ensuring Council appropriately support staff wellbeing during an emergency event.
  - (b) ensuring communities are aware of the tools that support them with hazard information that can help them prepare for an emergency event
  - (c) defining Council's recovery framework to guide the timely restoration of services following emergencies.

### **STRAT RISK 03 – RELATIONSHIPS**

48. The risk description is
  - (a) *There is a risk that Waikato Regional Council does not effectively manage relationships with its communities and key stakeholders that may affect their trust and confidence in our ability to deliver on our services and commitments.*
49. No change to the inherent or residual risk ratings is proposed. While overall relationship management has improved, the operating environment continues to present elevated levels of uncertainty.
50. The deep dive identified ongoing and emerging external drivers influencing relationship risk, including political and legislative uncertainty, upcoming central government elections, and the future direction of local government reform. These factors create uncertainty for partners and stakeholders and may affect confidence in the continuity and long-term relevance of the Council.
51. Relationship risk continues to be uneven across stakeholder groups, with variability between directorates and consistently lower satisfaction reported by iwi and some scheme members, particularly in relation to deep engagement and early involvement in decision-making. This reinforces the importance of engaging affected parties earlier to build trust and co-design more durable solutions.
52. Resource management reform is expected to significantly change how Council works with Māori. The anticipated reduction in participation mechanisms creates a heightened risk to Māori relationships and links directly to STRAT RISK 10, requiring careful monitoring and coordination across intersecting strategic risks.




53. Capacity and resourcing pressures remain an ongoing risk driver, especially where community expectations may exceed realistic service delivery levels, particularly in regulatory and emergency response contexts, there is an increased risk of reputational harm and strained relationships.
54. Existing controls and mitigations are considered generally effective. One control has been updated to reflect ELT's continuing priority on effective stakeholder engagement, and another has been moved to a treatment plan to recognise the need to update the Stakeholder Relationship Strategy, so it aligns with the Council's new strategic direction and supports WRC's priorities.
55. Overall, relationship risk remains actively managed but sensitive to external change and capacity constraints.

#### **STRAT RISK 08 – Fraud**

56. The risk description is
  - (a) *There is a risk that Waikato Regional Council does not mitigate exposure to fraudulent activity that may result in financial loss or national negative multi-media coverage requiring significant additional work to repair stakeholder confidence.*
57. No change in the risk rating is proposed. The inherent fraud risk remains stable but persistent, requiring continued rigour rather than complacency.
58. Economic pressure continues to heighten fraud risk, particularly rising fuel and cost pressures that can increase personal financial stress and rationalisation risk. High trust and high engagement environments also create additional behavioural risk.
59. Procurement remains a key exposure area, particularly where budget managers are approving contracts and variations under time or delivery pressure. Continued emphasis is being placed on segregation of duties, scrutiny, and ongoing challenge before and after approvals.
60. Fraud sophistication is intensifying (including AI enabled and digital techniques), therefore fraud risk should be treated as a credible and ongoing risk, requiring preparedness, early detection, and active management rather than a reactive response. At the same time, AI presents an opportunity to enhance fraud detection through improved detection of unusual transactions and proactive monitoring.
61. Control effectiveness: Council has good systems and policies in place. The current focus is on embedding these controls in practice, strengthening fraud awareness, and supporting a culture in which staff feel able to escalate concerns early (including via protected disclosure channels).
62. Key detection controls include monthly reconciliations and exception-based reviews. Timely completion of these control mechanisms has been impacted by staff turnover, system knowledge gaps, and some unresolved system integration issues. These matters are being actively addressed, alongside continued review discipline.
63. System changes remain an elevated risk period if control effectiveness is not proactively tested pre and post deployment. A recent Infor upgrade highlighted the need for structured pre and post implementation access reviews, control validation, and ongoing monitoring to ensure system changes do not weaken the control environment.
64. Monitoring and next steps: Fraud risk is monitored and reported through the quarterly Risk and Assurance Report. Work underway includes the regularly scheduled review of the Fraud

Risk Management Framework and work programme, using Serious Fraud Office training tools and Audit Office guidance, incorporating real world NZ case studies, and implementing the plan for deep dives/pressure testing.

### Strategic risk summary

Risk ID / Title	Risk Description	Risk Appetite	Risk Owner	Residual Risk Ranking
STRAT 01 Emergency Response	There is a risk that Waikato Regional Council is unable to effectively respond to a critical event or situation due to staff not being adequately trained, operational systems not being fit for purpose or decision making not being as informed by the most recent and relevant data. Ultimately this could lead to a range of consequences including loss of life, damage to property and critical infrastructure.	Low	Greg Ryan	High (12) 
STRAT 02 Legislative Compliance	There is a risk that Waikato Regional Council does not remain compliant with local, regional and national law and regulation, that may result in a breach, damage to reputation and potential financial penalties and/or civil and criminal liability. Legislative compliance is not a static area, and therefore the council must keep pace with the changing regulatory environment to ensure that the organisation is positioned to adapt to new and emerging changes in regulation.	Low	Janine Becker	Medium (6) 
STRAT 03 Relationships	There is a risk that Waikato Regional Council does not effectively manage relationships with its communities and key stakeholders that may affect their trust and confidence in our ability to deliver on our services and commitments.	Medium	Mali Ahipene (iwi) Karen Bennett (Strategic)	High (12) 
STRAT 04 People, Capacity, Capability and Culture	There is a risk that Waikato Regional Council does not enable a constructive organisational culture that may result in poor staff attraction, retention, engagement, and performance. This will in turn mean that we are not able to deliver on our strategic priorities and	Low	Stuart Brown	Medium (9)

	goals as we will not have the capacity, skillset, or relationships to effectively engage with communities, iwi partners and our key stakeholders.			
STRAT 05 Health and Safety	There is a risk that Waikato Regional Council does not provide a safe and healthy work environment for workers, visitors and people affected by our work with the results that workers may be harmed.	Low	Stuart Brown	Medium (9) 
STRAT 06 Information Technology	There is a risk that Waikato Regional Council does not innovate and invest enough in information and technology capabilities and solutions. This may compromise our ability to deliver our services, conduct our business activities, and lead to further impacts to our ability to support our communities in times of crises.	Medium	John Crane	High (12) 
STRAT 07 Financial Sustainability	There is a risk that WRC is unable to plan, attract and effectively allocate sufficient funding to deliver on its strategic objectives. This can then lead to failing to achieve social outcomes for our communities, effectively forecast for organisational growth as well as maintain and build new infrastructure that will support the longevity of the council through times of economic and environmental change.	Medium	Janine Becker	Medium (9) 
STRAT 08 Fraud	There is a risk that Waikato Regional Council does not mitigate exposure to fraudulent activity that may result in financial loss or national negative multi-media coverage requiring significant additional work to repair stakeholder confidence.	Low	Janine Becker	Medium (6) 






<p>STRAT 09 Climate Change</p>	<p>There is a risk that Waikato Regional Council does not appropriately consider the impact of climate change in its planning and decision making processes for infrastructure, organisational business, policies and service delivery, that may result in long term financial and social costs for communities, iwi partners and stakeholders. This can lead to legislative impacts as well as reputational impacts which can impact our social license to operate.</p>	<p>Medium</p>	<p>Karen Bennett</p>	<p>High (12)</p> 
<p>STRAT 10 Giving Effect to Te Tiriti o Waitangi</p>	<p>There is a risk that the Council does not give effect to Te Tiriti o Waitangi, its principles (partnership, participation, and protection), and associated legislative obligations, which therefore fails to build and sustain partnerships with Iwi/Mana Whenua. This includes the risk that WRC does not adequately develop its capability and capacity to collaborate with Mana Whenua and Iwi. With The failure to do so means meaning that Council will not meet its legislative and statutory obligations, or develop the ability to operate and deliver key projects with Iwi and Mana Whenua organisations.</p>	<p>Medium</p>	<p>Mali Ahipene</p>	<p>Medium (8)</p> 

Table 1: Risk ranking evaluation matrix

Consequence → Likelihood ↓	Immaterial (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Rare (1)	1 Low	2 Low	3 Low	4 Medium	5 Medium
Unlikely (2)	2 Low	4 Medium	6 Medium	8 Medium	10 High
Possible (3)	3 Low	6 Medium	9 Medium	12 High	15 High
Likely (4)	4 Medium	8 Medium	12 High	16 High	20 Critical
Almost Certain (5)	5 Medium	10 High	15 High	20 Critical	25 Critical

Indicator	Description
	No change to residual risk ranking.
	Residual risk ranking has increased.
	Residual risk ranking has decreased.

**WHAKAKAPINGA | CONCLUSION**

- 65. This report updates the Risk and Assurance Committee on council’s risk management activities.

**ĀPITIHANGA | ATTACHMENTS**

1. STRAT RISK 01 - Emergency Response - Risk Register #32875320 [↓](#)
2. STRAT RISK 02 - Legal Compliance - Risk Register #32876512 [↓](#)
3. STRAT RISK 03 - Relationships - Risk Register #32876096 [↓](#)
4. STRAT RISK 04 - People, Capability, Capability and Culture - Risk Register #32877115 [↓](#)
5. STRAT RISK 05 - Health and Safety - Risk Register #32876229 [↓](#)
6. STRAT RISK 06 - Information Technology - Risk Register #32878401 [↓](#)
7. STRAT RISK 07 - Financial Sustainability - Risk Register #32876233 [↓](#)
8. STRAT RISK 08 - Fraud - Risk Register #32877701 [↓](#)
9. STRAT RISK 09 - Climate Change - Risk Register #32878109 [↓](#)
10. STRAT RISK 10 - Giving Effect to Te Tiriti o Waitangi - Risk Register #32922956 [↓](#)

<b>STRAT 01 - Emergency Response</b>					
<b>Risk Description</b>					
There is a risk that Waikato Regional Council is unable to effectively respond to a critical event or situation due to staff not being adequately trained, operational systems not being fit for purpose or decision making not being as informed by the most recent and relevant data. Ultimately this could lead to a range of consequences including loss of life, damage to property and critical infrastructure.					
<b>Risk Appetite Statement</b>					
The council places great importance on being responsive to the needs of our communities, with a focus on prioritising the safety and well-being of our people, communities, and stakeholders. Council acknowledges the need to work with others, and acknowledges that, in some emergency response situations, Council will not be the lead agency – requiring clear co-ordination and communication in relation to roles and responsibilities					
To achieve this goal, we maintain a "Low" risk appetite for emergency response, which reflects our commitment to minimising the impact of emergency situations. Our aim is to implement and maintain effective response plans that not only keeps our communities safe but also well-informed during critical times. We will be response ready and capable at all times.					
<b>Risk Owner</b>	Greg Ryan	<b>Risk types</b>	Health and Safety, Environmental, Financial, Reputation, Infrastructure and Assets, Service Delivery, Culture.	<b>Risk Appetite</b>	<b>LOW</b>
<b>Inherent risk rating</b>			<b>Critical - Almost Certain x Catastrophic</b>		
<b>Existing controls</b>					
1. <u>WRC maintains an appropriately trained and capable workforce to support its emergency response obligations, including CDEM surge staff, Marine Oil Spill, and flood response. All staff must complete the Foundation Emergency Management Training (EMT) course with options for undertaking advanced EMT courses.</u>					
2. <u>WRC manages staff wellbeing during emergency responses by monitoring fatigue and workload, enforcing shift and rest requirements, providing access to welfare support, and reviewing compliance through post-incident debriefs</u>					
3. <u>WRC's -Emergency Response Framework –for supports organisational readiness to in- minimising risks to people, property, livestock, environment, staff &amp; infrastructure during an emergency response.</u>					
4. <u>WRC uses LTP and Annual Planning processes to consider whether emergency management is fit-for-purpose. Planning processes including LTP and annual budgets to review structure and capacity of teams with EM functions.</u>					
45. <u>WRC maintains emergency response readiness through regular in-house and inter-agency exercises, with lessons learned captured and addressed to continuously improve response capability. Regular exercising of EM through participation in house exercises, inter agency/authority exercises, and collaboration during events.</u>					
65. <u>WRC provides and maintains emergency management tools that deliver current hazard information to communities and stakeholders to support risk reduction and emergency readiness. EM tools to provide hazard information to communities that will assist in reducing risks and increase readiness.</u>					
7. <u>WRC promotes awareness and understanding of its emergency management tools to communities and stakeholders through planned communication and engagement activities to support emergency readiness.</u>					
86. <u>WRC uses its ERF, BCPs, and ESRPs to support business continuity and timely recovery of essential services during emergencies. The Emergency Response Framework (ERF) alongside Business Continuity</u>					

Plans (BCPs) and Essential Service Response Plans (ESRPs) provide a framework to continue the delivery of essential services within an acceptable time frame.	
79. WRC maintains (both equipment and staff) marine oil spill response readiness through planned training, tabletop and field exercises, and practical deployments, with lessons learned used to strengthen capability. Marine oil spill EM training and desktop exercises and practical deployments.	
8. Harbour Safety Plan – safe practices for water activities in waterways, to protect users & maintain navigational safety.	
10. WRC conducts structured after-action debriefs and reports, with lessons learned actively tracked and implemented to drive continuous improvement in emergency response capability. 9. EMO conducts after action debriefs and generates reports for continuous improvement and learning.	
11. WRC develops a Recovery Framework to guide coordinated recovery activities and the timely restoration of services following emergencies.	
12. WRC will develop arrangements for the establishment of a dedicated Emergency Management operations area with reliable communications to support coordinated emergency response. 10. WRC is working to develop an allocated area for emergency management responses with adequate communications.	
<b>Residual risk rating</b>	<b>High - Possible x Major</b>
<b>Risk treatment option</b>	<b>Mitigate</b>

Interconnectedness										
Connected Risk	STRAT 1	STRAT 2	STRAT 3	STRAT 4	STRAT 5	STRAT 6	STRAT 7	STRAT 8	STRAT 9	STRAT 10
Upstream / Emitters				x	x		x		x	
Downstream / Receivers			x	x	x		x			x

Treatment plan	June 2026 Update	Responsible person(s)
Business Continuity/Emergency Response Review (BC/ER) The KPMG BC/ER review work programme will: <ul style="list-style-type: none"> <li>Plan for organisation-wide table-top exercises</li> <li>Enhance documentation</li> <li>Develop Business Impact Analysis processes</li> <li>Address training gaps</li> </ul>	The Strategic Risk Adviser is currently undertaking a Business Impact Analysis by reviewing existing Essential Service Response Plans.  The Strategic Risk Adviser and EMO will investigate the options for a table-top exercise. Following this training gaps will be analysed and a plan to address them will be developed.	Customer and Corporate Services, People and Capability, Emergency Management Office
Emergency Management training records consolidation and visibility	EMO maintain an up-to-date spreadsheet which records WRC’s emergency management training. Further work is required to integrate this into Council’s	Emergency Management office and

	organisational-wide training records (Infor).	People and Capability
Review of Emergency Operations Centre (EOC) requirements and establishment arrangements	A needs assessment is planned to be undertaken by July 2026.	Emergency Management office
Partner with People & Capability to embed Emergency Management Training (EMT) for existing staff and ensure both core and entourage staff complete regular, structured refresher training.	This is a new control an update on this will be given at the September committee meeting.	EMO & P&C
Develop and implement a standardised framework for on-call rates, duty allowances, and reimbursement arrangements to support the effective activation of emergency management functions.	This is a new control an update on this will be given at the September committee meeting.	P&C
Collaborate with People & Capability to establish a sustainable, organisation-wide approach for allocating Incident Management Team (IMT) roles and responsibilities, including a clear and efficient process for mobilising cross-organisational resources to stand up an IMT.	This is a new control an update on this will be given at the September committee meeting.	Director ICM & P&C
Develop and implement a comprehensive Recovery Framework to guide coordinated post-emergency recovery activities and enable the timely, effective restoration of critical services across WRC.	This is a new control an update on this will be given at the September committee meeting.	ICM Planning and Support

STRAT 02 – Legal Compliance					
<b>Risk Description</b>					
There is a risk that Waikato Regional Council does not remain compliant with local, regional and national law and regulation, that may result in a breach, damage to reputation and potential financial penalties and/or civil and criminal liability. Legislative compliance is not a static area, and therefore the council must keep pace with the changing regulatory environment to ensure that the organisation is positioned to adapt to new and emerging changes in regulation.					
<b>Risk Appetite Description</b>					
At Waikato Regional Council, we are committed to upholding the highest standards of legal and regulatory compliance. We do acknowledge that there are varying levels of inherent risk associated with the current market environment. Therefore, our "Low" risk appetite acknowledges the current level of uncertainty surrounding the potential for future regulation. Balancing that, we will remain proactive in ensuring that our organisation continues to meet all of our legislative requirements while navigating this time of regulatory change.					
<b>Risk Owner</b>	Janine Becker	<b>Risk types</b>	Legislative, Financial, Reputation, Service Delivery	<b>Risk Appetite</b>	<b>LOW</b>

<b>Inherent risk rating</b>	<b>High - Likely x Major</b>
<b>Existing controls</b>	
1. Staff and Councillor training including training modules available to staff on top 10 legislation with the highest risk to WRC's objectives and plans.	
2. External stakeholder engagement through iwi partnerships and Public consultation processes.	
3. Policies and procedures (e.g., Legislative Compliance Framework, Councillor Code of Conduct, WRC Conflict of Interest Policy - RUD etc).	
4. Utilising Subject matters experts through the decision-making process or to provide expert guidance to decision makers (i.e. Internal legal team, SME groups (e.g., Risk Forum, Cross-council forums)).	
5. Training and support to staff as the changes in legislation come into effect and understanding how this impacts their roles.	
6. Legal services team determine if external legal advice should be sought, using the policy on Seeking External Legal Advice.	
7. ComplyWatch - notifies amendments to legislation relevant to WRC operations.	
8. ComplyWith - Risk and Assurance Committee receives and update on the ComplyWith survey results in March and September and in June and December on corrective actions reporting. Legal Services Team proactively identify coaching and training opportunities.	
9. Analysis of legislative breaches common to Regional Councils to mitigate future breaches.	
10. Additional oversight through the 'Local Government (Pecuniary Interests Register) Amendment Act 2022'.	
<b>Residual risk rating</b>	<b>Medium – Unlikely x Moderate</b>
<b>Risk treatment option</b>	<b>Mitigate</b>

Interconnectedness										
Connected Risk	STRAT 1	STRAT 2	STRAT 3	STRAT 4	STRAT 5	STRAT 6	STRAT 7	STRAT 8	STRAT 9	STRAT 10
Upstream / Emitters				x		x			x	
Downstream / Receivers			x						x	x

Treatment plan	May 2026 Progress Update	Responsible person(s)
WRC is actively engaging with legislative changes through submissions on the suggested changes to legislation.	See update provided in the Risk Update Report	SPI
Inclusion of benchmarking information into future ComplyWith reports to provide context to WRC's performance (survey completion and compliance rates). Trend information on WRC's own performance to be included in for future reports	ComplyWith survey reports to ELT and RAC continue as normal (completions, compliance issues, and Legal action plans), with the next report going to the September RAC meeting; benchmarking will be added to the September report.	Customer and Corporate Services

<b>STRAT 03 – Relationships</b>					
<b>Risk Description</b>					
There is a risk that Waikato Regional Council does not effectively manage relationships with its communities and key stakeholders that may affect their trust and confidence in our ability to deliver on our services and commitments.					
<b>Risk Appetite Description</b>					
Waikato regional council recognises the importance of establishing and upholding our positive relationships with our communities, business partners and central government. Our "Medium" risk appetite acknowledges that there is increased levels of inherent risk in the current environment with regulatory uncertainty, extreme weather events and the worsening of global economic conditions. This appetite level also captures that these market pressures also apply to our stakeholders, and therefore, what is most important to them as well their expectations of the council, will differ depending on their immediate and short term needs. Accordingly, we will do our utmost to remain proactive in responding to the needs of all of our key stakeholders while accepting that the current settings of complexity will need to be navigated alongside us achieving our strategic objectives.					
<b>Risk Owner</b>	Mali Ahipene (iwi)  Karen Bennett (strategy)	<b>Risk types</b>	Reputation, Financial, Service Delivery, Cultural	<b>Risk Appetite</b>	<b>MEDIUM</b>

<b>Inherent risk rating</b>	<b>High - Likely x Major</b>
<b>Existing controls</b>	
1. <del>Weekly executive oversight of strategic opportunities and risks, which includes stakeholder relationships, at the weekly ELT meeting; Stakeholder Relationship Strategy – developing mutually beneficial relationships with stakeholders.</del>	
2. <u>Significance and Engagement Policy</u> - ensures council engages effectively with the Waikato region’s diverse communities.	
3. Partnership Framework defines each partner’s roles and responsibilities, backed by specific plans and agreements.	
4. <del>Council supports effective and consistent engagement through recognised frameworks (e.g. IAP2), organisation-wide engagement guidance, and customer interaction systems (e.g. IRIS) to appropriately engage stakeholders, customers, and partners.</del> <u>4. Engagement Support – Frameworks (e.g. IAP2); customer interaction systems and education hub (e.g. IRIS, Customer Hub).</u>	
5. <del>Stakeholder and customer interactions are recorded and managed through corporate systems, including IRIS for engagement and transactional interactions, and Infor for financial and ratepayer data.</del> <u>Capturing stakeholder/customer interactions – IRIS system (transactional interaction), Infor (financial/rate payers).</u>	
6. Māori Partnerships Approach identifies and sets out actions with a focus on improving partnership.	
7. Māori Engagement Framework enhances staff’s cultural proficiency & understanding of Māori engagement.	
8. Guidelines and Tools provide staff with guidance on various aspects of working with iwi or Māori.	
9. Iwi Relationships Forum is a six-weekly forum for staff to discuss current & upcoming engagements with iwi.	
10. Cultural Competency Framework & Evaluation covers 5 different areas of Māori cultural competency.	
11. Early integration with the communication team to manage community perception	
12. Review policies to moderate and review social media posts	

**13. Operational forums that support Joint Management committees**

<b>Residual risk rating</b>	<b>High - Possible x Major</b>
<b>Risk treatment option</b>	<b>Mitigate</b>

Interconnectedness										
Connected Risk	STRAT 1	STRAT 2	STRAT 3	STRAT 4	STRAT 5	STRAT 6	STRAT 7	STRAT 8	STRAT 9	STRAT 10
Upstream / Emitters		x		x	x		x	x	x	x
Downstream / Receivers				x						x

Treatment plan	May 2026 Update	Responsible person(s)
Te Puawaitanga Māori Engagement Maturity Assessment review by KPMG assessed Councils current cultural capability and provided recommendations to improve Councils ability to respond to matters of relevance to Māori. A work programme has been developed over the next 3 to 4 years.	Of the 17 actions remaining for delivery, a further two have now been completed. Eight actions are currently in progress. The remaining seven actions are yet to commence and will be progressed as capacity and resourcing allow.	Tai-ranga-whenua
Iwi stakeholder NPS survey approved to gather stakeholder feedback	Results to date show an overall score of 90.9, well above the target threshold, with feedback generally positive and the majority of respondents rating engagement, communication, and service very highly. However, overall participation in the survey remains low, indicating the need for adjustments to improve customer uptake and support sustained effectiveness over time.	Tai-ranga-whenua
Social Media policy under development to manage social media posts	The updated policy is in place and being followed.	Customer, Community and Services
<u>Update the Stakeholder Relationship Strategy</u>	<u>Following the adoption of the Council's new strategic direction, an update of WRC's Stakeholder Relationship Strategy has been initiated, with a work programme currently in development.</u>	<u>Chief Executives Office</u>

STRAT 04 - People, Capacity, Capability and Culture					
<b>Risk Description</b>					
There is a risk that Waikato Regional Council does not enable a constructive organisational culture that may result in poor staff attraction, retention, engagement, and performance. This will in turn mean that we are not able to deliver on our strategic priorities and goals as we will not have the capacity, skillset, or relationships to effectively engage with communities, iwi partners and our key stakeholders.					
<b>Risk Appetite Description</b>					
The wellbeing of our people is central to the core of our purpose. We have a "Low" risk appetite to failing to create an organisation and culture that does not attract, retain, support and therefore create a positive working environment that complements our strategic direction. Our culture that we wish to cultivate will promote safe practice, encourage open and honest communication as well as prioritise investment into our people, so that we have both the technical and cultural skills required to continually support the achievement of our strategic objectives.					
<b>Risk Owner</b>	Stuart Brown	<b>Risk types</b>	Service Delivery, Financial, Reputation, Environmental.	<b>Risk Appetite</b>	<b>Low</b>

<b>Inherent risk rating</b>	<b>High - Likely x Major</b>
<b>Existing controls</b>	
<b>1. Organisational Culture Programmes</b> Investing in a culture of performance is a core strategic focus area, with dedicated programmes and measures (e.g., Te Ara Tupu) to foster a constructive, values-driven organisational culture that supports staff attraction, engagement, and performance.	
<b>2. Governance and Reporting Structures</b> Clear governance structures ensure that organisational culture and people-related risks are reported to Council via established committees and leadership forums, supporting transparency and accountability.	
<b>3. Health, Safety and Wellbeing Oversight</b> Regular health, safety, and wellbeing reporting to Council provides oversight of workplace safety, supports continuous improvement, and aligns with our commitment to prioritising staff wellbeing.	
<b>4. Leadership Development and Strategic Initiatives</b> Ongoing leadership development and various strategically aligned initiatives underpin a high-performing, inclusive culture, equipping leaders to champion our values and strategic priorities.	
<b>5. Goal Setting and Performance Alignment</b> Staff goal setting is embedded across all levels, aligning individual objectives with organisational strategy and culture, and supporting performance and development.	
<b>6. Employee Experience Measures and Monitoring</b> Employee experience measures, such as regular pulse surveys, culture and/or engagement surveys, are used to capture staff feedback on workload, engagement, wellbeing, and safety. The effectiveness of our people strategy and risk controls is regularly monitored and reviewed using key performance indicators and feedback mechanisms. Insights from these measures inform targeted actions and drive continuous improvement and a constructive culture.	
<b>7. Staff Engagement and Wellbeing Forums</b> Staff engagement forums and wellbeing initiatives (e.g., Wellbeing Team, EAP, Unions, H&S Reps, My Everyday Wellbeing, Good Yarns) foster open communication, support, and collaboration.	
<b>8. Employment Policies and Legislative Compliance</b> Comprehensive employment policies, underpinned by our People Strategy, support fair, inclusive, and safe working conditions, including flexible working arrangements, in line with New Zealand employment law and local government legislation. These policies underpin our strategic and regulatory obligations as a good employer.	
<b>9. Employee Value Proposition, Benefits and Remuneration</b> Our Employee Value Proposition (EVP), including benefits and remuneration policies, is regularly reviewed to ensure it remains competitive (yet affordable), inclusive, and responsive to the diverse needs of our staff. These offerings are designed to attract and retain talent, support wellbeing, and align with our organisational values and strategic direction.	
<b>10. People Strategy Review</b>	

<p>Our People Strategy is reviewed every four years, taking into account environmental scanning, external factors, and thorough involvement and input from staff. This process ensures our strategy remains relevant and responsive to what matters most across the employee lifecycle.</p>	
<p><b>11. Provision of Core HR, Health &amp; Safety, and L&amp;D Services</b>                  To ensure efficient use of limited P&amp;C resources, consideration should be given to making core HR, Health &amp; Safety, and Learning &amp; Development training mandatory for managers. Comprehensive support for staff and managers remains essential for business-as-usual activities—including recruitment, onboarding, performance management, employment relations, organisational change, wellbeing, professional development, and compliance—enabling delivery of organisational priorities</p>	
<p><b>12. Strategic Workforce Planning, Knowledge Management, and Succession (Development focus)</b>                  We recognise the importance of strategic workforce planning, structured knowledge management, and succession planning to ensure the organisation is equipped for current and future priorities. While these processes are currently in early stages or ad hoc, developing robust frameworks for talent pipelines, succession, and knowledge transfer is a key focus in our People Strategy over the next two to four years. In the interim, our Learning &amp; Development strategy prioritises building capability, particularly in leadership, change management, and critical skills.</p>	
<p><b>13. Change Resilience and Adaptability</b>                  Change management programmes and resources support staff and leaders to build resilience and adaptability in response to ongoing legislative, political, demographic, and environmental changes. These initiatives foster a culture of agility and continuous learning.</p>	
<p><b>14. Diversity, Equity, Inclusion, and Belonging (DEIB) Commitment and Development</b>                  We are committed to fostering a diverse, equitable, and inclusive workplace where all staff feel a sense of belonging. We have a DEIB policy in place and are actively working towards developing a comprehensive DEIB strategy as a key strategic initiative, with ongoing consultation and involvement from staff.</p>	
<p><b>15. Māori Employment Strategy Commitment and Implementation</b>                  We are committed to improving Māori employment outcomes through the implementation of He Whare Taumatua – Our Māori Employment Strategy. This includes increasing Māori representation, valuing Māori expertise, fostering a culturally responsive environment, and strengthening partnerships with tangata whenua and Māori education providers. Progress is monitored through dedicated KPIs, annual reporting, and ongoing engagement with kaimahi Māori and stakeholders to ensure our workforce reflects the communities we serve and upholds Te Tiriti o Waitangi principles.</p>	
<b>Residual risk rating</b>	<b>Medium - Possible x Moderate</b>
<b>Risk treatment option</b>	<b>Mitigate</b>

Interconnectedness										
Connected Risk	STRAT 1	STRAT 2	STRAT 3	STRAT 4	STRAT 5	STRAT 6	STRAT 7	STRAT 8	STRAT 9	STRAT 10
Upstream / Emitters		x	x		x	x		x	x	x
Downstream / Receivers	x	x	x		x	x		x	x	

Treatment plan	May 2026 Progress Update	Responsible person(s)
People Strategy 2025-2029 He Manawa Tangata	Delivery of the People Strategy remains on track, with the majority of initiatives progressing well and embedded into operational planning. Work continues to be deliberately sequenced to balance strategic delivery with ongoing BAU demand, ensuring sustainable implementation and risk management. The strategy is actively informing aligned programmes across capability, culture, and systems. Update paper was presented to CERRC in April.	Executive Leadership Team supported by People and Capability.

<p>CE KPI #4: ELT to focus on 3 key areas to improve culture which will drive performance. Three key areas identified (Leadership, Vision and, Trusting and Empowering)</p> <p>Investing in a culture of performance – Refresh our Culture Programme,</p>	<p>Work is progressing to reframe and strengthen the organisation’s culture programme, aligning leadership, engagement, and performance. This includes integration with leadership development, performance frameworks, and employee experience measures to ensure a more measurable and outcomes-focused approach to culture uplift.</p>	<p>Executive Leadership Team</p>
<p>Being future ready - Lead through Change and Transformation. Support change leadership.</p>	<p>Change leadership capability continues to build, with over 80% of people leaders having completed Navigating Change programmes. The individual contributor stream is progressing, with refinements underway to improve quality and embed capability. Supporting guidance has also been developed to enable a more consistent organisational approach to change that impacted employee roles.</p>	<p>People and Capability</p>
<p>Pulse Survey/Employee Engagement Measures</p> <p>Investing in a culture of performance – Track what matters. Employee Experience Measures Review</p>	<p>The Employee Experience Measures RFP process has been completed and is now with the Contract Manager (CIO) for next steps. A baseline engagement survey is planned for delivery either by the end of the financial year or early in the new financial year (July), supported by a comprehensive communication and engagement plan. This will strengthen organisational insight and support improved action planning and accountability.</p> <p>Workforce analytics uplift is progressing, including assessment of Birst capability to support more centralised, timely reporting and improved decision-making.</p>	<p>People and Capability</p>
<p>Setting people up for success – Capability through learning. Leadership Development Program Review</p>	<p>The Leadership Development Programme procurement process has been completed, with a preferred supplier presented to ELT/Tenders Board and approved in principle. Reference checks have been completed, with final budget detail being shared with ELT. Subject to final approvals, the programme will move into contract formation and design, supporting delivery of a refreshed and strategically aligned leadership capability framework.</p>	<p>People and Capability</p>
<p>Being and employer of choice – Recruitment excellence. Enhance recruitment experience. EVP enhancement where practicable.</p>	<p>Recruitment process and system optimisation continue through the Recruitment Excellence project, aligned to the Infor consolidation programme. Progress includes exploring improved system functionality, clearer processes, and stronger integration of the Employee Value Proposition (EVP) and Māori Employment Strategy into recruitment practices. Part of this project will include the development of a Management Essentials module for manager capability uplift in Recruitment.</p> <p>It is noted for context that Recruitment demand remains elevated (111 appointments since 1 July 2025) and time-to-fill continues to exceed benchmark levels, reinforcing ongoing capacity risk despite process and system improvements underway.</p> <p>ELT has approved an enhancement to annual leave provisions, moving to 25 days annual leave and removing personal days (balance of leave is the same but should result in improved consistency and process efficiency). This change has been agreed with two unions (ASG and AWUNZ), with engagement ongoing with PSA. Consultation with Individual Employment Agreement (IEA) staff is scheduled to commence in June. This supports WRC’s positioning as an employer of choice and strengthens attraction and retention settings.</p>	<p>People and Capability</p>

Beng an employer of choice – Culture of advocacy. Improve exit feedback.	Exit feedback processes remain in place, with further enhancement planned following implementation of the new employee experience measurement platform. This will enable more consistent, organisation-wide insights to inform retention and culture initiatives.	People and Capability
Setting people up for success – Deliver robust onboarding. Onboarding review.	Onboarding improvements are progressing, with a focus on delivering a consistent and system-enabled/optimised experience aligned to the Infor programme. Work includes process redesign, system configuration, and development of supporting tools and manager guidance.	People and Capability
Investing in a culture of performance – Strength performance foundations. Performance Management Capability build.	<p>Performance management frameworks and supporting materials have been refreshed and approved. The Management Essentials: Performance Management at WRC programme is now being rolled out, with ELT mandating attendance for all people leaders. The first sessions are scheduled for late May, supporting increased manager capability and consistency in performance and employment relations practices. P&amp;C continues to support managers with many formal and informal performance management and employee relations cases.</p> <p>It is noted for context that employee relations and performance activity remains elevated (48 cases managed since 1 July 2025, including eight actively managed exits), reinforcing the need for consistent performance foundations and manager capability uplift.</p>	People and Capability
Prioritising health, safety and wellbeing – shape workplace health and safety to harness the full potential of our people	<p>Implementation of the Health and Safety Management System (HSMS) continues to progress well, with a focus on lifting leadership capability, strengthening assurance activity, and embedding consistent practices. Increased leadership visibility and improved alignment between risk and assurance processes are evident.</p> <p>Development of a psychosocial risk management standard is being scoped, including confirmation of resourcing requirements (indicatively 0.2 FTE over 12 months), to strengthen organisational prevention and assurance.</p>	People and Capability
Continuous Improvement and BAU Initiatives (2025–2026):	<p>BAU demand remains elevated across recruitment, employment relations, and organisational change support. This continues to be actively managed alongside delivery of strategic initiatives, with a focus on maintaining service quality while progressing key improvements.</p> <p>Several strategic delivery elements remain dependent on Infor consolidation milestones (and resources); sequencing is being actively managed to reduce delivery risk and ensure sustainable embedment.</p>	People and Capability

STRAT 05 – Health and Safety					
<b>Risk Description</b>					
There is a risk that Waikato Regional Council does not provide a safe and healthy work environment for workers, visitors and people affected by our work with the results that workers may be harmed.					
<b>Risk Appetite Description</b>					
The Council is committed to ensuring that the safety of all our people is held to the highest standard. This is representative in our risk appetite of "Low", that reflects our drive to ensure that our people’s working environments are therefore aligned to effective health and safety standards, adequate security, up to date information systems, and well-resourced staffing levels that support effective workplace processes and practices.					
<b>Risk Owner</b>	Stuart Brown	<b>Risk types</b>	Health and Safety, Financial, Legislative, Reputation, Environmental.	<b>Risk Appetite</b>	<b>LOW</b>

<b>Inherent risk rating</b>	<b>Critical - Almost Certain x Catastrophic</b>
<b>Existing controls</b>	
1. Monitoring and reporting of Health and Safety information, risks, incidents, and trends to Council and ELT.	
2. People & Capability 5-year People Strategy (2025/29), Health and Safety Strategy (2025/2029) and associated Operational Plan identifies emerging risks & workstreams to be implemented during this period.	
3. Health, Safety and Wellbeing Policy (HSW) outlines Council’s commitments, of which three are key: striving to build and develop an exemplary supportive culture; senior managers making health and safety integral to everything we do; ensuring our people go home safe and well each day.	
4. Health and Safety Management System (HSMS) is a standard and guidance to staff to identify risk, defines minimum standards, and procedures & practices expectations for managing organisational risk and worker safety.	
5. Health and Safety (HS) Training: an annual training needs analysis is completed to ensure that training delivered through the Corporate Calander is relevant and meet compliance requirements. Managers and staff agree on HS Goals during onboarding and enter these into Infor Global HR.	
6. Te Ara Tupu provides a mechanism for reporting on HSW measures gathered through staff survey’s.	
7. HS incident Management System (DAMSTRA) captures all staff events, investigations, and provides statistical data, to inform Executive Leadership Team (ELT), Council, Risk and Assurance Committee, risk reviews and other decision-making groups.	
8. HS Critical Risks are identified, reviewed and updated, and update information that feeds into Directorate Risk Register reviews. Day-to-day operational risk management is managed by the Directorates, as they manifest within their work context.	
9. The HSMS defines the assurance programme requirements, and results of audits, assessment reviews and inspections are captured in ‘Vault App’ in Damstra and learnings and insights are reported to various committees and forums.	
10. Worker engagement, participation and consultation are of high importance. There is an Employee Participation Agreement between Council, employee and their representative. This document sets how Council will undertake these commitments.	
<b>Residual risk rating</b>	<b>Medium - Possible x Moderate</b>
<b>Risk treatment option</b>	Mitigate

Interconnectedness										
Connected Risk	STRAT 1	STRAT 2	STRAT 3	STRAT 4	STRAT 5	STRAT 6	STRAT 7	STRAT 8	STRAT 9	STRAT 10
Upstream / Emitters				x						
Downstream / Receivers	x		x	x						x

Treatment plan	May 2026 Progress Update	Responsible person(s)
<p>Review of the 6 critical health and safety risks.</p> <ul style="list-style-type: none"> <li>-Working in and around water</li> <li>-Vehicle crashes</li> <li>-Threats, aggression, and violence against staff</li> <li>-Geothermal areas</li> <li>-Contractor Management</li> <li>-Struck by moving plant / equipment</li> </ul>	<p>The six critical health and safety risks continue to be reviewed annually as a business-as-usual activity led by the Health and Safety team, with input from subject matter experts and Health and Safety Representatives. Reviews are conducted with subject matter experts and Health and Safety Representatives, with a new senior leadership walkaround introduced in March 2026 to focus on critical risk controls and strengthening assurance. Findings and recommended actions are formally reported to ELT for endorsement.</p> <p>Two-yearly reviews of common health and safety risks are continuing across Directorates. Outcomes are reflected in updates to the Damstra system and Directorate risk registers through established risk review processes, supporting system integrity and consistency.</p>	People and Capability
<p>Health and Safety Management System (HSMS) presentations</p> <p>Face-to-face workshops, educating senior and middle managers on their roles and responsibilities in key health and safety standards.</p>	<p>Face-to-face HSMS workshops continue to build senior and middle manager understanding of their health and safety roles and responsibilities. The current education programme will continue through November 2026 and then, will be incorporated into new manager education models from 2027, supporting sustained system maturity.</p>	People and Capability
<p>Safe plus Assessment - The assessment objectives are to: (1) Assess WRC's level of health and safety performance against the SafePlus Performance Requirements, (2) Consider WRC's business's strengths and areas of improvement concerning 3 key health and safety deep dive risks, (3) Provide WRC with good practice guidance and advice and (4) Good proactive performance improvement recommendations.</p>	<p>The SafePlus assessment provided independent assurance on WRC's health and safety performance, including deep dives into key risks and practical improvement recommendations. Implementation of recommendations is progressing well, with several actions achieved ahead of planned timeframes and progress reported through the Internal Audit Actions report.</p>	People and Capability
<p>Health Safety and Wellbeing due diligence for Executive Leadership Team and Councillors.</p>	<p>Health, Safety and Wellbeing Governance Plan (due diligence) activities for the Executive Leadership Team remain in place. Leadership walkarounds at Tiers 1, 2, and 3 continue to provide visible assurance and are tracked through the Vault Application, with ongoing reporting to ELT and Council.</p> <p>The Health, Safety and Wellbeing Governance Plan has been updated, with a summary of the reviewed process provided to Council. The plan is currently with the Chief Executive for review and discussion with the Council Chair prior to formal sign-off by the end of May 2026.</p>	People and Capability

STRAT 06 – Information Technology					
<b>Risk Description</b>					
There is a risk that Waikato Regional Council does not innovate and invest enough in information and technology capabilities and solutions. This may compromise our ability to deliver our services, conduct our business activities, and lead to further impacts to our ability to support our communities in times of crises.					
<b>Risk Appetite Description</b>					
At the Waikato Regional Council we recognise the critical nature of information technology (IT) systems and their importance to our businesses operations, service delivery, communication channels and therefore overall capability of our business. We also understand the inherent and increasing risks and vulnerabilities that IT poses to any organisation. Accordingly, these two factors result in our “Medium” risk appetite in this area.					
<b>Risk Owner</b>	John Crane	<b>Risk types</b>	Service Delivery, Financial, Reputation, Infrastructure and Assets, Legislative, Environmental.	<b>Risk Appetite</b>	<b>Medium</b>

<b>Inherent risk rating</b>	<b>Critical - Almost Certain x Catastrophic</b>
<b>Existing controls</b>	
1. IS Strategic Direction and Guiding Principles sets direction for technology investments and decision making for a 3-4 year period. These principles also provide the framework for controlling information and technology related risks.	
2. IS Lead Team ensuring delivery of IS services in line with the IS Strategic Direction and Guiding Principles	
4. Engage industry relevant third-party expertise to assess and advise on IS operation and strategy.	
4. Collaboration with key partners and stakeholders (e.g., Cross Council, CoLab, Regional Software Holdings Limited, Te Uru Kahika and technology partners).	
5. User Technology Skills -focus on Technology Adoption support through the IS Support Services team for standard office technology.	
6. The IS Service Delivery Advisor role is focused on enhancing IS processes for robustness and efficiency.	
7. An IS Risk Register records detailed risks and specific controls covering, reviewed quarterly by the IS Lead Team.	
8. IS Major Incident Management Plan is held, providing a plan for response and recovery in the event of a major IT incident.	
<b>Residual risk rating</b>	<b>High - Possible x Major</b>
<b>Risk treatment option</b>	Mitigate

Interconnectedness										
Connected Risk	STRAT 1	STRAT 2	STRAT 3	STRAT 4	STRAT 5	STRAT 6	STRAT 7	STRAT 8	STRAT 9	STRAT 10
Upstream / Emitters				x						
Downstream / Receivers		x	x	x				x		

Treatment plan	May 2026 Progress Update	Responsible person(s)
IS Service Improvement Project - Priority IS project for 2024/2025 is a review and improvement of IS operating processes, ensuring robust and adequately resourced processes and practices are in place.	New and refreshed IS Policies have been approved by ELT and communication across the organisation is underway. The Software Catalogue has been created and a new process for software requests drafted, which will be supported by the new Software Policy and Breach Escalation process.	Chief Information Officer
Enterprise Data Strategy Implementing an organisation-wide data strategy and governance framework. Organisation-wide view of the governance of data through the data life cycle.	The Enterprise Data Strategy and roadmap is progressing on track. The data asset inventory work is making good progress and the Enterprise Data Catalogue solution procured and starting implementation.	Chief Information Officer
IS Strategies Refresh 2025 – The refreshed IS Strategies outline 10 Guiding Principles for the delivery of IS services and technology-related decision-making.	The refreshed IS Strategies have been presented to key stakeholders across the organisation. The Guiding Principles that form the basis of the strategies have directed the refresh of IS policies, helping to ensure that WRC continues to progress our information and technology platforms in line with the IS strategic direction. This treatment plan item is now complete.	Chief Information Officer

STRAT 07 – Financial Sustainability					
<b>Risk Description</b>					
There is a risk that WRC is unable to plan, attract and effectively allocate sufficient funding to deliver on its strategic objectives. This can then lead to failing to achieve social outcomes for our communities, effectively forecast for organisational growth as well as maintain and build new infrastructure that will support the longevity of the council through times of economic and environmental change.					
<b>Risk Appetite Description</b>					
The current market settings pose increased inherent risk in maintaining organisational financial sustainability. Therefore, our risk appetite will ensure that we remain balanced in aligning our strategic objectives we seek to achieve against the potential risks that that we will need to navigate. Our risk appetite will therefore be set as "Medium". This will encompass our approach of maintaining a prudent approach to risk and financial management, while allowing the organisation to remain agile to adapt to upcoming market and environmental changes and therefore, effectively plan, assess and mitigate key risks to and from our strategy.					
<b>Risk Owner</b>	Janine Becker	<b>Risk types</b>	Service Delivery, Financial, Infrastructure, Reputation, H&S, Environmental, Legislative, IT	<b>Risk Appetite</b>	<b>MEDIUM</b>

<b>Inherent risk rating</b>	<b>High - Possible x Catastrophic</b>
<b>Existing controls</b>	
1. The LTP sets out the activities Council will deliver on our community outcomes and priorities set in the Strategy. The Financial Strategy adopted as part of the LTP sets out the financial management parameters that support prudent financial management.	
2. Processes and policies (e.g.; financial and procedural delegation manuals, revenue and financing policy, treasury risk management <u>policy</u> ).	
3. Internal and external audit reviews of key aspects of Council’s business. Oversight of the response to these is provided through the Risk and Assurance Committee.	
4. 3-yearly revaluations are completed in relation to Council properties and infrastructure assets. <del>(externally assessed and separately peer reviewed)</del>	
5. Increasing project and programme management maturity supports delivery of planned works to scope, time and budget.	
6. External professional advice is undertaken in relation to key financial risks and opportunities (including investment fund and borrowing advice, key policy reviews, <u>insurance</u> )	
7. Procurement strategy to drive achievement of key outcomes.	
8. Delivery to Council’s Strategic Direction is considered as part of all business case.	
9. Regular reviews of actual and forecast financial performance to inform budget setting (operational and capital expenditure, funding (including borrowing)).	
10. Insurance and self-insurance programmes to mitigate the financial impacts to Council.	
<b>Residual risk rating</b>	<b>Medium - Possible x Moderate</b>
<b>Risk treatment option</b>	<b>Mitigate</b>

Interconnectedness										
Connected Risk	STRAT 1	STRAT 2	STRAT 3	STRAT 4	STRAT 5	STRAT 6	STRAT 7	STRAT 8	STRAT 9	STRAT 10
Upstream / Emitters	x		x						x	
Downstream / Receivers	x		x						x	

Treatment plan	May 2026 Progress Update	Responsible person(s)
Funding was provided through the 2024 - 2034 LTP to undertake a review of the funding of critical infrastructure.	The scope and context of the review and a draft of the findings were shared at a council workshop in April. A detailed workshop that considers the review findings is scheduled with councillors on 11 May 2026. Following council approval of a set of principles to inform design of best-practice funding models in June 2026 (also a CE KPI), the second phase of this work will be planned in detail. This second phase focuses testing the principles and methods approved, and on engagement to gather information on how potential funding models might work.	Science Policy Information, Customer and Corporate Services
An Executive Portfolio Investment Committee has been established to provide oversight of all projects, programmes and portfolios that are currently running.	As part of the introduction of Enterprise Work Management (EWM) a monthly cadence of reporting to ELT has been put in place. Reporting is both to support uptake of new processes as well as to maintain oversight of the health of the portfolio of work delivered across Council. EWM is also being utilised to support the prioritisation of existing work programmes with Council's new Strategic Direction. This work will be used as the foundation for the 2027 – 2037 LTP.	ELT
Increasing reports of supplier poor performance	This reporting is heavily dependent on contract managers and business support staff capturing performance data: <ol style="list-style-type: none"> <li>1. Manually</li> <li>2. Via Infor using contract milestones</li> </ol> ICM As Required panel will have a performance framework where the ICM business support team capture performance to regularly update the panel of suppliers supporting appropriate ongoing secondary procurement from the panel.  The team continues to work on how to capture and report on milestone and other data from within Infor.	Customer and Corporate Services
Review of Co-Lab PSP (Professional Services Panel) to ensure this is providing value for money for WRC	Co-Lab has presented performance data for the PSP Panel which will be consolidated for reporting back to the business. Procurement will draw insights for ongoing work with Co-Lab to measure and ensure value (or otherwise).	Customer and Corporate Services
Insurance risk review	A programme of work to review Council's current Risk Financing Framework which sets thresholds for self-insurance vs risk transfer via insurance is in development. This programme of work will also assist in identifying opportunities for use of insurance alternatives (including but not limited to parametrics).	Customer and Corporate Services

STRAT 08 – Fraud					
Risk Description					
There is a risk that Waikato Regional Council does not mitigate exposure to fraudulent activity that may result in financial loss or national negative multi-media coverage requiring significant additional work to repair stakeholder confidence.					
Risk Appetite Description					
The culture we have embedded at the council is to promote honesty and transparency in everything that we do. We therefore take a zero-tolerance approach to fraudulent activity. Our “Low” risk appetite represents our commitment to appropriately invest in our processes and systems, implementing strict controls and the drive to conduct regular audits and reviews so that we are not unnecessarily exposed to fraudulent related activities.					
Risk Owner	Janine Becker	Risk types	Reputation, Financial	Risk Appetite	LOW

<b>Inherent risk rating</b>	<b>High - Likely x Major</b>
Existing controls	
1. Governance groups - <u>Fraud risk is overseen through established governance forums, including the Risk and Assurance Committee. These forums provide visibility of fraud risk trends, emerging issues, and control effectiveness, and ensure appropriate challenge, accountability, and escalation where required. Risk and Assurance Committee, Finance and Services Committee.</u>	
2. Policies and processes - <u>A comprehensive suite of policies, processes, and internal controls underpins fraud risk management. This includes segregation of duties, Fraud Policy including the Fraud Risk Management Framework, Sensitive Expenditure Policy, Procurement Policy, Protected Disclosures (Whistle-blower) Policy, key personnel policies for taking of leave etc, Emergency procurement policy. These are supported by budgetary monitoring to ensure controls remain effective in practice.</u>	
3. Training / Education - <u>Fraud awareness is embedded through onboarding and ongoing training, with a strong emphasis on recognising behavioural and transactional red flags—not just technical compliance. Staff are clearly informed about how to raise concerns confidentially and are encouraged to question unusual activity early. Raise awareness of policies and processes, recognising behavioural and transactional red flags and how to raise concerns of potential fraudulent behaviour confidentially.</u>	
4. <u>Fraud risk registers and high-risk processes are regularly reviewed and refreshed, with appropriate SLT’s in line with Audit Office and Counter Fraud Centre guidance. These reviews help ensure that fraud risks remain visible, controls remain proportionate, and emerging vulnerabilities are identified as business practices, systems, or operating environment changes. Review the Fraud Risk Register and high fraud risk processes in line with OAG and Counter Fraud Centre guidelines. Review Fraud Risk Registers with SLT's.</u>	
5. <u>The Internal Audit Programme –provides independent testing and assurance over key controls and processes. Findings and recommendations are fed back into the Fraud Risk Management Framework and work programme, supporting continuous improvement rather than reliance on static controls. incorporate findings into the Fraud Risk Management Framework.</u>	
6. <u>Onboarding / induction e-learning training. Onboarding and induction e-learning and access to resources and awareness uplift via Kaiianga embeds early fraud awareness, including key policies, red flags-, and how to raise concerns through established escalation and protected disclosure channels. Leadership and SLT forums are leveraged to promote awareness, vigilance and early escalation of concerns to enable these to be addressed.</u>	
7. Council’s Protected Disclosures Policy provides a range of options for disclosures to be made, including via an external Whistleblower hotline service.	

8. Sensitive expenditure, payments, and budgetary financial activity are subject to regular monitoring, reconciliation, and review. Trend analysis and exception-based reporting provide visibility of unusual or emerging patterns and support early detection and timely escalation. Internal reviews of sensitive expenditure with reporting of key trends to Director, Customer and Corporate Services.	
9. Fraud prevention activity is managed through a structured work plan – a 24 month work programme that maps key calendar mapping of all fraud prevention controls, including stress testing of high risk controls and testing of policies (e.g. Protected Disclosures).	
10. Emergency procurement policy.	
<b>Residual risk rating</b>	<b>Medium – Possible x Moderate</b>
<b>Risk treatment option</b>	<b>Mitigate</b>

Interconnectedness										
Connected Risk	STRAT 1	STRAT 2	STRAT 3	STRAT 4	STRAT 5	STRAT 6	STRAT 7	STRAT 8	STRAT 9	STRAT 10
Upstream / Emitters				x			x			
Downstream / Receivers		x	x							

Treatment plan	June 2026 Update	Responsible person(s)
Insights from National Fraud events	<p>Ownership of this activity has been transferred to the CFO.</p> <p>Relevant guidance and case material from the Serious Fraud Office, Office of the Auditor-General, and local government sources have been reviewed and incorporated into fraud awareness material, including the Kainga fraud landing page.</p> <p>Key themes are being used to inform red-flag awareness, pressure-testing priorities, and the review of the fraud risk framework and control environment.</p>	Customer and Corporate Services
Sensitive expenditure reporting of key trends to ELT	<p>Sensitive expenditure monitoring continues through existing controls and oversight, supported by pressure testing and payment review processes. Structured reporting of key trends and insights to ELT is under development.</p> <p>The intent is that this reporting approach will be used to support early escalation, reinforce accountability, and inform broader fraud risk awareness and control effectiveness discussions.</p>	Customer and Corporate Services
Training and new staff induction	The Kainga fraud landing page is used as a central platform to support and communicate organisational fraud awareness, and provide practical guidance. The page currently brings together information to explain what fraud is, provides a link to Council’s Fraud Policy, links to NZ cases	Customer and Corporate Services

	<p>of fraud that have been publicly reported, as well as clear guidance on how to report any concerns.</p> <p>Leadership and SLT forums will be leveraged to promote vigilance, early escalation, and a strong speak-up culture.</p>	
Research emerging risks raised in the survey, e.g. AI	<p>No significant movement from previous update to survey results. New emerging risk identified relating to procurement and cost of living pressures exacerbated by rising fuel costs could result in increase in personal financial stress and rationalisation risk (Fraud Triangle).</p> <p>Key insights are being planned to be incorporated into staff communications and the Kainga fraud landing page, supporting awareness of evolving fraud typologies.</p> <p>Emerging risk themes are also informing pressure-testing priorities and updates to fraud risk management and control reviews.</p>	Customer and Corporate Services
Planning and delivery of more frequent communication	<p>Working on a programme of regular fraud awareness communications utilising Kainga as a central platform. This will also be supported by leadership and SLT engagement.</p> <p>Expected completion of both is end July 2026.</p> <p>Communications will focus on practical guidance, behavioural red flags, real-world NZ fraud examples, and support for staff to raise concerns early.</p>	Customer and Corporate Services
Assists in identifying and eliminating blind spots in an organisation. Three types of testing:-targeted, test effectiveness of single or small number of closely related controls-critical, test most critical controls within a function-comprehensive, deep-dive reviews or emerging fraud risks	<p>Pressure testing has been established as a core fraud risk management practice. Initial testing of Purchasing Card controls has been imbedded and continuing. Insights and improvements will be presented by the end of the financial year to ELT.</p> <p>Further work to expand pressure testing across other higher-risk areas, with scope, timing, and reporting aligned to the internal audit and assurance framework is being explore, to systematically identify and address control blind spots.</p> <p>Expected completion of is end July 2026.</p>	Customer and Corporate Services

<b>STRAT 09 – Climate Change</b>					
<b>Risk Description</b>					
<p>There is a risk that Waikato Regional Council does not appropriately consider the impact of climate change in its planning and decision making processes for infrastructure, organisational business, policies and service delivery, that may result in long term financial and social costs for communities, iwi partners and stakeholders. This can lead to legislative impacts as well as reputational impacts which can impact our social license to operate.</p>					
<b>Risk Appetite Description</b>					
<p>Climate change is an issue with significant complexity and the potential for fast changing regulatory requirements. If not managed effectively, there are significant risks to our communities, environment and our ability to operate as an organisation. Therefore, we have a "Medium" risk appetite towards climate change, which encompasses us acting now in taking a more proactive approach to understanding changing climate standards and it's impact on our strategic direction, while also acknowledging the level of complexity that we as an organisation will need to navigate.</p>					
<b>Risk Owner</b>	Karen Bennett	<b>Risk types</b>	Infrastructure, Financial, Environmental, Cultural, Legislative, Reputation, Service Delivery.	<b>Risk Appetite</b>	<b>MEDIUM</b>

<b>Inherent risk rating</b>	<b>Critical - Almost Certain x Catastrophic</b>
<b>Existing controls</b>	
1. Standing Committees consider climate change impacts as part of all decision-making processes. The Regional Growth and Resilience Committee is responsible for integrating actions from standing committees.	
2. Strategy for Resilience to Natural Hazard Risk and implementation Plan - gives effect to the Regional Policy Statement.	
3. Collaboration -Upper North Island Strategic Alliance, Climate Zone 1, CoLab, Climate officials' network etc.	
4. Climate Action Roadmap Advisory Group (CARAG) –cross-organisation staff advisory group.	
5. Te Uru Kahika -Regional Sector Climate Group, advises regional chief executives on sector advocacy and implementation.	
6. Regional Climate Action Roadmap discussion document provides current and proposed climate change responses.	
7. Climate Change Adaptation Guideline assists staff and external stakeholders in planning for climate change adaptation.	
8. Collaboration with Territorial Authorities on development of long-term community management plans.	
9. Regional Resilience team provide hazard information to communities that will assist in reducing risks and increase readiness.	
10. Policies & Procedures (e.g., Infrastructure Strategy, Water Security Strategy / Water Management Plan, Spatial Strategy etc).	
<b>Residual risk rating</b>	<b>High - Possible x Major</b>
<b>Risk treatment option</b>	<b>Mitigate</b>

Interconnectedness										
Connected Risk	STRAT 1	STRAT 2	STRAT 3	STRAT 4	STRAT 5	STRAT 6	STRAT 7	STRAT 8	STRAT 9	STRAT 10
Upstream / Emitters				x			x			x
Downstream / Receivers	x		x	x	x		x			x

Treatment plan	May 2026 Progress Update	Responsible person(s)
Corporate Emissions Reductions Plan - The council committed to reducing CO2 emissions intensity, and report on progress through participation in the Toitū carbonreduce TM scheme and is on track to meet its target of 68% by 2030.	Pending update from Chief Executive’s Office	Office of the CEO
Council adopted a refreshed version of the Climate Action Roadmap in September 2023. The purpose of the roadmap is to integrate climate change responses across all council activities and to guide discussions among staff and with iwi partners and stakeholders. Staff use the roadmap to guide work programme planning and delivery, while stakeholders can see the council’s activities, and consider how they might wish to collaborate to mitigate impacts on the climate and increase resilience. All actions in the roadmap are incorporated into existing work programmes and new projects and initiatives in the 2024-34 Long Term Plan (LTP). Progress against the actions was previously monitored and reported six monthly by the Climate Action Committee.	Pending update from Chief Executive’s Office	Office of the CEO
Climate Action Risk disclosure is being developed to understand what impact different climate scenarios may have on WRC’s ability to perform its level of service in a changing world.	Pending update from Chief Executive’s Office	Office of the CEO

STRAT 10 – Giving effect to Te Tiriti O Waitangi					
<b>Risk Description</b>					
There is a risk that Waikato Regional Council is unable to effectively respond to a critical event or situation due to staff not being adequately trained, operational systems not being fit for purpose or decision making not being as informed by the most recent and relevant data. Ultimately this could lead to a range of consequences including loss of life, damage to property and critical infrastructure.					
<b>Risk Appetite Statement</b>					
The Waikato regional Council strives for full compliance with the Te Tiriti O Waitangi. The Council acknowledges though, that mitigating this risk is challenging due to the current macroeconomic environment, future electoral uncertainty, increasing demand from Iwi for local government engagement, and a constrained labour market to provide the technical capability to effectively engage and deliver cohesive partnership. The Council accepts that there are a number of uncontrollable pressures that are influencing the inherent risk associated with this risk area. Therefore the Council has a “Medium” risk appetite given the level of external complexities that add to the overall risk management of this risk.					
<b>Risk Owner</b>	Mali Ahipene	<b>Risk types</b>	Reputation, Financial, Service Delivery, Cultural	<b>Risk Appetite</b>	<b>Medium</b>

<b>Inherent risk rating</b>	<b>High - Likely x Major</b>
<b>Existing controls</b>	
1. Co-governance committees guide Council’s strategic direction and community engagement.	
2. Elected Members Training - Build capability and confidence to engage effectively in Māori/iwi settings.	
3. WRC has invested in a specialised internal team, Tai Ranga Whenua, who lead, guide, and strive for outcomes that support partnership and collaboration with Māori.	
4. Tai Ranga Whenua acts as both a strategic advisor and a connector between WRC and iwi/hapū partners. Tai-ranga-whenua manager now sits on ELT providing advice and guidance to WRC leadership.	
5. Māori Partnerships Approach identifies and sets out actions with a focus on improving partnerships.	
6. Māori Engagement Framework enhances staff’s cultural proficiency and understanding of Māori engagement.	
7. Guidelines and Tools provide staff with guidance on various aspects of working with iwi or Māori.	
8. Kaupapa Māori recruitment strategy to improve processes and policies in order to attract and retain staff with Te Ao Māori expertise.	
9. Kaupapa Māori strategy refines policies to attract and keep staff with Te Ao Māori skills.	
10. Iwi Relationships Forum is a six-weekly forum for staff to discuss current and upcoming engagements with iwi.	
11. Te Ao Māori measures in Te Ara Tupu to analyse its effectiveness of JMAs and CMARRLs.	
12. Cultural Competency Framework and Evaluation covers 5 different areas of Māori cultural competency.	
13. Te Hotaka Manaaki Fund provides support for iwi/Māori to engage with WRC.	
<b>Residual risk rating</b>	<b>Medium - Unlikely x Major</b>
<b>Risk treatment option</b>	<b>Mitigate</b>

Interconnectedness										
Connected Risk	STRAT 1	STRAT 2	STRAT 3	STRAT 4	STRAT 5	STRAT 6	STRAT 7	STRAT 8	STRAT 9	STRAT 10
Upstream / Emitters			x	x		x				
Downstream / Receivers		x	x	x		x	x		x	

Treatment plan	May 2026 Progress Update	Responsible person(s)
Te Puawaitanga Māori Engagement Maturity Assessment review by KPMG assessed Councils current cultural capability and provided recommendations to improve Councils ability to respond to matters of relevance to Māori. A work programme has been developed over the next 3 to 4 years.	Of the 17 actions remaining for delivery, a further two have now been completed. Eight actions are currently in progress. The remaining seven actions are yet to commence and will be progressed as capacity and resourcing allow.	Tai-ranga-whenua
Iwi stakeholder NPS survey approved to gather stakeholder feedback	Results to date show an overall score of 90.9, well above the target threshold, with feedback generally positive and the majority of respondents rating engagement, communication, and service very highly. However, overall participation in the survey remains low, indicating the need for adjustments to improve customer uptake and support sustained effectiveness over time.	Tai-ranga-whenua
Treaty settlement obligations assessment	The assessment of treaty settlement obligations is complete, and reporting will be advanced via ELT within the current quarter.	Tai-ranga-whenua
Dedicated internal resource - Tai-ranga -whenua – provides WRC with expertise and support in engaging iwi for planning and policy development, consulting with iwi on resource consent applications and resource management issues and fulfilling the council's co-governance requirements.	Ongoing dedicated resource continues to provide expertise and support in engaging with iwi for planning and policy development, consulting on resource consents and resource management issues, and fulfilling co-governance requirements.	Tai-ranga-whenua

## 6.2 STRATEGIC RISK REFRESH

<b>Rā   Date:</b>	<b>13 May 2026</b>
<b>Kaituhi   Author:</b>	<b>James Brennan, Strategic Risk Advisor</b>
<b>Kaituku   Authoriser:</b>	<b>Janine Becker, Director, Customer and Corporate Services</b>
<b>Mana whakatau   Delegation Status:</b>	<b>For recommendation to Council.</b>

### TE ARONGA | PURPOSE

1. The purpose of this report is to seek the Risk and Assurance Committee's endorsement of Waikato Regional Council's refreshed Strategic Risks, for subsequent approval by Council.

### KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. WRC operates in a complex and rapidly changing environment, shaped by legislative reform, funding constraints, climate and natural hazard events, technological change, and evolving expectations from communities, iwi, stakeholders, and partners.
3. As part of good governance, the Council periodically reviews its strategic risks and associated risk appetite to ensure these remain aligned with the Council's strategic direction, priorities, and external environment. With Council having recently adopted a new strategic direction, this provides a trigger for the review of the risks to the achievement of this strategy.
4. A review of the strategic risk profile has recently been completed through workshops facilitated by PwC, involving both the Executive Leadership Team and councillors. These sessions provided the opportunity to test, challenge, and refine the strategic risks and associated risk appetite settings prior to their finalisation.
5. This report does not seek to re-litigate the strategic risk profile, but to present the outcomes of that process for endorsement.

### TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

1. That the report *Strategic Risk Refresh* (Risk and Assurance Committee, 3 June 2026) be received.
2. That the Risk and Assurance Committee recommends to Council the approval of the refreshed strategic risks and updated risk appetite statements set out in this report.

### HOROPAKI | BACKGROUND

6. Strategic risks arise both from the choices Council makes in pursuing its priorities, and from external and internal factors that could prevent Waikato Regional Council from achieving its strategic direction and objectives. These risks exist within a complex and rapidly changing environment shaped by legislative reform, funding pressures, climate and natural hazard events, technological change, and evolving expectations from communities, iwi, stakeholders, and partners.
7. To ensure that Waikato Regional Council operates in a manner consistent with achieving the objectives set through its Strategic Direction, the Council has undertaken a refresh of its

strategic risks. This review ensures that the strategic risk profile remains aligned with the Council's direction and appropriately reflects the current operating environment in which the organisation operates.

8. As part of the process PwC facilitated workshops with both the Executive Leadership Team and councillors to identify the key drivers and underlying causes of risk affecting the Council, and to map these vulnerabilities against the delivery of the Council's Strategic Direction.

#### KEY CHANGES TO REFRESHED STRATEGIC RISKS

9. It is important to recognise the interrelationship between strategy and risk. Risks both emerge from, and have the potential to influence, the achievement of strategic objectives.
10. Integrating risk management into strategic decision-making supports the proactive identification and assessment of risks, enabling more informed decisions and fostering a more resilient, sustainable and adaptable organisation that is future-fit.
11. The refreshed strategic risk profile now consists of:
  - (a) Emergency Response
  - (b) Governance and Reform Transition (**new**)
    - (i) The introduction of the Governance and Reform Transition risk reflects increased legislative complexity and reform uncertainty. It focuses on WRC's ability to anticipate and respond to regulatory change. It replaces the previous strategic framing of legislative compliance which is now situated as a top organisational risk.
  - (c) Relationships
  - (d) People, Capacity, Capability and Culture
  - (e) Information, Data and Technology (**expanded scope**)
    - (i) This risk has been expanded to more explicitly include risks relating to data governance, AI, and cyber.
  - (f) Financial Sustainability
  - (g) Climate Change
  - (h) Giving Effect to Te Tiriti o Waitangi
12. For each of the strategic risks updates to their risk appetite statements have been made - aimed at strengthening the understanding of where Council will and will not take risk. These refined statements should be used to support prioritisation and trade off discussion especially where they relate to achieving Council's strategic direction.
13. To support having a clearer distinction between operational and strategic risks, three risks have been reclassified as 'Top organisational Risks' these are:
  - (a) Legislative Compliance
  - (b) Health and Safety
  - (c) Fraud
14. These top organisational risks will continue to be reported to the Risk and Assurance Committee.

**WHAKAKAPINGA | CONCLUSION**

15. The refreshed strategic risk profile represents an important step in strengthening the alignment between Waikato Regional Council's strategic direction and its approach to risk management. The updated risks reflect the increasingly complex and dynamic environment in which the Council operates, including the impacts of legislative reform, climate change, technological change, and ongoing financial and capability pressures.
16. The introduction of a new risk, the refinement of existing risk descriptions and appetite statements, and the clearer distinction between strategic and operational risks collectively provide a more focused and forward-looking framework for managing uncertainty. This enables both governance and management to better understand where risk should be accepted, where it should be minimised, and how trade-offs can be made in pursuit of the Council's long-term priorities.
17. Overall, the refreshed strategic risks provide a stronger foundation for governance oversight and strategic decision-making, ensuring that the Council is better positioned to navigate uncertainty, respond to emerging challenges, and achieve its long-term vision and priorities.

**ĀPITI HANGA | ATTACHMENTS**

1. **WRC Strategic Risk Workshop (doc #35950199)** [↓](#)



# Strategic Risk Refresh 2026

Risk and Assurance Committee Report – For Endorsement of the Strategic Risks

Waikato Regional Council



- 1 Why are we refreshing the Strategic Risks
- 2 Refreshed Strategic Risks and Risk Appetite Statements
- 3 Top Organisational Risks
- 4 Recap of Risk at Waikato Regional Council
- 5 WRC Vision, Priorities and Outcomes

# Contents

## Why are we refreshing the Strategic Risks

### Why are we doing this?

Waikato Regional Council have an important role as kaitiaki (guardians) of the Region and in enabling the collective vision of their community through building connected communities. In working towards this vision, the Council operates in, and must navigate through, a complex environment with a number of stakeholders, organisational priorities, operational activities, programmes of work, and external factors.

Council has invested time in developing a new strategic direction (Te Pae Tawhiti | Strategic Direction 2026–2036) to guide the region over the coming decade. This provides a useful foundation, however there is recognition of a need to refresh the Council's strategic risks in achieving this direction over the medium term to enable:

- Elected Officials and the Executive Leadership Team to navigate a complex, and at times inherently challenging environment and roles
- The Risk and Assurance Committee's review, approval and monitoring of the strategic risks that are significant to the Waikato Regional Council, the Council's appetite for risk, and the Council's risk management programme of work
- Council personnel in the delivery of their day-to-day roles
- To ultimately support the Council deliver its important role and realise its vision.

The last strategic risk refresh was done three years ago and now that you have a new Strategic Direction, it is timely to revisit the Strategic Risks to make sure that they are aligned.

We started the process of revising the strategic risks with an Executive Leadership Team (ELT) workshop held on 31 March 2026. There was a good level of discussion by the ELT at the workshop and we specifically mapped the risks to the new priorities in the Strategic Direction.

The outputs of the ELT workshop show that most of the current strategic risks map to the priorities, with three risks that were not linked to achievement of any of the priorities moved to being top organisational risks as they are still important to monitor – refer to page 6 and 16.

Based upon the ELT workshop outputs, we refined the risk descriptions so that they are more succinct and clear on the current top causes, risk event that is most concerning now and in the near term and impacts. We have also refreshed and summarised risk appetite statements accordingly.

We then held a workshop with Elected Members and the independent deputy chair of the RAC on 22 April 2026 where Elected Members had the opportunity to provide their perspectives on the revised risk descriptions and risk appetite statements.

## Setting the scene for the risk discussion

### **Key challenges for Waikato Regional Council**

As reflected in the Council's strategic direction and risk reporting, Waikato Regional Council is operating in a dynamic and changing environment including:

- Increasing frequency and severity of climate and natural hazard events impacting communities, infrastructure and regional resilience
- Legislative reform and uncertainty around the future role and governance of regional councils
- Rapid technological change, including cyber security, data governance and the adoption of artificial intelligence
- Ongoing pressures on organisational capability, resources and financial sustainability

Risks have been considered against this backdrop.

# Refreshed Strategic Risks and Risk Appetite Statements

## Summary of Refreshed Strategic Risks

The table below summarises the changes to the Strategic Risks arising from the Executive Leadership Team and Council workshops.

Current Strategic Risks		Revised Strategic Risks by ELT on 31/3		Notes	Revised by Council on 22/4
1	Emergency Response	1	Emergency Response		
2	Legislative Compliance			Moved to be a Top Organisational Risk	
3	Relationships	2	Relationships		
4	People, Capacity, Capability and Culture	3	People, Capacity, Capability and Culture		
5	Health and Safety			Moved to be a Top Organisational Risk	
6	Information Technology	4	Information, Data and Technology		
7	Financial Sustainability	5	Financial Sustainability		
8	Fraud			Moved to be a Top Organisational Risk	
9	Climate Change	6	Climate Change		
10	Giving Effect to Te Tiriti o Waitangi	7	Giving Effect to Treaty of Waitangi / Te Tiriti o Waitangi		
		8	Governance and Reform transition	New Risk – replaces Legislative Compliance as the strategic risk in relation to the volume and impact of current legislative change.	
		9	Strategic Prioritisation and Decision-making	New Risk – reflects the risk that actions to address current short term pressures may impact on the achievement of strategic priorities in the long-term.	Removed as a Strategic Risk

## Revised Strategic Risk – Emergency Response

Revised Risk Description	Current Risk Description
<p>Due to insufficient numbers of appropriately trained staff, operational systems not being fit for purpose or decision making not being as informed by the most recent and relevant data, Waikato Regional Council is unable to effectively respond to a critical event or situation. Ultimately this could lead to a range of consequences including loss of life, damage to property, natural resources and critical infrastructure.</p>	<p>There is a risk that Waikato Regional Council is unable to effectively respond to a critical event or situation due to staff not being adequately trained, operational systems not being fit for purpose or decision making not being as informed by the most recent and relevant data. Ultimately this could lead to a range of consequences including loss of life, damage to property and critical infrastructure.</p>
<p><b>Revised Risk Appetite Statement</b>                      We will invest and partner to stay response-ready and capable. We will not accept avoidable gaps in training, decision support, emergency coordination or continuity for critical services.</p> <p>To achieve this goal, we maintain a "Low" risk appetite for emergency response, which reflects our commitment to minimising the impact of emergency situations.</p>	<p><b>Current Risk Appetite Statement</b>                      The council places great importance on being responsive to the needs of our communities, with a focus on prioritising the safety and well-being of our people, communities, and stakeholders. Council acknowledges the need to work with others, and acknowledges that, in some emergency response situations, Council will not be the lead agency – requiring clear co-ordination and communication in relation to roles and responsibilities. To achieve this goal, we maintain a "Low" risk appetite for emergency response, which reflects our commitment to minimising the impact of emergency situations. Our aim is to implement and maintain effective response plans that not only keeps our communities safe but also well-informed during critical times. We will be response ready and capable at all times.</p>

## Revised Strategic Risk – Governance and Reform Transition

Revised Risk Description	Current Risk Description
<p>Due to changing regulatory environment, uncertainty regarding complex changes and inadequate planning, WRC may fail to adapt to new legislative and regulatory requirements leading to penalties, service disruption and reputational damage.</p>	<p>New Risk</p> <p>In addition to Legislative Compliance which moves to an organisational risk as it is more operational</p>
<p><b>Revised Risk Appetite Statement</b></p> <p>We will be active participants in designing the reforms and advocating for what is right for us and the Waikato region.</p> <p>We have a Medium appetite for increased costs where these are necessary to respond effectively to reform. We have a low tolerance for failing to anticipate, interpret, plan for, and implement regulatory change.</p>	<p>New Risk</p>

## Revised Strategic Risk – Relationships

Revised Risk Description	Current Risk Description
<p>Due to ineffective engagement with required stakeholders, unclear roles and responsibilities and unclear messaging Waikato Regional Council may lose the trust and confidence among communities, iwi, partners and key stakeholders, leading to resistance to decisions, slower delivery and reduced mandate to implement strategic change.</p>	<p>There is a risk that Waikato Regional Council does not effectively manage relationships with its communities and key stakeholders that may affect their trust and confidence in our ability to deliver on our services and commitments.</p>
<p><b>Revised Risk Appetite Statement</b>                      We will take considered positions on key issues aligned to our strategic objectives and statutory responsibilities, and engaging on complex, contested issues. We remain open to constructive challenge, and compromise where this enables better long-term outcomes. We will not compromise on our core obligations, values or legislative responsibilities or take risk that damages trust through ineffective engagement, inconsistent messages or failure to honour commitments.</p> <p>Accordingly, we have a Medium appetite for risks to relationships.</p>	<p><b>Current Risk Appetite Statement</b>                      Waikato regional council recognises the importance of establishing and upholding our positive relationships with our communities, business partners and central government. Our "Medium" risk appetite acknowledges that there is increased levels of inherent risk in the current environment with regulatory uncertainty, extreme weather events and the worsening of global economic conditions. This appetite level also captures that these market pressures also apply to our stakeholders, and therefore, what is most important to them as well their expectations of the council, will differ depending on their immediate and short term needs. Accordingly, we will do our utmost to remain proactive in responding to the needs of all of our key stakeholders while accepting that the current settings of complexity will need to be navigated alongside us achieving our strategic objectives.</p>

## Revised Strategic Risk – People, Capacity, Capability and Culture

Revised Risk Description	Current Risk Description
<p>Due to capability gaps, constrained capacity and change fatigue/resistance, Waikato Regional Council does not enable a constructive organisational culture with capability and capacity to adapt to the future state needs. This may result in poor staff attraction, retention, engagement, and performance.</p>	<p>There is a risk that Waikato Regional Council does not enable a constructive organisational culture that may result in poor staff attraction, retention, engagement, and performance. This will in turn mean that we are not able to deliver on our strategic priorities and goals as we will not have the capacity, skillset, or relationships to effectively engage with communities, iwi partners and our key stakeholders.</p>
<p><b>Revised Risk Appetite Statement</b>                      We will invest in positive ways of working, leadership and capability building to support our staff resilience.</p> <p>We have a Low appetite for risks that relate to sustained critical capability gaps, harmful culture or unmanaged change that undermines delivery.</p>	<p><b>Current Risk Appetite Statement</b>                      The wellbeing of our people is central to the core of our purpose. We have a "Low" risk appetite to failing to create an organisation and culture that does not attract, retain, support and therefore create a positive working environment that complements our strategic direction. Our culture that we wish to cultivate will promote safe practice, encourage open and honest communication as well as prioritise investment into our people, so that we have both the technical and cultural skills required to continually support the achievement of our strategic objectives.</p>

## Revised Strategic Risk – Information, Data and Technology

Revised Risk Description	Current Risk Description
<p>Fragmented and underinvestment in secure, resilient information, data/AI and technology capabilities may result in cyber or privacy events, or poor information quality, leading to impaired decision-making, technical debt, disrupted services and reputational damage.</p>	<p>There is a risk that Waikato Regional Council does not innovate and invest enough in information and technology capabilities and solutions. This may compromise our ability to deliver our services, conduct our business activities, and lead to further impacts to our ability to support our communities in times of crises.</p>
<p><b>Revised Risk Appetite Statement</b>                      We will take considered opportunities to modernise systems, use data and adopt AI where governance, security and capability are in place, accordingly our appetite is Medium in this area.</p> <p>We have a Low appetite for risks relating to privacy, cyber security, critical system resilience or poor information management.</p>	<p><b>Current Risk Appetite Statement</b>                      At the Waikato Regional Council we recognise the critical nature of information technology (IT) systems and their importance to our businesses operations, service delivery, communication channels and therefore overall capability of our business. We also understand the inherent and increasing risks and vulnerabilities that IT poses to any organisation. Accordingly, these two factors result in our “Medium” risk appetite in this area.</p>

## Revised Strategic Risk – Financial Sustainability

Revised Risk Description	Current Risk Description
<p>Due to cost escalation, funding constraints, rates affordability pressure, weak forecasting/prioritisation or investment discipline, WRC may have insufficient or poorly allocated funding, leading to inability to maintain service levels, invest in infrastructure and deliver strategic outcomes.</p>	<p>There is a risk that WRC is unable to plan, attract and effectively allocate sufficient funding to deliver on its strategic objectives. This can then lead to failing to achieve social outcomes for our communities, effectively forecast for organisational growth as well as maintain and build new infrastructure that will support the longevity of the council through times of economic and environmental change.</p>
<p><b>Revised Risk Appetite Statement</b>                      We will take prudent funding and investment risk to enable long-term value, resilience and alternative revenue. We will not take risk that threatens affordability, statutory service levels, core asset stewardship or intergenerational equity.</p> <p>Our risk appetite will therefore be set as "Medium".</p>	<p><b>Current Risk Appetite Statement</b>                      The current market settings pose increased inherent risk in maintaining organisational financial sustainability. Therefore, our risk appetite will ensure that we remain balanced in aligning our strategic objectives we seek to achieve against the potential risks that that we will need to navigate. Our risk appetite will therefore be set as "Medium". This will encompass our approach of maintaining a prudent approach to risk and financial management, while allowing the organisation to remain agile to adapt to upcoming market and environmental changes and therefore, effectively plan, assess and mitigate key risks to and from our strategy.</p>

## Revised Strategic Risk – Climate Change

Revised Risk Description	Current Risk Description
<p>Due to insufficient integration of climate change impacts, including flood risk into relevant planning, infrastructure, service design and land-use decisions, communities may be exposed to maladaptation, increased hazard exposure or missed transition opportunities, leading to long-term financial, social, environmental impacts and reputational costs.</p>	<p>There is a risk that Waikato Regional Council does not appropriately consider the impact of climate change in its planning and decision making processes for infrastructure, organisational business, policies and service delivery, that may result in long term financial and social costs for communities, iwi partners and stakeholders. This can lead to legislative impacts as well as reputational impacts which can impact our social license to operate.</p>
<p><b>Revised Risk Appetite Statement</b>                      We will take considered adaptation and transition risk by acting early, testing scenarios and making evidence based investments despite uncertainty.</p> <p>We have a Medium appetite for taking measured adaptation and transition action where this supports long-term resilience and preparedness.</p> <p>We have a low appetite for failing to address material climate impacts in relevant policy, land use and service design.</p>	<p><b>Current Risk Appetite Statement</b>                      Climate change is an issue with significant complexity and the potential for fast changing regulatory requirements. If not managed effectively, there are significant risks to our communities, environment and our ability to operate as an organisation. Therefore, we have a "Medium" risk appetite towards climate change, which encompasses us acting now in taking a more proactive approach to understanding changing climate standards and it's impact on our strategic direction, while also acknowledging the level of complexity that we as an organisation will need to navigate.</p>

### Revised Strategic Risk– Giving Effect to Treaty of Waitangi / Te Tiriti o Waitangi

Revised Risk Description	Current Risk Description
<p>Due to insufficient capacity and capability, early engagement and effective partnership arrangements, WRC may not give proper effect to Treaty of Waitangi / Te Tiriti o Waitangi, its principles and associated obligations, leading to damaged relationships with iwi and Mana Whenua, failure to meet obligations and reduced ability to deliver key priorities and co-governance outcomes.</p>	<p>There is a risk that the Council does not give effect to Te Tiriti o Waitangi, its principles (partnership, participation, and protection), and associated legislative obligations, which therefore fails to build and sustain partnerships with Iwi/Mana Whenua. This includes the risk that WRC does not adequately develop its capability and capacity to collaborate with Mana Whenua and Iwi. With The failure to do so means meaning that Council will not meet its legislative and statutory obligations, or develop the ability to operate and deliver key projects with Iwi and Mana Whenua organisations.</p>
<p><b>Revised Risk Appetite Statement</b>                      We will take thoughtful, early engagement risk to build enduring partnerships and shared decision-making. We will not take risk with token engagement or failure to meet Treaty and statutory obligations that undermines trust or damages relationships with iwi and mana whenua.</p> <p>Therefore the Council has a “Medium” risk appetite given the level of external complexities that add to the overall risk management of this risk.</p>	<p><b>Current Risk Appetite Statement</b>                      The Waikato regional Council strives for full compliance with the Te Tiriti O Waitangi. The Council acknowledges though, that mitigating this risk is challenging due to the current macroeconomic environment, future electoral uncertainty, increasing demand from Iwi for local government engagement, and a constrained labour market to provide the technical capability to effectively engage and deliver cohesive partnership. The Council accepts that there are a number of uncontrollable pressures that are influencing the inherent risk associated with this risk area. Therefore the Council has a “Medium” risk appetite given the level of external complexities that add to the overall risk management of this risk.</p>

# Top Organisational Risks

## Top Organisational Risks

These are key risks of an operational nature that can materially impact the organisation and warrant ongoing oversight by the Risk and Assurance Committee.

Risk ID / Title	Risk Description	Risk Appetite
Health and Safety	There is a risk that Waikato Regional Council does not provide a safe and healthy work environment for workers, visitors and people affected by our work with the results that workers may be harmed.	The Council is committed to ensuring that the safety of all our people is held to the highest standard. This is representative in our risk appetite of "Low", that reflects our drive to ensure that our people's working environments are therefore aligned to effective health and safety standards, adequate security, up to date information systems, and well-resourced staffing levels that support effective workplace processes and practices.
Legislative Compliance	There is a risk that Waikato Regional Council does not remain compliant with local, regional and national law and regulation, that may result in a breach, damage to reputation and potential financial penalties and/or civil and criminal liability. Legislative compliance is not a static area, and therefore the council must keep pace with the changing regulatory environment to ensure that the organisation is positioned to adapt to new and emerging changes in regulation.	WRC has a Medium risk appetite in navigating regulatory complexity and change, including adopting pragmatic, timely interpretations and approaches to implementation, provided this supports effective service delivery and is within acceptable legal and governance boundaries.  We have a Low appetite for risks to legislative compliance and will not knowingly breach legal obligations or allow material non-compliance to persist.
Fraud	There is a risk that Waikato Regional Council does not mitigate exposure to fraudulent activity that may result in financial loss or national negative multi-media coverage requiring significant additional work to repair stakeholder confidence.	The culture we have embedded at the council is to promote honesty and transparency in everything that we do. We therefore take a zero-tolerance approach to fraudulent activity. Our "Low" risk appetite represents our commitment to appropriately invest in our processes and systems, implementing strict controls and the drive to conduct regular audits and reviews so that we are not unnecessarily exposed to fraudulent related activities.



Supporting Material

## Risk Management Roles

**The role of risk at Council:** Good risk management helps an organisation understand what success looks like and what could get in the way of our success (risks), enables the management and mitigation of these risks to prevent them turning into issues, and helps an organisation to proactively navigate emerging challenges and changing environments to ultimately realise its goals and deliver value to its stakeholders

In these circumstances:

- Risk is neither good nor bad. It merely reflects the uncertainty and challenge inherent in the Council's environment. This uncertainty can present downside risks or upside opportunities
- Risk management is therefore seen as just good governance and management
- There is a clear link between the mandate/objectives/priorities of the Council, uncertainty and challenge (i.e. risk) inherent within the Council's operating environment that could impact these objectives, and how this is managed by the Council (i.e. control/mitigation)
- Ultimately risk management is seen as a practical tool that helps and enables an organisation and its people, without adding unnecessary overhead

### Defining roles across risk management

#### Governance

- Ensure that risks are adequately considered when setting WRC's objectives.
- Understand the risks facing the organisation in pursuit of its objectives.
- Ensure that systems to manage such risks are implemented and operating effectively.
- Ensure that such risks are appropriate in the context of WRC's objectives.
- Ensure that information about such risks and their management is properly communicated.

### WRC's definition of strategic risk

Strategic risks are risks that may have an impact on Waikato Regional Council achieving its vision, mission, and strategic objectives.

#### Chief Executive Officer

- Advocate risk identification and management across the organisation.
- Assure the Risk and Assurance Committee and Council that risks to WRC's objectives are identified and managed.
- Assure the Risk and Assurance Committee and Council that systems to manage risks are implemented and operating effectively.

#### Executive Team

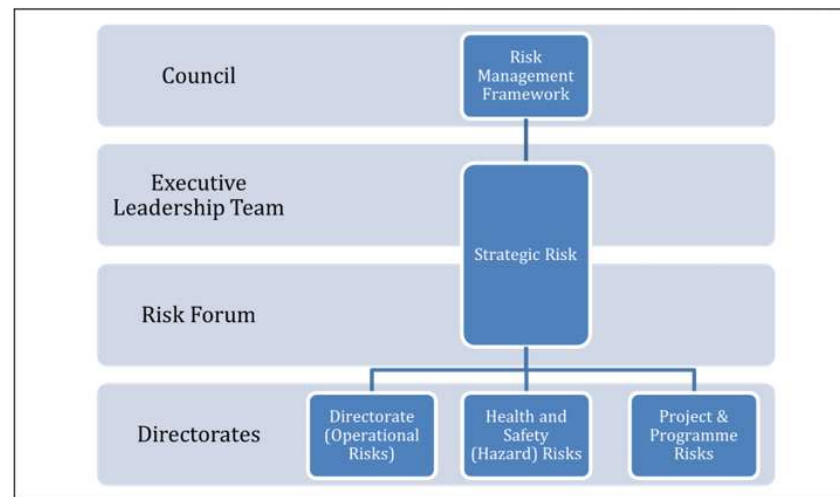
- Assure the Chief Executive Officer that risks to WRC's objectives are identified and managed.
- Identify and manage strategic risks in accordance with the risk management framework including holding Strategic Risk Owner responsibilities themselves where allocated.

#### Risk Owner

- Identify and manage risks in accordance with the risk management framework.

## Strategic Risk Management

How Strategic Risks are managed at Waikato Regional Council.



The focus of strategic risks are more likely, but not exclusively, to be on:

- External influences affecting WRC's effective operations.
- WRC's most critical and essential assets, activities and associated risks.
- Risks that are common to more than one WRC directorate or activity.
- Risks to WRC meeting expected stakeholder service levels and relationships.

# Waikato Regional Council Vision and Priorities

**Matawhānui Vision**  
Waikato: Empowered people shaping a healthy, prosperous place for generations to come.

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**Aronga Purpose**  
Working together for a Waikato region that has a healthy environment, vibrant communities and strong economy.

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**Ngā uara Values**

**Kia tika Responsible**  
Our people model the highest standards of personal and professional behaviour in all job-related activities.

**Kia tau Respectful**  
Showing others respect is the basis of all our behaviour.

**Kia toa Effective**  
We always aim to give the best we can.

[Read more about our values on our website](#)

## Ngā aronga nui Our priorities

*At the core of this strategy is a commitment to being a future-fit and high-performing organisation – one that makes evidence-based, technology-enabled decisions that are informed by the experiences, aspirations and preferences of the people and communities we serve.*

**Te whakarite mō āpōpō  
Future-fit organisation**  
Building value and thriving through uncertainty to successfully transition into any future state.

**Ka tōnuī, ka taurikura te rohe  
Productivity and prosperity**  
Enable and promote a productive region that delivers shared prosperity, profitability and security.

**Kia manawaroa ake te rohe  
Building regional resilience**  
Support communities to understand natural hazard risks, take action to reduce them, and respond to and recover from disasters and change.

**E toitū ai ngā rawa taiao  
Sustaining natural resources**  
Accelerate action to protect and restore the natural resources that make the Waikato nationally significant – our soils, water bodies, native plants and animals, geothermal areas, forests and coastal habitats.

**Pūnaha waka tītike  
Optimised transport system**  
Maintain an integrated, safe and efficient transport system to improve mobility and equity, reduce emissions and support regional productivity.

## 6.3 PROPOSED INTERNAL AUDIT SCHEDULE 2026/27

<b>Rā   Date:</b>	<b>20 May 2026</b>
<b>Kaituhi   Author:</b>	<b>James Brennan, Strategic Risk Advisor</b>
<b>Kaituku   Authoriser:</b>	<b>Janine Becker, Director, Customer and Corporate Services</b>
<b>Mana whakatau   Delegation Status:</b>	<b>Council has delegated authority to make the recommended decision</b>

### TE ARONGA | PURPOSE

1. The purpose of this report is to seek the Risk and Assurance Committee's endorsement of the 2026/27 Internal Audit Plan and the indicative focus areas for 2027/28 and 2028/29, and to confirm that the proposed audit coverage aligns with Council's strategic risk profile, assurance needs, and organisational priorities.

### KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. The three-year Internal Audit Plan (2026 - 2029) has designed to provide targeted, risk-based assurance over areas of highest strategic importance and emerging risk.
3. The Internal Audit Plan is designed to align internal audit activity to Council's updated strategic risk profile and strategic priorities, address areas where assurance gaps exist or where Council is undergoing significant change, and provide timely insights that management can practically absorb and act on.
4. For 2026/27, the plan proposes three strategic audits: emergency response, GenAI adoption, and data governance. The proposed 2026/27 coverage prioritises areas where residual risk is high, where Council is undergoing significant change, or where independent assurance is currently limited.
5. The plan balances value protection with value enhancement, providing forward-looking assurance over strategic initiatives and transformation. Consistent with budget and organisational capacity, the plan proposes three strategic audits for 2026/27 to ensure they can be delivered effectively and that findings can be practically absorbed and acted on.
6. The Committee is asked to consider whether the proposed audit coverage is appropriately targeted to Council's most significant risks and whether the balance of assurance across the three-year horizon is appropriate, noting that the overall plan will be reviewed at least annually to ensure that it remains relevant, and takes account of any new or emerging risks.

### TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

1. That the report *Proposed Internal Audit Schedule 2026/27* (Risk and Assurance Committee, 3 June 2026) be received.
2. That the Risk and Assurance Committee approves the 2026/27 Internal Audit Plan.

**HOROPAKI | BACKGROUND**

7. Internal audit plays a key role in providing independent assurance and insight to support the Risk and Assurance Committee in discharging governance and oversight responsibilities.
8. Every three years, following the refresh of Council's strategic direction and strategic risks, an Internal Audit Plan is developed to ensure internal audit activity is targeted to the areas of greatest strategic risk, organisational change, and assurance need, and remains aligned with Council's priorities and risk appetite.
9. In developing the Plan, priority has been given to areas of new and emerging risk, areas of high strategic significance, and areas where independent assurance is expected to add the greatest value.
10. The proposed timing of audits also reflects organisational readiness, so that assurance is delivered when frameworks and initiatives are sufficiently established to support meaningful review and timely improvement. This approach is intended to keep internal audit agile and focused on the areas that matter most as Council's operating environment continues to evolve.
11. The 2026/27 Internal Audit Plan has been informed by WRC's new strategic direction, its refresh of strategic risks, recent internal audit activity, input from the Executive Leadership Team, and broader local government risk trends. This has been used to identify where independent assurance is most needed and where recent or planned assurance activity reduces the need for immediate further review.
12. Key features of the proposed Internal Audit Plan include:
  - (a) A rolling three-year horizon, with 2026/27 confirmed and an indicative programme for the next two years, allowing flexibility as risks evolve.
  - (b) Prioritisation criteria that focus on:
    - (i) Alignment to strategic direction and risks,
    - (ii) Avoidance of duplication with recent assurance work,
    - (iii) Organisational readiness to receive assurance,
    - (iv) Areas where strategic internal audit input is expected to add the greatest value.
  - (c) An explicit shift toward forward-looking and strategic assurance, including technology, decision-making, programme delivery, and emerging risks (e.g. GenAI adoption).
13. The 2026/27 plan proposes three strategic audits, selected because they represent areas of high residual risk, material organisational change, or emerging exposure where independent assurance is currently limited:
  - (a) Emergency response
  - (b) GenAI adoption
  - (c) Data governance
14. Indicative focus areas for the next two years include procurement and contract management, organisational performance management, asset management and climate change, programme management and decision-making, and Risk Management Framework maturity. These areas remain important, but are proposed for later years to reflect either recent assurance coverage, the need for strategies and frameworks to mature further, or the

need to sequence internal audit effort across the three-year horizon in line with budget and staff capacity.

### **WHAKAKAPINGA | CONCLUSION**

15. The proposed 2026/27 Internal Audit Plan takes a targeted, risk-based approach to assurance, prioritising areas of highest strategic significance and emerging risk while recognising budget and organisational capacity constraints. Endorsement of the Plan will provide a clear basis for internal audit activity over 2026/27 and an indicative forward view for the following two years, while retaining flexibility to respond to changing risks and priorities.

### **ĀPITIHINGA | ATTACHMENTS**

1. **Waikato Regional Council - Draft 2026/27 Internal Audit Plan #36028295** [↓](#)



# Waikato Regional Council

**Draft FY27 Internal Audit Plan  
(and indicative focus areas for FY28-29)**



May 2026

# Contents

- 1 Approach to developing the internal audit plan
- 2 Draft FY27 internal audit plan (summary)
- 3 Delivery of the internal audit plan
- 4 Appendices

# 1. Developing the Internal Audit Plan

## Background

We have developed the Internal Audit (IA) Plan for the next three years (FY27, FY28 and FY29). PwC is your partner for Strategic Internal Audit services, i.e. those that are oriented towards long-term council goals and objectives, typically cover broad aspects of the council's operations, risks, and governance structures.

## What the Internal Audit Plan includes

The IA Plan will include:

1. The strategy for Internal Audit (i.e. where do you want the internal audit to focus from Value Protection to Value Enhancement)
2. A Plan for FY27, and indicative engagements for FY28 and FY29 covering both strategic and operational projects
3. A high-level assurance map showing areas of past assurance across Council
4. Presentation of the programme to the Executive Leadership Team and the Risk and Assurance Committee for approval.

## How we prioritise areas for internal audit focus

The IA Plan is broken down into three 12 month tranches of: Confirmed (FY27), Likely/Indicative (FY28-29). This provides certainty for the immediate future but also allows for flexibility - vital in the current operating environment. The extent and nature of the strategic and internal assurance engagements will be constrained by both budget and resource capacity. It is anticipated that there will be on average two to three strategic internal audits per year.

In prioritising areas for FY27 internal audit focus, we selected areas for internal audit that met the following criteria:

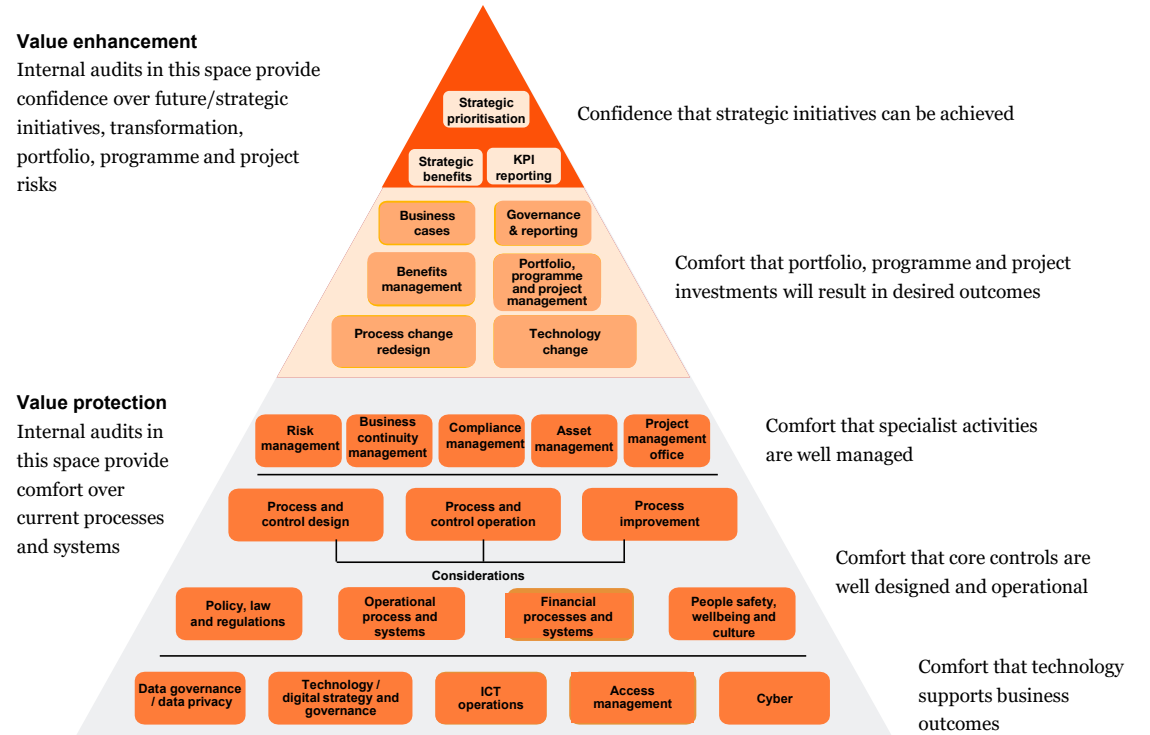
1. Areas that related to Strategic Risks and Strategic Priorities, i.e. an internal audit in this area would support risk mitigation or risk taking to enhance business performance and drive innovation
2. Area that has not had recent assurance in the past, to avoid duplication
3. Area that is ready for assurance in FY27, i.e. management can absorb internal audit recommendations and it is the right time to provide these
4. The majority of key stakeholders (ELT and the RAC) believe that there is value in internal audit perspective over this area.

Areas put forward for outer years (FY28 and FY29) are generally those that are not yet ready for internal audit due to management activity that needs to happen first, e.g. improvement plans that need to progress, or initiatives that are underway such as recruitment or new frameworks.

# 1. Approach to developing the FY27 Internal Audit Plan

We collaborate to develop an **internal audit strategy and plan** that focuses on the areas that matter most to Management and the Risk and Assurance Committee (RAC) to maximise the value the internal audit can deliver. It starts with understanding your strategy, risks, and determines the role internal audit needs to play to provide trust and confidence in support of strategic and operational delivery. The diagram below to the right shows how a contemporary internal audit can provide trust and confidence over the dimensions of **value protection and value enhancement**. We used the following approach to gather, discuss, and prioritise a range of proposed internal audit engagements for inclusion in the FY27 Internal Audit Plan:

- 1 Agree the Internal Audit strategy**  
Discussed that the internal audit **needs to focus on both Value Protection and Value Enhancement**.
- 2 Consider WRC's strategic risks and strategic priorities**  
We considered WRC's strategic risk landscape, key strategic priorities and broader local government risks (see Appendices) to help identify the activities of higher relative importance requiring assurance.
- 3 Consider past assurance activity**  
We identified the "assurance universe" - possible areas for assurance and where there are gaps from what has been reviewed recently (in Appendices).
- 4 Seek views from the Executive Leadership team and RAC Chair**  
We sought perspectives on FY27-29 potential areas of focus, key risks and emerging issues, planned changes across process, people and technology.
- 5 Prioritised topics put forward**  
A range of areas were put forward for internal audit consideration. These projects met the prioritisation criteria on the previous slide and therefore were proposed for inclusion in the FY27 internal audit plan. The remaining areas are indicated for FY28, FY29 or other/lower priority.
- 6 RAC sign off and agree detailed scopes**  
Once the RAC has approved the internal audit plan, we will agree detailed scopes for each area with the Executive Sponsor.



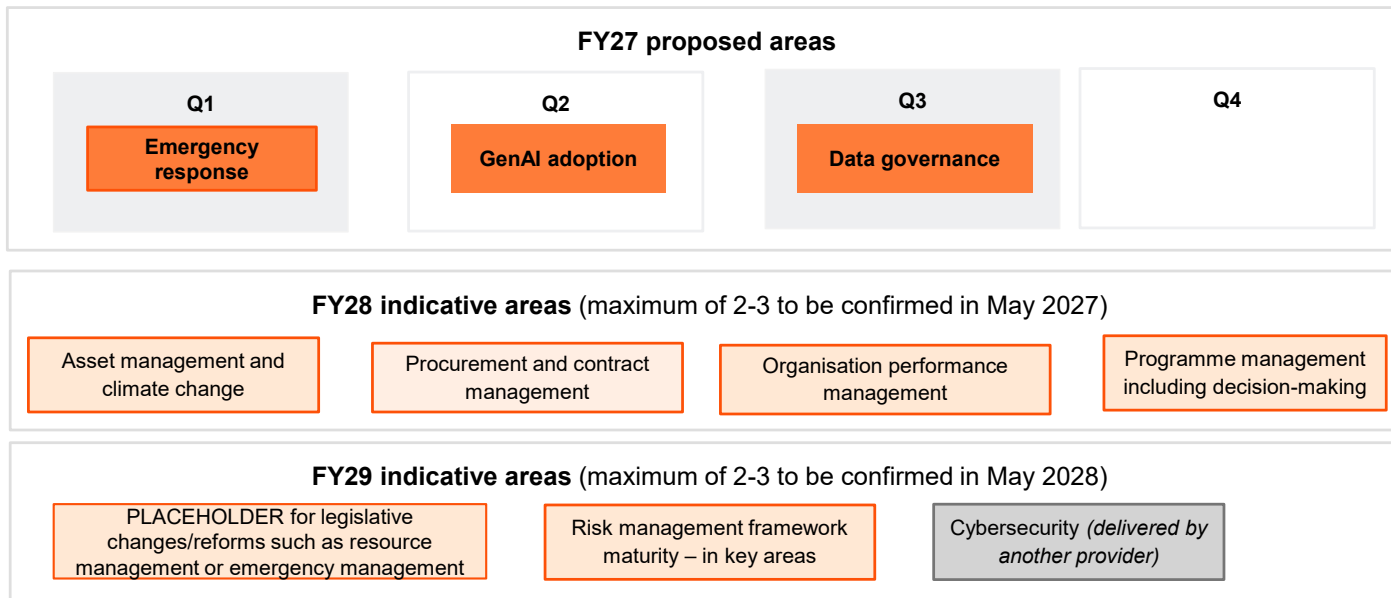
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# Draft FY27 internal audit plan (summary)

# FY27 - 29 Internal Audit Plan Summary - Draft

## The Internal Audit Strategy for FY27 – 29

In preparing this Internal Audit Plan with management, we agreed that to be effective and add value to the Council, the **Plan needs to focus on areas relating to change** (such as GenAI and data governance) **and strategic risk** (such as emergency response). The scope of Internal Audit work needs to consider if there are robust frameworks, plans and practices to ensure effective risk mitigation and safe risk taking. We have considered the level of change within the Council (such as new strategies) and suggested audit timeframes that allow these to be bedded in, while providing timely comfort from Internal Audit. We also acknowledge the change and reforms coming in local government and the **need for Internal Audit to be agile** in response to these environmental changes and new strategic risks, so that assurance activity is focused on the areas that matter most. We will periodically re-assess the Plan and proposed scopes to achieve this.



**Focused on:**

- 

Aligning Internal Audit activity to Strategic risks, priorities, areas of change and considering past and other sources of assurance
- 

Real time involvement through change to support risk management as new processes and controls are being designed
- 

Enhancing business performance and supporting innovation
- 

Bringing specialist expertise at the right time

## FY27 - 29 Internal Audit Plan Summary – Linkage, Rationale and High-level Scope

#	Project	Linkage to Risk and Strategy	Rationale for Inclusion	Indicative High-level Scope
1	Emergency Response	<p>Links to Strategic Risk</p> <p>1 – Emergency Response</p> <p>4 - People, Capacity, Capability and Culture</p> <p>7 – Climate Change</p> <p>Links to future-fit organisation and building regional resilience.</p>	<p>The increase in severe weather events has tested the capacity and capability of flood management and Civil Defence structures around the country.</p> <p>WRC plays an important role in responding to floods, environmental events and supporting Civil Defence. Effective emergency response depends on clear roles, trained staff, reliable systems, timely information and coordinated decision-making. Gaps in readiness could delay response, increase harm and reduce community confidence.</p>	<p>Assess whether WRC has:</p> <ul style="list-style-type: none"> <li>incorporated the lessons learnt from other recent severe weather events into their systems and procedures, from a flood management, hazard management, land transport, harbour management, pollution and civil defence support perspective</li> <li>sufficient resourcing for both WRC responsibilities and Civil Defence responsibilities.</li> </ul>
2	GenAI adoption	<p>Links to Strategic Risks:</p> <p>4 - People, Capacity, Capability and Culture</p> <p>5 – Information, Data and Technology</p> <p>Links to future-fit organisation.</p>	<p>GenAI presents opportunities to improve productivity, service quality, knowledge management and staff efficiency across WRC. However, informal or inconsistent use can create risks around sensitive information, inaccurate or biased outputs, weak audit trails and poor records management. Clear governance is needed to enable safe, responsible and value-focused adoption while maintaining public trust.</p>	<p>Assess whether WRC has appropriate governance, policies and accountabilities for GenAI adoption. Consider how GenAI risks and benefits are monitored, and whether adoption is aligned to organisational strategy, technology plans and service delivery priorities.</p>
3	Data governance	<p>Links to Strategic Risk:</p> <p>5 – Information, Data and Technology</p> <p>Links to future-fit organisation.</p>	<p>WRC relies on accurate, complete and accessible data to support regulatory, financial, emergency response, climate, infrastructure and performance decisions. WRC has refreshed its data governance strategy, creating a timely opportunity to assess whether it is being embedded and improving ownership, standards, quality and confidence in critical information. Strong data governance supports accountability, transparency and better long-term outcomes.</p>	<p>Assess whether the refreshed enterprise data strategy is aligned to WRC’s priorities, operating needs and key decision-making requirements. Review governance arrangements for critical datasets, including ownership, stewardship standards, policies and accountabilities. Consider data quality controls, metadata access, privacy, security, reporting and issue resolution processes.</p>
4	Asset management and climate change	<p>Links to Strategic Risk</p> <p>1 – Emergency Response</p> <p>4 - People, Capacity, Capability and Culture</p> <p>5 - Information, Data and Technology</p> <p>6 - Financial Sustainability</p> <p>7 – Climate Change</p> <p>Links to future-fit organisation and building regional resilience.</p>	<p>Last assessed in 2023 which focused on IIMM. WRC manages critical assets that support flood protection, transport outcomes, community resilience and essential regional services. Incomplete asset information, weak lifecycle planning or unclear investment prioritisation can lead to reactive maintenance, higher whole-of-life costs and reduced ability to respond to climate and hazard pressures. Strong asset management supports better long-term planning, transparent trade-offs and financially sustainable investment decisions.</p>	<p>Assess whether WRC adequately considers climate change and environmental monitoring in its management of assets. Review asset planning processes and investment prioritisation to consider how climate resilience, affordability and hazard risks are reflected. Review how monitoring infrastructure is managed.</p>

Discussed with the Risk and Assurance Committee on 12 June 2026.

## FY27 - 29 Internal Audit Plan Summary – Linkage, Rationale and High-level Scope

#	Project	Link to Risk and Strategy	Rationale for Inclusion	Indicative High-level Scope
5	Procurement and contract management	<p>Links to Strategic Risk 6 - Financial Sustainability</p> <p>Links to being able to deliver all 5 Strategic Priorities.</p>	<p>Procurement was last reviewed in 2021, and WRC has since refreshed its procurement strategy. This creates a timely opportunity to assess whether the strategy has been embedded and is driving more consistent, transparent and value-focused procurement practice. This is particularly important given affordability pressures and WRC's reliance on suppliers to deliver key services, projects and community outcomes.</p>	<p>Assess whether the refreshed procurement strategy is aligned to WRC's priorities, financial sustainability objectives and operating needs. Review procurement governance, policies, delegations and accountabilities, including planning, sourcing, evaluation, award, probity and conflict-of-interest processes. Consider how value for money, supplier resilience, contract performance, delivery risks and lessons learned are monitored and reported.</p>
6	Organisation performance management	<p>Links to Strategic Risk 4 - People, Capacity, Capability and Culture</p> <p>6 - Financial Sustainability</p> <p>Links to future-fit organization and delivery of the other 4 strategic priorities.</p>	<p>WRC's strategic direction includes a commitment to being a future-fit and high-performing organisation. Without clear performance measures, ownership and reporting, performance information may become fragmented, activity-focused or disconnected from outcomes. Strong performance management supports transparency, early identification of delivery issues and confidence that resources are focused on agreed priorities.</p>	<p>Assess whether WRC's revised performance management framework clearly links strategic priorities, plans, measures, targets and accountabilities. Review the relevance of performance measures, ownership of outcomes, reporting cadence, data reliability and escalation of underperformance. Consider how performance information is used by management and governance to support achievement of strategic priorities.</p>
7	Programme Management including decision-making	<p>Links to Strategic Risk 2 - Governance and Reform Transition</p> <p>4 - People, Capacity, Capability and Culture</p> <p>6 - Financial Sustainability</p> <p>Links to all 5 strategic priorities.</p>	<p>WRC is managing a range of strategic, operational and reform-related initiatives that compete for funding, people and organisational capacity. Without consistent programme governance and prioritisation, initiatives may not be clearly sequenced, dependencies may be missed and delivery pressures may not be visible early enough. Strong programme management supports clearer trade-offs, better resource allocation and greater confidence that strategic priorities are being delivered.</p>	<p>Assess whether WRC has fit-for-purpose programme governance arrangements for strategic change, including clear roles, decision rights, prioritisation criteria, reporting and escalation pathways. Review how programmes are initiated, prioritised, sequenced and monitored against scope, cost, time, risks, dependencies and capacity constraints. Consider whether benefits are clearly defined, owned, tracked and reported, and whether delivery lessons are used to inform future planning.</p>

Discussed with the Internal Audit Committee on 12 June 2025.

## FY27 - 29 Internal Audit Plan Summary – Linkage, Rationale and High-level Scope

#	Project	Link to Risk and Strategy	Rationale for Inclusion	Indicative High-level Scope
8	Resource Management Processes	<p>Links to Strategic Risk 2 - Governance and Reform Transition 4 - People, Capacity, Capability and Culture 6 - Financial Sustainability</p> <p>Links to all 5 strategic priorities</p>	<p>The Government is reforming the Resource Management Act. WRC will need to implement updated processes and procedures to comply with the new legislation. WRC's resource management functions are central to environmental outcomes, regulatory confidence and customer experience.</p>	<p>Assess whether WRC revised processes and procedures for managing resource management meet the requirements of the new legislation.</p>
9	Risk Management Framework Maturity	<p>Underpins all risks.</p>	<p>A risk management maturity assessment was completed in 2024. The assessment identified areas where current maturity was below the desired target state. A targeted follow-up would assess whether agreed actions are progressing and whether weaker areas are being strengthened in practice. This would support clearer accountability, improved reporting and more consistent use of risk information in decision-making.</p>	<p>Assess progress against the 2024 maturity assessment findings and agreed management actions, focusing on lower-maturity areas such as data and technology, risk reporting and insights, risk assessment and measurement, and risk monitoring. Review whether risk appetite, controls, escalation pathways, reporting quality, system support and governance oversight have improved since the 2024 assessment.</p>
10	Cybersecurity	<p>Links to Strategic Risk: 5 – Information, Data and Technology</p> <p>Links to being able to deliver all 5 Strategic Priorities.</p>	<p>WRC relies on secure and available technology to deliver core services, manage sensitive information and support business continuity. A weak cyber control environment could result in service disruption, privacy breaches, data loss, increased costs, regulatory impacts and reduced public trust. Effective governance, controls, monitoring and response capability are essential as cyber threats continue to evolve.</p>	<p>This is a key area of risk and WRC use an external provider to assess this area. It is included on the plan for visibility..</p>

Discussed with the Risk and Assurance Committee on 12 June 2025.

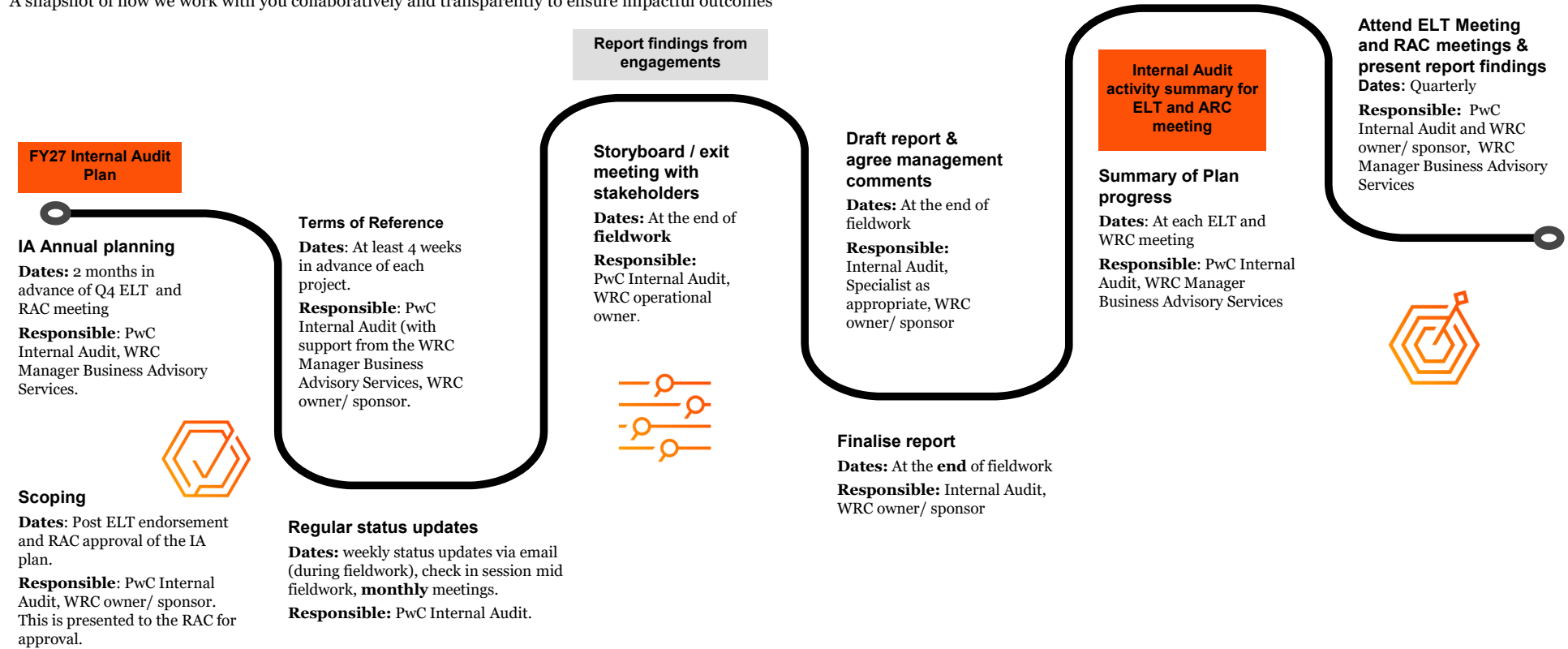
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## Delivery of the internal audit plan

# Delivery of the Internal Audit Plan

## Our operating rhythm

A snapshot of how we work with you collaboratively and transparently to ensure impactful outcomes





# Appendices

Doc 10

# Waikato Regional Council's Strategic Risks (updated 2026 - draft)

Below are the current strategic risks to consider when thinking about potential internal audit activities. Also consider emerging risks that may not be in the below.

Risk Category	Risk Description	Risk Appetite Rating
1 Emergency Response	Due to insufficient numbers of appropriately trained staff , operational systems not being fit for purpose or decision making not being as informed by the most recent and relevant data, Waikato Regional Council is unable to effectively respond to a critical event or situation. Ultimately this could lead to a range of consequences including loss of life, damage to property, natural resources and critical infrastructure.	Low
2 Governance and Reform Transition	Due to changing regulatory environment, uncertainty regarding complex changes and inadequate planning, WRC may fail to adapt to new legislative and regulatory requirements leading to penalties, service disruption and reputational damage.	Medium appetite for increased costs where these are necessary to respond effectively to reform.  Low appetite for failing to anticipate, interpret, plan for, and implement regulatory change
3 Relationships	Due to ineffective engagement with required stakeholders, unclear roles and responsibilities and unclear messaging Waikato Regional Council may lose the trust and confidence among communities, iwi, partners and key stakeholders, leading to resistance to decisions, slower delivery and reduced mandate to implement strategic change.	Medium
4 People, Capacity, Capability and Culture	Due to capability gaps, constrained capacity and change fatigue/resistance, Waikato Regional Council does not enable a constructive organisational culture with capability and capacity to adapt to the future state needs. This may result in poor staff attraction, retention, engagement, and performance.	Low
5 Information, Data and Technology	Fragmented and underinvestment in secure, resilient information, data/AI and technology capabilities may result in cyber or privacy events, or poor information quality, leading to impaired decision-making, technical debt, disrupted services and reputational damage.	Medium – investment in AI and modern systems  Low appetite for risks relating to privacy, cyber security, critical system resilience or poor information management.

## Waikato Regional Council's Strategic Risks (updated 2026 - draft) - continued

Below are the current strategic risks to consider when thinking about potential internal audit activities. Also consider emerging risks that may not be in the below.

Risk Category	Risk Description	Risk Appetite Rating
6 Financial Sustainability	Due to cost escalation, funding constraints, rates affordability pressure, weak forecasting/prioritisation or investment discipline, WRC may have insufficient or poorly allocated funding, leading to inability to maintain service levels, invest in infrastructure and deliver strategic outcomes.	Medium
7 Climate Change	Due to insufficient integration of climate change impacts, including flood risk into relevant planning, infrastructure, service design and land-use decisions, communities may be exposed to maladaptation, increased hazard exposure or missed transition opportunities, leading to long-term financial, social, environmental impacts, compromised staff safety and wellbeing and reputational costs.	Medium appetite for taking measured adaptation and transition action where this supports long-term resilience and preparedness.  Low appetite for failing to address material climate impacts in relevant policy, land use and service design
8 Giving Effect to Treaty of Waitangi / Te Tiriti o Waitangi	Due to insufficient capacity and capability, early engagement and effective partnership arrangements, WRC may not give proper effect to Te Tiriti o Waitangi/ Treaty of Waitangi, its principles and associated obligations, leading to damaged relationships with iwi and Mana Whenua, failure to meet obligations and reduced ability to deliver key priorities and co-governance outcomes.	Medium

# Broader key risks facing local government

Outlined below are the key risks and issues currently facing local government organisations.

## Local Government NZ have identified the following key issues facing local Councils:

	<b>Local government reform:</b> The government has asked Councils to put forward their proposals to establish new unitary authorities covering part, or all of a region. They have until August 2026 to submit, otherwise the Government will do it for them.
	<b>Funding and financing:</b> Local councils are facing financial challenges due to an outdated funding and financing system, with costs rising faster than consumer inflation. Successive governments are introducing new roles and responsibilities, without additional funding which adds burden upon ratepayers.
	<b>Flood infrastructure:</b> Flood protection infrastructure is being pressured by climate change and extreme weather events. The increasing severity of events is exceeding the design capacity of current infrastructure. There is also a shortage of experienced staff in this area.
	<b>Resource management and Freshwater reforms:</b> The Government is undertaking a comprehensive resource management and freshwater reform programmes, which involves repealing the previous Government's reforms and designing a replacement for the RMA.
	<b>Climate change:</b> Regional Councils require enhanced tools, resources, and a stronger voice in national climate strategies to effectively manage climate risks and implement sustainable adaptations, ensuring policies are impactful and cost-effective for communities.
	<b>Emergency management and recovery:</b> Local government plays a central role in civil defence and emergency management. With the increase in severe weather events that have devastated some communities, civil defence alerting, preparedness, co-ordination has been challenged.
	<b>Transport:</b> Local Council current networks are facing a range of challenges, including the impact of more frequent extreme weather events, urgent maintenance needs, population growth and climate adaptation.
	<b>Housing:</b> Working with Central Government on National Policy Statement on Urban Development and rules that enable rapid acceleration of supply of housing in high demand areas.
	<b>Environment:</b> Leading and championing policy and working with central government, iwi and stakeholders to address the increasing impact of environmental issues, including climate change, the quality and quantity of New Zealand's freshwater resources, reducing waste and protecting biodiversity.

## Local government risks seen across our other clients and the recent Office of the Auditor General LTP report:

Weather events risk profiling and response	Freshwater reforms	RMA reforms
Community engagement	Demonstrating value for money in light of rate increases and cost of living challenges	Funding constraints and increasing debt levels
Organisational capacity and operating models reviews	AI and automation	Iwi partnership and iwi / hapu delineations
Flood Protection investment	Climate resilience	Exposure to, and reliance on, government funding for infrastructure

# Waikato Regional Council Strategic Priorities

Consider what risks there are to achieving your strategic priorities

**Matawhānui Vision**  
Waikato: Empowered people shaping a healthy, prosperous place for generations to come.

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**Aronga Purpose**  
Working together for a Waikato region that has a healthy environment, vibrant communities and strong economy.

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**Ngā uara Values**

**Kia tika Responsible**  
Our people model the highest standards of personal and professional behaviour in all job-related activities.

**Kia tau Respectful**  
Showing others respect is the basis of all our behaviour.

**Kia toa Effective**  
We always aim to give the best we can.

[Read more about our values on our website](#)

## Ngā aronga nui Our priorities

*At the core of this strategy is a commitment to being a future-fit and high-performing organisation – one that makes evidence-based, technology-enabled decisions that are informed by the experiences, aspirations and preferences of the people and communities we serve.*

**Te whakarite mō āpōpō  
Future-fit organisation**  
Building value and thriving through uncertainty to successfully transition into any future state.

**Ka tōnui, ka taurikura te rohe  
Productivity and prosperity**  
Enable and promote a productive region that delivers shared prosperity, profitability and security.

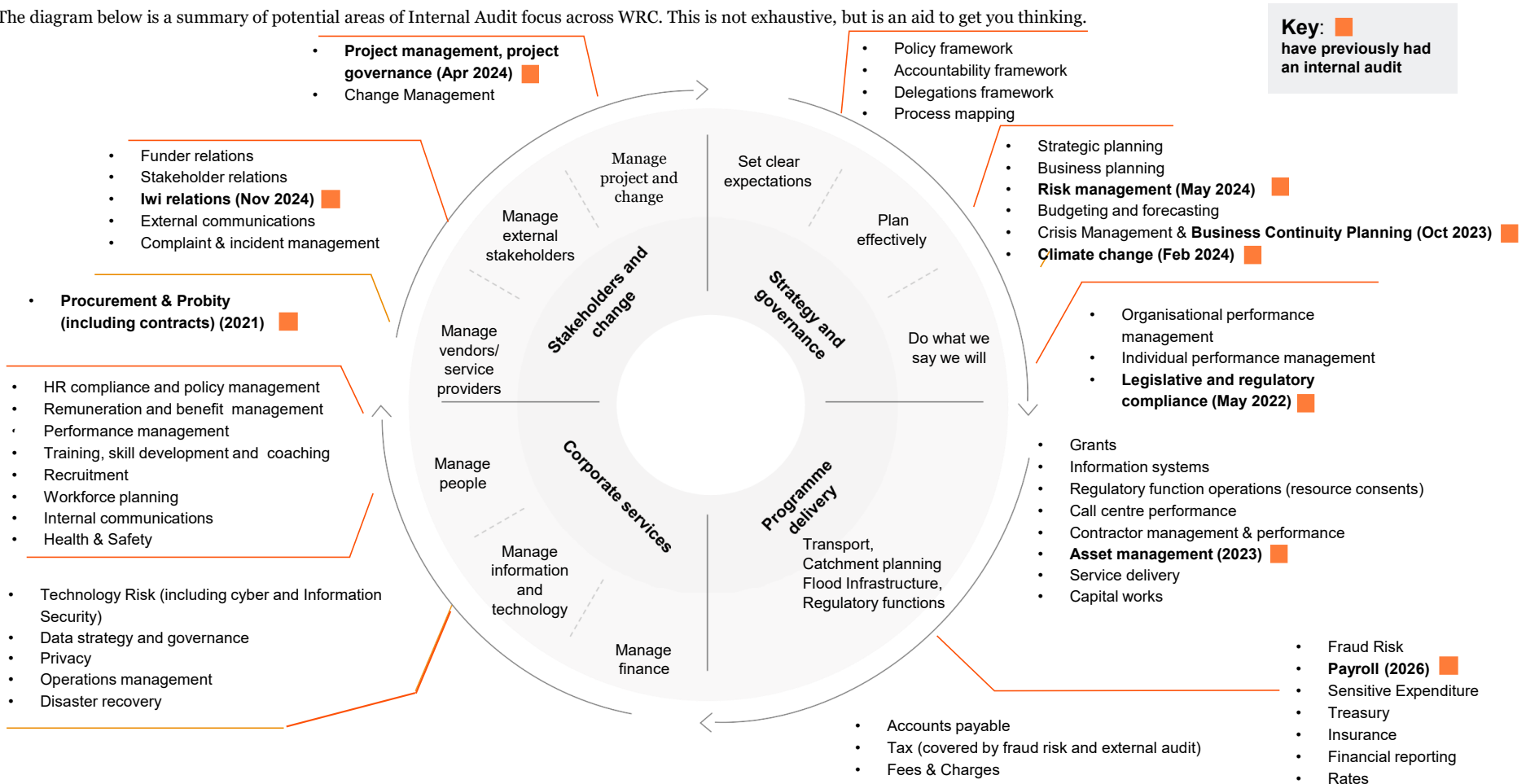
**Kia manawaroa ake te rohe  
Building regional resilience**  
Support communities to understand natural hazard risks, take action to reduce them, and respond to and recover from disasters and change.

**E toitū ai ngā rawa taiao  
Sustaining natural resources**  
Accelerate action to protect and restore the natural resources that make the Waikato nationally significant – our soils, water bodies, native plants and animals, geothermal areas, forests and coastal habitats.

**Pūnaha waka tītike  
Optimised transport system**  
Maintain an integrated, safe and efficient transport system to improve mobility and equity, reduce emissions and support regional productivity.

# Internal audit universe and past internal audits

The diagram below is a summary of potential areas of Internal Audit focus across WRC. This is not exhaustive, but is an aid to get you thinking.



Doc: Wellington Regional Council Dec 4 FY27 Internal Audit Plan

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# Ngā mihi

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## 6.4 INTERNAL AUDIT ACTIVITY UPDATE

**Rā | Date:** 28 April 2026

**Kaituhi | Author:** James Brennan, Strategic Risk Advisor

**Kaituku | Authoriser:** Janine Becker, Director, Customer and Corporate Services

### TE ARONGA | PURPOSE

1. To update the Risk and Assurance Committee on Council's internal audit activities.

### KŌRERO WHAKATAHI | EXECUTIVE SUMMARY

2. The Internal Audit Activity Update includes updates on the implementation of the recommendations from previous internal audit reviews conducted.
3. The following completed reviews continue to have recommendations that are being monitored:
  - (a) Asset Management and Asset Management – Climate Change Response.
  - (b) Business Continuity / Emergency Management.
  - (c) Project Management Framework.
  - (d) Risk Management Maturity.
  - (e) Te Puāwaitanga Māori Engagement Maturity Assessment.
  - (f) SafePlus Health and Safety Assessment.
4. The Cyber Security Response review continues to progress with an update provided in a separate report provided in the Public Excluded section of the agenda.

### TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *Internal Audit Activity Update* (Risk and Assurance Committee, 3 June 2026) be received.

### HOROPAKI | BACKGROUND

5. The Internal Audit Work Plan considers the Council's strategic priorities, risk profile, current and future work streams, and findings from past reviews. The plan is regularly reviewed with the Risk and Assurance Committee to ensure the internal audit programme remains relevant and responsive to emerging and evolving risks. In response to the updated Strategic Direction and subsequent review of WRC's Strategic Risks, PwC will present an updated Internal Audit Work Programme covering the next three years to the Committee at this same meeting for consideration.
6. Ahead of this report, the tracking of outstanding Internal Audit Actions has introduced a RAG (Red, Amber, Green) status column for owners of the recommendations to reflect the status of progress towards these recommendations, including the identification of any barriers to achievement. A definition of the ratings is below:

- (a) Red = Significant concerns regarding delivery. The recommendation is unlikely to be achieved within agreed timeframes without immediate corrective action, and/or there are material risks or barriers impacting progress.
- (b) Amber = Some concerns regarding delivery. Progress is underway but there are risks, issues, or dependencies that may impact timely completion and require active management.
- (c) Green = On track. The recommendation is progressing as planned and is expected to be achieved within agreed timeframes, with no significant issues or risks identified.
7. The RAG status column should not be confused with the priority column. Priority (High, Medium, Low) reflects the assessed importance of implementing each internal audit recommendation, while RAG status (Red, Amber, Green) reflects the current delivery status of that recommendation.

### Implementation of actions from past reviews

8. The below table shows the status of all high and medium priority actions that were still in progress during the previous quarter. The table shows a generally positive trajectory, with a number of areas demonstrating steady progress, while some pockets of delayed activity remain.

High and Medium Priority Actions					
Review	Red	Amber	Green	Completed	Not Started
Asset Management Review	1	2			
Asset Management Review - Climate Change Response		1			
Business Continuity and Emergency Management		1	1		3
Project Management Framework Review		2	16	3	3
Risk Management Maturity Review			2		1
SafePlus Health and Safety Assessment		2	2		
Te Puawaitanga - Māori engagement Maturity Assessment		2	4	1	4

9. The *Business Continuity / Emergency Management Review* – Progress against these recommendations is mixed. Foundational actions are progressing as expected however, delivery of organisation-wide emergency response test exercises has been deferred due to WRC responding to a number of weather-related events. This has resulted in one medium-priority recommendation being assessed as delayed. The remaining recommendations that have not yet started are staged and are dependent on completion of the open actions before further progress can occur.
10. The *Asset Management Review* – Progress on Asset Management recommendations is being impacted by external uncertainty associated with national direction and resource management reform. This has constrained progress on one high-priority recommendation

(relating to the establishment of soil conservation and water quality Levels of Service) and contributed to delays in another. Work has commenced on longer-term contract approval processes, including as-required contract tenders and evaluations, which is supporting progress on the associated medium-priority recommendation.

11. The *Asset Management – Climate Change Response* – Good progress continues on the Asset Management – Climate Change Response recommendation. The trial of the Sustainable Infrastructure Decision-Making Framework has concluded, with a short list of options developed and considered by the Community Panel. A report on lessons learned from the trial is being reported to Council in May 2026. An outline capital project plan is now being prepared for the Motukaraka Community Panel prior to submission for Council approval.
12. The *Project Management Framework Review* – Most Project Management Framework actions are progressing well, supported by the mandating of PowaPlanner as the portfolio management tool and the implementation of the Enterprise Work Management framework and processes. Some delays remain in benefits management, reflecting capacity constraints and the need for further maturity in this space. The current focus is on reinforcing and embedding processes as a foundational element of the development of the 2027 – 2037 Long Term Plan planning process, with additional training and communications planned once the ePO team is fully resourced.
13. The *Risk Management Maturity Review* - Actions arising from the Risk Management Maturity Review are progressing as expected and are being delivered in parallel with the refresh of Council’s strategic risks. The remaining actions are rated as Low priority and have not yet commenced and will be considered following implementation of the refreshed strategic risk framework.
14. The *KPMG Te Puāwaitanga Māori Engagement Maturity Assessment (Co-Governance and Treaty Settlement Process review)* - Overall progress remains consistent with agreed timeframes and reflects a measured transition from design into implementation. Some high-priority actions remain delayed due to dependencies on other organisational processes. All medium-priority actions are either progressing as expected or are scheduled to commence once prerequisite work is completed.
15. The *SafePlus Health and Safety Assessment* – Progress against SafePlus Health and Safety recommendations is generally positive. Some delays remain in strengthening learning management systems for training records and improving the consistency and effectiveness of risk controls across the organisation. These areas continue to require further coordination and system capability improvements.
16. Details on the progress against individual recommendations from completed internal audits can be found in the Attachment 1.

## WHAKAKAPINGA | CONCLUSION

17. This report updates the Risk and Assurance Committee on Council’s internal audit activities.
18. Where recommendations have been completed reporting will cease and these will be omitted from future reports.

## ĀPITIHINGA | ATTACHMENTS

1. **Internal Audit Recommendations Tracker 2025/26 (Doc #32796472)** [↓](#)



MASTER - Tracking Internal Audit Recommendations 2025-2026 #32796472							
Business Continuity and Emergency Management							
KPMG Finding	KPMG Recommendation	Priority	Management Comments	Responsible	Date Due	RAG	Current Status
Emergency response exercises not carried out at the organisation wide level. No evidence that that emergency response exercises are undertaken at an all of organisation capacity, for all types of response.	Facilitate table-top (ER) exercises for the wider WRC team, to further improve understanding on how to respond to incidents	Medium	The Strategic Risk Advisor will work with the WRC Emergency Management Office on developing and facilitating an organisation-wide emergency response exercise annually. These findings will be able to be linked to the CDEM mandated KPI where WRC needs to utilise an annual exercise to measure the effectiveness of training delivery across the organisation.	Strategic Risk Advisor	TBC	Amber	In-Progress - Discussions are underway between Strategic Risk Adviser and Emergency Management Office on how best to implement an exercise before July 2026
	Cross train employees into multiple roles to be increasingly prepared in the case of an absence.	Medium		Strategic Risk Advisor	TBC	Not Started	Not started - further consideration of this recommendation will be undertaken following the Organisation Wide Emergency Response Exercise.
<b>Business Impact Analyses not robust:</b> Multiple impact areas were not considered, and inconsistencies were noted with WRC identifying Recovery Time Objectives (RTOs), Recovery Point Objectives (RPOs), dependencies and key technology enablers.  <i>E.g., in the event of an emergency/incident the Spatial Team may be required to be at a location within 2-4 hours and require a vehicle, but the corporate service fleet have an RTO of 1 day for providing that vehicle.</i>	A procedure should be developed for identifying the key steps in conducting a robust BIA. This should take into consideration a methodical approach to RTO and RPO calculations, and impact assessment criteria. All internal process dependencies and a range of potential impacts should be considered in deciding RTOs.	High	The Strategic Risk Advisor will implement an annual BIA process to provide a more robust Business Impact Analysis and clearer Recovery Time Objectives from across the organisation would help the IS team (and other business enablers, e.g., Property and Fleet Services) to then determine what would be needed in order to achieve these and the order in which we might recover services if this was necessary (and also recognising that there may be some circumstances where we wouldn't be able to meet these timeframes – such as a major cyber security incident).	Strategic Risk Advisor	TBC	Green	In-Progress - A desktop-based BIA of WRC's Essential Service Response Plans has been undertaken. Findings are being actioned with Business Units before reporting to ELT.
	A formal BIA refresh should be completed at least annually to reconfirm the recovery objectives and consider any changes or new risks that may have been introduced.	High		Strategic Risk Advisor	TBC	Not Started	Not started - The next BIA will take place a year after the conclusion of the BIA currently taking place.
Gaps in training coordination and attendance: No evidence that alternates are consistently involved in response training and exercises; and CDEM has limited visibility on trained WRC staff.  <i>E.g., No evidence to establish backup team members of key roles participated for tabletop exercises and trainings.</i>	Alternates should be required to attend training and participate actively in any response exercises.	Medium		Strategic Risk Advisor	TBC	Not Started	Not started - Further consideration of this recommendation will be undertaken following the Organisation Wide Emergency Response Exercise.
Asset Management Review							
KPMG Finding	KPMG Recommendation	Priority	Management Comments	Responsible	Date Due	RAG	Current Status
For the example provided, it is noted that the user interface of the hazards portal could be improved so that all map layers are displayed on the map legend at all times, making it easier to identify defended properties. Additionally, further clarification is needed on the extent of reporting capabilities offered by these maps. Aside from this example, there is no use of non-technical measures to assess the performance of flood protection activities and assets.	Integrate non-technical measures (regardless of team responsibilities) as outputs and performance indicators of related and connected assets and activities. For the example provided, enhance functionality of hazards maps to improve visibility of defended and protected properties. Conduct an assessment of the reporting capabilities of the hazard maps and provide this information to users in a transparent manner.	High	Staff will consider this matter and make the necessary changes to the Regional Hazards Portal.	Regional Resilience Team	Dec-26	Amber	No progress has been reported since the March update.

WRC does not consider demand for flood mitigation services itself. This is instead driven by communities and stakeholders that assess their risk, and request works for WRC to consider.	Establish soil conservation and water quality LoS. Compile baseline data as recommended in the EnviroStrat report to inform progress towards WRC's healthy environment within the RAMP*.	High	Management agrees with this finding. WRC would equate LoS to environmental limits and targets (as per changes to Regional Plan to give effect to NPS FM and other national direction). <b>WRC needs to establish appropriate limits and targets for soil, water quality and biodiversity, and then balance/weight up against the flood mitigation services.</b>	Science, Policy and Information	Dec-27	Red	Progress toward fully achieving the National Policy Statement for Freshwater Management (NPS-FM) is at risk due to ongoing changes to national direction and the wider resource management reform programme, which have introduced significant uncertainty and disrupted the original approach to the Freshwater Policy Review. While Council continues to meet its current statutory obligations, the need to refocus, reprioritise, and avoid duplication of effort under a transitioning planning system has slowed forward progress toward plan changes and implementation milestones. As a result, timelines and deliverables are increasingly constrained, and there is a high risk that original objectives cannot be achieved within expected timeframes without further clarity on national policy settings and reform outcomes.
The 2023 draft of the RAMP contains a section defining the different types of asset failures and their root causes. However, there was no explicit integration of ICM risk criteria within this section.	As per previous Previous KPMG IA recommendation: <i>Integrate ICM risk criteria within the definition of asset failure noting any adverse impacts from asset function.</i>	Low	Management agrees and will ensure the necessary alignment with organisational risk criteria as necessary.	Integrated Catchment Management	Jun-27	Green	Monitor
No documentation was available to validate that this recommendation had been implemented. The stakeholders interviewed noted that discussions are underway among WRC staff regarding future opportunities for longer-term contracts with contractors and suppliers.	Work with WRC Executive Leadership Team to find ways to obtain longer term approvals which span multiple annual project approval cycles and therefore allow longer term contracts to be offered to market.	Medium	Management agrees with this.	Integrated Catchment Management	TBC	Amber	Work has commenced on As Required contract tenders and evaluations are underway.

Asset Management Review - Climate Change Response							
KPMG Finding	KPMG Recommendation	Priority	Management Comments	Responsible	Date Due	RAG	Current Status
<p>The Climate Action Roadmap has recently been released, therefore progress summaries against the goals were in the draft stages at the time of fieldwork. As WRC progresses on implementing the Climate Action Roadmap, clear accountability frameworks are needed to ensure that responsible individual groups or individuals are identified, and that progress is transparently communicated.</p> <p>There is also opportunity to expand the KPIs used to measure the performance of flood protection assets to include climate change considerations. The metrics currently focus on performance against levels of service (e.g. the percentage of stopbanks maintained to above flood level and the completion rate of planned mandatory maintenance action each year). By incorporating additional KPIs, such as the percentage of infrastructure or investment decisions made using the Sustainable Infrastructure Decision-Making Framework, WRC can assess its progress in making infrastructure and investment decisions that promote greater climate resilience</p>	3. WRC shall embed evaluation processes to ensure approach reflects evolving understanding and lessons learnt.	Low	Management agrees with this recommendation and will embed evaluation processes to understand the opportunities available through understanding lessons learnt.	Regional Resilience Team	Ongoing	Amber	No progress has been reported since the March update.

<p>The Sustainable Infrastructure Decision Framework (SIDF), which was prepared by Beca Limited for WRC in September 2020, is yet to be implemented but represents an opportunity to embed climate change impacts and implications into council Asset Management decisions in a consistent way. This framework achieves this through asking users to consider the impacts of climate change on projects. The SIDF also provides criteria for assessing the effectiveness of options in terms of climate change outcomes. As noted in the Climate Action Roadmap, there are plans to test the SIDF for flood management and land drainage infrastructure investment and wider Asset Management decisions during the 2024-2034 Long Term Plan.</p>	<p>WRC should build systems and settings to mandate the implementation of the SIDF into decision-making for Asset Management. For example, some of the questions in the framework include: "How well understood are the future climate change impacts?" and "What are the uncertainties that we need to consider and how might they affect our option selection?"</p>	<p>Medium</p>	<p>We refer to SIDF and Climate-Change in 'Decision-Required Committee templates (e.g., Adaptation to Climate Change, Mitigation – reducing impacts on the climate, Climate Leadership and Assessment of Significance) - however management agrees and utilise the decision-making templates. We are trialing the SIDF in a project in this FY. This is a CE KPI.</p>	<p>Integrated Catchment Management</p>	<p>Ongoing</p>	<p>Amber</p>	<p>The SIDF trial has concluded with the delivery of a short list of options report. This has been considered by the Community Panel and an outline plan for a capital project will be reported to the Motukaraka Community Panel indicating the timeline and process steps before submitting a report for Council approval.</p>
<p>Staff interviewed noted issues with capacity and succession planning. They suggested that the workloads of SMEs can be particularly high through also having staff management responsibilities. Key experts/SMEs have pressure on projects to deliver and therefore can have limited time to help juniors gain experience, or in certain cases, contribute to the CARAG working group.</p> <p>WRC targets a ratio of three to seven direct reports per manager. Upon review of the organisation charts and discussions with staff, we noted two exceptions to this within the ICM directorate: the Team Leader - Regional Resilience (10 direct reports), and the Team Leader - Business Support (9).</p>	<p>WRC should invest in capability-building programmes, training, and knowledge sharing initiatives to enhance the council's expertise and aggregate capacity in relation to climate change. This includes providing staff members with access to relevant resources, tools, and training opportunities. Although embedding SIDF will provide a framework for council capability to consider climate change, WRC should provide climate change training to support users to be able to implement the framework effectively and consistently. Building climate change capability council-wide reduces the risk that climate change capability is lost in case of key individual/champions leaving WRC, and may allow for certain responsibilities to be allocated between other staff members.</p>	<p>Low</p>	<p>Management agrees and has identified resilience as a core theme for the 2024-2034 LTP including the identification of several areas of investment across several work programmes and has also proposed an Infrastructure Strategy that identifies an organisational-wide response to a number of issues, including climate change.</p>	<p>Integrated Catchment Management</p>	<p>Ongoing</p>	<p>Amber</p>	<p>Work has commenced on capability build program for Regional Flood Response Team as well as increased focus on CDEM surge staff training. 24 volunteers have commenced their trg. Additionally a business case is being developed that will outline proposed changes to FTE/headcount in both Regional Resilience and Emergency Management functions to better align with the ambitions of the Council's strategic direction.</p>

Project Management Framework Review							
KPMG Finding	KPMG Recommendation	Priority	Management Comments	Responsible	Date Due	RAG	Current Status
<p><b>Project initiation is poorly controlled</b></p> <p>A number of interviewees expressed that pain points originate from poor project initiation. There have been examples of projects being established without a clear purpose, scope, budget and/or schedule. In some instances, staff members who are creating "projects" are unaware of what comprises a project and are actually undertaking business as usual (BAU) activities.</p> <p>This poses a risk to WRC as it can result in wasted resources, both in terms of time and finances. Due to unclear project objectives, scope, budget, quality expectations or timelines, project teams may end up focusing on the wrong tasks, misallocating resources, or extending timelines. Confusion between regular BAU activities and projects can further add to this inefficiency and affect portfolio wide reporting.</p>	<p>Ensure sufficient time is dedicated to developing the project Business Case, making investment decisions, preparing initiation documents and identifying workforce requirements. It is also important to learn and transfer lessons from past projects' successes and failures.</p>	<p>High</p>	<p>Management agrees with this finding.</p>	<p>Enterprise Portfolio Office</p>	<p>Mar-27</p>	<p>Green</p>	<p>In Progress</p>
	<p>The comprehensive library of project management resources and templates available to all WRC staff contains good information on project initiation, including assessment of whether the task is a project and it's complexity. WRC should promote awareness of these resources through various channels, especially project management forums or wider meetings.</p>	<p>Medium</p>	<p>To strengthen business case development a business case and benefits 1-day course is being implemented and scheduled for August 2024.</p> <p>The ongoing promotion of resources and tools created by the ePO will be undertaken (e.g., at Managers Forum, Directorate and team meetings etc). Reviews/insights into their application across Council's portfolio of projects will be analysed and reported on to show progress/uplift in usage.</p>	<p>Enterprise Portfolio Office</p>	<p>Mar-27</p>	<p>Green</p>	<p>Staff are expected to use PowaPlanner for the upcoming SIP and Investment Case development.</p> <p>Continued reinforcement and embedding of eWM processes &amp; PM practices ahead of the LTP planning process.</p> <p>Updated Due Date for Investment Case development to align with current planning cycle to Mar 2027</p>
<p><b>Project closure is not always carried out</b></p> <p>Proper project closure requires lessons learnt to be documented and all files stored as per WRC requirements. However, these two aspects are not regularly carried out for projects.</p> <p>This results in avoidable mistakes being repeated, difficulty in retrieving historic information and sharing of lessons learnt. Better project closure leads to continuous improvement in organisations.</p>	<p>At the onset of projects, schedule time and cost allowances for appropriate project closure.</p>	<p>Medium</p>	<p>Management agrees with this finding.</p>	<p>Enterprise Portfolio Office</p>	<p>Jun-27</p>	<p>Green</p>	<p>In Progress</p>
	<p>Responsibility of project close out should be assigned the Project Manager and approved by the Project Sponsor.</p>	<p>Medium</p>	<p>Project teams are advised to include four weeks minimum to allow for project close activities. These will be further promoted, along with the roles and responsibilities of the Project Managers and Project Sponsors.</p>	<p>Enterprise Portfolio Office</p>	<p>Jun-27</p>	<p>Green</p>	<p>Resources are available to staff on PM Lifecycle based on good practice.</p> <p>Current focus for guidance is on initiation and planning phase to align with LTP/AP process, with a push for good practice closure</p>

<p><b>Project execution, monitoring and control are carried out reasonably well</b> In general, the project phases between initiation and close-out are carried out to a reasonable standard.</p> <p>However, as noted in the following sections, there are areas which can be enhanced.</p>	<p>NA</p>	<p>Low</p>	<p>Partially Agree.</p> <p>Consistency of practice across the organisation needs improvement. This will happen through the ongoing promotion of resources and tools created by the ePO.</p>	<p>Enterprise Portfolio Office</p>	<p>Ongoing</p>	<p>Green</p>	<p>activities at the end of F.Y.</p> <p>Planned activities: Communications on monitoring &amp; control activities part of the embedding of regular reporting required for all Projects &amp; BAU activities undertaken. ePO to develop assurance activities for project closure process.</p> <p>Updated Due Dates for delivery of further training and communications on good practice delivery to enable focus on current stage activities for just-in-time communications and guidance.</p>
<p><b>Limited resource capacity to fulfil project management requirements</b> Staff are generally running at or above capacity, with some members juggling technical BAU work in addition to their PM duties. As a result there are instances of staff carrying out basic PM duties, but overlook activities such as adopting and utilising standard templates for project monitoring or entering data into <b>Powera Planner</b>.</p> <p>As a result this creates inefficiencies at a portfolio level. Tasks can take longer than they should as there is lack of consistency and double handling of information when it comes to project reporting. Additionally, information across projects can not be collated resulting in poor planning and lack of assurance.</p>	<p>For all new projects, forward planning should be carried out at the portfolio level to phase projects within the available capacity. Following this, a prioritisation exercise could be undertaken to identify those most urgent and communicate with staff who will be involved.</p>	<p>High</p>	<p>Management agrees with this finding.</p>	<p>Enterprise Portfolio Office</p>	<p>Jun-27</p>	<p>Green</p>	
	<p>During the initiation stage, projects should develop detailed resourcing plans to understand staffing requirements at various stages. Staff should be assigned according to these project requirements, and their commitments should be tracked at an organisational level. If staff members are overloaded, they should be relieved of some duties, and additional resources should be sourced as necessary.</p>	<p>High</p>	<p>Portfolio prioritisation has been previously investigated but paused due to other priorities. The overall approach to [BAU and project] planning in an environment of constrained resources will be considered in future planning. To assist with this, the ongoing encouragement to capture essential project and programme information will improve the current visibility of the portfolio of projects</p> <p>Resource planning 'as a topic' is being planned.</p>	<p>Enterprise Portfolio Office</p>	<p>Jun-27</p>	<p>Green</p>	<p>Completed Review and update of key information for change initiative and BAU by identified work and project and programme managers.</p> <p>Planned Reinforcement of the resource development processes in PoweraPlanner as part of current planning process. Development of assurance checks on resource data</p> <p>Updated Due Dates to enable delivery of activities</p>
<p><b>Non-project managers doing project management work</b> Under the current operating model, technical staff who are not project managers are required to undertake project management duties. This is of particular concern where the staff members may not be interested in developing project management skills.</p> <p>These projects are at risk of not being successful due to insufficient capability of project managers. In some of these instances, project sponsors have had to take more active roles. They have followed up with project managers with requests for additional information on projects.</p>	<p>WRC are in the process of developing a project skills matrix for all staff members. This should be completed as soon as possible, to enable the current organisational capabilities to be mapped to the requirements to deliver the long term strategy.</p> <p>Based on the above, a pathway with fixed training courses for technical staff who want to be project managers should be developed.</p>	<p>Medium</p>	<p>Management agrees with this finding.</p> <p>The development of the capability matrix is 25% complete. The associated L&amp;D offerings/trainings are under development also.</p>	<p>Enterprise Portfolio Office</p>	<p>Jun-27</p>	<p>Not Started</p>	<p>Not started Review existing role capability matrix, informed by new eWM processes and framework once ePO team fully resourced. Promote use of capability matrix information.</p>
	<p>Staff members who are not project managers, and do not wish to be project managers should not be given project management duties. This will free them to undertake other work whilst PM gaps are filled with other staff, specialist hires and/or contractors.</p>	<p>Medium</p>	<p>Discussions have been held with the Executive Leadership Team on the appropriate organisation structure and roles that are required to adequately deliver project management and governance activities required. Such change will need to be worked through deliberately due to the potential staff impacts of this.</p>	<p>Enterprise Portfolio Office</p>	<p>Jun-27</p>	<p>Not Started</p>	<p>Updated Due Dates</p>
<p><b>Lack of structure around onboarding and offboarding contractors</b> WRC currently operate under a mixed model for project delivery with a number of contractors used for project management. This allows for flexibility and access to specialist skills for specific projects without</p>	<p>Each new contractor who is to perform project management duties should be formally on-boarded with training sessions. These should introduce use of templates and WRC guidelines. The scope of service for contractors can set an expectation that they use the WRC PM framework. Care should be taken not to make the trainings too cumbersome with validity periods for return contractors.</p>	<p>Medium</p>	<p>Management agrees with this finding.</p> <p>The application of the WRC PM framework in a consistent manner irrespective of the engagement method for a Project</p>	<p>Enterprise Portfolio Office</p>	<p>Jun-27</p>	<p>Green</p>	

<p>incurring long term costs. However, more structure is needed for on-boarding and off-boarding contractors.</p> <p>Currently, the absence of formal on-boarding creates a silo risk. Contractors who are career project managers may use their own templates and tools, which results in a disconnect with the wider organisation. During off-boarding, the major risks are loss of continuity and learnings. This is particularly important in an environment such as WRC where projects tend to return or repeat.</p>	<p>Off-boarding requirements could be included in the contract for temporary project managers. This should include proper documentation and debrief with permanent staff members.</p>	<p>Medium</p>	<p>MANAGEMENT RESPONSIBILITY IN THE ENGAGEMENT OF PROJECT MANAGERS                  Management needs to be a baseline expectation. The ePO is now directly engaging with new starters and contractors to ensure they know the framework (and ePO) exist and the expectations that they are utilised.</p> <p>Similarly, ensuring that offboarding and project closure activities are addressed in a consistent manner to ensure continuity of practice.</p>	<p>Enterprise Portfolio Office</p>	<p>Jun-27</p>	<p>Green</p>	<p>Planned                  Continue promotion of closure roles, responsibilities and tasks through training, info in templates and tool e.g. build a minimum of 1 month for closure.                  Update Due Dates</p>
<p><b>Culture around Governance Groups can be improved</b>                  On occasion, project teams have been apprehensive about openly discussing project issues at Governance Groups due to fear of being blamed and opened to criticism.</p> <p>Open communication and transparency are key to identifying and addressing project issues promptly and effectively. If project teams feel apprehensive about discussing issues due to fear of blame, problems may go unreported or unresolved, potentially leading to bigger issues that could derail the project.</p>	<p>Consider approaches to encourage a culture of understanding and problem-solving where the focus is on identifying and implementing effective solutions. Including this philosophy in the standard Governance Groups Terms of Reference (ToR), while also maintaining accountability could provide added benefit.</p> <p>Set up regular bottom up feed back from project teams on how Governance Groups are performing.</p>	<p>High</p>	<p>Management agrees with this finding.</p> <p>Project Sponsorship and Governance training has been developed and is due to be rolled out in <b>May - July 2024</b>. The target audience being anyone involved in projects so roles and responsibilities are understood throughout project teams.</p> <p>Additionally, communities of practice and sharing of lessons learned is on the 'to-do-list' for the ePO.</p> <p>The ToR has been reviewed and updated to reflect the recommendations and WRC's cultural expectations.</p>	<p>Enterprise Portfolio Office</p>	<p>Ongoing BAU</p>	<p>Green</p>	<p>Planned                  Review existing governance training and update according to eWM framework, once ePO team fully resourced.</p>
<p><b>Role clarity and additional support required for Project Sponsors</b>                  There needs to be a consistent understanding of Project Sponsor requirements. Some Project Sponsors are currently focusing too much on the detail, losing the macro level view.</p> <p>This poses a risk as it can lead to inefficiencies, disruptions in the project workflow, and create potential friction within the project team. Furthermore, it could consume the sponsor's time and divert their attention from strategic concerns and anticipating risk.</p>	<p>Clarify the roles and responsibilities of Project Sponsors for each project. The available guidelines and tools can be used for this.</p> <p>Based on the skills matrix that is currently in development, create specific training requirements for individual Project Sponsors.</p>	<p>High</p>	<p>See comments made above in 3.1.</p> <p>Additionally, the ePO aims to support [newer] sponsors in their journey by providing coaching and support in good practice project sponsorship.</p>	<p>Enterprise Portfolio Office</p>	<p>Ongoing BAU</p>	<p>Green</p>	<p>Planned                  Review and update project role capability matrix based on eWM and promote.</p>
<p><b>Inconsistency with respect to quality and timely information provided to decision-makers</b>                  Depending on the capability and capacity of project managers, the decision-makers may have to ask for additional information.</p> <p>This could lead to delays in decision-making, affecting the timely execution of project tasks.</p>	<p>Promote the use of PM framework with supporting tools and ePO assistance. This will standardise the level of information received by decision-makers as well as regulate the time frames.</p>	<p>Medium</p>	<p>Management agrees with this finding.</p> <p>If the use and quality of data going into <del>Psoda</del> <b>PowaPlanner</b> improves, standard reporting will be achievable. Additionally, clarification of roles and responsibilities will support better information and reporting outcomes.</p>	<p>Enterprise Portfolio Office</p>	<p>Ongoing BAU</p>	<p>Green</p>	<p>In Progress                  ePO reinforcement of eWM practices and promotion of good monitoring and reporting into PowaPlanner to ensure quality data.                  Update Due Date as this is an ongoing activity.</p>
	<p>Mandate requirement to use Psoda.                  Address concerns individuals may have with Psoda. This includes use of minimum inputs to ensure small or simple projects are not unfairly burdened.</p>	<p>Medium</p>		<p>Enterprise Portfolio Office</p>	<p>Jun-25</p>	<p>Complete</p>	<p>Completed - The use of PowaPlanner (replacement tool for Psoda) is mandated as the Portfolio Management tool for WRC to be used for all Projects/BAU.</p>

<p><b>Poede PowaPlanner (standard reporting tool) not used across the organisation</b></p> <p>Portfolio level view of projects are not available as staff are not using the standard reporting tool. This creates a blind spot for executives as they only see a segmented view of critical projects, which also has to be specifically requested.</p> <p>It was noted that there were issues with Poede PowaPlanner for some individuals. This included problems with access, lack of granularity for scheduling and user interface issues.</p>	<p>For teams with significant capacity constraints, hire personnel in "co-ordinating" roles to ensure information on Poede PowaPlanner is up to date and accurate.</p>	<p>Medium</p>	<p>Management agrees with this finding.</p> <p>ELT have agreed to promote the use of Poede PowaPlanner for all projects'. Update of progress will be reported to ELT in June-July 2024.</p> <p>Roles and responsibilities (within a project) for the provision of this information also need to be clear alongside the overall approach to the resourcing of project management, with a view to identifying efficiencies where possible.</p>	<p>Enterprise Portfolio Office</p>	<p>Jun-25</p>	<p>Complete</p>	<p>Reinforcement of roles and responsibilities as part of ePO's continued BAU activities</p>
<p><b>Extensive guidelines and templates available but not widely used</b></p> <p>There is a great library of templates and guidelines available to staff through Kaiinga, Promapp, Knowledge Base, Discover and Learning Library. These documents cover all aspects of project management and includes how-to tutorials. They are also tailored to meet the variety of projects undertaken by WRC (size and complexity). Those who were familiar with the material were generally complimentary of the resources.</p> <p>However, there seems to be a lack of awareness on the breadth of information available to WRC staff on project management.</p>	<p>As recommended in Observation 1.1, the resources available should be more widely advertised.</p> <p>Include a training/awareness session for all new contractors and staff who may be involved with project management.</p>	<p>Low</p>	<p>The ePO has, and endeavours to utilise multiple channels at an appropriate frequency without over communicating (e.g., Manager's Forum, The Current, attending directorate and team meetings etc).</p> <p>All new starters are contacted directly. A specific eLearning module is noted in the WRC induction that introduces all starters to the ePO and all things project.</p>	<p>Enterprise Portfolio Office</p>	<p>Ongoing BAU</p>	<p>Green</p>	<p>This is an ongoing activity to promote guidance at appropriate stages.</p> <p>New staff are given on-boarding specific to project/BAU delivery practices.</p>
<p><b>At a project level, there is generally good documentation and reporting</b></p> <p>Though standardisation is required, within each project, practices appear to be meeting specific project needs.</p>	<p>NA</p>	<p>Low</p>	<p>Management partially agrees with this finding.</p> <p>This is not consistent across all projects at WRC. Mandating the use of Poede PowaPlanner will help, along with Project Sponsor and Governance training.</p>	<p>Enterprise Portfolio Office</p>	<p>Dec-24</p>	<p>Complete</p>	<p>PowaPlan tool mandated.</p> <p>Activities to continue training as part of ongoing ePO activities.</p>

Develop

<p><b>Project budgets are often constrained resulting in requests for variations</b> As projects budgets are prepared and approved at the start, there are instances where no allowance has been made for contingencies. Further to this, optimism bias also appears to be a factor when building up the forecasted spend which results in insufficient project budgets.</p> <p>The absence of a contingency poses a risk as contingency allows for unexpected costs that may arise throughout the project's lifecycle and mitigation of risks. This combined with optimism bias can lead to budget overruns.</p> <p>It is not uncommon for projects at WRC to request variations, placing pressure on the organisation to make cuts elsewhere to accommodate the shortfall, impacting the overall financial health of the organisation and/or project.</p>	<p>Better budgeting at project initiation is required with suitable allowances provisioned for unforeseen events. For large or complex projects, the budget should be checked by independent, suitably qualified reviewers.</p> <p>Consideration should be given to presenting forecast costs as a range to account for the level of risk and uncertainty inherent in the project. This range should decrease as the project develops and more cost certainty is achieved.</p> <p>Use of past project financial data could also be used for reference class forecasting (use of completed project data to inform future project budgets).</p>	<p><b>Medium</b></p>	<p>Management agrees with this finding.</p> <p>Independent advice in the setting of budgets for complex projects will be implemented, along with guidance around contingencies and risks and how project management practices (risk reviews) should inform retention or release of the contingency. It is through the effective provisioning and management of contingency funds that a range of financial outcomes can be signalled and managed.</p> <p>Management Accountants will be able to assist with the provision of historic spend info and general financial guidance to Project Managers.</p>	<p>Finance Planning and Reporting Team</p>	<p>TBC</p>	<p><b>Not Started</b></p>	<p>Action on these recommendations will be sequenced following the embedding of the PowaPlanner system; however, successful implementation will also rely on broader structural changes, particularly strengthening project governance and formalising expectations for financial assurance and involvement.</p>
<p><b>Slippage in project deadlines, and in some instances entire projects are delayed</b> Predominantly due to insufficient staff capacity, project deadlines tend to slip, particularly for internal projects. In some instances, there is also a lack of accountability on deadlines as staff self prioritise their workload.</p> <p>This can further compound the cost problems noted in Observation 5.1. Delays often mean increased labour costs, overhead costs, and sometimes penalties for not fulfilling contract terms. The delays also disrupt the strategic planning of the organisation, as resources planned for future projects are tied up in delayed projects.</p>	<p>Ensure all new projects are fully resourced with staff aware of their commitments. The deadlines should also be reviewed by the project team before commencement to check they are realistic with sufficient float in the critical path.</p> <p>To enable the above, project prioritisation should be carried out at executive level with projects only commenced once resources are available.</p>	<p><b>Medium</b></p>	<p>Management agrees with this finding.</p> <p>Through the development of Council's Long Term Plan, several tools were utilised to prioritise any new investments proposed – including the use of Business Cases to ensure that projects were adequately scoped and resourcing identified.</p> <p>This prioritisation of projects continues to be a focus for the organisation.</p>	<p>Enterprise Portfolio Office</p>	<p>Jul-27</p>	<p><b>Green</b></p>	<p>Completed All current work in PowaPlanner has been prioritised.</p>
<p><b>Risk only discussed at leadership level once they become issues</b> In some instances, it has been observed that risks are only discussed at the governance level once they become issues.</p> <p>This prevents proactive risk treatment which can result in a greater impact. As a result, more resources, time, and effort are required to resolve the issue. This reactive approach results in firefighting instead of managing and treating risks effectively.</p>	<p>Refresh project managers on the guidelines and tools available to them around risk and issue management. In particular, raise awareness of risk/issue prioritisation for clear communication up towards decision makers.</p> <p>Set risk as a standing item in Governance Group meetings along with a clear issue resolution process.</p>	<p><b>Medium</b></p>	<p>Management agrees with this finding.</p> <p>Standard reporting (when used) will support this.</p> <p>Project Governance and project team meeting templates recommend having risk and issues as a standing agenda item, along with education to support.</p>	<p>Enterprise Portfolio Office</p>	<p>Feb-27</p>	<p><b>Green</b></p>	<p>Planned Development of suite of L&amp;D options (see KB0012031), once ePO team fully resourced. Due Date updated</p>
		<p><b>Medium</b></p>		<p>Enterprise Portfolio Office</p>	<p>Jun-25</p>	<p><b>Complete</b></p>	

<p><b>Planning and allowing for risk in the early stages of projects can be uplifted</b></p> <p>As noted in Observation 5.1, project budgets are often very constrained. Though risks are discussed at the start of projects, they are not always comprehensively captured in a risk register. Furthermore, risks are not regularly quantified with money allocated in case of risk realisation.</p> <p>The above leads to requests for variation during project execution. This leaves decision-makers with little choice, having to re-allocate funding from elsewhere or reduce project scope or quality.</p>	<p>As part of project initiation, conversations should be had within project leadership around money available for risks over the project lifecycle.</p> <p>It is considered good practise to have a pool of money available in a "contingency fund" that can be accessed through a structured process. As the project progresses, and risks are not realised, this money can be returned back to the organisation.</p>	<p>Low</p>	<p>Management agrees with this recommendation.</p> <p>Guidance on the use of risk-based contingencies as part of the [budget] planning of projects needs to be developed and utilised consistently and should take into account project complexity.</p>	<p>Finance Planning and Reporting Team</p>	<p>TBC</p>	<p>Not Started</p>	<p>Action on these recommendations will be sequenced following the embedding of the PowaPlanner system; however, successful implementation will also rely on broader structural changes, particularly strengthening project governance and formalising expectations for financial assurance and involvement.</p>
<b>Risk Management Maturity Review</b>							
<p><b>Lack of focus on benefits management</b></p> <p>During the initiation phase, some projects do not clearly map the outputs to outcomes, benefits, and how the project fits with the wider organisation's strategy. It is not clear why the project is being undertaken. Accordingly, during project execution, staff are focused on producing outputs as opposed to understanding the bigger picture. There is also no benefits monitoring following project completion.</p> <p>The above could lead to critical success factors being overlooked, and the project's contribution to achieving strategic objectives might be limited. It can also lead to reduced staff engagement and poor performance due to a lack of understanding of the bigger picture and project significance.</p>	<p>As part of the project approval process (project initiation), mandate the requirement for clear articulation of outcomes and benefits. This should include a benefit realisation plan for all projects. The template can be tailored to meet varying project size and complexities.</p>	<p>High</p>	<p>Management agrees with this finding.</p> <p>Benefits management will be introduced as part of Business Case training. Ongoing education is needed, however the above actions and uplift in project management capability, will support an understanding in this area.</p>	<p>Enterprise Portfolio Office</p>	<p>Jun-27</p>	<p>Amber</p>	<p>Planned</p> <p>Review the L&amp;D offering</p> <p>Review and update capability based on changes from eWM and promote use of capability matrix information, and understanding of project roles and responsibilities.</p>
	<p>Assign responsibility of benefits management to a project team member who will be held accountable. (e.g., Project Managers, Business Owners, Change Managers etc.)</p>	<p>High</p>	<p>The ePO will need to establish a clear role in supporting the ongoing tracking of benefits through to realisation, once projects are closed.</p>	<p>Enterprise Portfolio Office</p>	<p>Jun-27</p>	<p>Amber</p>	<p>Risk related to capacity constraints and maturity uplift capability within the timeframe.</p>
<b>Risk Management Maturity Review</b>							
KPMG Finding	KPMG Recommendation	Priority	Management Comments	Responsible	Date Due	RAG	Current Status
<p>In mid-2023, WRC engaged KPMG to draft the detailed risk appetite statements as part of the annual risk refresh session conducted with the Councillors and ELT. Conversations with the directors highlighted that while the risk appetite statements have been documented, these are not explicitly referred to while making informed business decisions. Further, limited training and guidance has been provided to apply risk appetite in making business decisions. This presents challenge in aligning business activities with the organisation's risk appetite.</p> <p>Currently, the absence of an ELT-level risk committee or the inclusion of risk as a standing agenda item on ELT meetings undermines the opportunity for</p>	<p>Conduct training and refreshers to provide guidance on how to use risk appetite statements/KRIs and risk management in making business decisions. In particular for:</p> <ul style="list-style-type: none"> <li>• ELT – to refresh their knowledge and understanding, assist them in using appetite to inform business decisions and ensuring they operate within the Council's appetite for the key risks.</li> <li>• Middle management – to educate them on risk appetite and wider risk concepts and providing them guidance that enables them to integrate risk appetite considerations into business decisions.</li> </ul>	<p>High</p>	<p>Management agree with this recommendation and will build a process to provide education and structure for including risk and risk appetite into decision-making.</p>	<p>Strategic Risk Advisor / L&amp;D / Comms team</p>	<p>Jul-27</p>	<p>Green</p>	<p>In progress - WRC's Strategic Risk are being present to Risk and Assurance Committee along with update Risk Appetite descriptions. Following this confirmation updated Strategic Risk Registers will be developed. Through this WRC will look to</p>

<p>focused risk discussions and the integration of risk appetite into internal challenge and oversight processes.</p> <p>Risk appetite statements have not been communicated to the managers and below cohort. This has led to a disparity in the understanding of the Council's risk appetite across different levels of the organisation. As a result, there has been a limited application of these statements in guiding and informing business decisions at various operational levels.</p>	<p>Embed risk appetite into business decision-making process. E.g. incorporating risk appetite in the business cases presented to the ELT/ Councillors, approval framework, etc.</p>	<p>Medium</p>	<p>Agreed, noting however that linkage to strategic risks was specifically considered through the development of Strategic Idea Proposals – the precursor to LTP business cases.</p> <p>As we work to further develop business case capability within the organisation, we will take the opportunity to consider how risk management is best embedded into this.</p>	<p>Strategic Risk Advisor / L&amp;D / Comms team</p>	<p>Jul-27</p>	<p>Green</p>	<p>incrementally implement tools that support risk appetite use and will engage in WRC.</p>
<p>Conversation with the Chair of the Council, Independent Chair and directors highlighted that the ELT exhibits a strong commitment to enhance its risk management approach and integrating risk management into business decisions, viewing risk as a strategic enabler. However, there is a need to ensure that this commitment is consistently demonstrated at all levels of the organisation.</p> <p>The managerial-level risk forum meets every six weeks with representatives from each directorate, but there is a heavy reliance on the Strategic Risk Advisor to lead risk discussions. There is a need to involve and train a wider group of staff members to actively participate in risk discussions to enhance the risk management culture.</p>	<p>Conduct additional training, induction trainings and risk refresher sessions to provide more clarity and uplift staff members on:</p> <ul style="list-style-type: none"> <li>The risk management framework and its application</li> <li>Risk appetite and how to utilise it for decision making</li> <li>Risk ownership and responsibility</li> <li>Identification, assessment, monitoring and reporting</li> <li>Emerging risks</li> <li>WRC's expected risk culture and behaviours</li> </ul>	<p>Medium</p>	<p>Management agrees and will work with Learning and Development (L&amp;D) on the modules required to support the outcomes outlined in the recommendation.</p>	<p>Strategic Risk Advisor / P&amp;C</p>	<p>TBC</p>	<p>Not Started</p>	<p>Not Started - These will be sequenced following the adoption of WRC's Strategic Risk which are being presented to Risk and Assurance Committee along with update Risk Appetite descriptions and the subsequent development of updated Strategic Risk Registers.</p>
<p>The existing risk training sessions and induction programme target specific risks such as health and safety and major projects. There is a need to develop structured risk management induction and refresher modules for staff members across the organisation to uplift the risk culture and knowledge base.</p> <p>Currently, risk management processes are managed manually through spreadsheets which can be time-consuming, inconsistent and prone to information errors and omissions. This also limits the ability to focus on generating key risk insights.</p>	<p>Consider including risk management objectives in performance goals for key roles in the organisation. This will help drive better accountability for risk management activities.</p>	<p>Low</p>	<p>Management agrees that the inclusion of risk management objectives should be considered for inclusion in the performance goals for key roles in the organisation. Initially, a process to consider which roles require this accountability, as well as the definition of some standard performance goals will be initiated in conjunction with the Executive Leadership Team and People and Capability.</p>	<p>Strategic Risk Advisor / P&amp;C</p>	<p>TBC</p>	<p>Not Started</p>	<p>In Progress - ELT has agreed on a WRC self-assessment survey. The Strategic Risk Advisor is currently working to implement this and findings will be reported through to ELT by September 2026.</p>
	<p>A risk culture survey should be conducted at least every two years or annually as part of the staff engagement survey. This will allow for the identification of key behavioural drivers that influence the overarching risk culture, whether supporting or undermining it, and enable the development of targeted actions based on these findings.</p>	<p>Low</p>	<p>Management agrees with the concept of a regular survey, however see that this needs to be separated from the staff engagement / culture survey due to the survey method.</p>	<p>Strategic Risk Advisor / P&amp;C / Comms team</p>	<p>Sept-26</p>	<p>Green</p>	<p>In Progress - ELT has agreed on a WRC self-assessment survey. The Strategic Risk Advisor is currently working to implement this and findings will be reported through to ELT by September 2026.</p>

Te Puawaitanga - Maori engagement Maturity Assessment							
KPMG Finding	KPMG Recommendation	Priority	Management Comments	Responsible	Date Due	RAG	Current Status
<p>A. Māori aspirations are enabled internally and activated externally</p>	<p>Assign ownership of Māori strategic objectives at ELT level and implement regular reporting cadence to monitor and track progress against strategic objectives.</p>	<p>High</p>	<p>Management partially agrees with this recommendation, however the preferred approach is to have a dedicated position at ELT.</p>	<p>Tai-ranga-whenua</p>	<p>Dec-25</p>	<p>Complete</p>	<p>To deliver this action, a Strategic Māori Outcomes Framework has been developed and is now complete. The Framework brings together, and gives practical effect to, the strategic objectives and priorities across a range of existing strategies. Regular reporting to ELT will follow, the first reporting outcomes of the current financial year.</p>
	<p>Review the overall engagement and mātauranga Māori needs across the business to determine the right balance of centralised and decentralised support.</p>	<p>High</p>	<p>Management agrees with this recommendation, as it would lead to better clarity, effectiveness and efficiencies.</p>	<p>Tai-ranga-whenua</p>	<p>Dec-26</p>	<p>Green</p>	<p>An evaluation of engagement and mātauranga Māori needs across WRC has been undertaken, laying the groundwork for determining the right balance of support models going forward. Forming a milestone toward the full review and delivery of the action by December 2026.</p>
	<p>Action review findings and align to whole of WRC operating model.</p>	<p>Low</p>	<p>Management agrees with recommendation.</p>	<p>Tai-ranga-whenua</p>	<p>TBC</p>	<p>Not Started</p>	<p>To commence 2027.</p>

B. Alignment between culture, capability, and organisational objectives reflects expectations in giving effect to te Tiriti o Waitangi	Explore opportunities to support employees to consistently engage with cultural capability tools and resources, e.g., one cultural capability performance target	Medium	Management agrees with this recommendation.	Tai-ranga-whenua	Dec-26	Not Started	To commence 2026.
	Include cultural capability learning opportunities in onboarding and leadership training programmes.	Medium	Management agrees with this recommendation.	Tai-ranga-whenua	Dec-26	Green	Cultural competency is embedded in the induction process, with a current target of 70% of all new staff, increasing to 90% in 2025/26 and 100% by 2026/27. For leadership development, Te ao Māori frameworks and content have been developed and provided to Learning & Development and are being considered as part of the current leadership programme review. These are expected to be incorporated into the refreshed programme when it is rolled out. Link to action 32.
	Review Māori outcomes against realised metrics to determine if they are fit for purpose. Update to reflect findings.	Low	Management agrees with this recommendation, as per recommendation #5.	Tai-ranga-whenua	TBC	Not Started	To commence 2027.
C. A talented and thriving workforce is supported by intentional and equitable people processes	Integrate Māori Recruitment Strategy into recruitment policies and systems.	High	Management agrees with this recommendation, this is a piece of work that is currently in progress.	Tai-ranga-whenua	Dec-25	Green	The recruitment policy has been reviewed to align with the strategies in He Whare Taumata. People and Capability have scheduled its implementation into systems aligned with implementation actions from He Manawa Tangata, the People Strategy.
	Develop inclusion, diversity and equity policies, processes and systems	High	Management agrees with this recommendation.	Tai-ranga-whenua	Dec-25	Amber	People and Capability are planning to reshape the EEO Policy into an Equity, Inclusion and Diversity Policy, in the coming financial year 2026/2027.
	Proactively seek opportunities to build capability and capacity of iwi/hapu and to demonstrate what transition of functions looks like / what might be required of them	Medium	Management agrees with this recommendation.	Tai-ranga-whenua	Dec-26	Not Started	To commence 2026.
	Build inclusion, diversity and equity policies into process and behaviour / expectation documents	Low	Management agrees as per #8	Tai-ranga-whenua	TBC	Green	People and Capability are planning to reshape the EEO Policy into an Equity, Inclusion and Diversity Policy, in the coming financial year 2026/2027.
D. Te ao Māori strategies and objectives are part of the organisational fabric through daily processes and functions	Perform stocktake of all process documentation. Link / combine documents with associated Māori documents where relevant.	High	Management agrees and will align with WRC's process management project.	Tai-ranga-whenua	Dec-25	Amber	A framework is being developed to assess organisational processes and determine whether they should be linked to relevant Māori strategies and frameworks. A pilot will test the framework, reviewing all processes published in PROMAPP for one area of the organisation to test and refine the approach. Concurrently, an organisation-wide stocktake of process documentation is currently underway through a separate process management initiative. Once that stocktake is complete and the framework is finalised, process documentation will be systematically linked to the relevant Māori documents where appropriate.
	Synchronise review periods for process documents with associated/relevant Māori documents.	Medium	Management agrees as per #9	Tai-ranga-whenua	Dec-26	Not Started	To commence in 2026
	Build Māori KPIs, objectives and engagement responsibilities into job descriptions.	Medium	Management agrees as this has a clear alignment to the Maori Employment Strategy.	People and Culture	Dec-26	Green	A framework has been developed that sets KPIs based on role scope, level of influence, and the extent of engagement with iwi, Māori, and kaupapa Māori work. The framework is designed to provide clarity about the expectations that apply to each role, support consistent performance and professional development, and strengthen organisational capability over time. Rather than embedding these KPIs in individual job descriptions, the competencies will sit within a centralised framework aligned with People and Capability's planned approach to managing competencies.

Integrate mātauranga Māori into on-the-ground activities where appropriate	Medium	Management agrees with this recommendation.	Tai-ranga-whenua	Dec-26	Not Started	To commence in 2026
Establish cadence to implement continuous learning as part of document reviews	Low	Management agrees as per #9	Tai-ranga-whenua	TBC	Not Started	To commence in 2027

SafePlus Health and Safety Assessment							
SafePlus Finding	SafePlus Recommendation	Priority	Management Comments	Responsible	Date Due	RAG	Current Status
WRC engaged IMPAC to complete a Safeplus Assessment in June 2025, the scope was limited to insights gained through the Safeplus methodology in relation to site visits and individual (director) focus group sessions. Overall Result was Developing.							
<p><b>Leadership walkarounds</b> - Senior leaders (Tier 1 &amp; 2) are conducting limited health and safety walkarounds using guided questionnaires in 'Vault Check', as outlined in the Governance Plan (due diligence). However, focus groups reported that these visits are infrequent and not consistently visible across workplaces.</p> <p>To strengthen leadership visibility, review the current programme and increase the number of ELT walkarounds and expand to SLTs. Linking these activities to the risk management process, confirmation of manager roles and responsibilities, to further reinforce accountability and assurance.</p>	<p>Review the leadership workplace visits to make this more robust in terms of the ELT actions, reviewing and agreeing the minimum required number to be completed, and extend to the senior leadership team (SLT) members.</p>	Medium	<p>Management agree with this finding.</p> <p>Update the Governance Plan showing the minimum number of walkarounds and ensure a schedule is in place and the number and results are reported on a monthly basis.</p> <p>Support Directors to work with their senior leadership teams to implement a critical risk control assurance programme. Report results through Vault Check.</p>	People & Capability Team	Jun-26	Green	<p>The priority level has been changed from red to amber, as these actions are near completion. The completion date has been changed to reflect Health, Safety and Wellbeing Governance Plan sign off by the Chief Executive and Council Chair, in May 2026, closing this governance review action. Council has agreed to an external provider delivering a one-hour session to reinforce governance and due diligence expectations, strengthening assurance capability at the governance level (scheduled for June 2026. Senior Leadership Team walkarounds commenced in February, and are now explicitly focused on critical risk reviews, providing enhanced assurance oversight and informing future targeted testing of critical risk controls.</p>
<p><b>Training management and Records</b> - There are processes for maintaining training records in Infor (Corporate Training), and spreadsheets (Directorate Training), leading to training records being inconsistently managed. This has produced frustration, and makes it difficult for teams to check in 'one location' that they are compliant with training and record keeping requirements.</p> <p>Management agrees with this finding, subject to the technical feasibility within Infor.</p> <p>Work with Learning &amp; Development Lead to establish a review process.</p>	<p>It is recommended that a review is completed to determine a universal training record system and ensure alignment across the organisation.</p>	Medium	<p>Management agrees with this finding, subject to the technical feasibility within Infor.</p> <p>Work with Learning &amp; Development Senior Business Partner to establish a review process.</p>	People & Capability Team	Dec-26	Amber	<p>A review is underway to assess the feasibility of a single system for all training records. Early findings suggest that maintaining records across more than one system may be workable and does not present a significant risk with appropriate oversight. Some limitations have been identified that will inform whether our current Learning Management System in Infor, can meet all requirements as a single source.</p>
<p><b>Hazard and Risk Identification</b> - The HSMS outlines multiple methods for identifying health and safety hazards, including JSAs, inspections, worker input, incidents and reviews, and bowtie analysis, and feed into the risk management process.</p> <p>Operational focus groups revealed (level 4 and above) lack of understanding related to the definition of hazards and risk terminology and the appropriate application of dynamic risk assessment (non-routine work).</p> <p>To improve clarity and engagement, ensure tailored risk statements reflect the manifestation of the risk to enhance knowledge of the application of dynamic risk assessments.</p>	<p>Review the management of non-routine work and ensure training addresses the risk assessment methods for effective dynamic risk assessment.</p>	Medium	<p>Management agree with this finding.</p> <p>Work with Directorates to identify/design specific training to cover recommendations.</p>	People & Capability Team	Jun-26	Green	<p>Risk management capability for managers is being supported through the corporate Learning and Development programme. Options for specific dynamic risk assessment training for field-based workers is under active consideration.</p>

<p><b>Risk Assessment and Management</b> - Waikato Regional Council's Risk Management Framework aligns with ISO 31000:2018 requires the application of the "hierarchy of controls" and "so far as reasonably practicable" for health and safety risks.</p> <p>Focus groups showed limited understanding of these concepts, and generic risk statements have the potential to reduce the accuracy of the assessment, leading to gaps in evaluating whether the controls reduced the stated risk.</p> <p>Provide coaching by defining risk descriptions, the application of "hierarchy of controls and "so far as reasonably practicable" to improve register accuracy, enhance control consistency across directorates, and strengthen confidence in the risk scoring process.</p>	<p>Undertake risk management training and coaching across the organisation to lift knowledge and understanding of risk management processes.</p>	<p>Medium</p>	<p>Management agree with this finding.</p> <p>Managed timeframes through the H&amp;S Team Operations Plan as per the requirements of the HSMS.</p>	<p>People &amp; Capability Team &amp; Strategic Risk Advisor</p>	<p>Jun-26</p>	<p>Green</p>	<p>Specific HSMS training has been delivered to managers, with targeted reinforcement of the hierarchy of controls and "so far as reasonably practicable" provided by an external provider. All managers are expected to complete this training on a three-yearly basis.</p>
<p><b>Risk Controls</b> - The risk controls are displayed in the Risk Register. There is a variation of detail and use of controls from the lower hierarchy (Administration and PPE), placing a greater reliance on worker knowledge and compliance, thus increasing worker vulnerability to that risk.</p> <p>Review the risk management process to ensure stronger and layered controls are applied. Ensure that the HSMS standards are definitive around the minimum controls that must be in place to manage critical risks across the organisation. Ensure critical controls are identified.</p>	<p>Deliver risk management training to ensure understanding of risk controls and application of dynamic risk assessment.</p> <p>When reviewing critical risk, ensure the corresponding HSMS standards identify the minimum controls that must be in place and identify critical controls. Where appropriate link to the assurance programme recommendations.</p>	<p>Medium</p>	<p>Management agree with this finding.</p> <p>This will be covered in the general risk management training as described in other sections.</p>	<p>People &amp; Capability Team</p>	<p>Jun-27</p>	<p>Amber</p>	<p>Each critical risk review to include concurrent review of the relevant minimum standards to confirm they are up to date, relevant, and support effective risk control. The HSMS states that minimum standards must be applied by directorates.</p>
<p><b>Risk Registers</b> - When recommendations have been completed, consider a review to consolidate directorate risk registers.</p>	<p>Undertake a review of the risk management database, explore options to identify requirements to consolidate risk registers.</p>	<p>Low</p>	<p>Staff will consider the options and impacts of risk register consolidation with the Strategic Risk Advisor.</p>	<p>People &amp; Capability Team &amp; Strategic Risk Advisor</p>	<p>Dec-27</p>	<p>Not Started</p>	<p>Not started</p>

## 6.5 2026/27 KEY ACCOUNTING ESTIMATES

<b>Rā   Date:</b>	<b>12 May 2026</b>
<b>Kaituhi   Author:</b>	<b>Ashika Devi, Treasury and Reporting Accountant</b>
<b>Kaituku   Authoriser:</b>	<b>Janine Becker, Director, Customer and Corporate Services</b>
<b>Mana whakatau   Delegation Status:</b>	<b>Committee has delegated authority to make the recommended decision</b>

### TE ARONGA | PURPOSE

1. To introduce a structured monitoring schedule for key accounting estimates and judgements to support ongoing governance oversight and review of estimation risk.

### KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. Following discussions with the Committee Chair, staff have developed a structured monitoring schedule for key accounting estimates. The schedule provides the Risk and Assurance Committee with visibility of significant estimates, including their financial statement impact, and the timing of planned reviews.
3. Each material estimate is now supported by a standardised summary outlining:
  - (a) Description and accounting policy
  - (b) Basis for estimation/valuation
  - (c) Rationale for change
  - (d) Frequency of review, last and next review dates
4. The intent of this approach is to strengthen governance oversight and enable proactive monitoring throughout the financial year rather than reliance solely on year-end reporting.
5. Based on current monitoring, the majority of estimates remain stable with planned review activities progressing in accordance with the schedule. Work is currently underway in relation to infrastructure valuation and associated useful life assumptions as part of the current revaluation cycle. Other estimates, including expected credit losses, derivatives, and investment valuations, have scheduled review points throughout the financial year to ensure they remain appropriate and reflect underlying drivers.
6. All estimates and judgements will be reviewed as part of the development of the 2025/26 Annual Report.

### TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

1. That the report *2026/27 Key Accounting Estimates* (Risk and Assurance Committee, 3 June 2026) be received.
2. That the Committee endorses the key accounting estimates and judgements presented, noting the revised approach for the reporting of these matters to each Committee meeting.

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**HOROPAKI | BACKGROUND**

7. Following discussions with the Committee Chair, staff have developed a monitoring schedule for key accounting estimates. The intent of this approach is to enhance governance visibility of estimation uncertainty, review timing, and status of assessment activities across the financial year rather than solely as part of the development of the Annual Report.
8. This supports a more proactive review approach, enabling movements in key estimates to be identified and addressed as part of scheduled review cycles.
9. The monitoring schedule categorises estimates into:
  - Property plant and equipment
  - Biological assets
  - Intangible assets
  - Council investments
  - Interest rate derivative
  - Expected credit losses
  - Employee entitlements
  - Accounting standards issued and not yet effective that have not been adopted early
10. Each key estimate is supported by:
  - current accounting policy,
  - basis for estimation/revaluation,
  - rationale for change in estimation this reporting period and values (prior and current estimates).
11. A summary of all estimates and judgements is provided below. This shows the overall status of activity and the status at each reporting period.

**Table One – Key Accounting Estimates Schedule**

No.	Key Estimate	Financial Statement Area	Last Formal Review	Next Planned Review	Comments
	<b>Property, plant, and equipment</b>				
1.	Infrastructure asset valuation	Property, plant, and equipment	30 June 2025	31 December 2025	A full three-yearly revaluation is currently underway. The valuation has been undertaken by staff, with an external peer reviewer being engaged. The assessment includes review of asset values and associated useful lives.
2.	Restricted Land	Property, plant, and equipment	30 June 2025	30 June 2026	A desktop review is scheduled to be undertaken in June 2026 to confirm whether asset values have moved materially since last valuation.
3.	Operational land and buildings valuation	Property, plant, and equipment	30 June 2024	30 June 2027	A desktop review is scheduled to be undertaken in June 2026 to confirm whether asset values have moved materially since last valuation
4.	Asset impairments	Property, plant, and equipment	30 June 2025	30 June 2026	Asset impairment is being reviewed as part of the asset revaluation project
5.	Useful lives - Infrastructure assets and Operational assets	Property, plant, and equipment	31 December 2022	31 December 2025	Useful life estimates are currently under review as part of the scheduled 2025 revaluation
	<b>Biological Assets</b>				

No.	Key Estimate	Financial Statement Area	Last Formal Review	Next Planned Review	Comments
6.	Forestry asset valuation	Biological assets	30 June 2025	30 June 2026	Biological assets require and annual valuation to be completed. Review is scheduled to be completed by independent valuer in July 2026.
	<b>Intangible Assets</b>				
7.	New Zealand Units (ETS)	Intangible Assets	New policy adopted	30 June 2026	This is a new estimate in the current reporting period. Initial recognition has been calculated as at 31 May 2026, with the assessment of the valuation at balance date to be completed in July 2026.
	<b>Council Investments</b>				
8.	Investments in Council-Controlled Organisations	Non-current assets	30 June 2025	30 June 2026	No changes have been identified in the current reporting period. The investment in RSHL continues to reflect the expected retirement of the IRIS platform by 30 June 2028. Review is scheduled for completion in July 2026.
9.	Interest rate derivatives	Financial Instruments	31 March 2026	30 June 2026	Valuations are updated quarterly to reflect movements in market interest rates. The June 2026 valuation will be completed as part of

No.	Key Estimate	Financial Statement Area	Last Formal Review	Next Planned Review	Comments
					the quarterly reporting process, with no changes in valuation methodology identified
10.	Expected credit losses	Debtors	31 March 2026	30 June 2026	The expected credit loss provision is reassessed quarterly based on debtor ageing, collection activity, and forward-looking factors. The next review is scheduled for June 2026, with no changes in estimation methodology identified.
11.	Employee entitlements	Liabilities	30 June 2025	30 June 2026	The next full actuarial valuation is scheduled for June 2026.
12.	Accounting standards issued and not yet effective that have not been adopted early	Disclosures	30 June 2025	30 June 2026	No new accounting standards have been issued or become effective, nor have been adopted early for the current accounting period.

### WHAKAKAPINGA | CONCLUSION

12. The introduction of a structured monitoring schedule for key accounting estimates strengthens governance oversight and transparency across areas of estimation risk.
13. The framework provides clarity over the timing of review, and monitoring triggers, supporting a proactive approach to financial stewardship. Staff will continue to monitor scheduled review activities with changes reported to each Risk and Assurance Committee meeting.

**ĀPITIHANGA | ATTACHMENTS**

- 1. Accounting estimates and judgements report - March 2026 (doc #36063210) [↓](#)**

**Infrastructure assets valuation**

<b>Frequency of review</b>	<b>Annual</b>	
Last review	30 June 2025	Desktop assessment of indexation. Recognition of change in values outside of materiality limits
Next review	31 December 2025	Effective date of full revaluation
Indexation	30 June 2026	Assessment of indexation movements since full revaluation completed

**Accounting Policy**

The Council's infrastructure assets are carried under the revaluation model in accordance with PBE IPSAS 17 Property, Plant and Equipment. These assets are revalued on a three-year cycle in the year preceding preparation of the Long-Term Plan.

In accordance with PBE IPSAS 17, a desktop valuation is undertaken in years where a full revaluation is not performed, to assess whether asset values have moved materially and whether a revaluation is required.

Revaluations are accounted for on a class-of-asset basis. Net revaluation movements are recognised in other comprehensive revenue and expense and accumulated in an asset revaluation reserve for each asset class.

Where a revaluation results in a debit balance, the deficit is recognised in surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expense.

**Basis for estimation/revaluation**

These assets were last revalued as at 31 December 2022 by independent valuers, Beca Projects NZ Limited. The carrying values of revalued assets are assessed annually to ensure they do not differ materially from fair value. Where a material difference is identified, the relevant asset classes are subject to an off-cycle revaluation.

**Rationale for change in estimation this reporting period**

No changes have been identified to date. Asset values are currently under review as part of the scheduled revaluation for the current year

**Infrastructure assets valuation**
**Current values**

	Cost /Revaluation 30 June 2025 \$000	Revaluation 31 December 2025 \$000	Cost /Revaluation 30 June 2026 \$000
Land- Note 1	74,704		
Bridges	1,941		
Channels	68,490		
Control gates	3,461		
Culverts	4,248		
Debris traps	180		
Detentions	15,823		
Drop structures	34		
Fencing	4,544		
Floodgates	57,618		
General structures	6,134		
Plantings	670		
pump Stations	85,481		
Retaining structures	12,199		
River training works	3,745		
Stopbanks	714,946		
Weirs	990		
<b>Total</b>	<b>1,055,208</b>		

Note 1- Infrastructure land is classified as restricted land

### Operational assets valuation

Frequency of review	Annual	
Last review	30 June 2025	Independent assessment of fair value
Next review	30 June 2026	Independent assessment of fair value
Full revaluation	30 June 2027	

### Accounting Policy

The Council's operational assets are carried under the revaluation model in accordance with PBE IPSAS 17 Property, Plant and Equipment. These assets are revalued on a three-year cycle.

In accordance with PBE IPSAS 17, a desktop valuation is undertaken in years where a full revaluation is not performed, to assess whether asset values have moved materially and whether a revaluation is required.

Net revaluation movements are recognised in other comprehensive revenue and expense and accumulated in an asset revaluation reserve for each class of asset. Where a revaluation results in a debit balance in the reserve, the deficit is recognised in surplus or deficit.

Any subsequent increase in revaluation that reverses a previously recognised decrease in value is recognised in surplus or deficit to the extent of the prior decrease, and thereafter in other comprehensive revenue and expense.

### Basis for estimation/valuation

#### Operational Land

Operational land is valued at fair value using market-based evidence based on its highest and best use, with reference to comparable land values. The most recent valuation was performed by P Smith, an independent registered valuer of SGHU Valuations, effective as at 30 June 2024. The fair value of operational land was subsequently assessed by SGHU Valuations as at 30 June 2025. Any material movements in value may trigger the need for a full revaluation by external valuers. The assessment at 30 June 2025 indicated no material movement in this asset class.

#### Operational buildings

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings. Depreciated replacement cost is determined using a number of significant assumptions. These significant assumptions include the following:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information
- The remaining useful life of assets is estimated
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates are applied to reflect market value. The most recent valuation was performed by P Smith, independent registered valuer of SGHU Valuations, and the valuation is effective as at 30 June 2024. The fair value of operational land was assessed as at 30 June 2025 by SGHU Valuations.

**Operational assets valuation**  
**Rationale for change in estimation**

No change noted.

**Current values**

	<b>Cost /Revaluation 30 June 2025 \$000</b>	<b>Revaluation \$000</b>	<b>Cost /Revaluation 30 June 2026 \$000</b>
Land	1,232		
Buildings	2,405		
Leasehold improvements	9,617		
Vehicles	6,205		
Plant and equipment	16,009		
Computer equipment	8,220		
Office furniture and fittings	2,224		
	<b>45,912</b>		

**Restricted Land valuation**

Frequency of review	Annual	
Last review	30 June 2025	Desktop assessment of indexation. Recognition of change in values outside of materiality limits
Next review	31 December 2025	Effective date of full revaluation
Indexation	30 June 2026	Assessment of indexation movements since full revaluation completed

**Accounting Policy**

All restricted land is measured at fair value based on market evidence and conditions at the valuation date, in accordance with PBE IPSAS 17 Property, Plant and Equipment. Where relevant, fair value reflects the asset's highest and best use.

Highest and best use is defined as the most probable use that is physically possible, legally permissible, financially feasible, and results in the highest value.

The last full valuation was performed by QV as at 31 December 2022.

**Basis for estimation/revaluation**

Land has been valued as if vacant and incorporates the influences of size, contour, quality, location, zoning, designation and current and potential usage.

Where land is subject to legal or regulatory restrictions (including designated or restricted land), or where use is otherwise impaired, appropriate adjustments and discounts are applied to reflect the impact of those restrictions on fair value.

**Rationale for change in estimation this reporting period**

No change to the basis. A desktop review is scheduled to be undertaken in June 2026 to confirm whether asset values have moved materially since last valuation

**Current values**

	Cost /Revaluation 30 June 2025 \$000	Revaluation 31 December 2025 \$000	Cost /Revaluation 30 June 2026 \$000
Land	74,704		
<b>Total</b>	<b>74,704</b>		

**Asset impairment**

Frequency of review	Annual
Last review	30 June 2025
Next review	30 June 2026

**Accounting Policy**

There is an ongoing programme of regular asset inspections undertaken to assess for any impairment.

WRC is a Tier 1 public sector PBE, so asset impairment is accounted for under:

1. PBE IPSAS 21 – Impairment of Non-Cash-Generating Assets

This standard applies to assets that are primarily held to deliver public services rather than to generate commercial returns. An impairment arises where the asset's carrying amount exceeds its recoverable service amount, which reflects the asset's remaining service potential.

2. PBE IPSAS 26 – Impairment of Cash-Generating Assets

This standard applies to assets that are held with the objective of generating a commercial return. An impairment is recognised where the carrying amount exceeds the recoverable amount, determined as the higher of fair value less costs to sell and value in use.

**Basis for estimation/valuation**

Assets are reviewed annually for indicators of impairment as part of an ongoing asset inspection programme. Indicators may include evidence of physical damage, obsolescence, decline in service performance, or changes in demand for the services delivered by the asset.

Most WRC assets are non-cash-generating in nature (e.g. flood protection, river management and environmental infrastructure) and are assessed under PBE IPSAS 21. For these assets, an impairment arises where the carrying amount exceeds the recoverable service amount, being the higher of fair value less costs to sell and value in use (depreciated replacement cost).

For cash-generating assets (where applicable), impairment is assessed under PBE IPSAS 26. In these cases, the recoverable amount is determined as the higher of fair value less costs to sell and value in use, based on expected future cash flows.

Where impairment indicators are identified, a detailed assessment is performed to determine the recoverable amount or recoverable service amount. An impairment loss is recognised where the asset's carrying amount exceeds the assessed recoverable amount.

**Rationale for change in estimation this reporting period**

To be updated once revaluation is completed

**Current values**

	30 June 2025 \$000	30 June 2026 \$000
Asset impairment	-	TBC

Note : no impairment recognised in 2024/25

**Infrastructure assets useful lives**

<b>Frequency of review</b>	<b>Annual review of asset losses. Three yearly review aligned with revaluation</b>
Last review	31 December 2022
Next review	31 December 2025

**Accounting Policy**

Infrastructure assets are depreciated on a straight-line basis over their estimated useful lives in accordance with PBE IPSAS 17 Property, Plant and Equipment. Useful lives are reviewed at least annually and adjusted where there is evidence that the expected pattern of consumption of future economic benefits or service potential has changed.

**Basis for estimation/revaluation**

Estimated useful lives for infrastructure assets are based on a combination of asset condition, expected service life, maintenance practices, and historical experience. Useful lives are reviewed periodically as part of the asset revaluation process and through ongoing asset management practices, including condition assessments and inspection programmes. The current useful life ranges reflect the expected remaining service potential of assets, taking into account factors such as asset performance, environmental conditions, and renewal programmes. Where changes in asset condition or usage are identified, useful lives are reassessed and updated where appropriate.

**Rationale for change in estimation this reporting period**

Any changes in useful life estimates will be assessed as part of the scheduled revaluation in the current year

**Infrastructure assets useful lives****Current values**

Class of asset	(years)	(years)
	31 December 2022	31 December 2025
Bridges	50-100	
Channels	25-100	
Control gates	15-100	
Culverts	30-100	
Debris traps	100	
Detentions	15-100	
Drop structures	50-80	
Fencing	30	
Floodgates	20-100	
General structures	20-100	
Plantings	N/A	
Pump Stations	10-100	
Retaining structures	30-100	
River training works	30-100	
Stopbanks	20-100	
Weirs	100	

**Operational asset useful lives**

**Frequency of review** Annual review of write-offs / disposals. Three yearly through revaluation.

Last review 30 June 2025

Next review 30 June 2026

**Accounting Policy**

Operational assets are depreciated on a straight-line basis over their estimated useful lives in accordance with PBE IPSAS 17 Property, Plant and Equipment.

Useful lives are reviewed at least annually and adjusted where there is evidence that the expected pattern of consumption of future economic benefits or service potential has change.

**Basis for estimation/revaluation**

Estimated useful lives for operational assets are determined based on asset condition, expected usage, maintenance programmes, and historical experience.

Useful lives are reviewed periodically through asset management practices, including condition assessments and inspection programmes, and are updated where there is evidence of changes in utilisation, wear and tear, or technological obsolescence.

**Rationale for change in estimation this reporting period**

No changes this period. Changes in useful life estimates will be assessed as part of the scheduled review in the current year. This will consider asset write offs / disposals that may indicate the requirement to review useful lives.

**Current values**

Class of asset	Estimated useful like	Estimated useful life
	(years) 31 December 2022	(years) 31 December 2025
Buildings	5-75	
Leasehold Improvements	10-50	
Motor vehicles	5-7.5	
Computer equipment	3.5-7.5	
Office furniture	7-10	
Plant and equipment	3-30	

**Biological assets (forestry)**

Frequency of review	Annual
Last review	30 June 2025
Next review	30 June 2026

**Accounting policy**

Tree crop (forestry) assets are measured at fair value in accordance with PBE IPSAS 27 Agriculture, with changes in fair value recognised in surplus or deficit. Valuations are performed annually by external valuers.

**Basis for estimation/valuation**

External valuers apply a compounded cost approach, whereby the costs of establishing the forest are accumulated and compounded to present value. This method is considered appropriate for young forests (generally up to ten years old) where market-based evidence is limited.

The valuation incorporates a range of inputs, including future tending and management, annual overheads, direct costs associated with the harvesting operations (log and load, cartage), management fees, and any tracking or roading required.

**Rationale for change in estimation this reporting period**

Valuation is performed annually, with changes in fair value recognised through surplus or deficit. No changes in valuation methodology were identified in the current reporting period

**Current values**

	30 June 2025	30 June 2026
	\$000	\$000
Balance as at 1 July	290	229
Gains / (losses) arising from changes attributable to physical changes	(61)	
Purchases	-	
Sales	-	
Harvest	-	
Gains / (losses) arising from changes attributable to price changes	-	
Carrying amount at 30 June	229	

**NZUs / ETS - new policy**

<b>Frequency of review</b>	<b>Annual</b>
Last review	N/A
Next review date	30 June 2026

**Accounting policy- new policy introduced this year**

New Zealand Units (NZUs) held under the New Zealand Emissions Trading Scheme (ETS) are recognised as intangible assets in accordance with PBE IPSAS 31 Intangible Assets, as they are identifiable non-monetary assets without physical substance.

NZUs are initially recognised at cost, being the consideration paid to acquire the units. Units received free of charge are recognised at nil value.

Subsequent to initial recognition, NZUs are measured using the revaluation model and carried at fair value at each reporting date. Revaluation movements are recognised in other comprehensive revenue and expense and accumulated in a revaluation reserve, except to the extent that they reverse a previous decrease recognised in surplus or deficit.

NZUs are assessed as having an indefinite useful life and are not amortised. They are reviewed at each reporting date for indicators of impairment.

NZUs are derecognised when surrendered to the Environmental Protection Authority to meet emissions obligations, with the carrying value recognised as an expense in surplus or deficit.

**Basis for estimation/revaluation**

The fair value of NZUs is determined using quoted market prices from active New Zealand carbon markets at the reporting date. These prices represent Level 1 observable inputs under the fair value hierarchy.

Estimation uncertainty arises primarily from:

1. Fluctuations in NZU market prices
2. Changes in ETS policy or regulatory settings
3. The timing of emissions surrender obligations

Judgement is applied in selecting the most representative market price at balance date to ensure it reflects an orderly transaction between market participants. Given valuations are based on observable market data, the level of estimation uncertainty is considered to be moderate.

**Rationale for change in estimation this reporting period**

This is a new estimate to be recognised in the current reporting period. This recognises the allocation of NZUs under the Emissions Trading Scheme, with ongoing measurement at fair value based on observable market prices.

**Current values**

	30 June 2025	31 May 2026	30 June 2026
	\$000	\$000	\$000
ETS carbon credits	-		
Initial recognition		458,925	
Number of carbon credits held		8,700	
Market price per unit		52.75	

**Investment in Council-Controlled Organisations**

<b>Frequency of review</b>	<b>Annual</b>
<b>Last review</b>	30 June 2025
<b>Next review</b>	30 June 2026

**Accounting policy**

Investments in council-controlled organisations are accounted for in accordance with applicable PBE IPSAS standards. The Council's investment in Regional Software Holdings Limited (RSHL) represents an interest in shared software assets used by participating councils. Judgement is applied in determining the appropriate accounting treatment and valuation approach.

Investments in jointly owned entities such as Waikato Local Authority Shared Services Limited (Co-Lab) are recognised based on the Council's ownership interest. Where there is no observable market value and no expectation of financial return, these investments are not subject to revaluation.

**Basis for estimation/valuation**

For the investment in Regional Software Holdings Limited (RSHL), the valuation reflects the Council's share of the underlying IRIS software platform. RSHL has planned for the next generation of IRIS to be implemented by June 2028. Based on this planned transition, it is expected that the current IRIS software platform will be retired by 30 June 2028, with no residual value. Accordingly, the value of the investment reflects this finite useful life and expected consumption of service potential.

For Waikato Local Authority Shared Services Limited (Co-Lab), the investment represents a jointly controlled entity providing shared services to member councils. Funding is based on annual levies and user-pays arrangements, and the entity functions on a cost-recovery basis. As there is no expectation of financial return and no observable market value, no valuation adjustment is required.

**Rationale for change in estimation this reporting period**

No changes have been identified in the current reporting period, although it is noted that implementation of the new IRIS NextGen software is delayed. The valuation of the RSHL investment continues to reflect the expected retirement of the existing IRIS platform by 30 June 2028 as no further decision has been taken on this in light of the NextGen delays. No estimation or revaluation is required for the Council's investment in Co-Lab.

**Current values**

	30 June 2025 \$000	Impairment \$000	30 June 2026 \$000
RSHL	367		

**Interest rate derivatives**

<b>Frequency of review</b>	<b>Quarterly</b>
Last review	31 March 2026
Next review	30 June 2026

**Accounting policy**

Interest rate derivatives are used to manage exposure to interest rate risk associated with the Council's borrowing programme. Derivative financial instruments are recognised at fair value at each reporting date. Changes in fair value are recognised in surplus or deficit.

**Basis for estimation/revaluation**

Interest rate derivatives are valued at fair value on a quarterly basis as part of the Council's financial reporting process, with movements recognised in surplus or deficit. Fair value is determined by estimating the present value of future cash flows under each derivative contract. This involves comparing expected floating rate receipts with fixed-rate payment obligations, discounted to present value at balance date. The Council engages Hedgebook, an independent New Zealand-based treasury valuation provider, to perform these valuations.

**Rationale for change in estimation this reporting period**

Valuations are updated quarterly to reflect movements in market interest rates. No changes in valuation methodology have been identified in the current reporting period.

**Current values**

As at 31 December 2025								
Maturity Date	Ccy	Notional Amount	Fixed Rate	Swap Type	Floating Rate	Frequency	Valuation	
15-Jul-26	NZD	3,000,000		2.64% Pay Fixed		2.55% Quarterly	-	2,498
15-Jul-28	NZD	3,000,000		2.80% Pay Fixed		2.55% Quarterly		18,021
15-Jul-30	NZD	3,000,000		2.98% Pay Fixed		2.55% Quarterly		61,544
30-Sept-30	NZD	5,000,000		3.64% Pay Fixed		2.51% Quarterly	-	26,163
30-Sept-31	NZD	5,000,000		3.72% Pay Fixed		2.51% Quarterly	-	13,646
15-Dec-31	NZD	2,000,000		2.77% Pay Fixed		2.48% Quarterly		99,686
15-Dec-31	NZD	1,000,000		2.73% Pay Fixed		2.48% Quarterly		51,739
15-Dec-31	NZD	2,000,000		2.78% Pay Fixed		2.48% Quarterly		98,602
<b>TOTAL</b>	<b>NZD</b>	<b>24,000,000</b>		<b>3.16%</b>				<b>287,285</b>
NZD Hedging (Forward start)								
Maturity Date	Ccy	Notional Amount	Fixed Rate	Swap Type	Floating Rate	Frequency	Valuation	
31-Oct-31	NZD	5,000,000		3.76% Pay Fixed		0.00% Quarterly		14,730
<b>TOTAL</b>	<b>NZD</b>	<b>5,000,000</b>		<b>3.76%</b>				<b>14,730</b>

Interest rate derivatives									
As at 31 March 2026									
Maturity Date	Ccy	Notional Amount	Fixed Rate	Swap Type	Floating Rate	Frequency	Valuation		
15-Jul-26	NZD	3,000,000	2.64%	Pay Fixed		2.51% Quarterly	-		1,797
15-Jul-28	NZD	3,000,000	2.80%	Pay Fixed		2.51% Quarterly			47,506
15-Jul-30	NZD	3,000,000	2.98%	Pay Fixed		2.51% Quarterly			106,504
30-Sept-30	NZD	5,000,000	3.64%	Pay Fixed		2.54% Quarterly			58,515
30-Sept-31	NZD	5,000,000	3.72%	Pay Fixed		2.54% Quarterly			75,750
15-Dec-31	NZD	2,000,000	2.77%	Pay Fixed		2.53% Quarterly			131,180
15-Dec-31	NZD	1,000,000	2.73%	Pay Fixed		2.53% Quarterly			67,394
15-Dec-31	NZD	2,000,000	2.78%	Pay Fixed		2.53% Quarterly			130,149
<b>TOTAL</b>	<b>NZD</b>	<b>24,000,000</b>	<b>3.16%</b>						<b>615,205</b>
NZD Hedging (Forward start)									
Maturity Date	Ccy	Notional Amount	Fixed Rate	Swap Type	Floating Rate	Frequency	Valuation		
31-Oct-31	NZD	5,000,000	3.76%	Pay Fixed		0.00% Quarterly			89,216
<b>TOTAL</b>	<b>NZD</b>	<b>5,000,000</b>	<b>3.76%</b>						<b>89,216</b>

**Expected credit losses**

<b>Frequency of review</b>	<b>Quarterly</b>
<b>Last review date</b>	31 March 2026
<b>Next review</b>	30 June 2026

**Accounting policy**

Short-term receivables are recognised at the amount due, less an allowance for expected credit losses (ECL). The Council applies the simplified ECL model, recognising lifetime expected credit losses for all receivables.

Receivables are grouped based on shared credit risk characteristics (including rates and other receivables) and assessed collectively. A provision matrix is applied, based on historical credit loss experience and adjusted for forward-looking factors specific to the debtors and economic conditions.

Rates receivables are written off in accordance with Council's rates remission policy and the write-off provisions of the Local Government (Rating) Act 2002.

Other receivables are written off when there is no reasonable expectation of recovery, including where the debtor is in liquidation or the debt is significantly overdue.

**Basis of estimation / valuation**

The expected credit loss provision is determined across two key debtor categories: general debtors and rates debtors.

For general debtors, collectability is assessed based on current collection activity, the ageing of balances, and the likelihood of successful recovery actions. Consideration is also given to the nature of the underlying transaction.

For rates debtors, the provision incorporates factors such as the age of the debt, the status of recovery actions (including referral to collection agencies), and categories of land where recovery is considered unlikely. Debts that are no longer legally recoverable are written off as statute barred.

The provision basis is updated to reflect current collection experience and forward-looking information where relevant.

**Rationale for change in estimation this reporting period**

The expected credit loss provision is reassessed regularly based on debtor ageing, collection activity, and forward-looking factors. No changes in estimation methodology have been identified in the current reporting period.

**Current values**

	<b>30 June 2025</b>	<b>31 March 2026</b>	<b>30 June 2026</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Exchange</b>			
General debtors	18,698	9,584	
Provision for doubtful receivables	1,603	1,810	
<b>Provision as % of total receivables</b>	9%	19%	
<b>Non-exchange</b>			
Rates and other receivables	8,129	14,859	
Provision for doubtful receivables	1,030	1,030	
<b>Provision as % of total receivables</b>	13%	7%	

**Employee entitlements (long service leave and gratuities on retirement)**

<b>Frequency of review</b>	<b>Annual</b>
<b>Last review date</b>	30 June 2025
<b>Next review</b>	30 June 2026

**Accounting policy**

Employee benefits are recognised in accordance with PBE IPSAS 39 Employee Benefits.

Short-term employee entitlements expected to be settled within 12 months are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages, annual leave, vested long service leave, retirement gratuities, and sick leave where applicable.

A liability for sick leave is recognised where it is expected that accumulated entitlements will be utilised to cover future absences.  
Long-term employee entitlements are measured at the present value of expected future payments.

Superannuation contributions to defined contribution schemes (including KiwiSaver) are recognised as an expense in surplus or deficit as incurred..

**Basis of estimation/revaluation**

The present value of long-term employee entitlements (including long service leave and retirement gratuities) is determined on an actuarial basis.  
Key assumptions used in the valuation include:

- Discount rates derived from New Zealand government bond yields, matched to the duration of the liability
- Salary growth rates, incorporating both inflation and progression-based increases
- Employee-specific factors such as years of service, likelihood of vesting, and utilisation patterns

Future cash outflows are discounted to present value using appropriate discount rates. For the current period, a discount rate of 5.65% (2024: 5.28%) and a long-term salary growth rate of 1.98% (2024: 2.01%) have been applied.

There was a change in the actuarial assumptions and methods from last year due to the migration to a different actuarial valuation system used by our valuer. This has resulted in minor changes to the timing of assumptions, leading to a small increase in the calculated liability. The impact is not material.

Short-term entitlements are measured based on accrued balances and do not require actuarial valuation.

**Rationale for change in estimation this reporting period**

No change in values in this reporting period

**Employee entitlements (long service leave and gratuities on retirement)**  
**Current values**

	30 June 2025 \$000	30 June 2026 \$000
Current		
Annual leave	4,617	
Long service leave	289	
Retirement gratuities	332	
Sick leave	226	
Other employee expenses	841	
Accrued pay	1,483	
<b>Total current position</b>	<b>7,788</b>	
Non-current		
Long service leave	1,447	
Gratuities	308	
<b>Total non-current</b>	<b>1,755</b>	

**Accounting standards issued and not yet effective that have not been adopted early**

Accounting standards and amendments are issued with a future date that indicates the financial accounting periods they must begin to be applied to. The Annual Report must disclose those accounting standards that have been issued, that are not yet effective and that we have not adopted early. Early adoption is not required and allows a period for entities to review and understand how they apply to their Annual Reports. There are currently no new standards and amendments that are issued and not yet effective that have not been adopted early as at 31 March 2026.

## 6.6 TAX GOVERNANCE FRAMEWORK AND TAX RISK MANAGEMENT STRATEGY

<b>Rā   Date:</b>	<b>15 May 2026</b>
<b>Kaituhi   Author:</b>	<b>Raj Suppiah, Chief Financial Officer</b>
<b>Kaituku   Authoriser:</b>	<b>Janine Becker, Director, Customer and Corporate Services</b>
<b>Mana whakatau   Delegation Status:</b>	<b>Sub-committee has delegated authority to make the recommended decision</b>

### TE ARONGA | PURPOSE

1. To present the Council's Tax Risk Governance Framework and Tax Risk Management Strategy for review and approval.

### KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. Inland Revenue has significantly increased its focus on tax governance, with an expectation that large organisations can demonstrate a formal and effective Tax Control Framework supported by robust processes, documentation, and governance oversight.
3. To meet these expectations and align with good practice, Council has reviewed its Tax Governance Risk Framework in conjunction with PwC. This is supported by two key documents:
  - (a) a Tax Risk Governance Framework (governance and oversight) and
  - (b) a Tax Risk Management Strategy (operational management and controls), including a forward-looking tax risk workplan.
4. An additional PwC briefing paper is also provided, highlighting Inland Revenue's recent findings that many organisations fall below expected maturity levels and reinforcing the importance of strong governance oversight of tax risk.
5. The framework positions Council to meet Inland Revenue expectations, supports a low tax risk profile, and strengthens transparency and governance over tax matters.

### TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

1. That the report *Tax Governance Framework and Tax Risk Management Strategy* (Risk and Assurance Committee, 3 June 2026) be received; and
2. That the Committee approve the Tax Risk Governance Framework and Tax Risk Management Strategy.

### HOROPAKI | BACKGROUND

6. Inland Revenue (IR) is increasing its expectations with respect to how organisations effectively manage tax risk. There are a number of components that an organisation is expected to have in place to manage tax risk, which together form a Tax Control Framework (TCF). These components include:
  - (a) A clearly defined tax strategy
  - (b) A formal tax risk management policy
  - (c) A tax plan for the ongoing identification, management, or elimination of tax risks
  - (d) Documented processes and controls for functions that impact tax compliance
7. IR now expects taxpayers to be able to demonstrate that an effective Tax Control Framework is in place, with increasing scrutiny through governance questionnaires, audits, and broader expectations around organisational governance.
8. With these expectations in mind, staff engaged with PwC as Council's tax advisers to support a review and update to the existing Tax Governance Frameworks that have been in place.
9. As a result, two key documents have been updated:  
**Tax Risk Governance Framework**
  - (a) Establishes Council's overarching approach to tax governance
  - (b) Confirms the Council's expectation of a low tax risk appetite
  - (c) Sets out governance, responsibilities, and reporting expectations**Tax Risk Management Strategy**
  - (d) Provides the operational framework for managing tax risk
  - (e) Details roles and responsibilities
  - (f) Outlines processes for compliance, reporting, engagement with Inland Revenue, and escalation of risks
  - (g) Includes a forward-looking tax risk management plan.
10. Together, these documents form Council's Tax Governance Risk Framework, aligning with Inland Revenue expectations and good governance practice.

### **Additional Supporting Information**

11. A PwC briefing paper is included for the Committee's information. This provides further context on Inland Revenue's increasing focus on tax governance and tax control frameworks.
12. The paper highlights the outcomes of recent Inland Revenue reviews, which found that many organisations fall short of expected standards and confirms IR's expectation that organisations operate at an "established" level of tax governance maturity, with robust and institutionalised processes.
13. It also reinforces the critical role of governance bodies in overseeing tax risk and ensuring alignment with organisational risk appetite, alongside IR's increasing use of data and analytics to scrutinise taxpayer compliance

**WHAKAKAPINGA | CONCLUSION**

14. The review of Council's Tax Governance Framework and supporting Tax Risk Management Strategy represents an important step in ensuring that Council's overall governance and ensuring alignment with Inland Revenue expectations.
15. Together, these documents establish a clear, structured, and sustainable approach to managing tax risk, supported by appropriate oversight, controls, and forward planning.
16. Adoption of this framework positions Council to demonstrate a robust and mature tax control environment, while reinforcing transparency, accountability, and a low-risk approach to tax compliance.

**ĀPITIHINGA | ATTACHMENTS**

1. **WRC - Tax Risk Governance Framework - Final (# 35979900)** [↓](#)
2. **WRC - Tax Governance Part 2 Tax Risk Management Strategy - Final (# 35978314)** [↓](#)
3. **Tax Governance Framework Additional Information (# 359689784)** [↓](#)

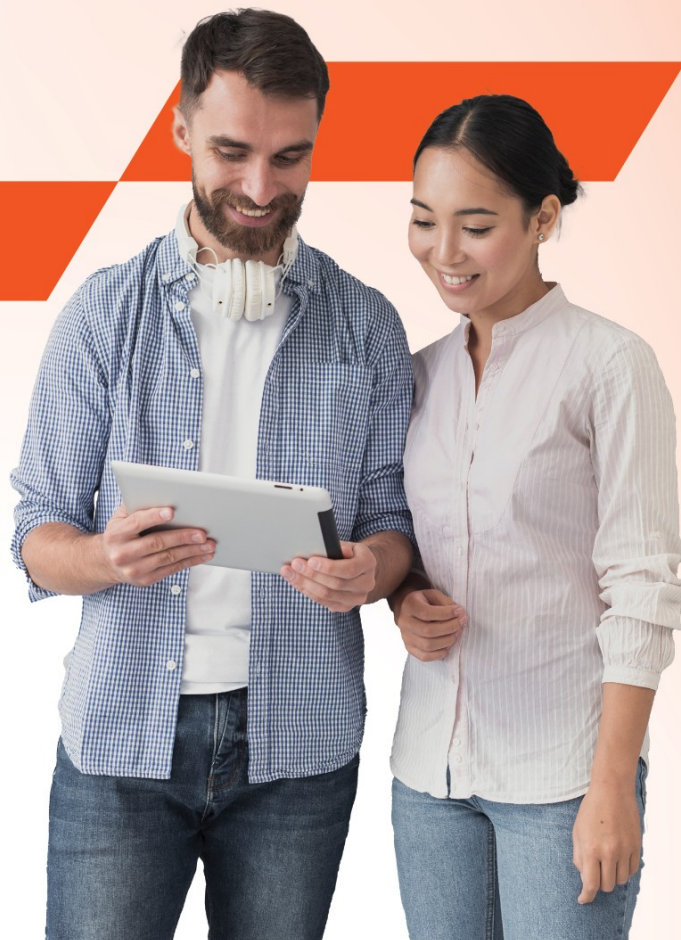


# Waikato Regional Council

## Tax Risk Governance Framework

For adoption by the Risk and Assurance Committee

May 2026



## 1. Purpose

This document outlines Waikato Regional Council's (Council) approach to the management of tax risk and constitutes the tax governance framework adopted by the Risk and Assurance Committee of Council.

## 2. Background

Council is a large, high profile, organisation that is responsible for providing services to the New Zealand public. As such, Council must maintain exemplary governance and tax compliance standards.

## 3. Tax Governance Expectations

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

- The use by Inland Revenue of a "Tax Governance Questionnaire" to assess individual organisations approach to tax risk management, which is now also being used in Inland Revenue audits;
- Applying a different lens to the application of penalties for organisations that are found to be non-compliant and that do not have a formalised tax governance strategy and risk management plan;
- Commentary in the "Multinational Enterprise Compliance Focus 2024" document, that can be equally taken to apply to any New Zealand Significant Enterprise, which notes that:

*"Not only is a robust tax governance framework fundamental to tax compliance, but MNEs today are expected to demonstrate tax responsibility as part of their broader environmental, social and governance (ESG) commitments, aligning with global trends towards sustainability and ethical business practices."*

- The publication of guidance on their website<sup>1</sup> regarding their expectations for significant enterprises, which the Group entities would be fall within the definition of.

## 4. Council's Commitment

Council is committed to meeting all tax compliance obligations, and the expectations of the tax authorities in New Zealand, and in any overseas jurisdiction that it transacts within. This includes, but is not limited to, correctly accounting for Income Tax, Goods and Services Tax, Fringe Benefit Tax, PAYE (including KiwiSaver compliance), and a range of other withholding taxes.

The Risk and Assurance Committee has determined that:

- Council should operate applying a low tax risk approach.
- Management has delegated responsibility to devise an appropriate tax risk management plan, ratified by the Risk and Assurance Committee, to ensure that Council meets its commitment.
- Management will report and communicate on an open and transparent basis to the Risk and Assurance Committee:
  - On an annual basis with a summary of the tax compliance obligations met, risk management mitigation undertaken for the preceding year and the plan for the forthcoming year.
  - On an as required basis, in relation to, but not limited to:
    - Actual material errors in the tax positions taken

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

- Notification of an Inland Revenue audit or other correspondence from tax authorities of matters of significance
- Significant developments in tax law or practice that could impact Council
- Material occurrences impacting Council’s tax obligations are reported at the next scheduled Committee meeting
- The tax consequences of any material transaction being contemplated by Council as part of the business case / decision paper; or any other material matter.

**Tax risk governance framework - adoption**

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

Next review scheduled for: (+3 years)



# Waikato Regional Council

## Tax Risk Management Strategy

For adoption by the Risk and Assurance Committee



May 2026

## 1. Tax risk profile

Waikato Regional Council (Council) recognises that it has an obligation to fulfil its tax compliance obligations in any tax jurisdiction that it undertakes transactions within. In New Zealand, the core tax legislation that Council is required to comply with is the Income Tax Act 2007, Goods and Services Tax Act 1985 and Tax Administration Act 1994.

The Risk and Assurance Committee of Council has determined that a low tax risk profile is appropriate for Council. It will aim to:

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

The Risk and Assurance Committee has empowered Management to devise an appropriate approach to tax risk management, and this is now established below.

## 2. Tax risk management strategy

### 2.1 Responsibility for tax issues

The Chief Financial Officer has overall responsibility for the management of the tax issues of Council. As appropriate, the Chief Financial Officer may delegate responsibility for tax issues to the Financial Controller.

Inland Revenue requires a designated individual to be Executive Office Holder (EOH) who is responsible for ensuring that appropriate staff are authorised to access requisite sections with “myIR.” The EOH for Council is the Chief Financial Officer who has overall responsibility as the myIR account owner for Council.

The Chief Financial Officer, as EOH for Council, is ultimately responsible for ensuring the administration and management of staff delegations and permissions of myIR login accounts, and for ensuring delegations are updated as and when staff leave the organisation.

### 2.2 Reporting tax risks to the Risk and Assurance Committee

The Tax Governance Framework adopted by the Risk and Assurance Committee requires reporting on tax matters by the Chief Financial Officer as follows:

- On an annual basis with a summary of the tax compliance obligations met, risk management mitigation undertaken for the preceding year and the plan for the forthcoming year.
- On an as required basis, in relation to, but not limited to:
  - Actual material errors in the tax positions taken
  - Notification of an Inland Revenue audit or other correspondence from tax authorities of matters of significance

- Significant developments in tax law or practice that could impact Council
- Material occurrences impacting Council's tax obligations are reported at the next scheduled Committee meeting
- The tax consequences of any material transaction being contemplated by Council as part of the business case / decision paper; or any other material matter.

Reference to "material" for these purposes is to be interpreted as when there may be a situation that results in:

- Penalties and interest potentially being imposed in excess of \$10,000
- An 'unexpected' tax calculation adjustment is required where the tax effect/ tax payable is in excess of \$20,000
- There is a risk of prosecution
- An accusation of tax avoidance could be levied
- There is a risk of negative publicity.

### **2.3 Tax awareness and training**

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

### **2.4 Meetings and correspondence with Inland Revenue**

Council will endeavour to maintain strong working relationships with all relevant stakeholders, including but not limited to Inland Revenue, other government bodies, and related third parties. All dealings with external parties will be undertaken in a professional and timely manner.

Apart from routine PAYE, FBT and GST returns and payments, all other correspondence, meeting requests or queries from Inland Revenue must be immediately referred to the Chief Financial Officer. The Chief Financial Officer and Director Customer and Corporate Services are the only people authorised to correspond or meet with Inland Revenue, to discuss tax matters of Council – although they may delegate this responsibility to others where appropriate.

### **2.5 Tax advice and rulings**

Council will maintain detailed information and computations supporting all tax return filing positions. If there is any uncertainty in respect of a filing position where the amount of tax exceeds \$20,000, Council will consider whether written advice from external tax advisors is required.

Council will be transparent and fully disclose all relevant information when forming a tax position or seeking tax advice.

Council will endeavour to maintain strong working relationships with Inland Revenue, other government bodies, and related third parties. All dealings with external parties will be undertaken in a professional and timely manner.

Council will endeavour to ensure that the most tax efficient position is always adopted, applying tax law and Council's low risk tax approach. Advice from an external tax advisor should be obtained in relation to uncertain material tax matters before a tax position is taken, as appropriate.

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

Council will not subscribe to any tax minimisation schemes without first obtaining approval from the Risk and Assurance Committee, having been fully informed of the associated risks and overall tax effect of the arrangement.

## **2.6 Tax returns and payments**

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

Any tax payments for Council must be authorised by the Chief Financial Officer, although they may delegate this in accordance with the delegated financial authority.

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

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

## **2.7 Filing and record keeping**

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

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

## **2.8 Regular reviews**

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

Refer to the Appendix for a draft illustration of the 2026 Tax Risk Management Strategy. A similar plan will be prepared annually, with the content and timing of the work to be undertaken determined as part of the Annual Tax Update and after considering specific risks and issues emerging at the time.

## **2.9 Penalties and voluntary disclosures**

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

**2.10 Tax policies**

To assist staff with the day-to-day tax treatment of issues specific to Council and to ensure a consistent tax treatment of items across the organisation, a set of tax policies will be maintained. These tax policies will provide an outline of common tax issues arising and how they should be treated in the various tax returns of Council.

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

**3. Tax Risk Management Strategy - adoption**

Signature: ..... Name: ..... Position: ..... Date: .....	Signature: ..... Name: ..... Position: ..... Date: .....
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Next review scheduled for: (+3 years)

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

##### Council's tax strategy - proposed future

Financial Year to 30 June:	2026	2027	2028	2029	2030
External tax helpdesk facility	✓	✓	✓	✓	✓
Online tax policies & guides	✓	✓	✓	✓	✓
GST compliance property guide					
Independent tax evaluations:					
GST standard review	✓				
GST data analytics (optional add-on)				✓	
PAYE - Standard		✓			
Payroll analytics (optional add-on)					✓
FBT			✓		
Tax Control Framework Effectiveness Assessment			✓		✓
Report to Risk and Assurance Committee on tax risk management	✓	✓	✓	✓	✓
External advice sought on major issues	As required	As required	As required	As required	As required
Tax training provided to staff	✓	✓	✓	✓	✓

# Tax Risk Management and Governance

Item 6.6 - Attac

INLAND REVENUE FOCUS

WHY THIS IS IMPORTANT NOW

# IR tax maturity framework

## 6.7 KEY PROJECTS UPDATE

**Rā | Date:** 22 May 2026

**Kaituhi | Author:** Janine Becker, Director, Customer and Corporate Services

**Kaituku | Authoriser:** Janine Becker, Director, Customer and Corporate Services

### TE ARONGA | PURPOSE

- To update the Committee on Council's key project activities.

### KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

- The key projects activity update report outlines the summary of Council's progress in relation to those projects that are identified as having higher potential risk associated with them. Currently the projects that meet this criterion are:
  - IRIS NextGen.
  - Public Transport services contract renewal.
  - Vessel replacement.
- Staff have provided an overview of the project portfolio that is currently in delivery across the organisation.

### TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *Key Projects Update* (Risk and Assurance Committee, 3 June 2026) be received.

### HOROPAKI | BACKGROUND

- In line with the Committee's Terms of Reference, the Committee is responsible for the provision of ongoing oversight of Council's major projects or undertakings that have a higher potential risk (and associated consequence) in terms of achieving the project goals and objectives within the approved time, scope, and budget.
- The following table outlines the summary of the status of Council's key projects.

Project	Sponsor	RAG status	Status Report
IRIS NextGen	Brent Sinclair	Green	Attachment 1
Bus contracts renewal programme	Phil King	Green	Attachment 2
Vessel replacement	Greg Ryan	Red	Attachment 3

**ĀPITIHANGA | ATTACHMENTS**

1. **IRIS Next Generation Update for Risk and Assurance Committee June 3rd 2026** [↓](#)
2. **Bus Contracts Renewals Programme - Programme Status Report for KPRG Risk and Assurance Committee June 3rd 2026** [↓](#)
3. **Vessel Update for Risk and Assurance Committee June 3rd 2026** [↓](#)

## IRIS Next Generation Report to Risk and Assurance Committee for Information

<b>Rā   Date</b>	22 <sup>nd</sup> May 2026
<b>Kaituhi   Author</b>	Dean King, Business and Education Services Manager, Resource Use
<b>Kaituku   Authoriser</b>	Brent Sinclair, Director, Resource Use
<b>Kaupapa   Subject</b>	IRIS Next Generation

### Te Aronga | Purpose

1. To provide an update to the Risk and Assurance Committee on the IRIS Next Generation Programme (IRIS NextGen) noting progress since the February report.

### Kōrero Whakataki | Executive Summary

2. Otago Regional Council (ORC) continues as the Pilot Council for IRIS NextGen, having commenced implementation on 10 November 2025.
3. Following earlier delays associated with product defects identified during testing, Datacom has progressed remediation sufficiently for Configuration Design to recommence for the Pilot on 11 May 2026.
4. The IRIS NextGen Programme remains focused on stabilising the product, supporting the Pilot Council and preparing the next three councils, WRC, BOP and TRC with preparation and implementation.
5. Waikato Regional Council's (WRC) implementation project continues to track effectively against readiness criteria, with preparatory workstreams progressing in line with expectations for this phase.
6. Programme-level issues, particularly in relation to prior rates of defect resolution, continue to be actively governed and monitored. There is currently no confirmed impact on WRC's planned implementation of 9 November 2026.
7. Programme and project costs remain significantly underspent due to timing changes in the build and Pilot phases. These deferred costs are forecast to be required to support delivery through to the 2027/2028 financial year

### Taunakitanga Kaimahi | Staff Recommendation:

1. That the report IRIS Next Generation (Risk and Assurance Committee, 3 June 2026) be received.

### HOROPAKI | BACKGROUND

8. The IRIS NextGen programme involves ten regional councils working with Regional Software Holdings Limited (RSHL) and Datacom to implement a game-changing productivity improvements to the regional sector, achieved through sector alignment around consistent good practice processes supported by a modern cloud-based application specifically build for local government.
9. Programme costs, including application development are shared across participating councils, with WRC paying 17.2% of the cost. The implementation of Datascope and consistent good practice processes at WRC is paid for separately.
10. The current IRIS platform (IRIS Classic) is approaching end-of-life. Cost sharing across ten councils spreads delivery risk and improves sector affordability for a programme of this scale and complexity.

**TE TAKE | ISSUE**

11. The Pilot implementation experienced delays earlier in the year due to defects identified during the final round of Product Acceptance Testing which concluded in December 2025,
12. Datacom's remediation of these defects progressed slower than originally anticipated. This matter was escalated to Programme Governance and remains under active oversight.
13. With defects now sufficiently addressed, the Pilot Council recommenced Configuration Design on 11 May 2026, marking a key step forward for the programme.
14. WRC staff who participated in Product Acceptance Testing continue to contribute through cross-council Process Excellence Groups (PEGs), supporting the ongoing evolution of the Regional Sector Reference Model and converging on consistent good practice processes.
15. Change management capability at WRC continues to develop. The WRC Change Manager has been engaging with impacted managers, team leaders and staff, undertaking stakeholder and readiness assessments, and developing tailored change plans. Approximately half of initial assessments have now been completed.
16. Recruitment is underway for a Business Analyst and Process Lead to strengthen WRC's readiness for implementation by supporting future state process mapping, gap analysis and change impact assessment.
17. For WRC, projected underspend across the 2024/2025 and 2025/2026 financial years is approximately \$4.2 million.
18. These funds are expected to be required in later years to complete implementation and associated change activity through to the 2027/2028 financial year.
19. WRC's borrowing-based funding approach continues to ensure that funds are not drawn down before required, supporting prudent financial management.
20. In late April, initial engagement meetings were held between Datacom and WRC to establish implementation planning, commercial arrangements and preparation activities ahead of the formal start of Implementation.

**WHAKAKAPINGA | CONCLUSION**

21. IRIS NextGen remains a significant and strategically important programme for both WRC and the regional sector.
22. While delays and challenges have occurred, particularly during the Pilot council phase, these are not unexpected for a programme of this scale and complexity.
23. The Pilot Council's experience is providing valuable insights that are expected to reduce risk and improve outcomes for subsequent councils, including WRC.
24. Programme governance arrangements continue to focus on ensuring product quality, readiness and effective risk management as the programme progresses.

**ĀPITIHINGA | ATTACHMENTS**

### Status Report

Project

IRIS NextGen

15/05/2026  
Last Refresh

Total Budget	Total Forecast	Total Actual	Budget Variance	Overdue Tasks	Active Risks	Active Issues	Active Changes
\$11.7M	\$11.7M	\$3.9M	\$0.0	0	81	18	2

Link	Report Date	Project Manager	Phase	Start	Finish	Progress	Additional Comments
<a href="#">🔗</a>	14/05/2026	Jo Haggart	(4) Deliver	15/01/2023	25/02/2028	14%	<p>Several update meetings have been held to discuss resourcing for the project, areas covered include: SLUS, Environmental Monitoring, Customer and Catchment. Meetings are expected to continue until 8 June. Stakeholders are engaging positively and well.</p> <p>Work tracking for 6-month readiness gate.</p> <p>Have secured training resource for the project in collaboration with ORC.</p>

Previous	Current	Indicator	Commentary
●	●	Overall	Remains Green/Amber Defect resolution is on track for the agreed targets. Pilot Config Design workshops have restarted. Engagement with Datacom has commenced, with a focus on preparation risks.
●	●	Cost	Budget heading for underspend, programme costs reduced over the second half of the FY26.
●	●	Time	Work continues to track for now. 6-month gate set for 3 June. Wider programme schedule review set for July.
▲	▲	Scope	Product sign off remains unknown. Request has been made to set up Future State workshops to enable process and scope refinement
●	●	Resource	BA and Process Lead recruitment in progress. Follow up conversations with business units in progress.
●	●	Benefit	Nil
▲	▲	Risk Issue	7 High residual risks and 1 High issue
▲	▲	Quality	Defect resolution continues. There is still no date for product signoff from the programme.

**Accomplished Activities**

DMWG (9 Apr & 23 Apr, 7 May)  
 Prog. Integration meeting (15 Apr)  
 Business Owners meeting (16 Apr)  
 PM Forum (23 Apr)  
 IRIS NextGen Prog. Annual Hui (5 & 6 May)

**Planned Activities**

Business Owners meeting (21 May)  
 6-month readiness gate for the programme (3 June)  
 CM Forum (8 June)

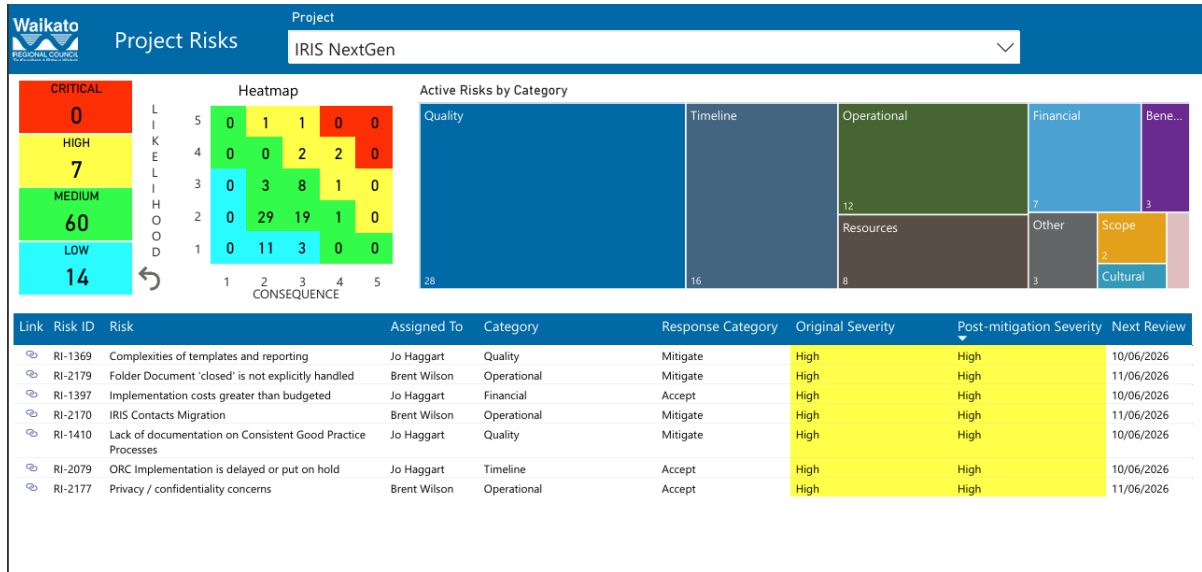
### Project Issues

Project

IRIS NextGen

<b>Active Issues</b> 18	<b>Active Issues by Priority</b> <ul style="list-style-type: none"> <li>● (1) Critical</li> <li>● (2) High</li> <li>● (3) Moderate</li> <li>● (4) Low</li> <li>● Not Selected</li> </ul>	<b>Active Issues by Category</b> <table border="1" style="width: 100%; border-collapse: collapse; font-size: 0.7em;"> <tr> <td style="background-color: #0070C0; color: white;">Quality</td> <td style="background-color: #4F81BD; color: white;">Resources</td> <td style="background-color: #808080; color: white;">Financial</td> <td style="background-color: #800080; color: white;">Timeline</td> <td style="background-color: #FFA500; color: white;">Str...</td> </tr> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">3</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> </tr> <tr> <td style="background-color: #4F81BD; color: white;">Benefits</td> <td style="background-color: #0070C0; color: white;">Scope</td> <td style="background-color: #808080; color: white;">Operational</td> <td colspan="2"></td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td colspan="2"></td> </tr> </table>	Quality	Resources	Financial	Timeline	Str...	5	3	2	2	1	Benefits	Scope	Operational			2	2	1		
Quality	Resources	Financial	Timeline	Str...																		
5	3	2	2	1																		
Benefits	Scope	Operational																				
2	2	1																				

Link	Issue ID	Issue	Assigned To	Priority	Category	Due Date	State
<a href="#">🔗</a>	IS-1073	Lack of CGP process documentation	Jo Haggart	(2) High	Benefits	25/11/2026	(1) Active
<a href="#">🔗</a>	IS-1058	Change fatigue.	Jo Haggart	(3) Moderate	Resources	29/07/2027	(1) Active
<a href="#">🔗</a>	IS-1060	Council Defined Fields	Jo Haggart	(3) Moderate	Resources	29/07/2027	(1) Active
<a href="#">🔗</a>	IS-1061	Data in Conquest and other non-IRIS systems.	Jo Haggart	(3) Moderate	Quality	29/07/2027	(1) Active
<a href="#">🔗</a>	IS-1067	General Registers	Jo Haggart	(3) Moderate	Quality	9/11/2026	(1) Active
<a href="#">🔗</a>	IS-1068	Good Practice Measures	Jo Haggart	(3) Moderate	Strategic	9/11/2026	(1) Active
<a href="#">🔗</a>	IS-1069	Inconsistent customer data	Jo Haggart	(3) Moderate	Quality	9/11/2026	(1) Active
<a href="#">🔗</a>	IS-1075	Lack of ownership of contact data	Jo Haggart	(3) Moderate	Quality	9/11/2026	(1) Active
<a href="#">🔗</a>	IS-1076	Lack of spatial location on regimes	Jo Haggart	(3) Moderate	Quality	9/11/2026	(1) Active
<a href="#">🔗</a>	IS-1077	Legacy applications required to be used for longer than anticipated	Jo Haggart	(3) Moderate	Financial	9/11/2026	(1) Active
<a href="#">🔗</a>	IS-1078	Online Managed Forms	Jo Haggart	(3) Moderate	Benefits	30/11/2026	(1) Active
<a href="#">🔗</a>	IS-1081	Push and pull updates where required	Jo Haggart	(3) Moderate	Operational	30/09/2026	(1) Active
<a href="#">🔗</a>	IS-1384	Datascap product acceptance delayed	Jo Haggart	(3) Moderate	Timeline	29/05/2026	(1) Active
<a href="#">🔗</a>	IS-1422	Development of WRC-specific templates for the s42A reports as indicated in Prog. CR031	Jo Haggart	(3) Moderate	Resources	10/02/2027	(1) Active
<a href="#">🔗</a>	IS-1427	ORC won't be contributing to collective cost of Isovist, as the prog has been too late with review	Jo Haggart	(3) Moderate	Financial	30/06/2026	(1) Active
<a href="#">🔗</a>	IS-1492	Delay to delivery of aspects of financial integration	Jo Haggart	(3) Moderate	Timeline	24/02/2027	(1) Active
<a href="#">🔗</a>	IS-1054	Additional Maritime Scope items	Jo Haggart	(4) Low	Scope	9/11/2026	(1) Active
<a href="#">🔗</a>	IS-1072	Isovist integration delayed due to new vendor	Jo Haggart	(4) Low	Scope	30/06/2026	(1) Active



# Risk & Assurance Committee – Bus Contract Renewal Programme

Programme Status Report  
Meeting Date: 21 May 2026

[waikatoregion.govt.nz](http://waikatoregion.govt.nz)



# Status Report

Project

Bus Contract Renewal Programme

11/05/2026  
Last Refresh

Total Budget	Total Forecast	Total Actual	Budget Variance	Overdue Tasks	Active Risks	Active Issues	Active Changes
\$292.5K	\$292.5K	\$216.9K	\$0.0	3	11	1	0

Link	Report Date	Project Manager	Phase	Start	Finish	Progress	Additional Comments
<a href="#">🔗</a>	7/05/2026	Anuradha Fitzwalter	(4) Deliver	1/03/2024	2/10/2026	0%	<div style="background-color: #0056b3; color: white; padding: 2px; margin-bottom: 5px;">Additional Comments</div> <p>Current focus of programme is on responding to questions submitted by potential bidders and planning for the next phase of the programme - reviewing tasks, timelines, resources &amp; budgets</p>


Previous	Current	Indicator	Commentary
●	●	Overall	All progressing well - RFP was published on 27th March 2026, supplier engagement held on 15th April. NZTA approval of Procurement Strategy received on 16th April - WRC CE approval now to be progressed
●	●	Cost	
●	●	Time	Programme progressing to time Next key milestone is Deadline for Questions (from bidders) - 26th June 2026 and then WRC responses by 9th July 2026 Deadline for Proposals is 27th July 2026
●	▲	Scope	Generally ok - just need to complete On Demand workstream and confirm procurement approach. Team have in hand and will be presented to future Programme Board meeting
●	●	Resource	External programme management support coming to a close at the end of May - internal discussions underway to ensure programme management continues
●	●	Benefit	RFP documentation drafted to enable balance and flexible approach to achieving objectives (fully decarbonised fleet by 2035) without being too prescriptive with a view to achieving value for money
●	●	Risk Issue	No current issues identified Risk register updated
●	●	Quality	All good - no major issues with RFP highlighted to date by potential bidders











Accomplished Activities

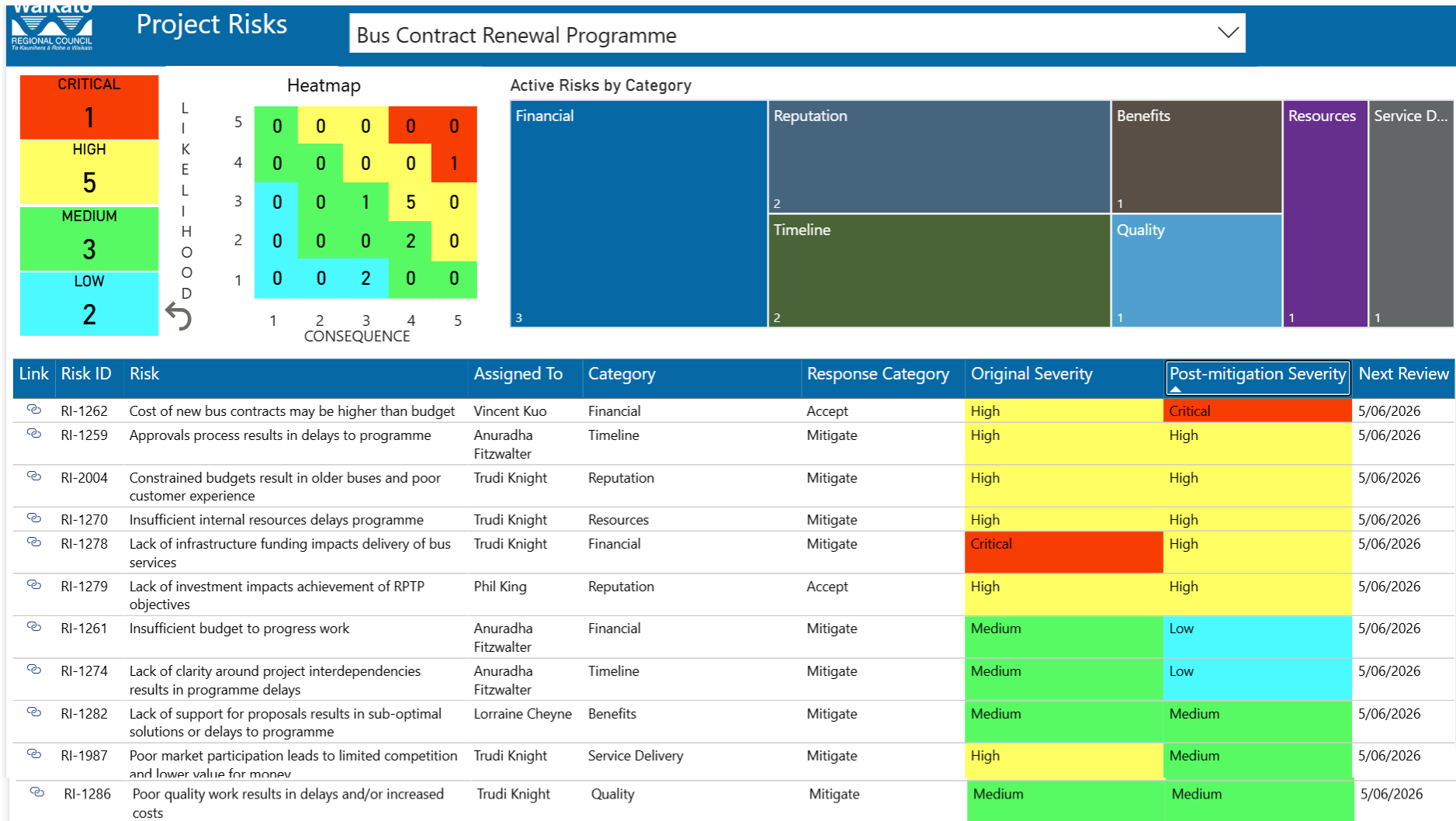
1. RFP published on 27th March 2026
2. Procurement Strategy approved by NZTA
3. Lessons Learnt on Network Planning work completed
4. Supplier engagement session held on 15th April

Planned Activities

1. Respond to Questions submitted
2. Prepare Tender Evaluation Team for upcoming evaluation work
3. Re-work programme timelines based on approach agreed at Council meeting
4. Confirm scope of On Demand & procurement approach
5. Confirm timing of introduction of network changes in Hamilton (at start of contract in 2028 or before)

 <b>Programme Status Report</b> <span style="float: right;">Contract Renewal Programme <span style="font-size: 1em;">▼</span></span>												
Programme Budget		Project Budget		Project Forecast		Project Actuals		Budget Variance		Projects On Track	Projects On Watch	Projects Troubled
(Blank)		\$292.5K		\$292.5K		\$216.9K		\$0.0		2	1	0
<b>Programme</b>												
Link	Programme	Programme Manager	Phase	Overall	Time	Cost	Budget	Forecast	Actual	Progress		
<a href="#">🔗</a>	Bus Contract Renewal Programme	Anuradha Fitzwalter	(4) Deliver	●	●	●	\$292,500	\$292,500	\$216,900	0%		
<b>Programme Projects</b>												
Link	Project	Project Manager	Phase	Overall	Time	Cost	Budget	Forecast	Actual	Progress		
<a href="#">🔗</a>	Procurement of New Bus Contracts	Sofia Reid	(4) Deliver	●	●	●				77%		
<a href="#">🔗</a>	Zero Emissions Bus Roadmap	Anuradha Fitzwalter	(4) Deliver	▲	▲	●				93%		

 <b>Milestones</b> <span style="float: right;">Bus Contract Renewal Programme </span>						
<b>Time Health</b> 	<b>Completed Milestones</b>					
	Milestone	Finish	Baseline Finish	Variance	Health	Status Comment
	Council approval of future bus provision	28/08/2025	28/08/2025	0		
	New Unit Structures approved by Council	28/08/2025	28/08/2025	0		
	Contract extension signed	11/11/2025	11/11/2025	0		
	ZEB Roadmap approved by Programme Board	28/11/2025	28/11/2025	0		
	Draft Procurement Strategy approved by Programme Board	17/12/2025	17/12/2025	0		Reviewed by Director of RTC (Chair of Prog Board) ahead of sending to NZTA
	Completion of Procurement pre-engagement	25/02/2026	25/02/2026	0		RFI process closed 30th Jan 2026. Meetings with prospective suppliers held. Report finalised, fed into Transport Committee meeting (17th Feb 2026), and discussed at Programme Board meeting (24th Feb 2026). WRC staff worked through recommendations and fed into procurement documentation
	Approval of Procurement Plan	20/03/2026	20/03/2026	0		Slight delay but approved by WRC Procurement Lead on 24th March 2026 and Director of RTC on 25th March 2026
	Approval of RFP	20/03/2026	20/03/2026	0		Slight delay but Director of RTC approved 25th March 2026, ahead of Council workshop on 26th and publishing date of 27th
<b>Upcoming Milestones</b>						
Milestone	Finish	Baseline Finish	Variance	Health	Status Comment	
LGA S17A Review approved by Programme Board	28/11/2025	28/11/2025	0		Approved for closure by Programme Board at meeting of 2nd April 2026	
ZEB Roadmap approved by Chief Executive	30/01/2026	30/01/2026	0		Final Draft ZEB Roadmap design completed. CE approval put on hold	
Procurement Strategy approved by NZTA	13/03/2026	13/03/2026	0		NZTA approval received 16th April 2026	
Award of contracts	2/10/2026	2/10/2026	0		Likely to be delayed as result of Council decision to extend tender period to 16 weeks Timelines need to be worked through and confirmed	



Waikato REGIONAL COUNCIL  
Te Kaitiaki o Waikato
Project Issues


Bus Contract Renewal Programme

▼

Active Issues  
1

Critical Issues  
0

### Active Issues by Priority



- (1) Critical
- (2) High
- (3) Moderate
- (4) Low
- Not Selected

### Active Issues by Category

Resources  
1

Link	Issue ID	Issue	Assigned To	Priority	Category	Due Date	State
<a href="#">🔗</a>	IS-1446	Procurement phase, NLTP work & BAU all requiring same resources	Trudi Knight	(2) High	Resources	27/05/2026	(1) Active

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# Status Report

Project

Replacement Vessel

4/05/2026  
Last Refresh

Total Budget	Total Forecast	Total Actual	Budget Variance	Overdue Tasks	Active Risks	Active Issues	Active Changes
\$7.0M	\$7.0M	\$6.1M	\$0.0	6	19	6	0

Link	Report Date	Project Manager	Phase	Start	Finish	Progress
<a href="#">↶</a>	30/04/2026	Kate Ross	(4) Deliver	1/01/2020	27/04/2026	0%

### Additional Comments

Uncertainty around completion date, hence delivery dates and water levels mean that hard to provide beneficial updates for iwi in terms of blessing planning.  
 Original Build Contingency: \$448,312  
 Remaining Build Contingency: \$121,529


Previous	Current	Indicator	Commentary
◆	◆	Overall	HSR are doing the final painting, and then noise trials and endurance tests will re commence around the 11th May. If no issues are identified at these final trials, practical completion will be next.
▲	▲	Cost	The overall budget has been forecast up from \$6.650 M to \$7.045M to account for the additional project management costs incurred by council as a result of the 23-month delay to the build completion.
◆	◆	Time	The completion date continues to slip however the target date of mid to end May still appears realistic, subject to no major issues from endurance tests.
●	●	Scope	No change to scope this month.
▲	▲	Resource	Additional resource to support the operational programme is being contracted in. Resource will be focused around coordination and development of standard operating procedures.
●	●	Benefit	no change to benefits this month
▲	▲	Risk Issue	Main risk is that the noise problem cannot be resolved and WRC have to accept this. Main issue is the continued delay of the build completion, which is now almost 2 years overdue.
▲	▲	Quality	Hydraulic noise from the pumps was measured to be 15DB over specified limit. A second round of noise measurements post installation of additional insulation has not improved the results.


### Accomplished Activities

Testing has gone well with many aspects of the vessel performing very well.  
 Operation manual progressing

### Planned Activities

Further noise measurements to be taken from land and at 60% power which is typical power usage for the vessel on the river.  
 Awaiting a report from T+T on the noise issue.  
 Endurance trials (1-2 days)  
 Operation manual draft to be completed  
 Meeting with iwi to discuss cultural blessing

		<h1>Replacement Vessel Project Issues Summary Report</h1>					Report Date 01/05/2026	
Work	Issue ID	Issue	Description	Priority	Owner	Assigned To	Resolution	Modified On
Replacement Vessel	IS-1361	Continued delay to vessel completion	Continued delays mean latest target completion date is late May (with June delivery), and this is subject to no other major issues coming out of the final sea trials. This impacts the planning for the blessings and operational programme but means that higher river levels are more likely. It also impacts the CE KPI and WRC reputation.	(2) High	Kate Ross	Julie Beaufill	Difficulty in resolving the hydraulic noise issues has been causing delays. The endurance test is planned for early May.	1/05/2026
Replacement Vessel	IS-1424	Hydraulic pump noise exceeding specified limits	There is an issue with hydraulic noise from the pumps which was measuring 15DB higher than specified limit. Isolation devices and additional mounts installed however this has not fully resolved the noise problem. At full power the noise has been confirmed as too high, and next testing will be conducted at 60% power which is more typical of what vessel will be operating at on the river.	(2) High	Kate Ross	Julie Beaufill	Another round of noise measurements will be taken at the endurance tests focusing on noise readings from on board the vessel and from land. WRC need to consider possible option of accepting the vessel with the noise readings above the specified limit. HSR are waiting on a report from T+T who were engaged to assess the issue, review the testing and reports and provide any recommendations.	30/04/2026
Replacement Vessel	IS-1444	Fuel cost escalation	Fuel costs for the delivery voyage are considered an operational cost, but will now cost significantly more (potentially double) to purchase the 8500L for the vessel delivery voyage.	(3) Moderate	Kate Ross	Brendan Manning	Work with Property and Fleet to understand impact of fuel cost increases. Operational budget will need to be considered and possibly forecast up.	30/04/2026
Replacement Vessel	IS-1455	Key resources leave project	Resignation of Julie Beaufill in the role of project sponsor leaves a resource and leadership gap.	(3) Moderate	Kate Ross	Greg Ryan	As the project is so near completion Greg Ryan will take over this position until project is completed.	30/04/2026
Replacement Vessel	IS-1398	Depth Sounder issues	New transducers have been installed and welded in, however there is further remedial work required by HSR to rectify a mistake - this will require re docking of the vessel (rework at HSR cost). In order to complete the vessel HSR are proposing that this non-critical work is done at a later date if required (post-delivery). This will be assessed by MML in due course. Variation cost of \$58,909 still to be approved by MML.	(4) Low	Kate Ross	Julie Beaufill	MML propose that this work is done at a later date if required.	29/04/2026
Replacement Vessel	IS-1399	Port side thruster rust -awaiting final comment from supplier on fix	The port side thruster was showing signs of rust. Remedial work was undertaken to re-coat so the work has been completed. The only outstanding aspect is that the corrosion report outlining issue plus fix has gone to hydro armour (supplier) for comment and is still awaiting a response. The unlocking issue has been fixed. There is a very minor chance that if any further remedial work is required, haul out would be required, at HSR cost.	(4) Low	Kate Ross	Julie Beaufill	Report has gone to hydro armour (supplier) for comment. Waiting on a response. There is a very minor chance that if any further remedial work is required, haul out would be required, at HSR cost, which would impact handover dates.	1/05/2026

		<h2 style="text-align: center;">Replacement Vessel Project Risk Summary Report</h2>				Report Date 01/05/2026		
Work	Risk ID	Risk	Description	Post-mitigation	Owner	Mitigation plan	Next Review Date	Modified On
Replacement Vessel	RI-1133	That Heron go into receivership or liquidation	There is a risk that Heron Shipyard goes into receivership, caused by a drawdown of the 5M intercompany loan, resulting in a partially complete vessel, that Council need to have completed elsewhere, impacting time and budget and potentially quality of the build. Overall this may manifest as a financial risk.	High	Kate Ross	Clause 4.1.1 in the vessel build contract states that Title in the vessel (and its equipment) progressively vests in the Council from the time that build commences. A performance guarantee for up to \$350 is in place in case the vessel needs to be completed at another shipyard. And a related party guarantee is in place where Heron Construction Company are responsible for the obligations of HSR under the contract.	31/05/2026	30/04/2026
Replacement Vessel	RI-1156	Key resources leave project	There is a risk that key resources leave the project and this would have a impact on time and potentially cost and quality as new resources were sourced and brought up to speed.	High	Kate Ross	Check notice period in contracts. Ensure decisions recorded in psoda. Ensure continuity with other staff members being involved in project decisions.	31/05/2026	30/04/2026
Replacement Vessel	RI-1161	Human Resources at capacity	There is risk that resources are stretched as the Operational workstream utilises the same key staff that are working on the delivery of the Vessel Replacement project, and key staff who have supervisory role are needed for key operational activities and also their existing work programmes. Hard to fully understand resource requirements for the vessel until it gets here and activities commence.	High	Kate Ross	Operational consenting is taking more resource than expected to resolve and resource has been fully committed to flood clean up tasks in the Waipa, which is still ongoing to some extent. This means consenting process will slow down but will not impact the first years programme which is planned under permitted activities. Commencing engagement of external resource to assist with coordination of operational programme.	31/05/2026	30/04/2026
Replacement Vessel	RI-1177	Project management costs increase due to HSR delay	There is a risk that contracted project management and project coordination costs are higher than anticipated/exceed the budget allocation due to the delay to the build schedule. For every month the project is delayed it is likely to cost the project \$25,000 per month.	High	Kate Ross	TB approval to increase contract value made. With latest round of delays put the additional funding just approved by TB at risk. April was considered a contingency month but now delivery into the Waikato may not happen till June.	31/05/2026	30/04/2026
Replacement Vessel	RI-1190	Further build delay	There is a risk that there are further delays to the completion and handover date. This is due to new issues arising most likely in the sea trials phase. This will impact the planning for the blessing and operational programme. It also impacts the CE KPI and WRC reputation.	High	Kate Ross	Currently reducing hydraulic noise is the key issue. Endurance sea trials in early May will result in further noise readings and proposal to WRC of how to progress the vessel to practical completion.	31/05/2026	30/04/2026
Replacement Vessel	RI-1191	Issues identified at sea trials	There is a risk that significant issues are identified in the sea trials phase and this results in further delay due to time for additional build/remedial work. This will impact plans made for the vessel arrival in Meremere and the commencement of the operational programme	High	Kate Ross	Ensure good planning for the sea trials and commissioning and resources available for any fixes. Have back up dates for the blessings.	31/05/2026	30/04/2026
Replacement Vessel	RI-1193	Risk of legal negotiations over liquidated damages claim	There is a risk that there are protracted legal negotiations over a claim for liquidated damages that result in additional legal expenses for council or at worst case result in an unsuccessful liquidated damages claim, resulting in significantly higher project cost due to additional 12 months on delivery.	High	Kate Ross	Commercial lawyer engaged to provide advice on a liquidated damages strategy. Lawyer will write a letter when the vessel is 100% complete and handed over.	31/05/2026	30/04/2026
Replacement Vessel	RI-1204	That operational resource consent application becomes notified	There is a risk that RUD will determine that the consent application for the vessel operational activities needs to be a notified process. This will add time and additional cost to the process. It may also mean that some of the concerns raised by DOC and Fish and Game need greater consideration. This would also add additional cost if T+T are required to do additional work to support the application.	High	Kate Ross	Stakeholder consultation has taken place throughout the application process. Iwi have been very supportive and although DOC don't oppose the application, they have written a letter to RUD outlining some areas where they believe the ecological assessment of effects is inadequate. SPI have also raised many queries through the consent application process. Further information has been gathered and will be submitted to RUD for their assessment of non-notified or	31/05/2026	30/04/2026
Replacement Vessel	RI-1963	Consent authority feedback on operational consent application requires substantive additional work	There is a risk that feedback on the operational consents as part of the RUD peer review stage does not align with the intent of the vessel to support river and flood management requirements. Implications are further time delays and costs to the project, and additionally making physical works more costly due to the requirement to do, for example, ecological site assessments before work starts or undertake ongoing monitoring.	High	Kate Ross	All information has been submitted to RUD. There are still two key areas of concern. Currently the first is around the islands. The other new issue is around the possibility of sediment being contaminated and deposited to land. Both matters raised above have potential implications and added costs which will need to be better understood. Next step is to receive feedback from RUD and potentially notification judgement.	31/05/2026	30/04/2026
Replacement Vessel	RI-2164	Hydraulic noise remains higher than specified limit	There is a risk that the noise issues cannot be fixed and WRC need to accept a lower quality outcome which is the noise readings being higher than what has been specified. Treatments have been applied but have not resolved the problem.	High	Kate Ross	WRC to understand who will make a decision on accepting the vessel with a higher noise level, if it comes to this.	31/05/2026	30/04/2026

## 6.8 ANNUAL LEAVE MANAGEMENT WELLBEING AND HEALTH AND SAFETY INDICATORS

**Rā | Date:** 11 May 2026

**Kaituhi | Author:** Marie Fullerton, Team Leader, Health And Safety

**Kaituku | Authoriser:** Janine Becker, Director, Customer and Corporate Services

### TE ARONGA | PURPOSE

1. To provide the Risk and Assurance Committee with updates on sick leave and annual leave balances, health, safety and wellbeing, and key assurance activities.

### KŌRERO WHAKATAHI | EXECUTIVE SUMMARY

2. As of 30 April 2026, the number of staff with leave balances exceeding 280 hours has decreased by one since January 2026. In contrast, the number of staff with leave balances over 240 hours has increased by five, showing 29 staff at the end of April 2026. Additionally, there are now 2 staff members with leave balances exceeding 320 hours, remaining the same since the previous reporting period.
3. Figures for sick leave show the average leave hours taken per employee has decreased from January 2026 (4.9) to April 2026 (4.8). The twelve-month rolling average is 5.7 which is above the national benchmark of 5.
4. The review of the Health, Safety and Wellbeing (HSW) Governance Plan is a focus for May/June, ensuring there is a structured approach to the oversight of due diligence responsibilities. A targeted education session with the Chief Executive and Councillors on the 17 June 2026 will further embed due diligence duty requirements and enhance confidence that health and safety risks are being appropriately managed.
5. The Chief Executive supports the Executive Leadership Team (ELT) walkarounds as outlined in the HSW Governance Plan. From 1 March 2025 and 30 April 2026, ELT conducted 21 walkarounds, providing increased visibility of what is working well and where challenges exist, enabling timely decisions that improve workplace safety and wellbeing. The introduction of Senior Leadership (SLT) in February 2026 was focused on strengthening visibility of critical risk reviews, and ensuring our senior leaders' perspective contributes to the assessment of risk controls, and their effectiveness.
6. Actions arising from the 2025 SafePlus assessment are progressing, with a focus on strengthening leadership capability, system integrity, and critical risk controls through defined, time-bound initiatives.
7. Over the past financial year, 80 health and safety assurance activities were completed, to verify alignment with the requirements of the Health and Safety Management System (HSMS). Activities included Health and Safety led observations, targeted assessment, investigation reviews, site inspections, and sharing information across Directorates.
8. Health and Safety Event Indicators remain in line with expectations. There were no reports to WorkSafe in this period.

9. Waikato Regional Council's (WRC) utilisation rate for Employee Assistance Programme Services Ltd (EAP) is currently 13% which is within the recommended parameters.

**TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:**

That the report *Annual Leave Management Wellbeing and Health and Safety Indicators* (Risk and Assurance Committee, 3 June 2026) be received.

**HOROPAKI | BACKGROUND**

10. Annual leave management is monitored with a focus on management of employees with high leave balances and ensuring senior employees take adequate breaks for their wellbeing and to mitigate fraud risks.
11. Regular reporting has also been provided on the performance of WRC's Health and Safety Management System (HSMS), alongside insights into the wellbeing of council employees.

**Annual Leave Risk and Trend Summary****Overall Position**

- Annual leave balances remain within policy limits for most staff.
- The number of employees above the six-week threshold is increasing, indicating a gradual upward trend in leave accumulation risk.

**Trend Indicators (Last reporting period January 2026 to April 2026)**

- Employees with >240 hours UP from 24 to 29 (+5)
- Employees with >280 hours DOWN from 7 to 6 (-1)
- Employees with >320 hours stable at 2

**Risk Insight**

- There is an increase at the lower breach level (>240 hours), increasing the likelihood of further movement into higher-risk categories if not actively managed.
- There is no change in extreme balances (>320 hours), suggesting containment at the highest risk level.

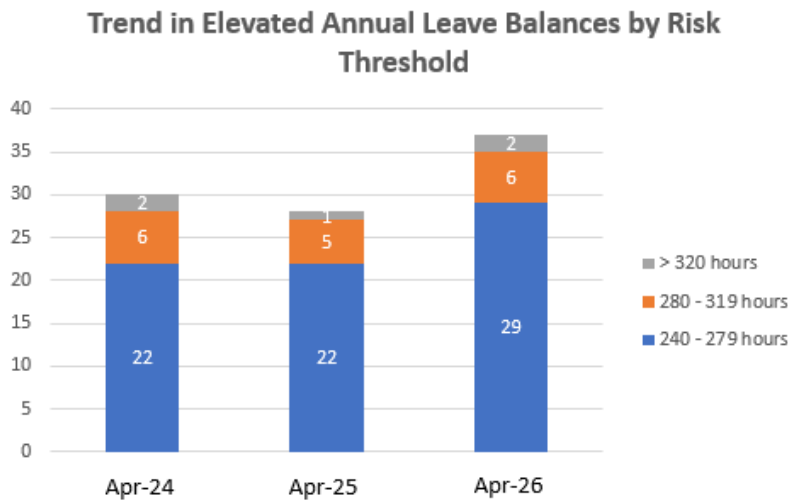


Figure 1 shows the three-year trend in employees exceeding annual leave risk thresholds.

**Management response**

- Leave balance management is monitored monthly through the ELT dashboard.
- Executives and managers are accountable for the management of elevated balances within their teams.
- The Chief Executive has reinforced expectations for proactive leave planning to prevent escalation.

**Sick Leave**

12. Figures show that the average sick leave hours taken per employee has decreased from January 2026 (4.9) to April 2026 (4.8). The twelve-month rolling average is 5.7 which remains slightly above the benchmark of 5.

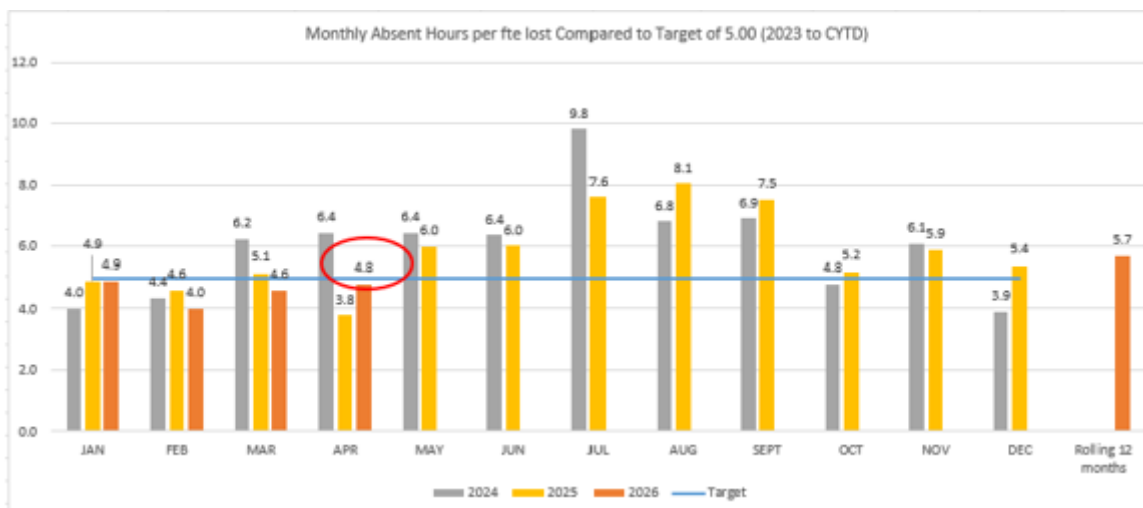


Figure 2. Hours of Sick Leave by Month

**HEALTH, SAFETY AND WELLBEING**

13. Councillors and ELT receive a monthly Health, Safety and Wellbeing report to support their due diligence requirements and governance responsibilities. The report summarises key

health and safety risks and assurance activities within Council, with additional relevant topics included periodically as needed.

**Event Reporting Trends**

- 14. The total number of incidents reported for the last 12 months (1 May 2025 to 30 April 2026) is 256, including the events reported for April 2026 (n=19). The total number recorded for the previous 2024 calendar year (1 January – 31 December 2024) was 279 reports. This difference is consistent with normal year-to-year variation and does not indicate any emerging health and safety concerns.

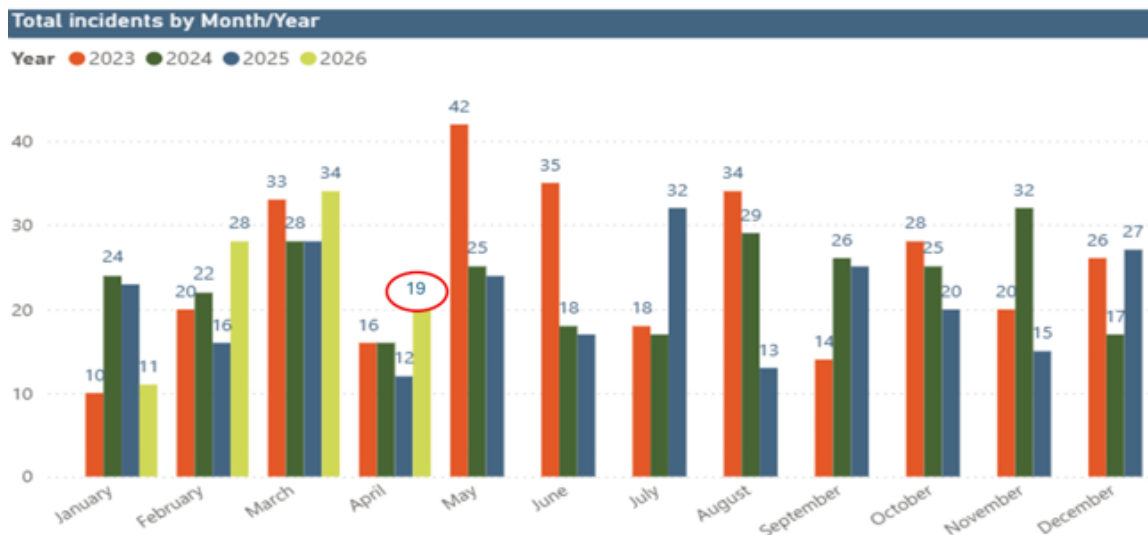


Figure 3. Total incidents by Month/Year

**Event Type by Month**

- 15. The graph below provides a comparison of all reports by events, injury, illness and near misses by month. There was a total of 19 reports in April 2026, 7 were events, 9 injuries, and 3 near misses. The event numbers for April 2026 are consistent with previous months and previous year’s numbers.

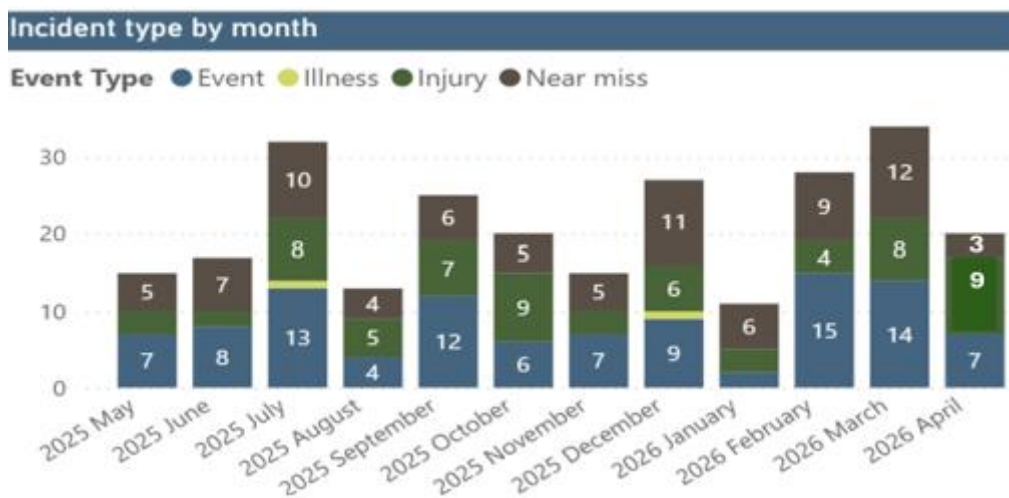


Figure 4. Incident type by month

**KEY FOCUS AREA**

- 16. Manager engagement with core health and safety training continues to progress steadily, with delivery to date aligned directly to key sections of the Health and Safety Management

System (HSMS). Training completed so far has focused on introducing the HSMS as the single, authoritative source of health and safety information, clarifying its structure, purpose, and role in ensuring information remains current and accessible. Alongside this introduction are the delivery of monthly modules covering roles and responsibilities, assurance activities, and event investigation and management. This approach supports consistent application of expectations, reduces duplication, and strengthens decision-making by managers as key influencers of organisational culture and safe work practices. Further capability uplift is planned, with risk management and contractor safety modules scheduled for delivery in July and September respectively, providing a clear and structured pathway for continued development of manager capability across critical HSMS elements.

17. To complement the education sessions delivered by the Health and Safety team, managers are required to attend mandatory external three-hour training sessions covering event investigation, risk management, and RESET: To Thrive.
- **Strong performance** is evident in the completion of manager training in Contract Management (90%) and Change Management training (72.7%), showing elevated levels of engagement and readiness in these areas.
  - **Investigation training** is tracking at 39.1%, providing a solid base to build on as we work toward the 80% target.
  - **RESET: To Thrive** are early in their rollout phases, and current completion levels highlight opportunity for growth, which will directly strengthen our organisational risk capability.
  - **With our targeted support** and continued education focus, there is clear potential to accelerate progress and close gaps over the coming reporting period.

Training Module	Completed	Target
Investigation Training	39.1%	80%
Risk Management Training	17.3%	80%
RE SET Training	12.8%	80%
Change Management Training	72.2%	80%
Contract Management Training	90.0%	100%

### WRC CRITICAL RISK REVIEW

18. The critical risks are reviewed annually, and are on track with the Threat, Aggression and Violence risk currently under consultation.
19. The Health and Safety Strategic Risk 5 (STRAT Risk 5) was reviewed and updated in May 2026. This information informs the strategic risk review presented to the Risk and Assurance Committee in June 2026.

### GOVERNANCE AND ASSURANCE

#### Health, Safety and Wellbeing Governance Focus

20. The Health, Safety and Wellbeing Governance Plan was revised in May 2026, with minor updates. The plan reflects the due diligence roles of the Chief Executive and Councillors, who

provide oversight and assurance that health and safety risks are being appropriately governed and managed.

21. Councillors have clear health and safety due diligence obligations that require ongoing and active oversight. The Health, Safety and Wellbeing Governance Plan provides a structured framework that supports Councillors to meet these obligations through defined information flows, assurance activities, and clearly articulated roles and accountabilities.
22. To further embed these due diligence expectations and support effective governance oversight, a targeted interactive education session will be delivered on 17 June 2026 by Karina McKlusie (Lawyer). This session is intended to reinforce Councillors' statutory duties, support informed and constructive questioning, and strengthen confidence that health and safety risks are being effectively managed in practice. The focus is on capability uplift and assurance, rather than operational detail, and aligns with the Councillors oversight remit.

### **Tier 1 and 2 Governance Leadership Walkarounds**

23. **Lead indicator:** Tier 1 and Tier 2 Governance Leadership Walkarounds are a key health and safety governance initiative, actively supported by the Chief Executive and conducted by members of the Executive Leadership Team (ELT). These walkarounds enhance executive team visibility, strengthen staff engagement, and provide real-time feedback that supports continuous improvement.
24. From 1 March 2025 to 30 April 2026, 21 walkarounds were conducted across various work sites, resulting in 8 corrective actions, with all having been resolved. Examples include debrief with operational teams, improving documentation, security improvements, personal safety enhancements, quality check, and activating minor asset assessment.

### **Tier 3 Critical Risk Review Walkarounds**

25. **Lead Indicators.** Senior Leadership Team (SLT) walkarounds have been introduced in February 2026 to further strengthen organisational visibility and oversight of critical risks, and to provide feedback into the critical risks review process.
26. This provides SLT's with firsthand insight into operational realities, reinforces visible leadership commitment, and deepens engagement with frontline teams. By focusing on critical risk reviews, SLT walkarounds support consistent risk management practices and help ensure ongoing alignment with our organisational safety priorities, feedback into risk reviews, and assurance programme.

### **Internal Assurance Activities**

27. **Lead indicator:** As part of Council's Health and Safety Management System (ISO 45001) requirements, our annual review programme is updated at the beginning of the new financial year, and delivered by the Health and Safety Team, in collaboration with managers and their teams.
28. The Health and Safety Team uses a documentation register to track all document checks, inspections, audits, and reviews against the HSMS. Performance remains steady with 83% of critical risk reviews completed (target 80%), 83% of common risks reviewed (target 80%) and 73% of HSMS documents reviewed (target 85%). The assurance programme for documentation covers 122 key items, including policies, procedures, workflows, e-learning modules, and risk registers.
29. In addition, the Health and Safety Teams conducts site visits and event investigations with managers and their teams. The purpose is to raise managers investigation knowledge and

capability, provide coaching opportunities, strengthen safety and reporting culture, and share investigation learnings across Directorates, where appropriate. In the last 12 months, 80 of these activities have been completed.

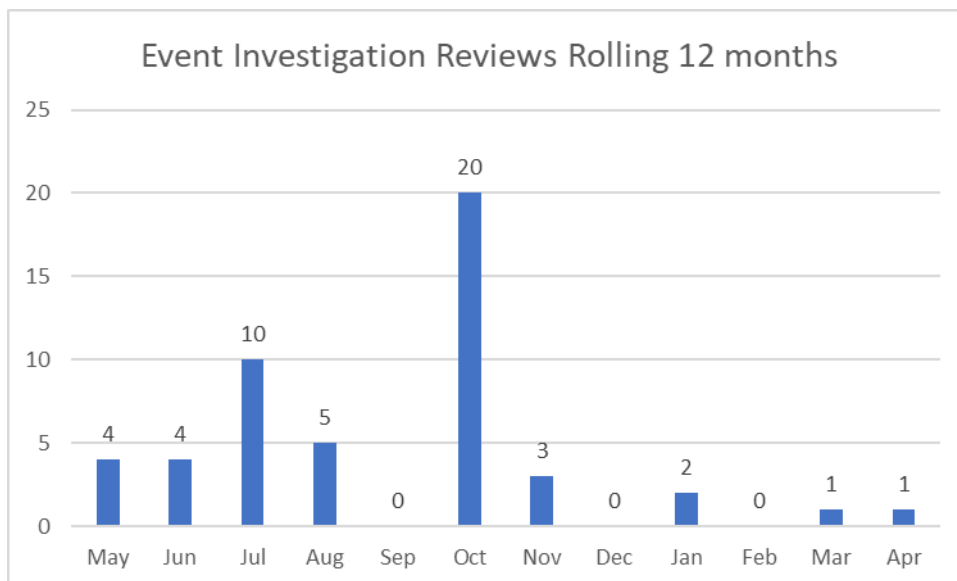


Figure 5. Event Investigations and Site Visits in the past 12 months

### Update on the SafePlus Assessment (2025) recommendations

30. Several planned SafePlus initiatives are underway to strengthen leadership capability, system integrity, and critical risk controls, with clear timeframes established. These actions are designed to enhance consistency, assurance, and visibility across the health and safety system.
- **Leadership (due June 2026):** Completion of risk management training for managers, update of the HSW Governance Plan, delivery of governance education (legal focus), and introduction of senior leadership team (SLT) walkarounds.
  - **Training records (due Dec 2026):** Exploration of opportunities to consolidate training records into Infor to improve oversight and reporting is underway.
  - **Critical risks: (due Dec 2026):** Confirmation and application of minimum standards that cannot be removed or altered, strengthening control consistency.
  - **Risk register design:** Not scheduled for completion until December 2027.

### EMPLOYEE ASSISTANCE PROGRAMME (EAP)

31. Waikato Regional Council engages Employee Assistance Programme Services Ltd (EAP) to provide confidential, professional counselling for employees. EAP's qualified and registered practitioners support staff with personal or work-related issues that may be affecting their wellbeing.
32. Over the period 1 May 2025 to 30 April 2026, a total of 83 staff accessed EAP Services, resulting in a 13% utilisation rate. This sits comfortably within the typical industry range of 7–15%. In addition to core EAP services, the Rongoā Māori service, introduced in August 2024, continues to be utilised by staff.

33. Consistent with national patterns, most referrals at WRC were for personal issues (77%), with 23% relating to work matters. The most common personal concerns raised were stress and anxiety (16 cases), personal relationships (14 cases), and grief and loss (8 cases). Work-related themes primarily involved relationships with managers (3 cases), career matters (3 cases), and workload concerns (3 cases).

### **WHAKAKAPINGA | CONCLUSION**

34. The number of staff holding a balance of greater than 280 hours has decreased by 1 since January 2026. The number of staff with leave balances over 240 hours has increased by 5 to 29 staff from 1 January 2026 to 30 April 2026. There are 2 staff members with a leave balance of more than 320 hours as of 30 April 2026. This has remained the same since the last reporting period.
35. Figures show that the average sick leave hours taken per employee has decreased from January 2026 (4.9) to April 2026 (4.8). The twelve-month rolling average 5.7 is slightly above the benchmark of 5.
36. Supported by the Chief Executive, the Tier 1 and Tier 2 walkarounds are a key health and safety initiative. From March 2025 to April 2026, 21 walkarounds were completed, resulting in 5 resolved corrective actions. These included security improvements, personal safety enhancements, and minor asset maintenance. The initiative continues to strengthen safety culture and support timely risk management.
37. Collectively, the SafePlus initiatives reflect a purposeful and phased approach to strengthening first and second line capability, with a focus on consistency, clarity, and practical application. While substantial progress is being made, the programme recognises the need to continue building capability over time to fully embed expectations and achieve sustained risk reduction across the organisation.
38. HSMS documentation reviews remain on track, with 83 percent of risk reviews and 73% percent of system documents completed. These reviews are managed through a central register that oversees the 122 items within the system.
39. In the past year, the Health and Safety Team have conducted 50 event investigation reviews, strengthening manager capability, improving reporting practices, and reinforcing a learning-focused safety culture.
40. The EAP service uptake by staff is within the recommended range and continues to be utilised across the council, with personal issues being the predominant reason for use.

### **ĀPITI HANGA | ATTACHMENTS**

**Nil**

## 6.9 POLICY REVIEW SCHEDULE

<b>Rā   Date:</b>	<b>13 May 2026</b>
<b>Kaituhi   Author:</b>	<b>James Brennan, Strategic Risk Advisor</b>
<b>Kaituku   Authoriser:</b>	<b>Janine Becker, Director, Customer and Corporate Services</b>
<b>Mana whakatau   Delegation Status:</b>	<b>Committee has delegated authority to make the recommended decision</b>

### TE ARONGA | PURPOSE

1. To provide an update on the Waikato Regional Council (WRC) policies that were due for review since the last Committee meeting in March 2026.

### KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. This report provides an update on Council policy reviews.
3. Updates to policies reviewed by staff since the last Committee meeting are attached to this report.
  - 1.

### TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *Policy Review Schedule* (Risk and Assurance Committee, 3 June 2026) be received.

### POLICIES REQUIRING THE COMMITTEE'S ENDORSEMENT THIS QUARTER

#### HOROPAKI | BACKGROUND

4. This report provides assurance that the council's internal policies are being reviewed and kept up to date in accordance with new/changed legislation and organisational operations.
5. Progress with policy reviews varies by business area. A significant proportion of People and Capability-owned policies are overdue, primarily due to resourcing and capacity constraints. A prioritised work programme is being developed to progressively address this backlog through 2026/27. Several high-priority corporate and risk-related policies are scheduled for ELT approval in May 2026, with verbal updates to be provided to the Committee at this meeting. A small number of reviews are intentionally deferred pending external dependencies, such as legislative reform or completion of related strategic work.
6. Most of the internal policies are approved by the Executive Leadership Team (ELT). Detailed updates on these policies can be found in the attached *Schedule of Waikato Regional Council Policies*, see Attachment 1.
7. The policies requiring the Risk and Assurance Committee's approval are:
 

a. Procurement Policy	(due for review May 2026)
b. Fraud	(due for review August 2026)
c. Sensitive Expenditure Policy	(due for review May 2027)
d. Treasury Risk Management	(due for review June 2027)

- |  |                              |
|--|------------------------------|
| e. Contract Management                           | (due for review August 2027) |
| f. Procedural Delegations Manual                 | (due for review March 2028)  |
| g. Risk Management Framework                     | (due for review March 2028)  |
| h. Protected Disclosures (Whistle-blower) Policy | (due for review March 2028)  |
| i. Legislative Compliance                        | (due for review March 2028)  |

## 2. POLICIES REQUIRING THE COMMITTEE'S ENDORSEMENT THIS QUARTER

### Procurement Policy

8. Staff are currently completing a review of the Procurement Strategy. To ensure alignment between the Strategy and the Procurement Policy, the Procurement Policy will be reviewed after the Strategy has been agreed. This will enable a coherent and informed update and avoid the need for subsequent amendments.
9. It is intended that, when complete the Procurement Strategy is presented to the Finance and Performance Committee.
- 3.

### NGĀ WHAIWHAKAARO KAUPAPAHERE | POLICY CONSIDERATIONS

10. To the best of the writer's knowledge, this decision is not significantly inconsistent with, nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by Council, or any plan required by the LGA or any other enactment.

### TE TIRITI O WAITANGI | THE TREATY OF WAITANGI

11. The report and its recommendations recognise and reflect the significance of the Council's partnership with iwi / hapu through Te Tiriti o Waitangi and the potential risks that a failure to recognise their significance would have for Council.

### WHAKAKAPINGA | CONCLUSION

12. This report updates the Risk and Assurance Committee on the review of key policies and presents the updated Contract Management Policy to the Committee for approval.

### ĀPITIHINGA | ATTACHMENTS

1. **Schedule of Waikato Regional Council Policies #14973256** [↓](#)

### Schedule of Waikato Regional Council Policies #14973256

Policy Name	DM#	Review Date	Review Cycle	Responsibility	Approver	RAC Update
WRC Leave Policy	<a href="#">#21118659</a>	Jun-25	Biennial	Executive Manager, People and Capability	ELT	This policy was presented to ELT on 2 December 2025 and has been thorough further iterations based on feedback. Final ELT approval is pending updates being made to the policy in response to feedback received.
Purchasing Card	<a href="#">#1946273</a>	Sept-25	Biennial	Chief Financial Officer	ELT	The policy is currently being reviewed and is on track to go to ELT in June 2026.
Standby & On-call Policy	<a href="#">#13623058</a>	Nov-25	Biennial	Executive Manager, People and Capability	ELT	The policy was reviewed by ELT on 19 May and was agreed in principle, however further refinements were requested and this policy will be taken back to ELT once these have been addressed.
Uniform	<a href="#">#21801746</a>	Feb-26	Biennial	Executive Manager, People and Capability	ELT	P&C is developing a prioritised work programme to address the backlog and progressively bring reviews up to date through 2026/27, with this policy considered lower priority and to be progressed after more significant reviews.
WRC Enforcement Policy	<a href="https://www.waikatoregion.govt.nz/assets/PageFiles/35151/4872_RMA_enforcement_policy">Website - https://www. waikatoregio n.govt.nz/ass ets/PageFiles /35151/4872 _RMA_enforc ement_policy</a>	Mar-26	Quinquennial	Regional Compliance Manager	ELT	The review of the Waikato Regional Council Enforcement Policy is on hold, pending legislative changes. The principal change involves the repeal of the Resource Management Act (RMA). The replacement legislation is signalled to come into effect mid-2026.

WRC Pandemic Plan	<a href="#">#16205282</a>	May-26	Biennial	Strategic Risk Advisor	ELT	The policy is currently being reviewed and is planned to go to ELT in June 2026.
Procurement	<a href="#">#1533010</a>	May-26	Biennial	Manager, Business Advisory Services	Risk and Assurance	A review of the Procurement Strategy is currently underway. To ensure alignment between the Strategy and the Procurement Policy, the Procurement Policy will be reviewed after the Strategy has been agreed. This will enable a coherent and informed update and avoid the need for subsequent amendments.
Learning and Development	<a href="#">#21122701</a>	May-26	Biennial	Executive Manager, People and Capability	ELT	This is currently under review and work has started on aligning the policy to a refreshed L&D Strategy which is currently being shared for feedback.
Recruitment	<a href="#">#21556585</a>	Jun-26	Biennial	Executive Manager, People and Capability	ELT	This review is currently underway will progress in line the P&Cs recruitment improvement project.
Alcohol and other drugs management policy	<a href="#">#20994689</a>	Jun-26	Biennial	Executive Manager, People and Capability	ELT	A Review lead has been assigned to undertake this review. Work on this policy review will begin shortly.
Rewards and Recognition	<a href="#">#14166299</a>	Jun-26	Biennial	Executive Manager, People and Capability	ELT	A Review lead has been assigned to undertake this review. Work on this policy review will begin shortly.

Cash Handling	<a href="#">#11951228</a>	Jul-26	Biennial	Chief Financial Officer	ELT	
Remuneration	<a href="#">#23885843</a>	Jul-26	Biennial	Executive Manager, People and Capability	ELT	This review is underway and is currently being consulted with unions.
Funding Policy	<a href="#">#26481153</a>	Jul-26	Biennial	Manager, Business Advisory Services	ELT	
Significance and Engagement Policy	<a href="https://www.waikatoregion.govt.nz/council/policy-and-">https://www.waikatoregion.govt.nz/council/policy-and-</a>	Jul-26	Triennial	Manager, Corporate Planning	Strategy and Policy Committee	
Asset Disposal Policy	<a href="#">#29555538</a>	Jul-26	Biennial	Chief Financial Officer	ELT	
Privacy Policy	<a href="#">#15419418</a>	Aug-26	Annually	WRC's Privacy Advisor	ELT	
Media	<a href="#">#4098320</a>	Aug-26	Biennial	Communications and Engagement Manager	ELT	
Fraud	<a href="#">#2655970</a>	Aug-26	Biennial	Chief Financial Officer	Risk and Assurance	
Provision of Employment References	<a href="#">#21816686</a>	Aug-26	Biennial	Executive Manager, People and Capability	ELT	P&C is developing a prioritised work programme to address the backlog and progressively bring reviews up to date through 2026/27, with this policy considered lower priority and to be progressed after more significant reviews.
Library	<a href="#">#2005960</a>	Aug-26	Triennial	SAS Business Support Team Leader	ELT	

Diversity, Equity & Inclusion policy	<a href="#">#21816579</a>	Aug-26	Biennial	Executive Manager, People and Capability	ELT	This policy is being reviewed and will be presented to ELT in due course.
Anti-Bullying and Harassment Policy	<a href="#">#21732269</a>	Aug-26	Biennial	Executive Manager, People and Capability	ELT	This policy will be reviewed after the Diversity, Equity & Inclusion policy to ensure alignment between the policies.
Drone Policy	<a href="#">#8931977</a>	Oct-26	Annually	Drone Working Group (Robert Isaac)	ELT	
Research and Development Opportunities Fund Policy	<a href="#">#32927115</a>	Nov-26	Annually	Director, Customer and Corporate Services	Council	
Information Services Standards Policy (personal, physical, communications, information, computer and technical security)	<a href="#">Information Services Standards Policy</a>	Dec-26	Biennial	Chief Information Officer	ELT	
Public Transport Advertising Policy	<a href="#">#31618476</a>	Feb-27	Biennial	Director, Regional Transport Connections	Council	
Vision Policy	<a href="#">#17900623</a>	Mar-27	Biennial	Executive Manager, People and Capability	ELT	
Sensitive Expenditure (includes Entertainment Expenditure, Gifts and Personal Benefits and Travel and Accommodation)	<a href="#">#1946242</a>	May-27	Biennial	Chief Financial Officer	Risk and Assurance	
Rates Remission	N/A	Jun-27	Triennial	Reviewed as part of the development of the LTP	ELT	

Revenue and Financing	<a href="#">N/A</a>	Jun-27	Triennial	Reviewed as part of the development of the LTP	ELT	
Treasury Risk Management	<a href="#">#18162554</a>	Jun-27	Triennial	Reviewed as part of the development of the LTP	Risk and Assurance	
Social Media on Online Communications and Participation Policy	<a href="#">#1609744</a>	Jul-27	Biennial	Online Digital Team Leader	ELT (CCS)	
Vehicle	<a href="#">#2062401</a>	Jul-27	Biennial	Manager, Business Advisory Services	ELT	
Contract Management	<a href="#">#3776029</a>	Aug-27	Biennial	Manager, Business Advisory Services	Risk and Assurance	
Uniform	<a href="#">#21801746</a>	Aug-27	Triennial	Executive Manager, People and Capability	ELT	
Feedback and Complaints	<a href="#">#3434118</a>	Nov-27	At the end of each Triennium	Manager, Office of the Chief Executive	ELT	
Flexible ways of working	<a href="#">#15423453</a>	Nov-27	Biennial	Executive Manager, People and Capability	ELT	
Higher Duties Policy	<a href="#">#11199554</a>	Nov-27	Biennial	Executive Manager, People and Capability	ELT	
Taharoa Offshore Terminal Harbour Safety Policy	<a href="#">#33159884</a>	Nov-27	Biennial	Manager, Maritime Services	ELT	
WRC Parental Leave Policy	<a href="#">#34097750</a>	Dec-27	Biennial	Executive Manager, People and Capability	ELT	
Leave	<a href="#">#21118659</a>	Dec-27	Biennial	Executive Manager, People and Capability	ELT	
Smokefree	<a href="#">#13767632</a>	Dec-27	Biennial	Executive Manager, People and Capability	ELT	
Emergency Deployment Policy	<a href="#">#21557224</a>	Dec-27	Biennial	Executive Manager, People and Capability	ELT	

Parental Leave Policy	<a href="#">#32767107</a>	Dec-27	Biennial	Executive Manager, People and Capability	ELT	
Emergency Response Framework (ERF)	<a href="#">#23820595</a>	Jan-28	Triennial	Emergency Management Office Team Leader	ELT	
WRC Family Violence Protection Policy	<a href="#">#21816633</a>	Feb-28	Biennial	Executive Manager, People and Capability	ELT	
Disciplinary Policy	<a href="#">#23435061</a>	Mar-28	Biennial	Executive Manager, People and Capability	ELT	
Code of conduct	<a href="#">#13294459</a>	Mar-28	Biennial	Executive Manager, People and Capability	ELT	
Protected Disclosures	<a href="#">#11848741</a>	Mar-28	Biennial	Director, Customer and Corporate Services	Risk and Assurance	
Procedural Delegations Manual	<a href="#">#27600878</a>	Mar-28	Biennial	Senior Legal Advisor	Council	
Risk Management Framework - Corporate Risk	<a href="#">#3375577</a>	Mar-28	Biennial	Director, Customer and Corporate Services	Risk and Assurance	
Legislative Compliance	<a href="#">#9480903</a>	Mar-28	Triennial	Director, Customer and Corporate Services	Risk and Assurance	
Conflict of Interest (RUD)	<a href="#">#4094809</a>	Apr-28	Triennial	Senior Advisor Resource Use	ELT	
WRC BCP, Policy and Framework	<a href="#">#15339333</a>	May-28	Annually	Strategic Risk Advisor	ELT	The updated policy was approved by ELT on 19 May 2026
Health and Safety Policy	<a href="#">#9781055</a>	Nov-28	Triennial	Executive Manager, People and Capability	Council	
Guidelines Payments Kaupapa Māori Services and Koha	<a href="#">#13635101</a>	Dec-28	Triennial	Pou Tūhono, Tai-ranga-whenua	ELT	
Asset Management	<a href="#">#14204400</a>	Dec-28	Triennial	Director, Integrated Catchment Services	ELT	
Infrastructure Assets Accounting Policy and Guidelines	<a href="#">#24633620</a>	Dec-28	Triennial	Director, Integrated Catchment Services	ELT	
ICM - Dam Safety Policy	<a href="#">#9770589</a>	Dec-28	Triennial	Director, Integrated Catchment Services	ELT	
Visitor	<a href="#">#1520328</a>	Jan-29	Triennial	Team Leader - Customer Service	ELT	
Policy on dangerous dams, earthquake-prone dams and flood-prone dams	<a href="#">#27378619</a>	Apr-29	Five Yearly	Director, Resource Use	Council	
Technical Report Publication	<a href="#">#14013571</a>	TBC	TBC	Science Panel Chair	ELT	

## 7 PUBLIC EXCLUDED ITEMS

### RESOLUTION TO EXCLUDE THE PUBLIC

#### HE TŪTOHUNGA | RECOMMENDATION:

- That in accordance with section 48(1) of the *Local Government Official Information and Meetings Act 1987* (Act) and the interests protected by section 6 or 7 of that Act, the public is excluded from the following parts of this meeting. The general subject of the matters to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds for excluding the public are set out below:

Meeting item no. and subject	Grounds for excluding the public	Reason for excluding the public
<b>7.1 - Fraud Risk Management Activity Update</b>	s7(2)(j) of the Act - To prevent the disclosure or use of official information for improper gain or improper advantage	section 48(1)(a)(i) of the Act - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>7.2 - Cyber Security Update June 2026</b>	s7(2)(j) of the Act - To prevent the disclosure or use of official information for improper gain or improper advantage	section 48(1)(a)(i) of the Act - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>7.3 - Potential Liability Report</b>	s7(2)(b)(ii) of the Act - To avoid unreasonable prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(g) of the Act - To maintain legal professional privilege s7(2)(h) of the Act - To enable Council to carry out, without prejudice or disadvantage, commercial activities	section 48(1)(a)(i) of the Act - 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

**8 KARAKIA WHAKAMUTUNGA**

Unuhia, unuhia

Unuhia mai te uru tapu nui

kia wātea, kia māmā,

te ngākau, te tinana, te hinengaro,

i te ara takatū

Koia rā e Rongo

e whakairia ake ki runga

kia tina! TINA!

Haumi ē, hui ē, TĀIKI ē!

Draw on, draw on,

Draw on to the supreme sacredness

To clear, to free

our heart, body and soul

Our pathway prepared

Lo, there is peace

suspended high above

manifest!

draw together!

Affirm!