



# RISK AND ASSURANCE COMMITTEE

## Open Minutes

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Meeting Date: Friday 6 March 2026

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Time: 9.30am – 10.45am (*Open*)  
11.05am – 12.16pm (*Public Excluded*)

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Venue Breakout Room 2  
War Memorial Centre  
Marine Parade  
Napier

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*Recording available on Council's YouTube page*

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Present **Chair:** Bruce Robertson  
**Members:** Mayor McGrath, , Councillors Crown, Lawrence and Taylor  
**Ngā Mānukanuka o te Iwi representative:** Kirk Leonard

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In Attendance Deputy Chief Executive / Executive Director Corporate & Commercial (Jessica Ellerm)  
Executive Director Strategy & Urban Development (Rachel Bailey)  
Executive Director Water Services (Russell Bond)  
Executive Director Community Services (Thunes Cloete)  
Head of Finance, Data & Digital (Caroline Thomson)  
Head of Commercial Communications & Economic Development (Craig Kenny)

Communications, Marketing & Engagement Manager (Julia Stevens) [online]  
Acting Chief People Officer (Alison Carnaby)  
Financial Controller (Talia Foster)  
Internal Audit & Controls Advisor (Sandile Khenisa) [online]  
Risk Controls & Risk Assurance Manager (Hans Pottstock-Vidal)  
Quality & Business Improvement Analyst (Marat Basyrov) [online]  
Building Contracts & Asset Manager (Andrew Clibborn)  
Strategic Programmes Manager (Darran Gillies)

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Also in attendance Ernst Young Zealand (David Borrie) [online]  
Councillors Raihania, Simpson and Isaac-Sharland [online]

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Administration Governance Advisor (Carolyn Hunt)

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# RISK AND ASSURANCE COMMITTEE – Open Minutes

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## ORDER OF BUSINESS

### Karakia

The meeting opened with the Council karakia.

### Apologies

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#### COMMITTEE RESOLUTION

##### Bruce Robertson / Councillor Crown

That the apology for absence from Raveen Jaduram be accepted.

**Carried**

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### Conflicts of interest

Nil

### Public forum

Nil

### Announcements by the Mayor

Nil

### Announcements by the Chairperson

Nil

### Announcements by the management

Nil

### Confirmation of minutes

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#### COMMITTEE RESOLUTION

##### Bruce Robertson / Kirk Leonard

That the Minutes of the meeting held on 4 December 2025 were taken as a true and accurate record of the meeting.

**Carried**

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# AGENDA ITEMS

## 1. H&S QUATERLY REPORT

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<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1897979
<i>Reporting Officer/s &amp; Unit:</i>	Andrew Wallace, Health and Safety Operations Manager

### 1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

For the period Between 1st November 2025 to 31st January 2026.

- 1.1 There has been no change to the current risk profile for operational risks OR183, OR328 & SR32. All risks now sit within the organisation's risk appetite following the completion of all treatment actions. While this reflects continued improvement in their management, ongoing monitoring will be required to maintain this position.
- 1.2 Continued work is still necessary to effectively manage these risks. Health & Safety, in collaboration with risk and control owners will continue to monitor performance and identify opportunities to strengthen existing controls, implementing improvements where appropriate.

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### At the meeting

- The Acting Chief People Officer, Ms Carnaby, presented the report on behalf of Mr Wallace, who was unable to attend the meeting. Ms Carnaby advised that the Council's Wellbeing Strategy and Policy would be presented to the Executive Leadership Team for approval prior to implementation.
- She noted an increase in reports of poor public behaviour and advised that targeted training to support staff in managing such situations would be undertaken.
- The Executive Director Water Services reported that WorkSafe had approved the Confined Space procedure. He outlined plans to roll out changes to staff regarding confined space identification, including updated signage. Following implementation of the rollout plan, the next step would be to verify compliance.
- It was noted that the Wellbeing Strategy was not required to be presented to the Committee; however future oversight of its direction would be provided.

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## COMMITTEE RESOLUTION

### Bruce Robertson / Councillor Crown

The Risk and Assurance Committee:

- a) **Receives** the report titled "Health and Safety Update Report" dated 6 March 2026.

**Carried**

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## 2. AUDIT PLAN FOR THE 2025/26 ANNUAL REPORT

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<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1898382
<i>Reporting Officer/s &amp; Unit:</i>	Talia Foster, Financial Controller

### 1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 The Local Government Act 2002 requires Council to adopt an audited Annual Report by 31 October each year. Previously, Audit New Zealand complete the audit of the Annual Report, however for 2025/26 David Borrie of Ernst & Young (EY) has been appointed by the Auditor-General.
- 1.2 EY have provided the Audit Plan (Doc Id 1900176), Audit Proposal Letter (Doc Id 1900177), and Engagement Letter (Doc Id 1900178), for review and endorsement.
- 1.3 The Audit Plan discusses the timeframes, the audit approach, and key focuses for the audit team. Key focus areas from the plan include:
  - Infrastructure assets
  - Rates
  - Grants and subsidies
  - Performance reporting
  - Expenditure and procurement

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### At the meeting

The Financial Controller, Ms Foster introduced David Borrie of Ernst Young (EY) who was online for this meeting. Ms Foster took the Audit Plan and Proposal Letter as read.

Mr Borrie spoke to the Audit Plan, outlining the key audit focus areas. He noted that infrastructure assets are revalued periodically and confirmed that no valuation is scheduled for the current year. The audit team would also be reviewing the rates for the 2026/27 year.

He advised that the audit team is mindful of the ongoing transition process and continues to work through this with the Council's management team. A further element of the transition is the shift from Audit New Zealand, and he confirmed that the audit team had reviewed the 2025 files as part of that process.

Although not specifically noted in the plan, Mr Borrie provided a forward-looking comment that the audit team would need to begin engaging with the Council's team regarding the Long Term Planning process in the second half of the year.

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**In response to questions the following was clarified:**

- The Council team acknowledged the historical challenges with meeting audit deadlines. It was noted that maintaining continuous communication on the proposed timeline, as outlined in the Audit Plan, is essential to ensure key milestones are achieved.
- The dates included in the audit timeline have been agreed by both Council and EY.
- Officers acknowledge that resourcing remains a risk. The financial accounting team is newly formed, and the primary staff member responsible for audit engagement is yet to commence. It was also noted that additional time is available this year to complete the process
- Additional time will be required to compile the Ahuriri Investment Management (AIM) accounts due to their use of different workpapers, reports, and templates. AIM retains its own accounting staff who report directly to AIM, but retain close proximity to the Council team.
- The three waters response time performance measure, which have previously resulted in qualified audit opinions, has undergone an internal audit which will be completed shortly. The systems for these measure, have not yet been replaced or updated
- Mr Borrie outlined privacy and security considerations relating to the exchange of information between EY and Council. EY uses its own secure proprietary tool for uploading information and conducting audit work, reducing the need to move information between systems and therefore minimising transfer risks.
- It was confirmed that EY does not use any public AI tools within its private and secure audit environment.
- Ms Foster confirmed that the assumptions underpinning the audit fee are reasonable and achievable.

*The Chair requested a brief update be provided to the next Risk and Assurance Committee meeting on 12 June 2026 on planned resource and that progress is on track.*

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**COMMITTEE RESOLUTION**

**Bruce Robertson / Councillor Taylor**

The Risk and Assurance Committee:

- a) **Endorse** the Audit Plan (Doc Id 1900176), for the 2025/26 Annual Report.
- b) **Endorse** the Audit Proposal Letter (Doc Id 1900177) and Engagement Letter (Doc Id 1900178) for signing by the Mayor.

**Carried**

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### 3. EXTERNAL AUDIT RECOMMENDATIONS UPDATE

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Type of Report:	Information
Legal Reference:	N/A
Document ID:	1898776
Reporting Officer/s & Unit:	Talia Foster, Financial Controller

#### 1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 Napier City Council is required to prepare an Annual Report each year and have it audited. In 2025/26 our Annual Report was audited by Audit NZ who identified eight recommendations to improve our processes.
- 1.2 The agreed actions are now being followed up with the relevant Council officers and progress on actions to date is being tracked. The attached report provides updates on each action.

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#### At the meeting

The Financial Controller, Ms Foster spoke to the report advising that the recommendations were from Audit New Zealand last year and EY would now address them as part of their review.

#### In response to questions the following was clarified:

- Quality assurance checks for the rates resolution had been strengthened for this year, with different staff involved and changes made to the processes.
- A legal review of the rates resolution had not been undertaken for several years; completing one in the future would be prudent.
- The integration of the finance team with the business data performance team has delivered benefits in terms of workflow efficiency. However, there continue to be challenges relating to resourcing.

*The Chair requested that an update on resourcing in terms of the Annual Report be provided for the 12 June 2026 Risk and Assurance Committee meeting.*

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#### COMMITTEE RESOLUTION

##### Bruce Robertson / Councillor Crown

The Risk and Assurance Committee:

- a) **Receive** the report titled External Audit Recommendations Update 06 March 2026.

**Carried**

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## 4. SENSITIVE EXPENDITURE - MAYOR AND CHIEF EXECUTIVE

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<i>Type of Report:</i>	Operational and Procedural
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1898385
<i>Reporting Officer/s &amp; Unit:</i>	Talia Foster, Financial Controller

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### 1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 The Sensitive Expenditure Policy requires a report of all sensitive expenditure by the Chief Executive and by the Mayor to the Risk and Assurance Committee meetings (clause 6.3 and 6.4). The policy also states that the expenditure items will be reviewed by the Chairperson or the Deputy Chairperson of the Audit and Risk Committee for compliance with this policy. This report is provided to fulfil that requirement, and a copy of the policy (Doc Id 349335) was attached to the agenda report for reference.
- 1.2 This report outlines only those items for which the Chief Executive or Mayor directly received the benefit of the expenditure, rather than instances where they approved the expenditure or where the expenditure was sourced from their budget. Where there were multiple recipients of a transaction, an estimate of the Chief Executive or Mayor's portion has been made.
- 1.3 All sensitive expenditure transactions for the quarter are compliant with Council's Sensitive Expenditure Policy.

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### At the meeting

The Financial Controller, Ms Foster spoke to the report confirming that all items identified in the report for this quarter complied with Council Policy.

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### COMMITTEE RESOLUTION

#### Bruce Robertson / Councillor Taylor

The Risk and Assurance Committee:

- a) **Receive** the report titled Sensitive Expenditure - Mayor and Chief Executive 06 March 2026 and confirm compliance with the Sensitive Expenditure Policy.

**Carried**

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## 5. RISK MANAGEMENT REPORT

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<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1897708
<i>Reporting Officer/s &amp; Unit:</i>	Sandile Khenisa, Internal Audit & Controls Advisor Hans Pottstock-Vidal, Risk Controls & Risk Assurance Manager Marat Basyrov, Quality & Business Improvement Analyst

### 1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 The purpose of this report is to provide the Risk and Assurance Committee with an overview and update on Council's risk and assurance management for the past quarter.
- 1.2 The Risk, Controls & Assurance (RC&A) team will be presenting the following two proposals for consideration, endorsement, and approval by the Committee:
  - A new Integrated Risk & Assurance Management System (the Framework) (Doc Id 1899145), and
  - The 3-year Internal Audit Plan for FY26 to FY28 (Doc Id 1899144), following adoption of the Internal Audit Charter.
- 1.3 This report will also present the Committee with an overview of the activity by the Quality Assurance and Business Improvement function of the RC&A team.

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### At the meeting

The Risk Controls and Risk Assurance Manager, Mr Pottstock-Vidal provided a summary of the report and the new Enterprise Risk and Assurance Framework. The framework would establish a standardised and co-ordinated risk approach for Council.

### In response to questions the following was clarified:

- It was noted that developing and rolling out the Framework will take approximately four to six months, due to resourcing constraints and timing requirements.
  - The overarching purpose is to develop an enterprise-wide framework for risk management and assurance.
  - Once established, the EPMO strategic programmes and Health and Safety functions will need further discussions to align terminology, processes, and treatment of risks. These functions will operate as subsidiary frameworks, noting that Health and Safety risks are identified separately due to their unique nature.
  - There is currently one risk recorded under the Chief Executive (SR32) and a broad, high-level Health and Safety risk.
  - Following the recent events in Tauranga, lessons learned discussions have taken place. Council has commenced the scoping and approach of a preliminary risk assessment focused on identifying existing or known to Council risk areas, including landslip-prone areas and assessment whether these are located on private or Council-owned land.
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A Project Team has been established, with Craig Kenny leading the scoping work. The approach and scope will be brought back to the next Risk and Assurance Committee meeting.

- It was acknowledged that there are several risk areas across Council-owned land that require further investigation. Work will progress to develop a consistent process and approach for identifying and managing these risks.

Mr Pottstock-Vidal advised that two workshops were planned with elected members on 16 April and 7 May 2026 on the current status of risks and risk appetite.

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## COMMITTEE RESOLUTION

### Councillors Taylor / Lawrence

The Risk and Assurance Committee:

- a. **Receives** the report titled Risk Management Report dated 06 March 2026.
- b. **Approves** the proposal for a new Risk & Assurance management framework (Doc Id 1899145).
- c. **Approves** the proposal for the 3-year Internal Audit Plan (FY26 - FY28) (Doc Id 1899144).

**Carried**

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### Minor matters

There were no minor matters to discuss.

# RESOLUTION TO EXCLUDE THE PUBLIC

## COMMITTEE RESOLUTION

**Bruce Robertson / Councillor Taylor**

That the public be excluded from the following parts of the proceedings of this meeting, namely:

1. Inner Harbour Evolving Risk
1. Strategic Risk Analysis
3. External Auditor - Verbal Update
4. Chief Executive - Verbal Update

**Carried**

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

<b>General subject of each matter to be considered.</b>	<b>Reason for passing this resolution in relation to each matter.</b>	<b>Ground(s) under section 48(1) to the passing of this resolution.</b>	<b>Plain English reason for passing this resolution in relation to each matter.</b>
1. Inner Harbour Evolving Risk	7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities	48(1)(a) That the public conduct of the whole or 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: (i) Where the local authority is named or specified in Schedule 1 of this Act, under section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.	Commercial activity
1. Strategic Risk Analysis	7(2)(h) Enable the local authority to carry out,	48(1)(a) That the public conduct of the whole or	Enable Council to continue

General subject of each matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground(s) under section 48(1) to the passing of this resolution.	Plain English reason for passing this resolution in relation to each matter.
	without prejudice or disadvantage, commercial activities	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: (i) Where the local authority is named or specified in Schedule 1 of this Act, under section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.	commercial activities
3. External Auditor - Verbal Update	7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities	48(1)(a) That the public conduct of the whole or 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: (i) Where the local authority is named or specified in Schedule 1 of this Act, under section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.	Commercial activities
4. Chief Executive - Verbal Update	7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities	48(1)(a) That the public conduct of the whole or 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: (i) Where the local authority is named or	Commercial activities

General subject of each matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground(s) under section 48(1) to the passing of this resolution.	Plain English reason for passing this resolution in relation to each matter.
		specified in Schedule 1 of this Act, under section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.	
<b>Public Excluded Text</b>			
Council has considered the public interest in the information above and balanced those interests with the reason(s) for withholding this information. This ensures Council has met the requirements for withholding information under section 7(2) of the Local Government and Official Information and Meetings Act 1987.			

*The meeting adjourned at 10.45am and reconvened in Public Excluded at 11.05am*

*The meeting closed with a karakia at 12.16pm*

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Approved and adopted as a true and accurate record of the meeting.

Chairperson .....

Date of approval .....