

AGENDA

RISK AND ASSURANCE WORKSHOP

Date: Thursday, 2 April 2026

Time: 1.00pm

Time approx.

Activity

1.00pm -

Draft Risk/Assurance Terms of Reference

Draft Risk/Assurance Committee Programme of Work for 2026-2028

Internal Audit Programme

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Risk/Assurance Terms of Reference 2025-2028**Author:** Leanne Macdonald, Group Manager - Corporate Services**Authoriser:** Carol Gordon, Chief Executive**1. Reason for Report**

- 1.1 For the Risk/Assurance Committee to discuss their terms of reference for the 2025-2028 triennium.

2. Context

- 2.1 The new triennium has commenced, and the Risk/Assurance Committee has been established, therefore it is appropriate that the terms of reference are reviewed by the new committee.
- 2.2 The terms of reference have been designed to align to the Finance/Performance Terms of Reference to ensure there is no duplication of reports across the two committees.

3. Discussion and Options Considered

- 3.1 A programme of Work (in a separate report) has been developed to also align with the Terms of Reference.
- 3.2 The timing of the meetings aligns to key pieces of work that the committee oversee. For example, the Insurance workshop needs to happen in May in order to ensure our Broker is across Councils priorities for the various insurance needs ahead of going to market for the new requirements for our insurance year of 01 November.

4. Financial Implications

- 4.1 There are no financial implications of discussing the Committee's terms of reference.

5. Impact on Strategic Risks

- 5.1 The Committee helps mitigate strategic risks by following the agreed Terms of Reference and therefore committing to reviewing councils financial and non-financial outputs through-out the year.

6. Strategic Alignment

- 6.1 Agreeing the Terms of Reference and monitoring the relevant activities throughout the year meets with the strategic alignment.

7. Mana Whenua Implications

- 7.1 There are no implications here as the mana whenua implications are considered as part of the long term planning and subsequent annual planning processes.

8. Climate Change Impacts and Consideration

- 8.1 There are no implications here as climate change impacts are considered as part of the long term planning and subsequent annual planning processes.

9. Statutory Implications

ITEM 7.1

9.1 There are no statutory implications.

10. Conclusion

10.1 Agreeing the terms of reference is typically a three-year cycle aligned to the new triennium and the members appointed to each committee.

11. Decision Making Process

11.1 Once finalised the terms of reference will be adopted by Council.

Attachments:

1. **Risk/Assurance Terms of Reference 2025-2028** [↓](#)

Risk/Assurance Committee

Terms of Reference

As at DATE

Elected Members	To be determined His Worship the Mayor (ex-officio)
External Members	1 independent chair appointed by Council (no voting rights)
Chair	Independent Member TBC
Meeting frequency	Quarterly
Reports to	Council

Purpose

To provide oversight of Council’s risk management and assurance frameworks.

To ensure probity in the management of Council’s operations and its assets, holding a close regard for minimising risk and giving our community assurance that Council is fulfilling their obligations as contained within Annual Plans, Long Term Plans and relevant legislation.

Outcomes

The community and Council are confident that:

- Council has appropriate financial, health and safety, risk management and internal control systems in place to protect Councils obligations, assets, liabilities and reputation.
- Council has embedded a culture that is committed to probity, zero tolerance to fraud and prioritising the health, safety and well-being of all officers and contractors directly involved in RDC’s activities.
- Officers and contractors involved in Council’s business, understand the risks at hand and are doing everything to mitigate risks as appropriate.
- The relationship with Council’s auditors and other external agencies undertaking monitoring of Council’s performance are meaningful, open and transparent.
- The Risk/Assurance Committee ensures full Council is aware of any significant findings and subsequent recommendations from internal or external Audits across the Council’s activities. The results and progress of the recommendations are received by the Risk/Assurance Committee on a quarterly basis.

Terms of Reference (delegations)

1. The Chair will provide a monthly written Report.
2. Overview of Council's Financial Health, including
 - The recovery process for outstanding debtors is being appropriately managed and reported on.
 - Reviewing the external Treasury Advisory reports quarterly to ensure Council remains compliant with its borrowing covenants, proactively managing Council's interest rate risk and ensuring Council is not taking unnecessary risks through the use of interest rate derivative products with an approved counterparty.
 - Council maintains sufficient cash balances to meet its working capital requirements on a day-to-day basis and is able to plan in advance of refinancing existing debt or borrowing additional funds (as detailed within Long Term or Annual Plans.
 - Identifying the of investments Council enters fit typically within the categories identified in Council's Treasury Policy.
 - Assessing the insurance portfolio ahead of annual renewals to ensure Council is adequately covered, without creating a material liability.
 - Assessing the appropriate management of liabilities and assets including the revaluation process, schedule and accounting of the movements.
 - Ensuring the appropriate accounting and operational policies are in place (as detailed in the Programme of Work which will be considered by the Risk/Assurance Committee at the beginning of each financial year).
3. Managing Risk across Council including
 - Setting Council's appetite for risk and understanding Council's key areas of risk and the likelihood and consequence of these risks eventuating.
 - Evaluating the effectiveness of internal controls and following up on actions where a weakness or risk has been identified.
 - Receiving regular reports on the any cyber security risks ,and understanding the risk portfolio to ensure adequate protection and reviews are in place and being regularly audited/assessed.
 - Assessing the risk of fraud occurring across procurement, financial functions, the awarding of contracts and any other areas of RDC business.
 - Encouraging and assessing that Council is embedding a culture that is committed to probity, zero tolerance to fraud and prioritising the health, safety and well being of all officers and contractors directly involved in RDC's activities.

- Reviewing the process to decide if Council should consider entering into or withdrawing from a new CCO, joint venture or similar shared arrangement to understand the risk.
4. Health Safety and Well Being oversight including
- Reviewing Councils quarterly Dashboard Report and exploring any trends around people risks
 - Supporting the Elected Members in meeting their “due Diligence” obligations as per the Health, Safety and Wellbeing Due Diligence Plan 2026-2028.
 - Assessing that RDC has adequate resources and processes to identify, minimise or eliminate health and safety risks and verify that these resources are in place and being used effectively.
5. Managing the internal and external audit programme, including
- The management reports provided by Council’s external auditors and reviewing progress of the recommendations contained within the management report.
 - Determining and monitoring of the internal audit programme and making recommendations to Officers to carry out more intensive reviews of significant risk where identified, and if needed reprioritising the planned internal audit programme to meet a more urgent need should the case be justified.
 - Reviewing assurance reports from management on regulatory compliance, business resilience and any other matters, such as New Zealand Transport Agency Audit,
6. Other Matters include, but are not limited to
- Reporting to external agencies required by statutory instruments¹;
 - undertakings made in response to the exercise of any Ministerial assistance or intervention².
 - Managing significant project, including capital programmes and the Long Term Planning project.
 - Reviewing the Terms of Reference will be reviewed at least once every three years.
 - Reviewing relevant policies included in the Risk/Assurance Programme of Work.

¹ For example, reporting to the Ministry for the Environment under the National Monitoring System or to Archives New Zealand under the Public Records Act.

² Part 10, Local Government Act 2002.

Draft Risk/Assurance Committee Programme of Work for 2026-2028**Author:** Leanne Macdonald, Group Manager - Corporate Services**Authoriser:** Carol Gordon, Chief Executive**1. Reason for Draft Report**

1.1 To provide the Risk/Assurance Committee a draft Risk/Assurance Committee Programme of Work for discussion.

2. Context

2.1 The draft Work Programme is intended to be agreed by the committee in principle and presented on a quarterly basis at each Committee meeting to provide members with an opportunity to review/amend the proposed Programme in light of recent/current factors.

2.2 This draft Programme has been drafted on the assumption that the Risk/Assurance Committee will hold quarterly meetings in August, November, February and May each year (with additional meetings or workshops scheduled if required).

3. Discussion and Options Considered

Item	Audit and Risk Committee Meeting
Governance	
Risk and Assurance Committee Terms of Reference	Last Reviewed: March 2025. Recommended to carry out an in depth review in the month of April following Local Government elections (April 2026).
Overview of current Financial Risks	Each meeting Includes a council health check in financial items such as Council Debt Position, Capital Spend and Outstanding Receivables/Rates.
Latest Health, Safety and Wellbeing reporting	Each meeting
Fraud Reporting	Biannually (May and November) unless there is an event to disclose/update
Insurance Update	Annually (May) to discuss the proposed plan in preparation of the annual renewal cycle. Annually (August) insurance updates/claims unless there is an event requiring disclosure or updates.
Protected Disclosure Reporting	Annually (August) at the end of each financial year, unless there is a protected disclosure to report.
Privacy Reporting	Annually (August) at the end of each financial year, unless there is a notifiable (serious) privacy breach to report.
Outstanding Audit NZ management letter points	Each meeting

Current Areas of Concern	Each meeting
Internal Audit	
Outstanding internal audit recommendations	Each meeting as a stand-alone report Internal audit programme 3 yearly (May 2026)
Annual Internal Audit workplan updates	Each meeting as a stand-alone report
Statutory Policies etc	
Revenue and Finance Policy	Required by S102 LGA; Review every 3 years (March preceding new LTP) Reviewed February 2026 Next Review: February 2027
Rates Postponement Policy	Required by S102 & S110 LGA to be reviewed every 6 years. Next Review: February 2027 (LTP).
Rate Remission Policy	Required by S102 & S109 LGA to be reviewed every 6 years. Reviewed February 2026 Next Review: February 2027 (LTP)
Rates Remission for Māori Freehold Land Policy	Required by S102 & S108 LGA to be reviewed every 6 years. Reviewed Jan to April 2024 Next Review: February 2027 (LTP)
Significance and Engagement Policy	Required by S76 LGA; Reviewed Jan to April 2024 Next Review: February 2027 (LTP)
Accounting Policies	Annually as part of annual financial statements as preparation for both the annual reporting cycles and the long-term and annual planning cycles.
Finance and Infrastructure Policies	Every three years (part of LTP) Next Review: February 2027 (LTP)
Protected Disclosure “Whistle Blower” Policy	Required by Protected Disclosures Act Review every two years: September 2024 Next Review: November 2026.
Privacy Policy	Required by Privacy Act Review every 2 years: March 2025 Next review: May 2027
Delegations Register	This was approved by Council on 27 June 2024. Next review: August 2026
Policy on Development Contributions	Required by S102 LGA; S106 LGA requires Policy to be reviewed every 3 years. Current version adopted 9 June 2021. Reviewed: May 2024 Next Review: February 2027
Other Policies etc	Not specifically required by statute but considered ‘critical’
Gifts and Hospitality Policy	Review every 2 years: Reviewed March 2025

ITEM 7.2

	Next Review: May 2027
Sensitive Expenditure Policy	Review every 2 years: Reviewed July 2024 Next Review: August 2026
Fraud, Bribery and Corruption Policy	Review every 2 years Reviewed: March 2025. Next Review: May 2027
Procurement and Contracts Management Policy	Approved at August 2024 Council meeting. Next Review: August 2026
Staff Standards of Integrity and Conduct	Review every 2 years. Approved: May 2023 Next Review: September 2025 Updated document is undergoing legal review. To be presented at May 2026 Risk and Assurance Committee.
Health, Safety and Wellbeing Policy	Review every 2 years Next Review: September 2025 <i>In progress. To be presented at May 2026 Risk and Assurance Committee.</i>
Credit Card Policy	Review every 3 years Approved: March 2025 Next Review: February 2028
Risk	
Risk Management Policy	Review every 3 years Approved 2022 Next Review 2026
Strategic Risk Register	Reviewed in full in 2022; currently subject to a 'rolling review' by ELT Full review by ELT carried out in February 2025 and October 2025. Further rolling reviews scheduled for March to June 2026. Next presentation to A/R will be August 2026

4. Financial Implications

Current Policy Reviews by ELT:

4.1 This will be updated based on the above schedule

Current Areas of Concern

4.2 This will be updated quarterly based on the current events/concerns requiring consideration

Staff turnover annual update

4.3 This was introduced late 2025 as a new report. ELT believe that staff turnover (exits) is potentially a risk and the reporting could therefore sit in the Risk and Assurance Committee

Fraud Reporting

4.4 An update on any events as per the schedule

5. Impact on Strategic Risks

5.1 The programme of work ensures Council is mitigating any strategic risks.

6. Strategic Alignment

6.1 The projects and policies align with Councils Strategies.

7. Mana Whenua Implications

7.1 Not applicable as this has been considered as part of the long-term planning process.

8. Climate Change Impacts and Consideration

8.1 Not applicable as this has been considered as part of the long-term planning process.

9. Statutory Implications

9.1 There are no statutory implications

10. Decision Making Process

10.1 There are no decisions associated with this report and should there be any changes that impact on officers programme of work, this will be agreed with the Chief Executive and Executive Leadership Team.

Internal Audit Programme**Author:** Leanne Macdonald, Group Manager - Corporate Services**Authoriser:** Carol Gordon, Chief Executive**1. Reason for Report**

- 1.1 For the Risk/Assurance Committee to review the Internal Audit Programme for the balance of the 2025-2028 triennium.

2. Context

- 2.1 The Internal Audit Programme was agreed by the Risk/Assurance Committee in March 2025 for the years 2025-2029.
- 2.2 As part of the Annual Planning process for the 2026/27 financial year, it has been proposed to remove \$60,000 from the Internal Audit Budget as part of the cost-saving exercise. This has resulted in three changes to the formerly agreed internal audit programme of work.
- 2.3 The Business Continuity Plans are currently under review due to the current fuel situation and potential risks, as a result this piece of work has moved cross from next year to this year.
- 2.4 In addition, two internal audits have been moved across to this current year due changes outside of Council's control.
 - 2.4.1 The Health Safety and Wellbeing audit was to be a shared programme across MWLASS. However, MWLASS elected to go with a different supplier, which increased the cost of audit, and as a smaller Council we did not have the budget to cover this. As a result, the team are continuing completing the recommendations from the last audit and will review suppliers next year to carry out an external review, budget permitting.
 - 2.4.2 Aon is presenting to Risk/Assurance in May this year to take the committee through Council's insurance programme and review insurance cover to ensure Council is managing its insurance cover well.

3. Discussion and Options Considered

- 3.1 Moving forward, once agreed and then formalised at the next Risk/Assurance Committee meeting, this programme will feed into the internal audit updates present to the committee on a quarterly basis.

4. Financial Implications

- 4.1 There is no change to this year's budget. The programme will fit within the current years agreed budget and will be adjusted in future years subject to budget availability.

5. Impact on Strategic Risks

- 5.1 There is no impact on strategic risks at this stage as the programme of work is still be carried out.

6. Strategic Alignment

6.1 Agreeing the Internal Audit programme of work and monitoring the relevant audits throughout the year meets with the strategic alignment.

7. Mana Whenua Implications

7.1 There are no implications here as the Mana Whenua implications are considered as part of the long term planning and subsequent annual planning processes.

8. Climate Change Impacts and Consideration

8.1 There are no implications here as climate change impacts are considered as part of the long-term planning and subsequent annual planning processes.

9. Statutory Implications

9.1 There are no statutory implications

10. Conclusion

10.1 Agreeing the internal audit programme of work is typically a three-year cycle aligned to the new triennium and the members appointed to each Committee, noting that priorities, budget constraints or an evolving risk may create a need to revisit the planned programme in any given year.

11. Decision Making Process

11.1 Once finalised this report will go to a formal meeting to be adopted by the Committee.

Attachments:

1. **Draft Internal Audit Programme - 2025-2029** [↓](#)

Rangitikei District Council
Internal Audit Program (subject to ongoing review)

Description	Key Lead	2024/25	2025/26	2026/27	2027/28	2028/29
Strategic Register Review of material risks	GM-CS	A/B✓	A/B	C	C	A/B
Health, Safety & Wellbeing (Safeplus)	GM-CS /P&C		B	A		BC
Fleet Management Services	GM-CS /Finance	B✓	A			C
Community Engagement (note 1)	GM-Strategy..	A	A		A	
Sensitive Expenditure (5)	GM-CS			A/B		
Legislative Compliance (3) <i>End of year for Audit NZ</i>	ELT	A✓	B	B	B	B
Cyber Security/IT Recovery Plans	GM-CS /IS	B✓	A✓	C	C	A
Business Continuity Plan (4)	All GM's		B	B		
Tax evaluation/ GST/FBT (3)	GM-CS /Finance	A✓			A?	
Tax evaluation/ KiwiSaver/PAYE (3)	GM-CS /P&C		A✓			A
Antifraud Assessment (5) <i>End of year for Audit NZ</i>	GM-CS	C✓ongoing	C	C	C	C
Cash handling controls/processes	Finance-lead	C✓				C
Statement of Service Performance (6)	GM-Strategy..	C✓	C	C	C	C
Consenting Applications (6)	GM-Reg&EM	A WIP✓	B			A
Procurement and Contract Management	GM-CS		A		B	
Elected Member effectiveness (8)	GM-Strategy..		C			C
Insurance Management	GM-CS		A	A		
Risk Management Framework	GM-CS		AB	C	C	A/B
Asset Management	Varies with GM's				B	
Accounts Payable	GM-CS /Finance		A		B/C	
Treasury Management	GM-CS /Finance			A		
Complaints Handling	GM-Strategy..	A/B✓			A/B	
Delegation Policy & Processes	GM-CS			A		
Capital Program (11)	GM-Assets, I & P	A/B✓			AB	
Onboarding/off boarding of staff (12)	GM-CS /P&C					A

Commented [LM1]: Depending on cost we will aim to use an external source

Commented [LM2]: Will be reduced to an internal review

Commented [LM3]: Due to potential challenges with fuel this is currently being reviewed

Commented [LM4]: Aon presenting in June

Commented [LM5]: Removed due to budget restrictions

Commented [LM6]: Removed due to budget constraints

Key:

- A formal, externally review
- B structured internal review
- C overview

Notes

1. Includes working with lwi/other partnerships; improvements to our ongoing communication with the community
2. Evaluation of our ethics related objectives/procedures/activities etc
3. Include compliance with payroll legislation (holiday pay etc)
4. In the event of major flood/quake
5. Fuel card, credit card, sensitive expenditure, false invoices, false time sheets/overtime
6. Improvements identified?? Barriers to success??
7. Other governance arrangements
8. Year 2 of election cycle
9. Existing and future 'ways of working'
10. Homelessness, health/leisure facilities, community support
11. Including Project Management, works order management, department set up
12. including new/old staff 'getting' on/off of payroll

