



KOMITI ITI AHUMONI I TŪRARU AUDIT AND RISK SUBCOMMITTEE

17 February 2026

Order Paper for the meeting to be held in the
Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt,
on:

Tuesday 24 February 2026 commencing at 9:30 am

The meeting will be livestreamed to Council's You Tube page.

Membership

David Cochrane (Independent Chair)
Mayor Fauono K Laban (Deputy Chair)
Deputy Mayor K Brown Cr T Stallinger
Kevin Ramsay (Independent
member)

For the dates and times of Council Meetings, please visit www.huttcity.govt.nz

Have your say

You can speak under public comment to items on the agenda to the Mayor and Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this by emailing DemocraticServicesTeam@huttcity.govt.nz or calling the Democratic Services Team on 04 570 6666 | 0800 HUTT CITY

TE KOMITI ĀPITI AROTAKE ME NGĀ TŪRARU | AUDIT AND RISK SUBCOMMITTEE

Chair:	Independent Chair David Cochrane
Deputy Chair:	Mayor Fauono Ken Laban
Membership: Te Komiti Āpiti Arotake me ngā Tūraru Audit and Risk Subcommittee members should be appointed to ensure the subcommittee has a diversity of governance skills, experiences, and personal qualities. Between them, the members should bring a mix of the following attributes: <ol style="list-style-type: none"> 1. Broad governance experience; 2. Familiarity with risk management disciplines; 3. Understanding of internal control and assurance frameworks; 4. An understanding of financial and non-financial performance reporting; 5. A good understanding of the roles of internal and external audit; and 6. A sound understanding of the local government sector. <p>The use of the matrix below has assisted other councils in considering the best fit for membership of the Te Komiti Āpiti Arotake me ngā Tūraru Audit and Risk Committee.</p>	Deputy Mayor Keri Brown Cr Tony Stallinger Independent member Kevin Ramsay
Quorum:	Half of the membership
Meeting Cycle:	Meets on an eight-weekly basis or as required
Reports to:	Council

Areas of focus:

- Oversight of risk management and assurance across the Council Group with respect to risk that is significant
- Internal and external audit and assurance
- Health, safety and wellbeing
- Business continuity and resilience
- Integrity and investigations
- Monitoring of compliance with laws and regulations
- Significant projects, programmes of work and procurement, focusing on the appropriate management of risk
- Assurance over the integrity of the Long Term Plan, Annual Report and other external financial reports required by statute, including review of risk, compliance and audit matters related to their preparation.

Delegations for the Subcommittee's areas of focus:

- The subcommittee has no decision-making powers other than those in these Terms of Reference.
- The subcommittee may request expert advice through the Chief Executive where necessary.
- The subcommittee may make recommendations to Council and/or Chief Executive.

Risk Management:

- Review, approve and monitor the implementation of the risk management framework and strategy, including significant risks to the Council Group.
- Review the effectiveness of risk management and internal control systems, including all material financial, operational, compliance and other material controls. This includes legislative compliance (including health and safety), significant projects and programmes of work, and significant procurement.
- Review risk management reports identifying new and/or emerging risks.

Assurance:

- Review and approve, and monitor the implementation of the assurance strategy and detailed internal audit coverage and annual work plans.
- Review the coordination between the risk and assurance functions, including the integration of the Council's risk profile with the internal audit programme.
- Review the reports of the assurance functions dealing with findings, conclusions and recommendations (including assurance over risks pertaining to Council Controlled Organisations and Council Controlled Trading Organisations that are significant to the Council Group).
- Review and monitor management's responsiveness to the findings and recommendations, inquiring into the reasons that any recommendation is not acted upon.

Fraud and Integrity:

- Review, approve and monitor the implementation of the assurance strategy, including the fraud and integrity aspects.
- Review the arrangements in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters, and ensure that there is a proportionate and independent investigation of such matters and appropriate follow-up action.
- Review the procedures in relation to the prevention, detection, reporting and investigation of bribery and fraud.
- Review and monitor policy and process to manage conflicts of interest amongst elected and appointed members, management, staff, consultants and contractors.
- Review internal and external reports related to possible improprieties, ethics, bribery and fraud-related incidents.

Statutory Reporting:

- Review and monitor the integrity and assurance processes behind the Long Term Plan and Annual Report, including statutory financial statements and related disclosures. The Subcommittee's focus is on ensuring accuracy, compliance, and transparency in reporting, not on setting policy, service levels, or budgets, which other committees handle.

External Audit:

- Maintain oversight across the external audit process, with a particular focus on the nature and scope of audits, and the resolutions of audit recommendations.

Interaction with Council Controlled Organisations (CCOs):

- Other committees dealing with CCO matters may refer matters to the Te Komiti Iti Ahumoni i Tūraru | Audit and Risk Subcommittee for review and advice.
- The Te Komiti Kaupapa Here me te Pae Angitū | Policy and Performance Committee retains oversight of CCO performance, including Taiki Wai Metrowater Ltd. At the same time, this subcommittee focuses on assurance over risk and internal control across those entities.
- This subcommittee will inquire to ensure adequate processes at a governance level exist to identify and manage risks within a CCO. Where an identified risk may impact Council or Council Group, the subcommittee will also ensure that all affected entities are aware of and are appropriately managing the risk.

Matrix of Experience, Skills and Personal Qualities

Experience, Skills and Personal Qualities	Member A	Member B	Member C	Member D	Independent Chairperson
<i>The recommended combination of experience is:</i>					
• financial reporting					
• broad governance experience					
• familiarity with risk management disciplines					
• understanding of internal control and assurance frameworks					
• good understanding of the roles of internal and external audit					
• local government expertise					
<i>For an “advisory-oriented” audit committee, particular emphasis should be placed on:</i>					
• Strategy					
• Performance management					
• Risk management disciplines					
<i>In determining the composition of the audit committee, the combined experience, skills, and personal qualities of audit committee members is critical. Members should bring:</i>					
• the ability to act independently and objectively					
• the ability to ask relevant and pertinent questions, and evaluate the answers					
• the ability to work constructively with management to achieve improvements					
• an appreciation of the public entity’s culture and values, and a determination to uphold these					
• a proactive approach to advising the governing body and chief executive on matters that require further attention					
• business acumen					
• appropriate diligence, time, effort, and commitment					
• the ability to explain technical matters in their field to other members of the audit committee					

HUTT CITY COUNCIL

KOMITI ITI AHUMONI I TŪRARU | AUDIT AND RISK SUBCOMMITTEE

Meeting to be held in the Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt

on

Tuesday 24 February 2026 commencing at 9:30 am.

ORDER PAPER

PUBLIC BUSINESS

1. OPENING FORMALITIES - KARAKIA KAUNIHERA

Tuia te mana akiaki	<i>Sow the seeds of courage</i>
Rarangahia te mana	<i>Weave the power of unity</i>
rangatira	<i>To grow and prosper</i>
Kia tipu, kia puāwai	<i>There are ripples in</i>
E ripo ngā wai	<i>Te Awa Kairangi</i>
O Te Awa Kairangi	<i>There are Kaitiaki on the land</i>
He Kaitiaki ki te whenua	<i>Protected environment</i>
He oranga taiao	<i>Thriving people</i>
He oranga tangata	<i>Connected, united, affirmed!</i>
Haumi e, hui e Taiki e!	

2. APOLOGIES

No apologies have been received.

3. PUBLIC COMMENT

Generally, up to 30 minutes is set aside for public comment (three minutes per speaker on items appearing on the agenda). Speakers may be asked questions on the matters they raise.

4. CONFLICT OF INTEREST DECLARATIONS

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have

5. WATER SERVICES MATTERS

Report No. ARSC2026/1/3 by the Water Services Transition Manager 8

6. EXTERNAL AUDIT UPDATE

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7. **RISK AND ASSURANCE UPDATE**
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9. **SENSITIVE EXPENDITURE DISCLOSURES**
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10. **HUMAN RESOURCE INFORMATION MANAGEMENT AND PAYROLL SYSTEMS PROJECT, AND HOLIDAYS ACT REMEDIATION PROJECT UPDATE**
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11. **INFORMATION ITEM**
Audit and Risk Subcommittee Forward Programme 2026
Memorandum dated 4 February 2026 by the Democracy Advisor 116
12. **QUESTIONS**
With reference to section 32 of Standing Orders, before putting a question a member shall endeavour to obtain the information. Questions shall be concise and in writing and handed to the Chair prior to the commencement of the meeting.
13. **CLOSING FORMALITIES - KARAKIA WHAKAMUTUNGA**
- | | |
|--------------------------|--|
| Unuhia! | <i>Release us from the supreme sacredness of our</i> |
| Unuhia! | <i>tasks</i> |
| Unuhia i te uru-tapu-nui | <i>To be clear and free</i> |
| Kia wātea, kia māmā | <i>in heart, body and soul in our continuing</i> |
| Te ngākau, te tinana, te | <i>journey</i> |
| wairua i te ara takatū | <i>Oh Rongo, raise these words up high</i> |
| Koia rā e Rongo | <i>so that we be cleansed and be free,</i> |
| whakairihia ake ki runga | <i>Yes indeed, we are free!</i> |
| Kia wātea, kia wātea! | <i>Good and peaceful</i> |
| Ae rā, kua wātea! | |
| Hau, pai mārire. | |

03 February 2026

Report no: ARSC2026/1/3

Water Services Matters

Purpose of Report

1. To update the Subcommittee on Water Services matters and current risks.

Recommendations

That the Subcommittee:

- (1) notes the Water Services Matters and Risks update, and in particular the current risks for the transition to Tiaki Wai;
- (2) notes the update on the actions by Wellington Water Limited to implement its Wellington Water Culture and Value for Money Improvement Plan; and
- (3) notes the Long Term Plan 2024-2034 amendment process underway to reflect the impact of the water services changes effective from 1 July 2026.

Background

2. This report provides a comprehensive update of water services matters to assist new members of the Committee. It includes information on key work, financials, and the risks associated with establishing Tiaki Wai and transitioning water services.

Water Services Reform - *Local Water Done Well*

3. On 27 June 2025, Council agreed to establish and own a new water services council-controlled organisation (WSCCO) for water, wastewater and stormwater services with Porirua, Upper Hutt and Wellington City Councils, and Greater Wellington Regional Council.
4. Post those decisions, a joint Water Services Delivery Plan (WSDP) was prepared. It includes detailed investment requirements, forecasting an uplift in capital investment for the region, over the next 10 years.

5. The WSDP was independently reviewed, adopted by partner shareholders and submitted to the Department of Internal Affairs (DIA) for assessment and acceptance. DIA confirmed the WSDP was acceptable in early October 2025.
6. The new water entity was gifted the name Tiaki Wai MetroWater by Mana Whenua. In December 2025, it was agreed that 'MetroWater' was dropped from the name.
7. Tiaki Wai will operate drinking water, wastewater, and piped stormwater services for approximately 432,000 people across the Wellington metropolitan area. It will take ownership of water assets and much of the land supporting service delivery.
8. Council appointed Sarah Gardner to the role of Water Services Transition Manager in October 2025. Sarah coordinates internal governance, workstream activity, and the delivery of interim arrangements, working across the organisation to prepare for the launch of Tiaki Wai on Day One and its future.
9. Tiaki Wai has appointed a Board, chaired by Will Peet, an experienced infrastructure professional and former Chief Executive of KiwiRail. Other Directors are Elena Trout an experienced Director and engineer, Jon Lamonte former CEO of Watercare, and Adrian Wimmers a commercial and infrastructure leader.
10. Three key foundation documents for Tiaki Wai have been approved to support the establishment. They are the:
 - Enduring Constitution,
 - Partners' Agreement (both approved by Council on 20 November 2025)
 - Statement of Expectations (SOE).
11. The Enduring Constitution outlines the rules for managing the company, including the rights and responsibilities of shareholders, Directors, and officers. The Partners' Agreement sets out the key terms for the governance and management of the relationship between the shareholding councils, Mana Whenua and Tiaki Wai, which are not addressed in the Enduring Constitution.
12. The Partner's Agreement established the Partners' Committee as the governance body for Shareholders and Mana Whenua. This Committee approved the SOE on 18 December 2025. The SOE sets out the Partners' directions to Tiaki Wai for 2026/27. It is interim and will be updated for 2027/28.

13. At its first meeting, the Partners' Committee appointed its inaugural Independent Chair, Dame Kerry Prendergast. Dame Kerry was also Chair of the Wellington Water Reform Advisory Oversight Group that provided governance across the WSDP, the establishment of Tiaki Wai and appointment of the Tiaki Wai Board. HCC has appointed Councillor Simon Edwards as its representative on the Partners' Committee, with Mayor Ken Laban as the alternate.
14. The Establishment Team for Tiaki Wai is leading the planning for the transition of water services functions from WWL and partner councils. The Programme Director, Dougal List, reports to the Tiaki Wai Board. The inaugural Chief Executive, Michael Brewster, a former CEO of TasWater in Australia, starts in the role in March 2026.

Ongoing Programme of Work for Establishment

15. Critical establishment work focused on achieving "Minimum Viable Product" for Day One continues. Risks associated to the transition are captured in the Risk Register attached to this paper. The overall risk profile for the Project is Amber. Risks highlighted below are a key focus.

Water Services Strategy

16. A Water Services Strategy (WSS), to be prepared by Tiaki Wai, will respond to the Statement of Expectations approved by the Partners' Committee. It is required to be completed ahead of Day One.
17. Public consultation on the Water Services Strategy (WSS) is planned for 25 March to 22 April 2026. Elected members will be briefed on the WSS to ensure they have the necessary information to support conversations with the community.
18. Pricing of water services for the future will be of high interest to the community. Indicative pricing of water services was part of the public consultation information Council provided to ratepayers prior to its decision to enter a Water Services Council Controlled Organisation arrangement, and indicative pricing is also included in the more recent Water Services Delivery Plan (WSDP). The Tiaki Wai Board will decide on the updated pricing information to be contained in the Water Services Strategy (WSS), and this will reflect the latest financial settings and the investment programme for Tiaki Wai.
19. Initial communication with the community on the water services changes has taken place, and with the WSS, there will be a bigger programme of communication led by Tiaki Wai. It is important to build the community understanding of the changes ahead, and that ratepayers understand that they will be billed for water charges and rates separately. The water charge increases will need to be carefully explained by Taiki Wai as there are reputational risks for all parties.

Legal Transfer Questionnaire and Transfer Agreement

20. In preparation for final Transfer Agreements between Councils and Tiaki Wai, Partner Councils are responding to a Legal Transfer Questionnaire (LTQ). It will inform the details of the Transfer Agreement and its schedules, which are expected to be finalised in June 2026.
21. The key risks in preparing the Legal Transfer Questionnaire (LTQ) are:
- 1) That something is unknowingly missed and is not transferred
 - 2) Inaccuracy/integrity issues in the data and information challenge its reliability
 - 3) Assumptions made are incorrect or inappropriate
22. To mitigate risks associated with the LTQ and Transfer Agreement, subject matter experts have reviewed the data and information, collaboration has occurred between Partners and assurance measures have been employed. As the schedules of the Transfer Agreement are prepared in draft and shared with Partners at the end of March 2026, there is a further opportunity to test assumptions and data before finalising the Agreements. This will also draw out inconsistencies between Partner Councils in their treatment of Transfer Agreement matters.

Billing

23. WWL does not currently provide any billing functions as the Councils collect revenue for water services via rates. The Day One interim arrangements agreed have the councils continuing to collect revenue on behalf of Tiaki Wai.
24. Council is well progressed in planning for the required billing changes. Implementation work is underway to make changes to IT systems to accommodate the new water charges mechanisms, which replace the current rating systems. Additional resources will join the organisation to support this service to Tiaki Wai.
25. There is close collaboration with the Tiaki Wai Establishment team and partner councils. An officers' Billing Steering Group has been established recently to support effective decision-making processes and risk management.
26. There are considerable timeframe constraints, and the approach being taken is focused on Minimal Viable Product (MVP). All the councils have different systems and processes currently, and it will not be possible to align all of these for Day One.

Customer Services

27. An interim solution with Partners will give Tiaki Wai time to establish its own systems and processes before it fully transfers the customer service function.
28. The Tiaki Wai Board has indicated a preferred option to split customer calls and other contact points, where Councils retain responsibility for customers who need billing assistance, and Tiaki Wai takes all matters related to faults. Work is underway to agree on the plan here.
29. Effective and efficient customer services are essential for Day One. Risks to be managed are time constraints for developing the interim solution, and the perception that the customer relationship is not properly held by Tiaki Wai. It is possible these risks may escalate.

Infrastructure Acceleration Fund Project

30. In 2022 Council was successful in securing funding from the Government's Infrastructure Acceleration Fund (IAF) for the improvement of water infrastructure in central Lower Hutt, to support housing development. The IAF project includes:
 - 1) **Stormwater:** five adjustable intakes to an interceptor, a new lift station with 4 x 500 L/s pumps, a balance tank, a gravity pressure main to Te Awa Kairangi Hutt River, and a trenchless stopbank crossing and upflow chamber with a non-return outfall; and
 - 2) **Wastewater:** diverting High Street and Kings Crescent sewers to a new Pretoria Street pump station sized to 121 L/s in a duty-assist-standby arrangement, 2,000 m³ above ground storage with self-flushing, odour control and a rising main to the Western Hills Main Sewer with Riverlink delivering the bridge section.
31. The latest financial projections have capital investment of \$172M and funding from the National Infrastructure Funding and Financing Agency (IAF funding) of \$70M.
32. This Project would normally be delivered by WWL. Capacity constraints mean that by agreement, Council is delivering the Project, including administering the funding and relationship with National Infrastructure Funding and Financing.
33. The Water Services Delivery Plan is clear that the IAF Project is to be moved to Tiaki Wai for delivery, alongside all the other water services activity. Work is underway to ensure that the Project is not disrupted through transition and that HCC can continue to support the Project's success. If a disruption risk eventuates, performance milestones for receiving IAF money could be compromised.

Wellington Water Limited Culture and Value for Money Improvement Plan

34. The Culture and Value for Money Improvement Plan (the Plan) is Wellington Water Limited's (WWL) response to the recommendations from various reviews and sets out how it sees the organisation moving forward in a sustainable way. The plan was presented to the Audit and Risk Subcommittee on 26 August 2025 (refer to report ARSC2025/4/223).
35. WWL is reporting progress on implementing the Plan to the Wellington Water Committee at each of its meetings. The most recent update was on 12 December 2025, refer to report WWC2025/5/113. The report shows steady progress and action taken by WWL in implementing this plan.
36. WWL explained in the recent meeting that the Technology Services Investment Programme (TSI) is the main priority of the organisation. It is building the system capability of the organisation ahead of amalgamating with Tiaki Wai. The programme involves many core staff and is in addition to core operations. This is stretching WWL resources but progressing well.

4 February incident at the Moa Point Wastewater Treatment Plant (MPWWTP)

37. Officers have been monitoring the incident at MPWWTP in Wellington in early February 2026. This incident resulted in untreated wastewater discharging into Tarakena Bay on Wellington's south coast. There was no impact on beaches within the Wellington Harbour, including Eastbourne and Petone, due to this incident.
38. WWL were able to revert to discharging wastewater through the long outfall pipe that discharges 1.8kms into the Cook Strait late evening on Thursday 5 February. While this wastewater is now being screened for solid items like wet wipes and sanitary products, it has not gone through any biological or ultraviolet treatment.
39. MPWWTP services a population of 180,000 people and treats an average of 70-80 million litres of wastewater every day.
40. WWL is working to make the site as safe as possible for a controlled entry to evaluate the extent of the damage to the plant, test the equipment and determine what needs to be repaired or replaced.
41. Since this incident, officers have taken the opportunity to discuss our own systems and processes for responding to, and learning from, this kind of incident.
42. This incident has been highlighted in the Strategic Risk Register.
43. A verbal update on Moa Point will be provided at the meeting.

Climate Change Impact and Considerations

44. The contribution of Tiaki Wai to climate change mitigation and adaptation is required in the Statement of Expectations, Partners signed off on 18 December 2025. Increased investment over the coming years and projects that Tiaki Wai will be responsible for will have positive climate change impacts.

Consultation

45. There are no consultation matters to consider.

Legal Considerations

46. The matters discussed in this paper are subject to the provisions of the Local Government Water Services Act. In particular, the Statement of Expectations and the WSS are statutorily required under the Act. Simpson Grierson is supporting the Tiaki Wai transition work across a wide range of areas, including the Transfer Agreement.

Financial Considerations

Annual Plan 2026-27 and Long Term Plan (LTP) amendment

47. At the Hutt City Council meeting on 16 December 2025, advice was presented on the LTP amendment process required as a result of the water services changes (refer report HCC2025/5/310). A high level approach to the amendment was agreed by Council at this meeting.
48. There is no requirement to consult on the LTP amendment related to water services changes, as earlier public consultation was undertaken in 2025.
49. Rates settings into the future, and rates affordability are a key consideration as part of this Annual Plan 2026-27 and are expected to continue into the LTP 2027-2037 process. The government's proposed changes to the rates model and rates capping are also expected to be a significant change to be navigated in the LTP 2027-2037.
50. As a result of the water services transition, there is a need to reconsider and confirm the approach to the current rating policy included in the Revenue and Financing Policy. There will be a public consultation process on the proposed changes to the policy. External technical specialists are assisting with the policy review.

Financial impact of water services changes

51. The summary table that follows shows the projected financial impact of the changes for Council. These budgets are effectively transferred to Taiki Wai, who in turn are responsible for preparing a Water Services Strategy with the associated investment plan and budgets.

52. The transfer agreements are being drafted off the back of transfer principles that are under review. The asset and liability transfers have a range of complexity, such as the assumptions and methodologies to be applied. The Finance workstream is engaging across this. There is specialist support engaged to support this, such as with the asset revaluations, which are expected to be completed in June 2026.

<u>Category</u>	FY27	8 years - FY27 to FY34
Revenue reduction (including rates)	\$157M	\$1.8B
Operating expenditure reduction	\$174M	\$1.9B
Capital expenditure reduction	\$199M	\$1.5B
Assets	\$2.1B	
Reduction in debt	\$295M	

53. Debt transfer - The debt transfer methodology and timing have been uncertain. Initially, it was expected that debt would transfer over several years. In December 2025 the Local Government Funding Agency (LGFA) advised the sector of a simplified and more efficient novation approach for water services debt transfer. This is expected to see the bulk of the debt novate more seamlessly across to Tiaki Wai in FY27. Details on this are being worked through with LGFA, legal specialists and treasury advisors.
54. Due to the uncertainty associated with these debt changes there have been risks associated with compliance with Treasury Risk Management Policy, specifically a slightly higher level of debt maturing in the next three years than as set out in the policy. A report on the Treasury Risk Management Policy will be presented at the next meeting of the Audit and Risk Subcommittee, along with further information on the approach to mitigating compliance risks in the context of the water services transition.
55. Asset transfer - A full asset revaluation is underway and will be completed ahead of 30 June 2026. This will inform both HCC Group Annual Report 2025/26 and the transfer values for Tiaki Wai. The shareholding Councils of Tiaki Wai are working collaboratively on this, aligning methodologies and engaging specialist technical advisors.

Appendices

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1	Appendix 1: Risk Register	16

Authors: Sarah Gardner, Water Services Transition Manager, Deepu Nunnian, Manager Financial Planning & Performance, Hamish Bell, Advisor Water Services and Alicia Andrews, Manager Finance Transaction Services

Reviewed By: Jenny Livschitz, Group Chief Financial Officer

Approved By: Jo Miller, Chief Executive

LWDW - Project Controls Book v1.0

	THE RISK IF [event or condition i.e. what can happen] THEN [consequence. Why is it a concern / impact if we don't get it right]	RISK DRIVERS What are the existing and potential causes/triggers	Risk owner	Secondary Risk Owner	INHERENT RISK			CONTROLS / RISK RESPONSES	RESIDUAL RISK			Planned mitigation actions
					Likelihood	Impact	Risk		Likelihood	Impact	Risk	
1	STAKEHOLDER ENGAGEMENT If key stakeholders, including the community, elected members, iwi, and staff, are not adequately engaged or informed, then the project may face resistance,	<ul style="list-style-type: none"> Inadequate or inconsistent stakeholder engagement Unclear roles and responsibilities leading to governance and communication gaps Loss of trust, political pressure, or engagement fatigue. 	Transition Manager	Communications Workstream Lead	Possible	Major	High	Proactive and transparent communication and engagement strategy; Early and sustained dialogue with iwi and community leaders. Project governance in place, regular steering group	Unlikely	Moderate	Medium	Ensure the Communications Workstream Lead has the tools necessary to succeed Review Comms and engagement plan for consistency of messaging and emerging risks
2	DATA INTEGRITY If asset, customer, or operational data is incomplete or inaccurate, then the asset and services transfer process may be compromised, leading to service disruption or legal disputes.	<ul style="list-style-type: none"> Complexity in legal transfer of assets, e.g. stormwater interfacing with retained transport/roading infrastructure. Legal disputes, operational disruptions, and poor service continuity. 	Transition Manager	Chief Legal Officer	Possible	Moderate	Medium	Robust data verification processes; collaboration with WWL and the Tiaki Wai establishment team; early identification of data gaps.	Possible	Minor	Medium	SLA/Partners' Agreement /Transfer agreement
3	HANDOVER If the handover of water services operations is not well coordinated, then customers may experience service disruptions, delays, or confusion during the transition period.	<ul style="list-style-type: none"> Public dissatisfaction, complaints, emergency responses. 	Transition Manager	Customer Manager	Possible	Major	High	<ul style="list-style-type: none"> Detailed interim arrangements plan; clear service continuity protocols; coordination with WWL and new entity. Comms and Identity work currently being developed (customer perception etc) Regular engagement with the regional leads for the People and Customer workstreams, and the overall 	Unlikely	Moderate	Medium	Early and consistent training and communication for customer support staff. Customer charter to come (implemented June 2026)
4.1	RESOURCES If key project personnel do not have capacity to provide the support that this project requires, or priorities are directed elsewhere then the project may be at risk of delivering against requirements for an effective water delivery entity	<ul style="list-style-type: none"> Project not delivered on time, key project deliverables may not be completed in time for either Council or Ministerial decisions to be made 	Transition Manager	Project Chair	Possible	Major	High	Transition Manager is now in place Project Governance including regular Steering Group and work stream meetings Task specific follow ups early identification of issues	Unlikely	Moderate	Medium	Project planning Reassessment of resource needs and current workloads by project leads
	4.2	If key staff leave HCC to go to the new Water entity, then there is a risk that critical Intellectual Property (IP) and institutional knowledge will be lost leading to gaps in capability loss and organisational inefficiencies.	<ul style="list-style-type: none"> The demands and requirements of the new water entity. 	Chief People Officer	Project Chair	Possible	Major	High	Assess the organisational needs for day one and beyond, covering critical roles and functions, knowledge transfer and succession planning. Have assessed no duplicates of functions, residual areas to work through reduce the risk.	Unlikely	Minor	Low
5	BILLING If a billing solution does not operate effectively on 1 July 2026 then Council and Tiaki Wai's reputation will be affected. There could be other financial complications as a result.	<ul style="list-style-type: none"> Delays in regional partners agreeing to a particular process and the requirements of suppliers to be able to set up for billing as per the preferred method. Councils have challenges in delivering the solution for separate bills or run out of time to deliver. 	Billing Workstream	Finance Transactions Services Manager	Possible	Major	High	<ul style="list-style-type: none"> Project planning and working closely with Tiaki Wai Finance establishment team Assessing billing options for delivery and associated risks Ensuring compliance with legislation (i.e. what charging regime is Tiaki Wai going to use and how do we support that for an interim period) 	Unlikely	Moderate	Medium	<ul style="list-style-type: none"> Billing solution identified, supported by thorough business case and external expertise for implementation; Project planning and working closely with Tiaki Wai Finance Assessing billing options for delivery and associated risks Ensuring compliance with legislation (i.e. what charging regime is Tiaki Wai going to use and how do we support that for an interim period) Billing project is now a separate piece of work, regular reporting and meeting CEOs regularly to discuss any emerging issues Interim billing solutions being developed for other revenue streams for Tiaki Wai relating to trade waste,

LWDW - Project Controls Book v1.0

	THE RISK IF [event or condition i.e. what can happen] THEN [consequence. Why is it a concern / impact if we don't get it right]	RISK DRIVERS What are the existing and potential causes/triggers	Risk owner	Secondary Risk Owner	INHERENT RISK			CONTROLS / RISK RESPONSES	RESIDUAL RISK			Planned mitigation actions
					Likelihood	Impact	Risk		Likelihood	Impact	Risk	
5.1	If HCC is gathering data for the specific purpose of Billing on behalf of Tiaki Wai and that data is used for a different purpose, then Council and Tiaki Wai's reputation will be affected and there could be legislative compliance issues.	Potential misuse of information collected for a specific use. Potential legislative compliance issues.	Finance Transactions Services Manager		Possible	Major	High	Current water legislation means that ratepayers must be billed for water service charges, and consequently the rating legislation provides the framework for protecting personal information for ratepayers.	Unlikely	Unlikely	Medium	Transfer agreements/SLAs
6	<u>REGIONAL ESTABLISHMENT TEAM</u> If the regional establishment team is not adequately resourced with the right number of people, skills, experience, and local knowledge, then there is a risk that the programme will face slippage in key tasks and timelines, reduced quality of outputs, inconsistent stakeholder engagement, misalignment with partner Councils' needs, and weakened governance and decision-making.	•Gaps in planning or unclear roles and responsibilities. •Complexities of working across multiple Councils with diverse needs and operating contexts. •HCC and establishment team get out of sync with key work	Transition Manager	Project Chair	Possible	Moderate	Medium	HCC reporting to regional establishment team when gaps or slippage in the regional work are observed.	Unlikely	Moderate	Medium	Establishment plan (signed off in early November) Consistent SLAs
7	<u>WORKSTREAM PLANNING AND TIMEFRAMES</u> If key tasks and workstreams are not comprehensively planned, sequenced, and resourced, then there is a significant risk that the tight programme timeframes will not be met.	Unclear scope, inadequate resourcing, or limited stakeholder input. Overlooking dependencies across the workstreams	Transition Manager	Workstream leads	Possible	Moderate	Medium	Thorough planning, including contingency planning in case timelines change or rescoping adds new requirements Schedules up to date.	Unlikely	Minor	Medium	Regulare status reporting Detailed planning for next phase (detailed work stream lead planning)

LWDW - Project Controls Book v1.0

	THE RISK IF [event or condition i.e. what can happen] THEN [consequence. Why is it a concern / impact if we don't get it right]	RISK DRIVERS What are the existing and potential causes/triggers	Risk owner	Secondary Risk Owner	INHERENT RISK			CONTROLS / RISK RESPONSES	RESIDUAL RISK			Planned mitigation actions
					Likelihood	Impact	Risk		Likelihood	Impact	Risk	
8	CHANGE MANAGEMENT If robust change management practices are not planned, resourced, and consistently adhered to throughout the transition, then there is a significant risk that HCC experience negative reactions and consequences of the change undertaken.	Insufficient or inconsistent communication about what is changing and why. Limited investment in preparing people for new roles, processes, or systems.	People and Workforce workstream		Possible	Moderate	Medium	Ensuring requirements of the People workstream are clear and they have access to the expertise to manage the change required. An approved Change Management Plan aligned to project milestones. Regular staff updates via multiple channels. Feedback loops to gather staff input and address	Unlikely	Moderate	Medium	Early transfer of functions, roles and people Early agreement with Tiaki Wai and WWL on requirements/changes Due diligence on roles and responsibilities /delegations/systems and controls
9	LAND OWNERSHIP (LAND UNDER WATER ASSETS) If there are impediments to land transfer (such as reserve status) or there are delays obtaining agreement from Tiaki Wai then this could have legal implications and it could affect asset bases for Tiaki Wai and Councils.	Reserve status Tiaki Wai agreement needed Legal complications and costs	Transition Manager	Legal and Commercial workstream	Possible	Moderate	Medium	Need Council legal advice and support. Project Steering Group direction Land ownership guidance is outlined in Transfer Principles. Working assumption is that HCC will not be transferring reserve status land.	Unlikely	Moderate	Medium	SLA's / Partners' Agreement/Transfer agreements

Report no: ARSC2026/1/4

External audit update

Purpose of Report

1. To provide an update on the Audit New Zealand reports issued on the audit of Hutt City Council Group Annual Reports for the year ended 30 June 2025.

Recommendations

That the Subcommittee receives and notes Audit New Zealand's reports on the audit of:

- a. the Hutt City Council Group Annual Report 2024-25, attached as Appendix 1 to the report;
- b. Seaview Marina Limited's Annual Report 2024-25, attached as Appendix 2 to the report: and
- c. Urban Plus Limited Group's Annual Report 2024-25, as attached to Appendix 3 to the report.

Group Annual Report 2024-25

2. Hutt City Council's Group Annual Report and Summary Annual Report 2024-25 were finalised and adopted by Council on 7 October 2025. This was ahead of the statutory deadline of 31 October 2025. There was a significant effort to complete this ahead of the local body elections and to ensure that the outgoing Council was responsible for the approval process, rather than the incoming Council.
3. While Audit New Zealand issued an unmodified opinion on the financial statements, a qualified opinion was issued on the Statement of Service Performance relating to:
 - a. Council's waters activities. This relates to recording of customer complaints, an audit issue raised in the previous management report. Upper Hutt City Council also received a similar modified audit opinion.

4. New qualifications were issued relating to two roading related measures in the Statement of Service Performance. Roading and footpaths have become an area of increasing audit focus across the sector, in part driven by updated guidance from the Department of Internal Affairs (DIA):
 - a. The average quality of ride on the sealed road network, measured by smooth travel exposure. Reported performance is based on road roughness surveys and estimated traffic volumes, derived from selected traffic counts. Traffic count data was outdated, and only a small proportion of the network had been surveyed recently.
 - b. The percentage of customer service requests relating to roads and footpaths responded to within a specified time. Adequate audit evidence was not maintained to support reported response times.
5. The audit opinion also included an “emphasis of matter” paragraph about the uncertainty over the fair value of three water assets and the inherent uncertainties in measuring greenhouse gas emissions. The valuations matter was consistent with Wellington City and Upper Hutt City Councils, who also undertook asset revaluations at the same time as us. The greenhouse gas item was consistent with other impacted organisations across New Zealand and has been ongoing for a number of years.
6. In 2024 -25, officers were successful in closing out 2 audit recommendations:
 - a. Periodic review of access user rights,
 - b. Water capital commitments – completeness of information.
7. A summary of this year’s audit recommendations are presented in the table below, with commentary on progress to address in 2025-26.
 - a. One high priority audit recommendation was made relating to issues with the customer complaints for three waters, which is a continuation of the previous management report.
 - b. Two new audit recommendations were made in relation to the two additional qualified measures relating to roading in the statement of service performance.

Status of audit recommendations	Number	Brief description of audit recommendation	Management commentary on progress as at December 2025
<p>Existing recommendation: In progress to be resolved</p>	1	<p>Enhance systems and processes for capturing and reporting service performance data. Audit recommended that council record each individual complaint and implement a reconciliation process with Wellington Water on at least a quarterly basis to ensure the number of parent child requests for service is agreed and reporting aligns with DIA guidance.</p>	<p>Council has implemented a new Customer Relationship Management (CRM) system recently that automatically groups issues together, (ie parent and child). While we expect the CRM to improve the reliability and completeness of reported results for roading related measures, we acknowledge that we will not be able to implement a full alignment and validation process with Wellington Water Limited ahead of the new Water entity, Tiaki Wai, starting in July 2026. The issue is likely to be resolved once Tiaki Wai is established and systems can be integrated properly.</p>
<p>New recommendations: In progress to be resolved</p>	2	<p>Prioritise updating traffic count data and resolving anomalies to improve the accuracy of performance measures.</p> <p>Strengthen data collection and record keeping processes to ensure response times are accurate and supported by reliable evidence</p>	<p>To correct the smooth travel exposure calculation Council has been working with our asset management database supplier to correct anomalies that are impacting the smooth travel exposure calculation. Work is continuing in a “test” environment and we anticipate that the live database will have necessary corrections made by the end of March 2026. We are also preparing to roll out a new programme of traffic counts which further improves the accuracy of the traffic data we hold.</p>

			<p>Council's previous customer service database did not record responses to customer service requests unless the job was closed at the same time. Many Transport queries had responses (such as updates and planned resolution dates) sent to customers, however, the query remained open until it was resolved. Reports could only be run on the duration from a query being logged to and then being closed. The new CRM, Te Manu Kairangi, will enable reporting on when a response is sent in addition to when the query is closed to enable this key performance indicator to be calculated accurately.</p>
Total	3		

Seaview Marina Limited's Annual Report 2024 -25

8. Seaview Marina Limited's Annual Report was finalised and adopted by the Board on 18 September 2025. This was ahead of the statutory deadline of 30 September 2025.
9. In 2024 -25, officers were successful in closing out the previous audit recommendation on rental agreements and rates. There were no new audit recommendations.
10. Audit New Zealand issued an unmodified audit opinion for Seaview Marina Limited's annual report.

Urban Plus Limited Group's Annual Report 2024 -25

11. Urban Plus Limited Group Annual Report was finalised and adopted by the Board on 18 November 2025. This was later than the statutory deadline of 30 September 2025.
12. This timeframe was not met largely because Audit New Zealand had competing resourcing constraints and was unable to complete the audit within this timeframe.
13. Audit New Zealand issued an unmodified audit opinion for Urban Plus Limited's annual report.
14. There were no audit recommendations in the prior year, and this continued for the 2024-25 year.

External audit arrangements 2025 -26

15. Officers are working with Audit New Zealand on the external audit arrangements for the 2025/26 Annual Report. The external audit plan will be presented to the ARSC in April 2026.

Climate Change Impact and Considerations

16. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide. There are no climate change impacts or considerations arising from this report.

Legal Considerations

17. There are no legal considerations arising from the report.

Financial Considerations

18. The financial considerations are detailed in the report in the relevant areas.

Appendices

No.	Title	Page
1↓	The Hutt City Council's Audit Report for the year ended 30 June 2025	25
2↓	Seaview Marina Limited's Audit Report for the year ended 30 June 2025	36
3↓	Urban Plus Limited Group's Audit Report for the year ended 30 June 2025	43

Authors: Amanda Gray, Risk and Assurance Manager and Darrin Newth
Financial Accounting Manager

Reviewed By: Jenny Livschitz
Group Chief Financial Officer

Approved By: Jo Miller
Chief Executive



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Report to the Council

on the audit of Hutt City Council

For the year ended 30 June 2025

Our audit report

Audit report

We issued an unqualified audit opinion on Hutt City Council and group (the Council) on 7 October 2025 for the audited financial information, and a qualified audit opinion on the statement of service performance. This means we were satisfied that the financial statements present fairly, in all material respects, Council's activities for the year and its financial position as at year-end.

The qualified opinion on the statement of service performance was due to ongoing issues with the following performance measures:

- The total number of complaints received about water supply, wastewater, and stormwater.
- The average quality of ride on the sealed local road network, measured by smooth travel exposure.
- The percentage of customer service requests relating to roads and footpaths responded to within a specified timeframe.

These matters are discussed in detail later in this report.

Without further modifying our audit opinion, we included emphasis of matter paragraphs to draw readers' attention to the relevant notes in the financial statements. These notes outline disclosures regarding:

- the uncertainty over the fair value of three waters assets;
- the inherent uncertainties in the measurement of greenhouse gas emissions; and

- the future of water service delivery.

Corrected and uncorrected misstatements

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

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

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

Other reports issued

We will issue a report to management on relevant matters identified during the audit.

Thank you

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



Debbie Bradfield
Appointed Auditor
16 October 2025

Focus areas from the Audit Plan

Focus area	Outcome
<p>Performance reporting – Qualified performance measures – Three waters measures</p> <p>Our audit opinion was modified for the last three years due to significant issues with the customer satisfaction measure for water supply, wastewater, and stormwater.</p>	<p>The Department of Internal Affairs (DIA) has provided guidance to help local authorities apply the Non-Financial Performance Measure Rules 2024 (Rules), including how complaints should be counted. However, the Council has not been following this guidance, by only recording unique complaints. not recording each individual complaint, The current method of recording complaints likely understates the actual number received.</p> <p>As a result, our opinion on these measures was qualified in both the 2024 and 2025 years. We continue to recommend that the Council record each individual complaint and implement a reconciliation process with its water service provider, Wellington Water Limited (Wellington Water), on at least a quarterly basis to ensure that the number of parent and child requests for service is agreed, and the complaint reporting is aligned with DIA guidance.</p>
<p>Significant uncertainties relating to unit rates of three water assets</p> <p>In 2024 the Council revalued its three-water service assets, resulting in a significant increase due to unit rates. The unit rates were materially higher than expected. Recent contract costs supported the unit rates used by the valuer. However, uncertainty remained regarding the sustainability of these costs. Factors contributing to inherently higher costs in Wellington included topography and work complexity. Additionally, regional procurement practices, a history of reactive capital expenditure, and market capacity constraints were identified as potential cost drivers. Given</p>	<p>Management completed an appropriate fair value assessment over these asset classes in 2025, including considering estimation uncertainty in unit rates and how recent contract costs were aligned with the unit rates used in the 2024 valuation. The assessment also considered the findings from independent reviews and evaluated any potential impact on the financial statements.</p> <p>Since the 2024 valuation, Wellington Water has implemented organisational improvements and commissioned independent reviews to enhance value for money. While these initiatives are expected to improve efficiency and</p>

Focus area	Outcome
<p>these uncertainties, the prior year's audit report included an emphasis of matter.</p> <p>Subsequent to the 2024 Annual Report two independent reports identifying concerns on the value-for-money from Wellington Water's activities were issued. The Council needed to consider those findings and any changes Wellington Water's procurement on its financial statements, particularly when assessing the fair value of three water assets.</p>	<p>reduce costs, their impact is not yet evident in recent contract data. As a result, unit rates from the previous valuation were retained for the 30 June 2025 fair value assessment, with no adjustments made to asset values. We considered this appropriate. However, the ongoing uncertainty about the sustainability of replacement costs and the impact on the valuation remain. To highlight this uncertainty, we included an Emphasis of Matter paragraph in the audit opinion.</p>
<p>Fair value assessment of infrastructure assets (non-revaluation year)</p>	
<p>The Council revalued its land, buildings, roading, and three waters infrastructure last year and was expected to only need to complete a fair value assessment (noting the point above on three waters unit rates) in 2025.</p>	<p>The movement in the value of the assets individually or collectively with other asset classes was not material to require a full valuation.</p> <p>We are satisfied that the carrying value of assets in a non-revaluation year do not materially differ from their fair value as at 30 June 2025.</p>
<p>The risk of management override of internal controls</p>	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<p>We found no indications of management override that would result in a material misstatement in the financial statements due to fraud.</p>

New qualifications in the Statement of Service Performance



Qualified measure	Matters identified	Outcome / Recommendation
The average quality of ride on the sealed local road network, measured by smooth travel exposure.	The reported performance is based on road roughness surveys and estimated traffic volumes derived from selected traffic counts. However, the traffic count data is outdated, and only a small portion of the network has been surveyed in the past four years. Council has also identified unresolved anomalies in its traffic volume estimates.	Council prioritise updating traffic count data and resolving anomalies to improve the accuracy of this performance measure.
The percentage of customer service requests relating to roads and footpaths responded to within a specified timeframe.	Council did not maintain adequate evidence to support the reported response times. Without sufficient documentation, we were unable to verify the accuracy and completeness of the reported performance.	Council strengthen its data collection and record-keeping processes to ensure response times are accurately tracked and supported by reliable evidence.

Other matters identified during the audit



Matters identified	Outcome
<p>Local Water Done Well programme</p>	
<p>The Secretary for Local Government (SLG) accepted the Council’s water services delivery plan on the 3 October 2025.</p> <p>The plan is based on establishing a new multi council-owned water organisation in partnership with Mana Whenua Iwi Ngāti Toa Rangitira and Taranaki Whānui ki Te Upoko o Te Ika. The new organisation, with the interim name Metro Water, is expected to take over from Wellington Water on 1 July 2026. Councils’ drinking water, wastewater, and stormwater operations, and related assets and liabilities are anticipated to transfer to Metro Water from this date.</p>	<p>Council’s disclosures on future of water service delivery in the Annual Report are appropriate.</p>

Financial statements and service performance information



Judgements made in significant accounting estimates

Judgement areas	Misstated	Cautious	Balanced	Optimistic	Misstated
Valuation of infrastructure (In a non-valuation year) (\$2,687 million).					
Valuation of operational assets (In a valuation year) (\$444 million).					
Provision for landfill aftercare (\$11 million).					
Employee entitlements (\$6 million).					
Derivative financial instruments (net liability) (\$1.2 million).					

These are our views on the level of prudence in key judgements in this year’s financial statements, relating to accounting estimates.

Quality and timeliness of information provided for audit

The Council's responsibilities include understanding whether management produce quality information, and whether there are adequate resources, skills, and expertise applied in the reporting process. Our expectations were informed by the FMA's *Audit Quality Monitoring Report* (expectations for directors) and *Guidance and expectations for keeping proper accounting records*.

Expectation	Grading	Reason
Financial statements prepared by management comply with accounting standards.	⚠️ Acceptable	A number of versions of the Annual Report were provided during the audit to incorporate accounting and disclosure-related adjustments suggested by the audit team.
Quality supporting financial information is prepared and available on a timely basis.	⚠️ Acceptable	The use of AuditDashboard supported the timely provision of financial information and facilitated smooth communication between the Council and audit staff. However, a few accounting adjustments and a number of disclosure matters in the annual report were identified during the audit and required amendment.
Accounting records and supporting documentation reconcile to the financial statements.	✅ Good	
Accounting records support the accounting treatment applied by management.	✅ Good	
Management prepares accounting papers for unusual or more complex transactions and estimates.	✅ Good	
Governors challenge the process and the outcomes of management's judgements.	✅ Good	
Service performance reporting prepared by management complies with accounting standards.	⚠️ Attention	While information was generally provided on time, a number of performance measures were qualified due to insufficient audit evidence.

Expectation	Grading	Reason
Quality supporting service performance information is prepared and available on a timely basis.	⚠ Attention	While information was generally provided on time, a number of performance measures were qualified due to insufficient audit evidence and discrepancies in the information provided.
Reported service performance agrees to supporting records.	⚠ Attention	While information was generally provided on time, a number of performance measures were qualified due to insufficient audit evidence and discrepancies in the information provided.
Issues raised in our previous reports are addressed in a timely manner.	⚠ Attention	Some previous recommendations including non-compliance with mandatory performance measure guidance on recording the number of complaints remain outstanding.

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

Appendix 1 Disclosures



Our responsibilities in conducting the audit

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

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

Auditing standards

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

Auditor independence

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

In addition to the audit, we carried out Council's long-term plan audit. We also engaged to perform the limited assurance engagement of the Council's Debenture Trust Deed and two subsidiaries of the Council. These engagements are compatible with the Auditor-General's independence requirements. Other than the audit and these engagements, we have no relationship with or interests in the Council or its subsidiaries.

Fees

The audit fee for the year is \$298,557, as detailed in our Audit Proposal Letter. Other fees charged in the period are \$2,097 for the Council's long-term plan audit and \$6,500 for the limited assurance engagement related to the Council's Debenture Trust Deed.

Other relationships

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

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



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AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Report to the Board

on the audit of Seaview Marina Limited

For the year ended 30 June 2025

Key messages

Audit report

We intend issuing an unqualified audit opinion for Seaview Marina Limited (the Company) on 18 September 2025.

Misstatements

The financial statements are free from material misstatements, including omissions. During the audit, we have discussed with management any misstatements that we found, other than those which were clearly trivial. We are satisfied that the uncorrected misstatements are individually and collectively immaterial.

Thank you

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



Debbie Bradfield
Appointed Auditor
9 September 2025

Focus areas from the Audit Plan

Focus area	Outcome
Fair value assessment of land and building assets (non-revaluation year)	
<p>PBE IPSAS 17, <i>Property, Plant and Equipment</i> requires that valuations are carried out with enough regularity to ensure that the carrying amount does not differ materially from the fair value.</p> <p>The Company revalued its land and buildings during the last financial year.</p> <p>Accounting standards require the Company to perform an assessment as to whether the carrying values of these assets differ materially from their fair values as at 30 June 2025.</p> <p>It is prudent that the Company makes this assessment at an early stage as a full valuation, if required, takes a significant amount of time to complete.</p>	<p>We reviewed the reasonableness of the fair value assessment performed including the appropriateness of the assumption used in the assessment.</p> <p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • developing a point estimate to evaluate management’s estimate; and • evaluating whether management has taken appropriate steps to understand and address estimation uncertainty. <p>Overall, we concluded that there are no indicators of management bias, and the accounting estimate is reasonable.</p>
The risk of management override of internal controls	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<p>We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements, additionally we:</p> <ul style="list-style-type: none"> • reviewed accounting estimates for bias and evaluated if there was any risk of material misstatement due to fraud from bias; and • evaluated the business rationale of any significant transactions that were outside the normal course of business, or that otherwise appeared to be unusual given our understanding of the Company. <p>We found no indications of management override that would result in a material misstatement in the financial statements due to fraud.</p>

Our audit report

We intend issuing an unmodified audit report

We intend issuing an unmodified audit report on 18 September 2025. We were satisfied that the financial statements and statement of performance present fairly the Company's activity for the year and its financial position at the end of the year.

Corrected and uncorrected misstatements

The financial statements and statement of performance are free from material misstatements, including omissions. During the audit, we have discussed with management any misstatements that we found, other than those which were clearly trivial.

There were no misstatements identified during the audit that remain uncorrected.

Quality and timeliness of information provided for audit

Management is responsible for providing the necessary information to support the preparation of the Company's annual report, including the draft report and associated working papers. A comprehensive listing of our information requirements was made available via the AuditDashboard file sharing system.

The draft annual report, including the financial statements and statement of performance, was received at the commencement of the audit. Audit New Zealand proposed several amendments to both the financial

statements and the performance information. We plan to meet with management to reflect on the audit process and discuss opportunities to enhance the quality and consistency of financial and performance reporting going forward.

Overall, the information received throughout the audit process was of reasonable quality.

Financial statements and service performance information



Judgements made in accounting policy/treatment choices

Judgement areas	Misstated	Cautious	Balanced	Optimistic	Misstated
Property, plant and equipment valuation of revalued (non-valuation year).					

These are our views on the level of prudence in key judgements in this year’s financial statements, particularly in accounting estimates.

Appendix 1

Disclosures



Our responsibilities in conducting the audit

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

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

Auditing standards

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

Auditor independence

We confirm that, for the audit of the Company's financial statements for the year ended 30 June 2025, we have maintained our independence in accordance with the requirements of the Auditor-General, which

incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with, or interests in, the Company.

Fees

The audit fee for the year is \$34,746, as detailed in our Audit Proposal Letter. Other fees charged in the period are \$7,493, for additional fees for the audit of the prior period.

Other relationships

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

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

Unresolved disagreements

We have no unresolved disagreements with management about matters that individually or in aggregate could be significant to the financial statements. Management has not sought to influence our views on matters relevant to our audit opinion.

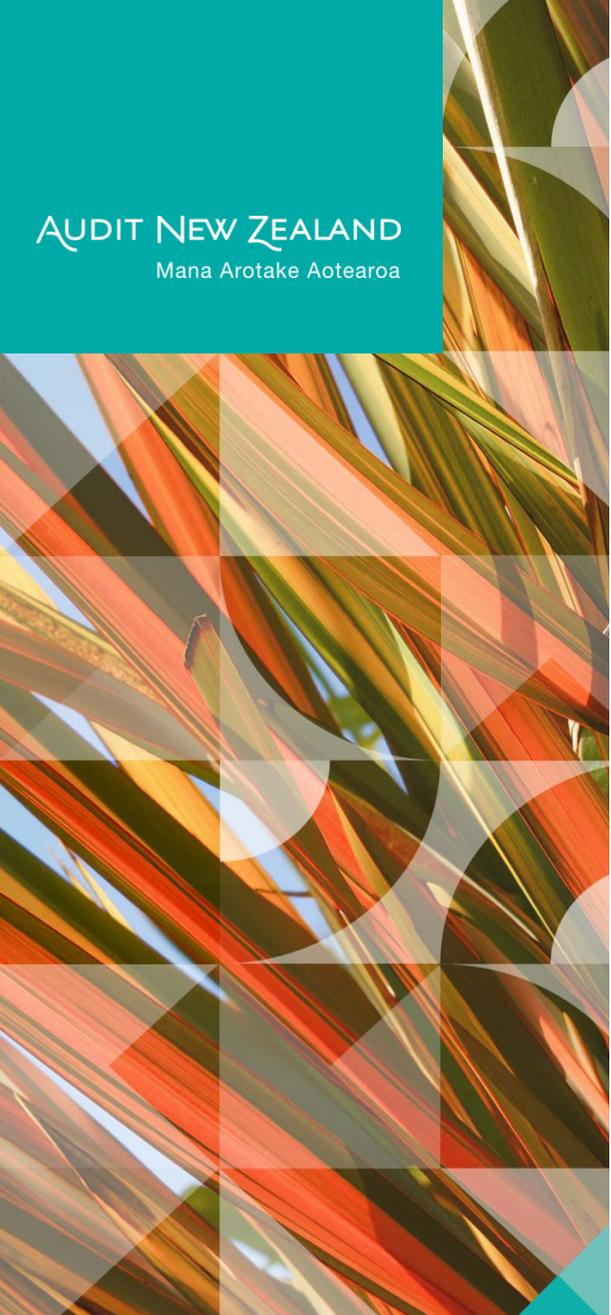


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AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Report to the Board

on the audit of Urban Plus Limited

For the year ended 30 June 2025

Key messages

Audit report

We issued an unmodified audit report on 18 November 2025. This means that we are satisfied that the financial statements and statement of service performance present fairly Urban Plus Limited and group's (Company's) activity for the year and its financial position at the end of the year.

Breach of statutory reporting deadline

The Company was required under section 67(1) of the Local Government Act 2002 to complete its annual report by 30 September 2025. This timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe.

Misstatements

The financial statements are free from material misstatements, including omissions. During the audit, we have discussed with management any misstatements that we found, other than those which were clearly trivial. We are satisfied that the uncorrected misstatements are individually and collectively immaterial.

Thank you

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



Debbie Bradfield
Appointed Auditor
18 November 2025

Focus areas from the Audit Plan

Focus area	Outcome
Fair value assessment of land and building assets (non-revaluation year)	
The Company revalued its land and buildings last year and was expected to only complete a fair value assessment in 2025.	We are satisfied that the carrying value of assets in a non-revaluation year do not materially differ from their fair value as at 30 June 2025 and no revaluation was required.
The risk of management override of internal controls	
There is an inherent risk in every organisation of fraud resulting from management override of internal controls.	We found no indications of management override that would result in a material misstatement in the financial statements due to fraud.

Financial statements and service performance information



Judgements made in significant accounting estimates

Judgement areas	Misstated	Cautious	Balanced	Optimistic	Misstated
Fair value assessment of land and building assets (non-revaluation year).					

These are our views on the level of prudence in key judgements in this year’s financial statements, relating to accounting estimates.

Quality and timeliness of information provided for audit

The Board’s responsibilities include understanding whether management produce quality information, and whether there are adequate resources, skills, and expertise applied in the reporting process. Our expectations were informed by the FMA’s *Audit Quality Monitoring Report* (expectations for directors) and *Guidance and expectations for keeping proper accounting records*.

Expectation	Grading	Reason
Financial statements prepared by management comply with accounting standards.	⊖ Acceptable	The draft Annual Report submitted for audit required a number of accounting and disclosure related adjustments. Multiple versions of the report were prepared to incorporate the necessary changes.
Quality supporting financial information is prepared and available on a timely basis.	⊕ Good	
Accounting records and supporting documentation reconcile to the financial statements.	⊕ Good	
Accounting records support the accounting treatment applied by management.	⊖ Acceptable	The rationale for accounting treatments applied could be documented better, for example classification of property, plant and equipment and investment property.

Expectation	Grading	Reason
Management prepares accounting papers for unusual or more complex transactions and estimates.	⊖ Acceptable	This is not done consistently and should be managed more proactively, rather than only in response to audit requests.
Governors challenge the process and the outcomes of management's judgements.	✔ Good	
Service performance reporting prepared by management complies with accounting standards.	⊖ Acceptable	The draft statement of service information submitted for audit required a number of disclosure related adjustments. Multiple versions of the report were prepared to incorporate the necessary changes.
Quality supporting service performance information is prepared and available on a timely basis.	⊖ Acceptable	While information was generally provided on time, a number of amendments and adjustments to the disclosure were required to ensure compliance with the underlying data.
Reported service performance agrees to supporting records.	✔ Good	

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

Appendix 1 Disclosures



Our responsibilities in conducting the audit

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

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

Auditing standards

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

Auditor independence

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

Other than the audit, we have no relationship with, or interests in, the Company.

Fees

The audit fee for the year is \$66,491, as detailed in our Audit Proposal Letter.

Other relationships

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

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



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

PO Box 99
Wellington 6140

www.auditnz.parliament.nz



Report no: ARSC2026/1/19

Risk and Assurance update

Purpose of Report

1. To update the Audit and Risk Subcommittee on activities undertaken to maintain and improve risk management at Hutt City Council.
2. This report also covers an update on other risk and assurance activities.

Recommendations

That the Subcommittee:

- (1) receives and notes the information;
- (2) notes the strategic risk register updated by the Corporate Leadership Team, attached (as at February 2026) as attached as Appendix 1 to the report;
- (3) notes that there are 11 risks on Council's strategic risk register (previously 11);
- (4) notes that one previous risk has come off the register, (Wellington Water Limited, Value for money). This risk had been mitigated based on two independent reviews, and the findings of those reviews being well progressed;
- (5) notes Risk 1: Simplifying Local Government Reform/Local government reform, has been updated. Updates reflect the uncertainties relating to the wider local government reform agenda and have removed references to uncertainties related to Local Water Done Well legislation as this is now well progressed and is now captured as part of Risk 3: Water transition to Tiaki Wai;
- (6) notes Risk 2 Work force resilience and organisational capability have been updated to reflect ongoing target operating model work;
- (7) notes one new risk has been added to the strategic risk register (Risk 3: Water transition to Tiaki Wai), this risk has a residual risk rating of Medium; and
- (8) notes the update in the "other activities" section of this report.

Background

3. Strategic risks are reported to this Subcommittee on a quarterly basis, with the Corporate Leadership Team (CLT) reviewing these risks on a more frequent basis.
4. The Risk and Assurance Manager provides quarterly updates to this Subcommittee on activities to maintain and improve Council's risk management awareness.
5. The Strategic Risk Register ("the register") is a living document and updated quarterly at a minimum through consultation with risk owners. This allows for relevant and timely information to be presented to key stakeholders, the Chief Executive, CLT, officers, and elected members.
6. This information enables meaningful discussions, decision-making and an opportunity to actively manage key risks and focus resources on key areas.
7. Ongoing awareness and effective risk practices continue to be a critical focus for officers, ensuring risk awareness is embedded across all levels of the Council.
8. Council actively fosters a culture where risk identification, assessment and mitigation are not only a top-down initiative but also a collective responsibility.
9. Risks that are not captured on the strategic risk register continue to be monitored via operational risk registers by the respective business unit leads, and escalation occurs as required in alignment with the risk assessment criteria set.
10. Operational risk management is a daily occurrence as business units carry out business as usual activities. Risk and Assurance provides advice and support to business units and programmes on the evaluation and assessment of higher risk areas and the development of operational risk registers.
11. On a monthly basis, the Corporate Leadership Team also reviews, monitors and has oversight of issues (that is, uncertainties that have eventuated), with a focus on treatment plans and mitigation actions. This process allows for any emerging issues to be addressed in relation to the above risks.

Discussion

Council's Strategic Risk Register

12. There are 11 risks listed on the Strategic Risk Register.
13. One previously identified risk has been removed from the risk register, Risk 1: Wellington Water Limited (WWL) – Value for money. This risk had been mitigated, two independent reviews were completed, and the findings of those reviews have been well progressed. WWL provides detailed reporting on progress achieved to the Wellington Water Committee.

14. Two risks have been updated to reflect Council's current operating environment
15. Risk 1: Simplifying Local Government Reform/Local government reform. (originally called Legislative and regulatory changes creating higher costs or reducing subsidies); and
16. Risk 2 Work force resilience and organisational capability have been updated to reflect ongoing target operating model work
17. One new risk, Risk 3: Water transition to Tiaki Wai Ltd has been added to the Strategic Risk register; the residual risk rating is Medium.

Simplifying Local Government/Local Government reform

18. This risk has been updated to reflect Council's current operating environment. This risk was originally called: Legislative and regulatory changes creating higher costs or reducing subsidies. It had a particular focus on the uncertainty related to the Water Services repeal act 2024 and impending legislative changes relating to Local Water Done Well.
19. As water transition legislation is now well progressed (and captured in Risk 1: Water transition to Tiaki Wai Ltd), Risk 2 has been updated to reflect the other significant legislative changes underway or signalled in the local government sector that will lead to further reform.
20. Significant ongoing changes to multiple laws and regulations include (but are not limited to) the Systems Improvement Bill, Building Consent reform and development levies.
21. Other changes announced by Central Government include rates capping policy, and further system reform, for example abolishing regional councillors, creating significant uncertainty for the local government sector.

Work force resilience and organisational capability

22. This risk has been updated to reflect Councils ongoing target operating model work and continued people focus.

Water transition to Tiaki Wai Ltd

23. On 27 June 2025, Council agreed to establish and own a new water services council-controlled organisation for water, wastewater and stormwater services with Partners, Porirua, Upper Hutt and Wellington City Councils, and Greater Wellington Regional Council.
24. Council continues to work with Partner Councils and the Tiaki Wai Establishment Team on standing up Tiaki Wai Ltd for 1 July 2026 (Day One).

25. The timeline to implement water services changes by 1 July 2026 is tight. The key challenges are the upcoming Water Services Strategy public consultation process in March 2026, planning for Customer Service operating model changes and implementation of the interim Billing Solution. A separate report in this agenda “Water Services Update” provides further detailed information on the transition.

Asset Planning and Management

26. Issues with the Petone Neighbourhood Hub have been well documented in recent years. These include water tightness leading to mould growth and rot, and also structural issues with the atrium. Part of the facility remains sealed off to manage air quality issues, and temporary support has been installed in the atrium. Some collections have been moved off-site to ensure their preservation. Over the past two years, temporary repair works, physical strip-out works, and professional mould cleaning and air filtration have been completed to mitigate the issue. Regular air quality tests are being carried out to ensure the safety of staff and the public. We will also be providing health monitoring for staff on-site. Plans are in place should the facility need to be closed unexpectedly due to health and safety issues.

Given the current pause in the project, the Chief Executive is reviewing the ongoing viability of the building.

27. Over the past two years, air scrubbers have been used to mitigate the issues, and regular air quality tests are being carried out to ensure the safety of staff and the public. We will also be providing health monitoring for staff on-site. Plans are in place should the facility need to be closed unexpectedly due to health and safety issues.
28. Given the current pause in the project, the Chief Executive is reviewing the ongoing viability of the building.

Other assurance activities

29. Part of the Risk and Assurance forward work programme is to hold risk workshops with risk owners and in core parts of the business, to deepen understanding this will inform;
- future updates to the Strategic Risk Register;
 - Risk and Assurance’s forward work programme; and
 - the next iteration of the Internal Audit Plan.
30. The annual refresh process for business continuity planning is now underway; the expected completion date is 31 March 2026.

Internal Audit Plan

31. The current internal audit programme was set for the 2025 -2027 period and outlines the planned internal audit engagements and related assurance activities for the period 1 July 2024 to 30 June 2027.

32. While the internal audit plan is set for three years, the plan may be revised and updated annually on a rolling basis for approval by CLT and ARSC to ensure ongoing relevance with Council's risk profile and priorities.
33. The plan allows for some flexibility to ensure appropriate coverage or to accommodate audits that may be reprioritised in response to changing risk profiles and priorities. Any material changes to the programme are communicated to CLT and the Subcommittee.
34. A revised draft internal audit plan will be considered by the ARSC in April 2026.

Climate Change Impact and Considerations

35. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide.
36. There are no climate change impacts or considerations arising from this report.

Legal Considerations

37. There are no legal considerations arising from the report

Financial Considerations

38. The financial considerations are detailed in the report in the relevant areas.

Appendices

No.	Title	Page
1↓	Strategic Risk Register	55

Author: Amanda Gray
Risk and Assurance Manager

Reviewed By: Jenny Livschitz
Group Chief Financial Officer

Approved By: Jo Miller
Chief Executive

STRATEGIC RISK REGISTER (FEBRUARY 2026)



Key:

Inherent risk – assessed level of risk before any control treatments/mitigations have been put in place to reduce the severity impacts should the risk eventuate.

Residual risk – assessed level of risk after control treatments/mitigations have been put in place to reduce the severity impacts should the risk eventuate.

1. Simplifying Local Government / Local Government reform

Risk Owner: Chief Executive, **Secondary Risk Owner:** Director Economy and Development and Director Strategy and Engagement

Risk Ratings:

INHERENT RISK		
Likelihood	Impact	Risk
Likely	Major	High

RESIDUAL RISK		
Likelihood	Impact	Risk
Possible	Moderate	Medium

Risk Appetite: Low appetite

Risk Description: If major legislative or regulatory changes occur and Council cannot adapt quickly, this may lead to higher costs, compliance challenges and potential legal challenges and operational disruption across key functions. These impacts could reduce Council’s ability to meet community expectations, create financial strain, and damage trust and confidence in Council.

Risk Drivers:

- Significant changes to multiple laws and regulations affecting local government, including (but not limited to): Systems improvement Bill, Building Consent System Reform, Resource Management/planning Reform, development levies, the Food Act, Rates Capping Bill, Development Levies and Infrastructure Funding Amendment Bill, and further proposed system reform (for example abolishing Regional Councillors);
- Potential conflicts between new legislation and current Council priorities;
- Uncertainty around Council's end role and obligations;
- Uncertainty around BAU operations and impacts on staff;
- Limited timeframes to implement new requirements;

STRATEGIC RISK REGISTER

<ul style="list-style-type: none"> • Removal of joint and several liability leading to increasing competition from private Building Consent Authorities (BCAs); • Complexity of aligning existing operations including systems, structures, plans and processes with new rules; • Ambiguity in new laws could lead to errors in implementation or interpretation or potential legal challenges; • Unknown legislation and regulatory change in the future, leading to fiscal pressure and cost escalation driven by rising compliance costs; and • Political risk - possibility that a change in central government leads to significant shifts in policy direction, priorities, or funding, which may require Council to rapidly adjust strategies, operations, and compliance obligations.
<p>Current controls</p> <ul style="list-style-type: none"> • Officers and elected members are proactively engaging in legislative change processes, providing feedback and submissions on new legislation and policies such as the Resource Management and Building Act changes, including through LGNZ, Taituarā, the Mayoral Forum; • Working to reprioritise work programmes to align with changes to government priorities and funding available;
<p>Planned mitigation actions:</p> <ul style="list-style-type: none"> • As more details become available, all potential opportunities and implications for Council and our communities will be assessed and will be responded to; • Continue to perform detailed analysis of any impacts; and • Quality advice prepared to support Council and other decision making.

2. Workforce resilience and organisational capability

<p>Risk Owner: Chief People Officer</p>																		
<p>Risk Ratings:</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <table border="1" style="border-collapse: collapse; text-align: center;"> <thead> <tr><th colspan="3">INHERENT RISK</th></tr> <tr><th>Likelihood</th><th>Impact</th><th>Risk</th></tr> </thead> <tbody> <tr><td>Likely</td><td>Major</td><td>High</td></tr> </tbody> </table> <table border="1" style="border-collapse: collapse; text-align: center;"> <thead> <tr><th colspan="3">RESIDUAL RISK</th></tr> <tr><th>Likelihood</th><th>Impact</th><th>Risk</th></tr> </thead> <tbody> <tr><td>Unlikely</td><td>Minor</td><td>Low</td></tr> </tbody> </table> <div style="text-align: center;"> <p>Risk Appetite (strategy): Moderate</p> </div> </div>	INHERENT RISK			Likelihood	Impact	Risk	Likely	Major	High	RESIDUAL RISK			Likelihood	Impact	Risk	Unlikely	Minor	Low
INHERENT RISK																		
Likelihood	Impact	Risk																
Likely	Major	High																
RESIDUAL RISK																		
Likelihood	Impact	Risk																
Unlikely	Minor	Low																
<p>Risk Description: If workforce resilience and organisational, capacity, capability and engagement are not effectively managed and sustained, Council may be unable to maintain a resilient and capable workforce. This may result in disengagement and loss of key staff, critical knowledge gaps and loss of institutional capability, increased recruitment, induction and training costs, wellbeing impacts, and increased pressure on remaining staff, ultimately reducing organisational effectiveness and Council's ability to deliver the Long-Term Plan and outcomes for its communities.</p>																		

STRATEGIC RISK REGISTER

Risk Drivers:

- Uncertainty and ongoing change in the local government sector due to reform activities and regional reorganisation;
- Uncertainty as a result of changes relating to the implementation of a new target operating model (TOM);
- Retention and recruitment, particularly of skilled staff (including in regulatory and infrastructure areas), needs to continue to be a key area of focus;
- Increased employee expectations of employers and the experience, compensation, flexibility they provide;
- Changing nature and expectations of leadership;
- Pressure in some parts of the business which should be resolved through ongoing improvements to systems and processes;
- Ongoing realignment activities and inadequate focus and effort put into these leading to disengagement, lack of role clarity; and
- Not having sufficient staffing levels for workloads (including to deliver significant capital investment programmes).

Current controls

- Ongoing engagement with staff including in relation to the TOM work, including regular feedback with staff through roadshows, internal surveys and keeping people informed through regular communication channels such as the Staff Panui;
- Clear performance expectations being set, aligned with organisational priorities and the business planning process. Expectation of ongoing feedback and coaching being undertaken by leaders;
- Annual review of remuneration (July);
- Ongoing exit surveys with timely reporting to identify areas for improvement proactively by tracking attrition statistics and feedback trends over time;
- Wellbeing programme activities including regular communications and promotion of support services available such as Vitae for EAP Services;
- Leadership education and learning opportunities such as webinars and the leadership forums, in line with the Kahikatea Leadership Framework;
- Providing opportunities for internal mobility where appropriate;
- Supporting the business to ensure we're getting the best outcomes when undertaking recruitment activities;
- Delivery of initiatives outlined in the Waiora Survey Action Plan;
- Go1 digital eLearning platform being utilised to provide access to learning activities (onboarding, compliance, core capabilities etc), and to support professional and personal growth and development;
- Performance development framework that provides resources for the various conversations our leaders need to have; and
- Monthly and quarterly reporting undertaken to enable identification of trends and support decision-making.

Planned mitigation actions:

- Build organisational change capability and growth mindsets to support staff resilience, adaptability and sustained engagement through ongoing change;
- Progress towards a skills-based workforce by enabling greater internal mobility, better matching of skills to roles and projects, and more flexible deployment of capability across the organisation;
- Optimising processes organisation wide and being more data driven;
- Use workforce and people data to proactively identify emerging capability, capacity and wellbeing risks and inform targeted interventions;
- Increase learning, connection and peer support opportunities for the Senior Leader Group to strengthen leadership capability and collective accountability in navigating a changing environment;
- Undertake a talent mapping exercise to identify critical roles, key talent and capability gaps, and inform targeted development, succession and retention planning;
- Focus on continuing to embed the Mana Kōrero framework to support a culture of regular feedback and enable high-performing teams;
- Focus on maintaining completion of goals entered into CultureAmp (at least 80%), to ensure staff are meeting performance expectations and working productively;
- Development of a Wellbeing and Belonging Framework to provide an intentional approach to supporting staff wellbeing;
- Continuing to provide leadership development opportunities aligned to our Kahikatea Leadership Framework;
- Implementation of new HRIS and payroll systems; and
- Delivery of initiatives outlined in the Waiora Survey 2025 Action Plan, and

STRATEGIC RISK REGISTER

Improve organisational change capability to support staff through change and maintain high engagement and performance.

3. Water Services Transition to Tiaki Wai Ltd

Risk Owner: Group Chief Financial Officer **Secondary Risk Owner:** Water Services Transition Manager

Risk Ratings:

INHERENT RISK		
Likelihood	Impact	Risk
Likely	Major	High

RESIDUAL RISK		
Likelihood	Impact	Risk
Possible	Moderate	Medium

Risk Appetite: Low appetite

Risk Description: If the water transition project fails to deliver the transfer of Three Waters functions, assets, and services to Tiaki Wai by 1 July 2026, water service delivery may be disrupted. This could result in operational inefficiencies, financial impacts, reputational damage, and loss of community trust, leading to political or regulatory scrutiny.

Risk Drivers:

- Inadequate or inconsistent stakeholder engagement and unclear roles and responsibilities leading to governance and communication gaps;
- Incomplete billing solution delivered at transition date, resulting in revenue and cashflow risks for Taiki Wai;
- Complexity in legal transfer of assets and functions, particularly where stormwater interfaces with retained transport/roading infrastructure, creating potential residual obligations for Council;
- Risk of funding withdrawal if third-party conditions are not met (e.g. IAF funding requirements);
- Workforce capability and capacity risk impacting transition delivery, for example capacity to deliver of IAF requirements; and
- High complexity of transition process with multiple interdependent stakeholders creating coordination challenges.

Current controls

- Proactive and transparent communication and engagement strategy; early and sustained dialogue with iwi and community leaders;
- Robust data verification processes; collaboration with WWL and the regional project team; early identification of data gaps;

STRATEGIC RISK REGISTER

- Detailed interim arrangements plan; clear service continuity protocols; coordination with WWL and new entity;
- Regular reporting to governance with resourcing as a standing agenda item;
- Regular engagement with the Taiki Wai Establishment Team, regional leads and Wellington Water or the People and Customer workstreams, and the overall regional establishment programme;
- People centric management of processes for staff impacted by this change, including those intended to transfer to Tiaki Wai; and
- Solutions focused intent and effective dispute resolution processes where parties disagree
- Project planning and working closely with Tiaki Wai team;
- The Finance Workstream is progressing and monitoring risks associated with assets, insurance, debt, treasury and balance sheet separation; and
- Billing solution identified and agreed, supported by external expertise for implementation.

Planned mitigation actions:

- Assess and implement a phased transition approach to 1 July 2026 to reduce the likelihood of multiple simultaneous risks on day one;
- Assess the organisational needs for day one and beyond, covering critical roles and functions, knowledge transfer and succession planning;
- Ongoing identification of key risk areas (for example IAF delivery), expectations/options and mitigation actions for transition with the Regional Establishment Team, Wellington Water and Partners;
- Future Service Level Agreements, partnership agreements and transition agreements;
- Focus on resolving differences and achieving effective timely resolution of disagreement; and
- Communication with ratepayers regarding billing

STRATEGIC RISK REGISTER

4. Health and Safety

Risk Owner: Chief Executive, Secondary Risk Owner: Chief People Officer											
Risk Ratings:											
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RESIDUAL RISK											
Likelihood	Impact	Risk									
Possible	Moderate	Medium									
<p>Risk Description: If, while undertaking operational activities on behalf of Council, there's a risk of injury, illness or death of a staff member, contractor, or member of the public, or damage to plant or equipment occurs from hazards within the work environment, there's a risk of the following:</p> <ul style="list-style-type: none"> • Prosecution under the Health and Safety at Work Act 2015 resulting in fines, reputation, damage to employment brand; • Individual prosecution or imprisonment of Officers under the Act (Chief Executive and Directors are deemed Officers under the Act); • Staff, public and/or stakeholder loss of trust and confidence in Council; • Financial impacts for Council to cover costs of treatment, leave and potentially service delivery disruption; and • Continuity issues and loss of organisational or operational knowledge. 											
<p>Risk Drivers:</p> <ul style="list-style-type: none"> • Resourcing issues or constraints; • Lack of clarity on roles and responsibilities; • Breakdown in workplace practices and failed or absent controls; • Complex and high-risk activities that are managed through contractors or partnerships with overlapping duties with varying levels of capability; • Lack of understanding of health and safety responsibilities leading to a reduction in psychological safety culture and attitude to and ownership of health and safety risks; • Varying levels of staff engagement and workload pressures, which can lead to heightened levels of stress, and low resilience; and • External drivers including an increase in antisocial behaviour and public aggression, threats to personal and facility safety due to mental health issues and pressures in the community. 											
<p>Current controls</p> <ul style="list-style-type: none"> • H&S management framework and reporting system (Assura); • An active and engaged H&S committee with representatives from across Council; • H&S reporting to CLT and the appropriate Committee; • H&S Hazard and risk register and active controls; 											

STRATEGIC RISK REGISTER

- Annual site inspections for all HCC staffed facilities;
- Specialist H&S resource (contract), supporting the RiverLink project;
- Staff H&S induction and training; including Situational Awareness training with OPSEC, Good Yarn and Safeguarding Children;
- Leaders HS&W training and induction programme;
- Debriefs/investigations of events and publishing of lessons learned to provide learning opportunities;
- Assets and Facilities work programme including Seismic Performance Register and strengthening activity, Asbestos register, facilities repairs and maintenance work including oversight of mould issues;
- Wellbeing Programme and Employee Assistance Programme; and
- H&S team focus on hazard and contractor management and enhancing organisation H&S capability as outlined and prioritised in the HSW workplan.

Planned mitigation actions:

- Identification of critical risks;
- Enhance H&S metrics and reporting to demonstrate performance of safety systems;
- Facility upgrades;
- Ongoing review of the wider H&S framework to ensure all policies, procedures and other documents are fit for purpose;
- Development of Crisis and Emergency Management Framework and appropriate plans, policies and procedures;
- Development of a Wellbeing & Belonging Framework to provide direction for supporting psychosocial risks, mental health & wellbeing, and psychological safety; and
- Review of physical controls, training, and processes for managing antisocial behaviour.

5. Seaview Wastewater Treatment Plant

Risk Owner: Group Chief Financial Officer

Risk Ratings:

INHERENT RISK		
Likelihood	Impact	Risk
Likely	Major	High

RESIDUAL RISK		
Likelihood	Impact	Risk
Possible	Moderate	Medium

	Almost Certain	Likely	Possible	Unlikely	Rare
Likelihood	Insignificant	Minor	Moderate	Major	Extreme
	Consequences				

Risk Appetite (strategy): Moderate

Risk Description: If the Seaview plant does not operate effectively and odours continue to impact the community, or there is asset failure or wastewater discharge, this may result in environmental and public health consequences, increased infringement notices, dissatisfied residents, financial losses and loss of trust and confidence and reputational damage.

Background:

The Seaview Wastewater Treatment Plant (the plant) serves a population of 160,000 within the Hutt Valley, treating about 60 million litres of wastewater daily. The main plant was commissioned in 2002. It is in very poor condition, ageing, with many components approaching the end of their design life. This is impacting on both plant capacity and performance and often breaching resource consent conditions for both water and air quality. In particular, the impact of offensive odour beyond the boundary is having a major impact on nearby businesses and communities. Additionally, the breakdown of the sludge dryer in the latter part of 2024 resulted in a spike in offensive odour and a consequential increase in the number of complaints. The breakdown also means a high quantity of wet sludge ends up in the landfill.

The biological process at the plant had been rectified and controls that had been put in place meant the plant has been operating effectively for the past 6 months.

However, an operational error made by the operator Veolia in mid-November has meant that the biological process has been impacted with the strong likelihood of odour issues.

The significant incident at the Moa Point Wastewater Treatment Plant on Wellington’s south coast on 4 February 2026 resulted in untreated wastewater discharging into Tarakena Bay for close to 48 hours. Work is underway to understand the cause of the incident, evaluate the extent of damage to the plant and determine what needs to be repaired or replaced.

Risk Drivers:

Note: Council’s role is to provide funding to WWL to perform water services delivery. Therefore, Council does not directly manage the risk of water services as part of its daily operations. On 1 July 2026, this responsibility will move to the new water

STRATEGIC RISK REGISTER

entity *Tiaki Wai (Tiaki Wai)*.

- Much of the working componentry at the plant is nearing the end of its service life;
- Failures more likely to occur due to the assets nearing end of life
- Potentially more infringements, under the Resource Management Act;
- Negative impact on neighbouring communities; and
- Negative impacts on the environment.

Current controls

- Active and regular communications and engagement with key stakeholders (including residents) on operational matters at the plant and updates on the capital improvement works programme. Investment commitment over the next 10 years of \$225M to renew and upgrade existing ageing plant, including \$13M investment on improvements targeted at odour control;
- Regular Community Liaison Group meetings, with the most recent held on 22 October 2025, at which an update on the performance of the treatment plant was provided;
- Sludge dryer renewal project underway with contractor appointed under a design and build contract. Programme is working towards new dryer being operational in December 2027.
- External review of the Regional Wastewater Services Contract undertaken to clarify causes of poor plant performance with recommendations and an action plan in place.

Planned mitigation actions:

- Continue to actively engage with key stakeholders, including the community and provide regular updates on the plant;
- WWL working on a long-term plan for the plant;
- WWL implementing recommended actions to maintain dryer to minimise risk of failure; and
- Action plan being implemented By WWL and Veolia to improve plant performance.
- WWL to work with Veolia on strengthening operational procedures.
- Long term solutions are being considered (for example an alternative site for a wastewater treatment plant in the future).
- Reviewing WWL's maintenance and inspection regime to understand the potential impact should a similar incident to Moa Point occur at Seaview.

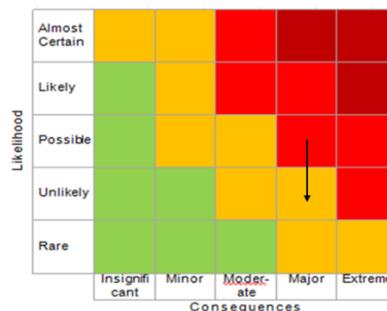
6. Asset Planning and Management

Risk Owner: Director – Economy and Development, **Secondary Risk Owners:** Director Neighbourhoods and Communities and Head of Assets and Facilities Management

Risk Ratings:

INHERENT RISK		
Likelihood	Impact	Risk
Possible	Major	High

RESIDUAL RISK		
Likelihood	Impact	Risk
Unlikely	Major	Medium



Risk Appetite (service delivery): **Low**
 Risk Appetite (strategy): **Moderate**

Risk Description: If assets are not optimised / fit for purpose or adequately maintained, then this may result in health and safety risks for Council staff and communities and assets not being able to achieve the desired outcomes or service at required levels.

If assets are unsafe, then there will be public dissatisfaction as a result of closures.

There may be higher whole of life costs and financial loss due to poor planning for new construction (higher operating costs), reactive maintenance / renewal and reduced lifespans.

Trust and confidence may be lost as environmental outcomes will not be achieved or are too expensive for local communities to use.

Risk Drivers:

- Ageing assets, lack of sufficient investment / budget allocation. Renewal's investment required to address backlog as assets continue to age / deteriorate;
- Resourcing shortfall of expertise, technical advisers, contractor availability and contractor performance affecting delivery;
- Reactive and unbudgeted maintenance is very costly;
- Inflationary pressures and supply change delays and disruptions;
- Accelerated asset demand and consumption due to population growth and urban intensification, made worse by unsustainably low revenue;
- Changing needs and expectations of our population and rising expectation of public to provide a higher level of service;
- Less funding than expected leading to reduced levels of service (e.g., NZTA subsidy for maintenance, operations renewals);
- Inconsistent Long-Term Asset Management Plans across all asset types and sites;

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- Economic, environment, financial constraints, impacts on assets management plans;
- Significant increases in infrastructure cost and access to materials/services that are critical to deliver our infrastructure programme;
- Legislative requirements and changes to standards to meet requirements means further investment in renewals is required (e.g., seismic for buildings, machinery, and components at pools / water supply / sewage treatment etc. for compliance and heritage aspects: Petone Wharf, Naenae pool);
- Increasing impacts of climate change, natural hazards, liquefaction prone soils, floods, slips as a result of storm events;
- Absence of fit for purpose asset management software/system for data collection and data use;
- Budget constraints; and
- Financial security of partners, local bodies and subsidiaries put assets and community enjoyment of assets at risk.

Current controls

- Effective contractor management and monitoring of performance to ensure delivery against service levels;
- Inspections and analysis of condition and useful life to understand and prioritise spending on maintenance, operations, and renewals;
- Ongoing funding for life of the asset in business cases;
- Completed assessment of asset conditions;
- Regular stakeholder communication about asset condition and level of investment required;
- Asset Management Plans approved for built and green assets, including asset divestment and savings (August 2023);
- External review of asset and facilities management undertaken, including diagnostic and development of improvement plan.
- Clear work programmes developed for all projects;
- Proactively managing mould issues at Petone Library;
- Detailed asset management planning underway; and
- An Asbestos Management Policy and procedures documents developed and implemented.

Planned mitigation actions:

- Deloitte implementation plan;
- Site safety compliance remediation work programme underway;
- Ongoing work on partnering with strategic contractors;
- Programme of improvement initiatives to improve capability; and
- Progress recommendations arising out of Third Party spend review e.g. align negotiations to aggregate common services.

7. Climate Change

Risk Owners: Corporate Leadership Team **Secondary Risk Owner:** Head of Climate, Waste and Resource Recovery

Risk Ratings:

INHERENT RISK		
Likelihood	Impact	Risk
Likely	Major	High

RESIDUAL RISK		
Likelihood	Impact	Risk
Possible	Moderate	Medium

Risk Description: If Council's planning, mitigations and adaptations, do not adequately respond or absorb the impacts of climate change, then there may be impacts to personal safety, disruption to business and transport (e.g. storms, floods, slips/ erosion, surges etc.), threats to the ongoing financial sustainability of businesses, impacts on community wellbeing, economic impacts, potential infrastructure asset impairment/reduced useful life/increased costs for assets in risk prone areas and loss of trust and confidence.

Note: The timeframe when considering this risk has a significant impact on the risk rating, for the current risk rating assessment up to 30 year time frame has been considered in line with Councils Long Term Plan and Infrastructure Strategy timeframes.

If a longer timeframe (for example 50 -80 years) was to be considered, then this would significantly increase the inherent and residual risk ratings, for example, the likelihood of climate change would increase to "Almost Certain" and impacts increase to "Extreme".

Risk Drivers:

Risk drivers increasing climate mitigation related risk:

- Availability of funding and resources for projects and activities that affect the speed of emission reductions;
- Availability of technologies to deliver on emission reductions;
- Council's ability to affect change in areas where it has limited or no control;
- Challenges in adapting and aligning plans over time to address new legislation and Government's directives could be cost prohibitive for HCC in the current financially constrained environment;
- Insufficient global, national and local focus, prioritisation and funding of emission reduction initiatives; Climate Change Commission reports and NZ Government's responses (or lack of it) will have an impact on HCC's ability to achieve/deliver emission reductions;

Risk drivers increasing adaptation exposure:

- Availability of funding and resources for projects and activities that affect Council's ability to affect the speed of adaptation (e.g. adapt infrastructure, engage with the community, etc);

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<ul style="list-style-type: none"> • Topography, river and shoreline movements, speed of change such as sea level rise; • Insufficient global, national and local focus, prioritisation and funding of climate adaptation initiatives; • NZ Government's responses (or lack of it) will have an impact on HCC's ability to deliver on community expectations regarding adaptation to climate change; • Challenges in adapting and aligning plans over time to address new legislation and Government's directives could be cost prohibitive for HCC in the current financially constrained environment.
<p>Current controls</p> <p><u>Controls addressing climate mitigation risk include:</u></p> <ul style="list-style-type: none"> • Council has in place a Carbon Reduction & Climate Resilience Plan 2021-2031, which includes work to address all key emission sources. This includes decarbonising Council assets, improving efficiency & electrifying of vehicle fleet, decarbonising Council projects and contracts, and reducing waste going to the landfill. Initiatives are monitored and progress tracked against objectives; • Existing policy requirement for any new contracts over \$1M to include carbon emission reduction requirements. • Work completed to understand gaps in climate disclosure and reporting; • Community and Climate Resilience Committee in place, with oversight on climate change work; • Various projects implemented or underway to reduce emissions (e.g. phasing out of fossil gas at all Council facilities, embedding carbon reduction objectives in all large procurement processes, etc); • Lower Hutt Climate Action Pathway 2021 was co-designed with the community and outlines a potential high-level pathway for reducing city wide emissions. This includes various Council actions. • Low Carbon Acceleration Fund is in place to assist with co-funding for projects in Lower Hutt that result in accelerated carbon reductions actions; • Council has in place an Integrated Transport Strategy, which also includes objectives regarding decarbonisation • CE performance objectives include reviewing and updating climate change plans. • Council has in place a Waste Management and Minimisation Plan 2023-29, which outlines various actions to reduce waste (and associated emissions). <p><u>Controls addressing climate adaptation risk include:</u></p> <ul style="list-style-type: none"> • Lower Hutt Climate Action Pathway 2021 was co-designed with the community, and this includes a chapter on adaptation, which includes information on the work planned and/or under way • District Plan review and changes; • Capital Investment projects underway with a focus on climate change adaptation and resilience includes: <ul style="list-style-type: none"> ➢ RiverLink Project – additional flood protection; ➢ Tupua Horo Nuku (Eastern Bays Shared Path) - coastal resilience
<p>Planned actions:</p> <ul style="list-style-type: none"> • Work is underway on a potential addition of a Food and Green Organics Collection Service, and the development of a Soil and Aggregate Recycling Facility at Silverstream Landfill. Decisions are due during 2026. • Work to develop Council's first climate disclosure report in alignment the external reporting requirements (XRB). • Revision of carbon targets, and development of additional medium term sub-sectoral targets, as required by the Local Government Funding Agency • Continued focus on capability uplift in targeted areas, for example decarbonisation focus in existing facilities

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8. Information and Technology

Risk Owner: Chief Digital Officer

Risk Ratings:

INHERENT RISK		
Likelihood	Impact	Risk
Possible	Major	High

RESIDUAL RISK		
Likelihood	Impact	Risk
Unlikely	Major	Medium



Risk Appetite: No Appetite

Risk Description: If key systems become unavailable or unusable to process transactions, provide services and progress Council's outcomes, or an unauthorised access or use of systems occurs (Cyber-attack), then this may result in loss of data, adverse impacts on service delivery, financial loss (cost to restore backup, reduced productivity), compliance breaches if personal information or sensitive data is released (e.g. Privacy Act, Public Records Act, LGOIMA) and loss of trust and confidence in Council.

Risk Drivers:

- Increase in external malicious cyber-attacks globally and locally;
- Education levels of staff around awareness and malicious threats;
- Staff creating / downloading applications for use on Council devices without obtaining the correct authorisation and/or fully understanding the associated security risks;
- Potential IT security and policies not clearly understood;
- Management of information by staff; and
- Legacy systems are increasingly not fit for purpose and /or lack of funding.

Current controls

- Cyber security governance and strategy in place;
- Security reporting completed quarterly to Security Governance Group;
- Ongoing staff training and communication to maintain awareness;
- Change control process enforced for changes to all IT systems;
- Penetration testing completed every 2 years;
- Annual security audit;
- IT security systems well managed and tested regularly;
- Network security patches maintained;
- Managed security contracts and security monitoring tools in place;
- Digital strategy, roadmap and funding for investments are in place;
- Prompt reporting of security and data breaches;
- Key core systems (finance, rates, document management, email) are SaaS (Software as a Service) solutions replicated across multiple datacentres (in the cloud);
- Secure backup solution for all systems (backing up on prem and in cloud) in place;
- Strong login password criteria and Multi Factor Authentication (MFA) implemented across Council;

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<ul style="list-style-type: none">• Hybrid Cloud operational. All 'on premise' systems hosted in a secure offsite datacentre; and• Cyber security analyst employed.
<p>Planned mitigation actions:</p> <ul style="list-style-type: none">• Ongoing work to improve redundancy and security.• Developing Product Roadmaps to ensure continued upgrade and maintenance of systems

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9. Financial Management

Risk Owner: Group Chief Financial Officer

Risk Ratings:

INHERENT RISK		
Likelihood	Impact	Risk
Likely	Major	High

RESIDUAL RISK		
Likelihood	Impact	Risk
Possible	Moderate	Medium

Risk Appetite: Moderate

Risk Description: If Council’s financial capacity and revenue does not meet demand and service needs, then it may not be able to prudently manage its financial obligations.

This may result in:

- Potential for Standard and Poor’s Credit Rating Agency (S&P) downgrades in the future. The rating was most recently reviewed in October 2025, where it was maintained by S&P at A+ with stable outlook. There are uncertainties with the changes ahead with the establishment of Tiaki Wai Ltd as to the approach that S&P will take about future rating impacts. HCC will be a minor shareholder and there is expected to be limited impact on the credit rating. There is however uncertainty in that the establishment arrangements are not complete.
- High cost of funding and/or inability to borrow, impacting on debt;
- Liquidity issues;
- Project delays;
- Deferral of asset maintenance/renewals;
- Service levels below community expectations;
- Suppliers unwilling to engage with Council to provide services;
- Difficulties in accessing skilled staff to deliver projects; and
- Loss in trust and confidence.

Risk Drivers:

- Reduced revenue combined with increased / unplanned / unbudgeted costs and/or requirement for higher debt levels;
- Uncertainty of central government reforms and related Council decisions;
- Uncertainty in global market and economic conditions effect on domestic / regional / local economy;
- Capacity / resourcing constraints and lack of sufficient capabilities (understanding) around managing debt collection and associated legislative rules;
- A shock event such as an earthquake would impact borrowing costs (on top of increased borrowing to spend on assets/projects) and reduced disposable household and local businesses income;
- Sustainability of Council debt levels and related interest costs;
- Cost escalations due to supply chain issues, disruptions, inflationary pressures and shortages of both

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<p>skills and materials; and</p> <ul style="list-style-type: none"> Economic climate conditions with increased cost of living impacting unfavourably on Council revenue sources and overall financial position.
<p>Current controls</p> <ul style="list-style-type: none"> Future investment priorities and projects confirmed through Long Term Plan/Annual Plan processes; In depth budget review process as part of Long-term Plan/Annual Plan processes; including comprehensive advice on financial risks, including debt headroom capacity constraints. Treasury Risk Management Policy, liquidity management, forecasting, monitoring; with additional specialist advice on treasury strategy, given the economic conditions; Financial Strategy debt limits and monitoring mechanisms; Transparent reporting and financial management; Scrutiny during budget setting and project business cases; Financial performance monitoring processes which include monthly reporting to Corporate Leadership Team and quarterly reporting to Policy, Finance and Strategy Committee which enables financial issues to be raised and proactively managed; Increased oversight and monitoring of major projects; Policies, tools and options for rates relief and payment options, with proactive promotion of these; Use of good quality data to inform decisions and planning; Implemented and continue to work on improvements to project cost estimates process; Proactive engagement on the new government policy programme to ensure financial risks and impacts are well understood; Working closely with the local government sector and Local Government Funding Agency; and Have ongoing assurance activities in place. Proactively assessing the future likely impacts of the Taiki Wai changes, and providing advice related to the transfer arrangements as they developed and negotiated.
<p>Planned mitigation actions:</p> <ul style="list-style-type: none"> Ongoing mitigations and planned actions around portfolio / programme / project management, asset management and procurement will drive better understanding of costs and help identify savings and efficiency opportunities; and Take up opportunities to influence central government policy and advocate for communities in financial hardship.

10. Procurement

<p>Risk Owner: Group Chief Financial Officer Secondary Risk Owner: Procurement Manager</p>																				
<p>Risk Ratings:</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <table border="1" style="border-collapse: collapse; text-align: center;"> <thead> <tr><th colspan="3">INHERENT RISK</th></tr> <tr><th>Likelihood</th><th>Impact</th><th>Risk</th></tr> </thead> <tbody> <tr><td>Likely</td><td>Major</td><td>High</td></tr> </tbody> </table> <div style="border-left: 1px solid black; height: 200px; margin: 0 10px;"></div> <table border="1" style="border-collapse: collapse; text-align: center;"> <thead> <tr><th colspan="3">RESIDUAL RISK</th></tr> <tr><th>Likelihood</th><th>Impact</th><th>Risk</th></tr> </thead> <tbody> <tr><td>Unlikely</td><td>Moderate</td><td>Medium</td></tr> </tbody> </table> </div> <div style="display: flex; justify-content: space-around;"> </div> <p style="text-align: center;">Risk Appetite (strategy/ financial): Moderate</p>			INHERENT RISK			Likelihood	Impact	Risk	Likely	Major	High	RESIDUAL RISK			Likelihood	Impact	Risk	Unlikely	Moderate	Medium
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RESIDUAL RISK																				
Likelihood	Impact	Risk																		
Unlikely	Moderate	Medium																		
<p>Risk Description: If sub-optimal practices around the procuring of goods, works and services materialise, then this will impact the achievement of wider outcomes for procurement and create financial losses for Council due to:</p> <ul style="list-style-type: none"> • Unfavourable or sub-optimal contract terms which may lead to; reduced service levels below community expectations and inappropriate KPIs that promote or incentivise the wrong vendor behaviours and poor vendor performance • Missed opportunities to leverage bargaining power; • Increased risk of fraud and corruption in the appointment process; and • Loss of trust and confidence. 																				
<p>Risk Drivers:</p> <ul style="list-style-type: none"> • Lack of sufficient skills and knowledge in procurement planning and executing “go to market” activities; • Inconsistencies in reporting key vendor performance metrics; and • The complexity, applicability and impact of the broader outcome’s framework on suppliers and reporting. 																				
<p>Current controls</p> <ul style="list-style-type: none"> • Procurement Strategy approved by Council on 27 March 2024; • Consistent use of Procurement practices and capabilities to maximise commercial opportunities, performance standards, efficiencies, and effectiveness; • Procurement team has oversight across all sourcing activities to ensure early identification and mitigation of potential risk exposures; • Procurement guide is available to staff that outlines the policy, process, and practices; • At the business case stage, on-going advice and guidance being provided across HCC business areas on procurement practices as required, leading to a shift in mindset around simplification of processes which leads to efficiencies to all stakeholders; • Periodic communications with other Councils in the region, exploring opportunities for combined market approach for similar service and gaining economies of scale; • Enterprise-wide contracts register in place, enabling better analysis of spend, and increase the overall effectiveness of contract management; • Review and approval of new supplier request creation by Procurement Team ahead of review by 																				

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<ul style="list-style-type: none"> Accounts Payable (any above \$25,000); Annual review of procurement templates to ensure it is fit for purpose; and Ongoing training and support on the enterprise-wide contracts register. Ongoing training for all staff involved in procurement activities Lessons learnt register (from significant projects) in place and on procurement page in Te pataka AI tool in place, that provides staff with immediate information on the end-to-end procurement process, including policy and guidelines and next steps (including templates for procurement plans) on Te pataka
<p>Planned mitigation actions:</p> <ul style="list-style-type: none"> Ongoing review of practices, ensuring sourcing efficiencies, whilst maintaining the integrity of processes; providing ongoing training to support good procurement practices; Ongoing contract management training; and Working on including procurement practices and Council's approach with on-boarding of new staff. One pager on procurement included in induction packs for new staff Go1 eLearning procurement module available (non-mandatory).

11. Artificial Intelligence (AI)

<p>Risk Owner: Corporate Leadership Team</p>																		
<p>Risk Ratings:</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <table border="1" style="border-collapse: collapse; text-align: center;"> <thead> <tr> <th colspan="3">INHERENT RISK</th> </tr> <tr> <th>Likelihood</th> <th>Impact</th> <th>Risk</th> </tr> </thead> <tbody> <tr> <td>Likely</td> <td>Major</td> <td>High</td> </tr> </tbody> </table> <table border="1" style="border-collapse: collapse; text-align: center;"> <thead> <tr> <th colspan="3">RESIDUAL RISK</th> </tr> <tr> <th>Likelihood</th> <th>Impact</th> <th>Risk</th> </tr> </thead> <tbody> <tr> <td>Possible</td> <td>Moderate</td> <td>Medium</td> </tr> </tbody> </table> </div>	INHERENT RISK			Likelihood	Impact	Risk	Likely	Major	High	RESIDUAL RISK			Likelihood	Impact	Risk	Possible	Moderate	Medium
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Likelihood	Impact	Risk																
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RESIDUAL RISK																		
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Possible	Moderate	Medium																
<p>Risk Description: If procurement, development, deployment and integration of AI technologies are not adequately and effectively performed, then this may lead to data security and privacy vulnerabilities and non-compliance with laws and regulation (e.g. breaches of the Privacy Act 2020), along with potential creation of ethical issues affecting people or the environment.</p> <p>Such occurrences may result in financial loss, legal and compliance implications, wastage of resources and loss of trust and confidence in the Council or create other reputational issues. Additionally, if AI technologies are not adequately implemented in the organisation with appropriate training and guidelines for use, then this could lead to unfair bias and discriminatory outcomes for individuals.</p> <p>Background:</p> <p>Since June 2024, Council has been working to establish itself as an exemplar in the use of AI for day-to-day productivity and enablement of staff to better deliver positive, transformational change.</p>																		

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The AI-Volution Project has concluded a period of feasibility and design and has entered delivery, implementing a suite of AI-based solutions at Council.

The AI-Volution Project has been also supplemented by the delivery of a series of AI-related supporting material and works. The AI-Volution Project has concluded a period of feasibility and design and has entered delivery, implementing a suite of AI-based solutions at Council.

There are also potential opportunities Council can access by using AI technologies. These opportunities include:

- Operational efficiencies;
- Improved customer experience and support (e.g. AI powered chatbots 24/7);
- Enhanced decision making;
- Cost reduction (e.g. through reduction of manual interventions);
- Improve internal capability and reduce reliance on external expertise, and associated costs, as required; and
- Improved employee productivity and work satisfaction due to up-to-date tools.

Risk Drivers:

- Staff using unapproved AI technologies for work purposes outside of Council secure environment;
- Cybersecurity considerations, as applicable to any new technology;
- Poor prompting and review processes leading to inaccurate, incomplete or misleading information along with unfair bias and discriminatory statements;
- Changes to AI applicable legislation and regulation;
- AI technology developing at a rapid pace and inability to keep up with best practice;
- The speed at which AI technologies advance can be overwhelming, leaving employees struggling to keep up with the rate of change;
- Stakeholder resistance; and
- Misalignment with Council priorities.

Current controls

- Establishment of AI Risk Management Framework, outlining Council expectation of staff when using AI including:
 - AI Strategy, outlining the direction and focus;
 - AI Policy;
 - AI Guidelines for staff;
 - AI Governance Group;
 - AI Risk Tiering (Traffic Lights);
 - Staff training and development regimen; and
 - Privacy and security system (Privacy Impact Assessments & Security Risk Assessments).
- AI trials completed with small numbers of staff to understand opportunities and risks at a manageable scale before wider adoption;
- Robust Change Management Plan and approach developed and to be implemented to increase AI maturity and ensures correct support and guidance to successfully adopt and apply the tools;
- Ongoing and regular engagement with key stakeholders;
- Seeking external advice and/or review of AI matters to supplement internal capability; and
- Introduction to AI training rolled out to the organisation to ensure understanding of AI policy.

Planned mitigation actions:

- Ongoing training and education to staff;
- Communication and Engagement Plan;
- Other risk strategies to be actioned as set out in the Council AI Policy; and
- Transition to BAU of AI capability from the AI-Volution Project.

Report no: ARSC2026/1/10

Annual Tax Compliance Update

1. Council approved a Tax Risk Governance Framework in May 2018. This report is to update the Subcommittee on the current year's tax activities of Council and its Council Controlled Organisations (CCOs), collectively referred to as the "Group".

Recommendations

That the Subcommittee:

- (1) notes and receives the report, and
- (2) approves changes to the Tax Framework as outlined in Appendix 2 attached to this report.

Background

2. Council is currently exempt from paying corporate income tax with the exception of income derived from Council Controlled Organisations (CCOs). CCOs, however, are subject to corporate income tax. All entities in the Group are subject to and required to correctly account for all indirect taxes including:
 - Goods and Services Tax (GST)
 - Fringe Benefit Tax (FBT)
 - Pay As You Earn Tax (PAYE); and
 - A range of other withholding taxes (WHT).
3. The Group returns in excess of \$20M annually to the Inland Revenue Department (IRD) in relation to both direct and indirect taxes.
4. IRD has an expectation that all large organisations should have tax risk management incorporated within their governance framework. Council developed a "best practice" tax risk governance framework and tax risk management strategy that was approved by Council in May 2018 and subsequently updated June 2020 and February 2026, as attached as draft framework in Appendix 2 to this report.

Discussion

5. To the best of officers' knowledge, all Council and Group returns in respect of direct and indirect taxes have been filed on time and settlements with IRD have been made by the due dates.

Annual Update

6. PricewaterhouseCoopers (PwC) has provided its second annual update, attached as Appendix 1 to this report. PwC's annual update provides:
 - a summary of the more substantive tax advice Council and its CCOs have sought from PwC up to 30 June 2025;
 - commentary on tax matters currently being addressed as at 30 June 2025; and
 - a more general high-level update on the wider tax environment, which may affect Council and Council Controlled Entities.
7. On the back of PwC annual update, no significant changes were required to the Tax Governance Framework as attached to Appendix 2 to this report. However, the appendix included in the Framework has been updated to reflect the proposed forward plan for tax compliance reviews.

Tax Advice

8. Where the need arises, the Group continues to engage PwC to provide advice on various tax matters. The advice assists the Group to comply with various tax legislations.
9. During the last 12 months, Council sought advice from PwC on:
 - (a) Non-resident suppliers charging GST on remote software services,
 - (b) GST on Built Heritage Incentive Funds,
 - (c) Tax treatment in relation to property transactions,
 - (d) Tax treatment for an employee who provided distinct contractor services to Council outside of their Council employment,
 - (e) Tax treatment on directors' fees,
 - (f) The potential application of withholding tax to a range of activities/ services provided.
 - (g) UPL was also provided advice regarding the potential redevelopment of certain residential properties, which could result in a mixture of properties for sale, and properties held for long term ownership,
 - (h) preparing the tax notes for Council and CCO annual reports, and
 - (i) preparation and lodgement of all Group final income tax returns.

Appendices

No.	Title	Page
1	2025 Annual Tax Update	78
2	Tax Governance Framework - Update Feb 2026	90

Author: Darrin Newth
Financial Accounting Manager

Approved By: Jenny Livschitz
Group Chief Financial Officer



Hutt City Council

2025 Annual Tax Update
December 2025

Introduction

Introduction

Hutt City Council (Council) adopted a Tax Risk Governance Framework as a proactive step towards identifying and managing tax risk in support of Council's low risk profile. As part of the Tax Governance Framework, we have prepared this annual tax update as a report to Council's Audit and Risk Committee.

This document provides:

- A summary of the more substantive tax advice Council has sought during the period 1 July 2024 to 30 June 2025.
- Council's tax strategy, highlighting achieved to date and proposed for upcoming years.
- A more general update on the wider tax environment which may affect Council and the local authority sector more broadly.



Tax Governance

Inland Revenue has continued to increase its focus on significant enterprises and their approach to tax governance and tax risk management. In April 2025 Inland Revenue published its guidance outlining its expectations of organisations in relation to Tax Governance. It was also allocated additional funding to increase audit and investigation activity. We have certainly seen a significant increase in tax audit activity focused on the tax governance maturity of taxpayers, and the effectiveness of tax risk management measures adopted, although to our knowledge, there still has been no activity specifically in the Local Government sector to date.

Ultimately, Inland Revenue's guidance around good governance focuses on the need for organisations to develop an effective tax control framework. This includes ongoing testing of different tax functions to ensure processes and controls are operating effectively and would facilitate detecting and managing tax risk. As Council has developed a comprehensive tax risk management strategy, it has made a good start to its overall tax governance practices. To ensure Council is meeting Inland Revenue's expectations in terms of tax risk management, we recommend Council continues annual reviews of specific tax types to provide the confidence that Council is in fact effectively managing tax risk.

Hutt City Council – Tax Contribution

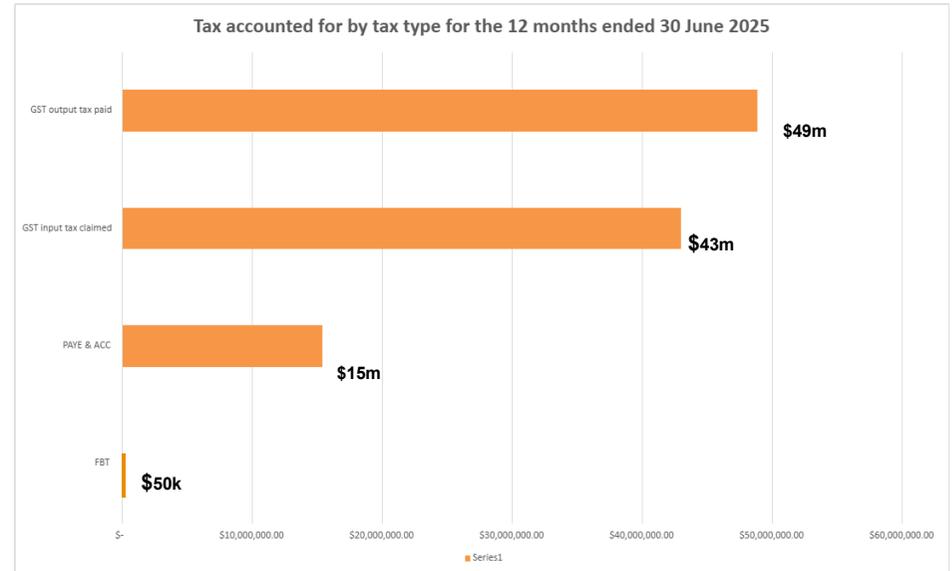
The tax accounted for by Council

Council is largely exempt from income tax but is required to account for a number of other indirect taxes. The following provides a representation of the main taxes accounted for by Council for the year ended 30 June 2025.

GST for the Hutt City Council GST Group which includes:

- Hutt City Council
- UPL Limited Partnership
- Seaview Marina Limited
- UPL Developments Limited
- Urban Plus Limited

PAYE & FBT relates to Hutt City Council Only.



Proposed Tax Risk Management Plan

Financial Year to 30 June:	2025	2026	2027	2028	2029
PwC tax helpdesk facility	✓	✓	✓	✓	✓
PwC online tax policies & guides	✓	✓	✓	✓	✓
Independent tax evaluations:					
GST - Full review	✓				
FBT - Full review		✓			
PAYE - Standard Review			✓		
Payroll Analytics				✓	
GST - Data analytics					✓
Tax Control Framework Effectiveness Assessment			✓		
Report to Audit and Risk Committee on tax risk management	✓	✓	✓	✓	✓
Income tax return independently reviewed	✓	✓	✓	✓	✓
Tax disclosure notes independently reviewed	✓	✓	✓	✓	✓
External advice sought on major issues	✓	✓	✓	✓	✓
Other tax training provided to staff	As required				

Tax Advice Provided During the Period

Tax advice sought - period ended 30 June 2025

For the most part, the tax compliance of Council has been 'business as usual' with the various tax returns (income tax, GST, PAYE, FBT, etc.) being filed on time. Council has continued to show a proactive approach to its tax compliance and utilised PwC's assistance for various queries for a range of tax types.

Relevant work undertaken throughout the year, included:

- A GST compliance evaluation undertaken, for Council and CCOs.

Several email queries, including those in relation to:

- Non-resident suppliers charging GST on remote software services
- GST on Built Heritage Incentive Funds
- Tax treatment in relation to property transactions
- Tax treatment for an employee who provides distinct contractor services to Council outside of their Council employment.
- Tax treatment of directors' fees
- The potential application of withholding tax to a range of activities/services provided

UPL was also provided advice regarding the potential redevelopment of certain residential properties which could result in a mixture of properties for sale, and properties for long-term hold.

PwC has also:

- Prepared both Group and Parent tax notes for Council as well as preparing tax notes for Council's CCOs.
- Prepared and filed Income Tax Returns for Council and its CCOs.
- Arranged relevant elections and disclosures alongside the income tax return.
- Provided guidance on tax governance framework and risk management plan.



Tax Developments Relevant to Council

Taxation (Annual Rates for 2025-26, Compliance Simplification, and Remedial Measures) Bill

FBT changes

In April, Inland Revenue Officials issued the “Fringe Benefit Tax - Options for Change” paper that proposed a number of changes to the FBT regime. Most notable for many were the change proposals in relation to the calculation of FBT on motor vehicles and unclassified benefits.

From discussions with clients, both public and private sector, the general consensus was that the FBT changes proposed were welcomed. Further, in the May Budget, there was reference to the government supporting the proposals, with the comment being:

“In addition, the Government has announced its intention to proceed with reform previously consulted on [Fringe benefit tax – options for change](#) – proposals to modernise the rules and reduce compliance costs; and...”

Subsequent to this, various articles were published in the media opposing the FBT proposals, and when the September 2025 Tax Bill was released, there was only minor reference to proposed changes to the FBT regime as outlined below. We would just note that whilst Inland Revenue has not publicly announced whether it will still pursue a number of the FBT recommendations in the Options for Change Paper, we have reasons to be increasingly confident that work continues to be undertaken, with a view to achieving a reduction in the FBT compliance burden for business.

Bill continued

Other FBT changes that have been progressing though, include:

- **Gift cards** - All gift cards will now be included within the ambit of FBT, which clarifies some confusion around “open loop cards” (e.g. Prezzy cards) which can be used at any retailer which were technically in the PAYE regime. This change is backdated to be effective from 16 April 2025. Additionally, as the Bill is currently drafted, gift cards will be treated as a classified benefit, meaning they will no longer be eligible for the de minimis exemption.
- **Reimbursements for benefits** - Where an employer reimburses an employee for an amount of expenditure that an employee has incurred for a benefit that would have been an *unclassified benefit* if the employer provided it directly, the employer has the choice of applying the FBT regime and treating it as an unclassified benefit. For completeness, this proposal will not apply for reimbursement of a classified benefit (e.g. insurance).
- **Attribution of global insurance policies** - For insurance policies that cover all employees for the same or similar entitlement, these can be either pooled or attributed by dividing the total contribution by the number of employees.

Other remedial changes also made were:

- To the full alternate rate calculation formula, following the tax rate changes last year.
- Confirming that the cost price of a motor vehicle, is not adjusted for any Investment Boost claim.
- Formalising the position that unclassified benefits provided to associates should be included in the de minimis calculation.
- Confirmation that the value of a gift card is the amount loaded on the card i.e. the benefit does not include any admin or other fees.

Tax Developments Relevant to Council

2025 Budget

The Taxation (Budget Measures) Bill was enacted on 29 May. We briefly discuss the changes most relevant to Council below, noting there weren't too many that impacted Council.

- Additional \$35m per annum has been committed by the Government to continue Inland Revenue's recent focus on increasing its tax compliance and debt management activities. As referred above, we have seen a significant increase in Inland Revenue investigations over the last 12 months and with this additional funding, clearly this activity is set to continue.
- Changes to employer and employee KiwiSaver contributions, increasing default rates from 3% to 4% of salary and wages. This will be phased over a three year period, with a 3.5% minimum applying from 1 April 2026, increasing costs for employers.
- "Investment Boost" allowing new assets purchased from 22 May 2025 to be "partially expensed" by allowing 20% of the cost of the asset to be immediately deducted, on top of standard depreciation in the year the asset is acquired. Whilst this may have limited direct benefit to most Councils as they are largely exempt from income tax, it is worth being aware of from the perspective of when negotiating and entering into contracts with other parties to build assets and wider opportunities for the Council group.

Water

The Local Government (Water Services) Act 2025 was enacted on 26 August 2025 and provides greater clarity on the tax treatment of new Water Services Council Controlled Organisations (WSCCOs). The Act confirms that transfers of assets and liabilities between Councils and WSCCOs will be tax neutral, now extended to a 10-year period. Income derived by WSCCOs that meet certain criteria may also be exempt from income tax. Also included are provisions providing Resident Withholding Tax exemptions in the Tax Administration Act 1994 for new WSCCOs.

Notably, also enacted following the work in the PwC/Taituara Submissions on the earlier Bill, and now enshrined in GST legislation were:

- Inclusion of WSCCOs in section 6(1)(b) of the GST Act meaning a WSCCO is deemed to be carrying on a taxable activity (allowing input tax recovery on all expenditure, except where it relates to an exempt activity);
- Extending the development contribution provisions in the GST Act to include WSCCOs; and
- Extension of the time of supply rules for water charges by a WSCCO.

Tax Developments Relevant to Council

Issues Paper: Taxation and the not-for-profit sector

On 24 February 2025, IRD released the Issues Paper: Taxation and the not-for-profit sector. Key considerations include the scope of the charity business income tax exemption and potential rules around donor-controlled charities.

While the proposals were not directly aimed at Councils, there could have been some flow-on effects impacting Council. Many NFPs would have needed to adapt to the proposals and potentially faced additional tax compliance and tax costs, resulting in additional pressure on funding of which Councils are typically a main source for support in the community.

The overwhelming amount of submissions received on the consultation document, including the PwC's submissions, resulted in the Minister of Finance confirming ahead of the Budget that the Government would not be making any changes in the 2025 Budget. Instead, "it will take more time to consider the extensive feedback received" and whilst it noted the review would continue, only recently have we started to receive new details of proposals that would impact this NFP sector. It may still be some time before we get further clarity on what the final changes may be.

FBT rate for low interest loans increased

Income Tax (Fringe Benefit Tax, Interest on Loans) Amendment Regulations (No 2) 2025 came into force on 21 July 2025. The regulations decreased the rate of interest that applies for fringe benefit tax purposes to employment-related loans from 7.38% to 6.67%, from 1 July 2025.

Mileage rate update

Inland Revenue updated its KM reimbursements rates effective for the 2024-2025 year. IR noted that the new rates reflect a more equitable estimate of running costs for each vehicle type, based on the third party available to the commissioner.

Vehicle type	Tier 1 rate per km	Tier 2 rate per km
Petrol	\$1.17	\$0.37
Diesel	\$1.26	\$0.35
Petrol hybrid	\$0.86	\$0.21
Electric	\$1.08	\$0.19

Other tax developments include:

- Reimbursements which relate to an employee's health and safety or aimed at managing health and safety in the workplace (e.g. reimbursements for flu vaccinations) are now exempt income, effective 2024-25 and later income years
- Inland Revenue released an exposure draft which clarifies when employer ex-gratia payments made on an employee's death are taxable (or not), who is taxed, and when PAYE and deductions apply.
- Effective from 16 January 2026 the UOMI rates will change on underpayments and overpayments of tax will change. The new rates are:
 - Underpayments – 8.97% down from 9.89%
 - Overpayments – 2.25% down from 3.27%

Rates are reviewed regularly to ensure they are aligned with market rates.

Other Tax Developments Relevant to Council

FBT Rate Change

Net remuneration (NZD) for the 2021–22 to 2024–25 income years	Net remuneration (NZD) for the 2025–26 and later income years	FBT rate (%)
12,530 or less	13,962 or less	11.73
12,531 to 40,580	13,963 to 45,230	21.21
40,581 to 55,980	45,231 to 62,450	42.86
55,981 to 129,680	62,451 to 130,723	49.25
Greater than 129,680	Greater than 130,723	63.93

Formula Change

The formula for calculating FBT liability using the full alternate rate option has been modified from:

“Tax on all-inclusive pay less tax on cash pay” to

“Tax on all-inclusive pay less FBT on net cash pay”

MPI levy introduced

A new MPI levy will be introduced as part of the food licensing for businesses which came into effect on 1 July 2025. For GST purposes, this raises some questions around agency, processing and documentation.

Levy Rates Effective from 1 July 2025	Rate (excl. GST)* per year	Rate (incl. GST)* per year
2025/26 (from 1 July 2025)	\$57.50	\$66.13
2026/27 (from 1 July 2026)	\$86.25	\$99.19
2027/28 and onwards (from 1 July 2027)	\$115	\$132.25

Other Tax Developments Relevant to Council

ESCT Rate Change

The thresholds of the Employer Superannuation Contribution Tax (ESCT) are 20% greater than the personal income tax thresholds. These came into effect on 1 April 2025. We see many errors arising from 'set and forget' or reliance on software to update ESCT rates. Accordingly, we recommend clients undertake an annual review of ESCT.

ESCT Threshold Amount	Tax Rate
\$0-\$18,720	10.5%
\$18,721-\$64,200	17.5%
\$64,200-\$93,720	30%
\$93,720-\$216,000	33%
\$216,001 +	39%

ACC Levy Rate Change

ACC earners levy increased from 1.60% to 1.67% (GST inclusive) with maximum earnings increasing from \$142,283 to \$152,790 and the maximum levy increasing from \$2,276.52 to \$2,551.59. This change came into effect on 1 April 2025.

We often see errors arise when organisations do not update, and just rely, on their payroll systems.

GST on Levies

On 1 July 2023, a deeming rule came into force stating that a charge, including a fee or levy, payable under legislation is deemed to be consideration for a supply. Consistent with general GST principles, this deeming rule excludes things not typically considered a supply such as interest, penalties or fines.

The provision applies to legislative charges that come into force on or after 1 July 2023. The rule applies to all legislative charges from 1 July 2026, except those listed in the schedule of non-taxable legislative charges. This suggests that the BRANZ levy should be subject to GST from 1 July 2026.

Final Word

The tax environment continues to evolve, with ongoing focus on tax compliance and management of tax risks.

One of the first interviews of Nicola Willis in her role as Minister of Finance saw her discuss the need for increased tax revenues and the important role of Inland Revenue in achieving this. There was specific reference to the increased use of Inland Revenue investigations and audits to raise revenue (as opposed to relying on economic growth), and the return on investment achieved in other regimes from increased Inland Revenue activity.

We have certainly seen a marked change in the approach of Inland Revenue - 3,500 audits have apparently been commenced in the last year, with 3,000 of these having been concluded. Other indicators of a change in Inland Revenue's approach include:

- A greater willingness to pursue outstanding tax debts, taking court action and even pushing organisations into administrative receivership
- An increase in GST refunds being challenged, with it becoming a regular feature to receive a letter from Inland Revenue asking a range of questions where a large refund is being claimed
- More comprehensive questionnaires being issued following clients responding to Business Compliance Plans. These questionnaires are reminiscent of the past, with both detailed questions on GST, PAYE, FBT and Income Tax, alongside detailed Digital Questionnaires i.e. asking for details on systems and requests for data to be analysed.
- A tougher line being taken towards penalties being imposed, and to what extent any mitigation is granted.

Whilst Council has taken a proactive stance towards management of tax risk, which means Council is well position to respond to questions from Inland Revenue (and an audit if this eventuated), keeping this focus on tax compliance and risk management needs to remain a high priority

At the end of the day, Inland Revenue's stated \$11.81 for every \$1 invested in audit activity will certainly encourage the government to keep the funding support going for Inland Revenue!



Thank you

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TAX RISK GOVERNANCE FRAMEWORK



Division	Finance
Date created	April 2018
Owner	Financial Accounting Manager
Approved by	Audit and Risk Subcommittee

Version	Author	Date	Description
V 1.0	Darrin Newth	18 April 2018	Approved by Finance and Performance Committee
V1.1	Darrin Newth	8 May 2019	Approved by Finance and Performance Committee
V1.2	Darrin Newth	16 June 2020	Approval by the Audit and Risk Subcommittee
V1.3	Darrin Newth	24 February 2026	Approval by the Audit and Risk Subcommittee

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1. PURPOSE

This document establishes the tax governance framework for Hutt City Council's (Council) Audit and Risk Subcommittee.

1.1 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.

Although Council is largely exempt from paying corporate income tax, it is required to correctly account for Goods and Services Tax, Fringe Benefit Tax, PAYE, and a range of other withholding taxes. These taxes make up a significant portion of the New Zealand Government's annual tax take. Accordingly, the tax obligations of Council cannot be taken lightly.

Inland Revenue has signalled its expectation that all large organisations should have tax risk management incorporated within their governance framework. This is consistent with international best practice; tax authorities in foreign jurisdictions, including Australia and the United Kingdom, have been advocating this approach is taken by large Public and Private sector organisations.

1.2 RISK MANAGEMENT

The Audit and Risk Subcommittee is, along with other responsibilities, tasked to:

- Assist Council to determine its appetite for risk.
- Review whether management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of Council's significant risks.
- Consider whether appropriate action is being taken by management to mitigate Council's significant risks.
- Ensure that management is kept apprised of Council's governance body's views on uncontrolled risk.
- Ensure management are keeping the Audit and Risk Subcommittee fully apprised of all independent sources of assurance, via the risk management framework.

Proactive tax risk management can facilitate mitigation of:

- Operational risk – by way of reducing the potential for reputational damage befalling Council as a result of non-compliance, and the possible negative impacts on various stakeholders, such as employees and suppliers.
- Financial risk - through minimising the financial impact of non-compliance, and the costs associated with over or under-paying tax by Council.
- Compliance risk- in terms of ensuring areas of non-compliance are identified, thereby minimising any penalties or interest being imposed by Inland Revenue and reducing the risk of Council being subject to an Inland Revenue Performance.

2. TAX RISK PROFILE

Council has an obligation to fulfil its tax compliance obligations as required by tax legislation, including the Income Tax Act 2007, Goods and Services Tax Act 1985 and Tax Administration Act 1994.

Given the high profile and public nature of Council, there is a need to adopt a conservative approach towards tax compliance. Accordingly, Council will adopt a "LOW" tax risk profile such that it has an open and honest working relationship with Inland Revenue.

3. TAX RISK MANAGEMENT STRATEGIES

The following strategies will be adopted by Council to ensure that it maintains a low tax risk profile and effectively manages its tax obligations and potential tax risks.

Council will develop a tax risk management strategy to be formally adopted by the Audit and Risk Subcommittee. The strategy will be reviewed at *least* every three years. The strategy will:

- Identify key areas of tax compliance risk that are faced by Council
- Establish the steps required to effectively manage or mitigate each risk area
- Provide clear and realistic time frames to carry out the steps.

3.1 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 another appropriately qualified person.

3.2 REPORTING TAX RISKS TO AUDIT AND RISK SUBCOMMITTEE

As the Audit and Risk Subcommittee meets on a six weekly basis, any significant tax risks will be reported in the first instance to the Chief Financial Officer as soon as they are identified and where appropriate, to the chair of the Audit and Risk Subcommittee within two weeks of being identified.

A 'significant tax risk' to Council may be where an incorrect interpretation is made that results in:

- A situation where penalties and interest could be imposed against Council
- A situation where a tax liability outside of routine operating tax liabilities, is required to be settled that is in excess of \$20,000
- A situation where Council could be subject to prosecution
- A situation where an accusation of tax avoidance could be levied.

Council will report on all tax risk management matters to the Audit and Risk Subcommittee at least once a year. As part of that report, a summary should be prepared and presented to the Audit and Risk Subcommittee setting out key issues, and may include the following:

- Key financial information including any outstanding taxes due, and any interest or penalties imposed during the year
- Particulars of any proposed legislative tax changes which could impact on Council
- Details of any significant outstanding taxes in dispute with Inland Revenue
- Details of advice sought and future matters to consider
- A table of tax tools and services used and whether each aligns with Council's 'LOW' risk tax profile i.e. Strategy vs Achievement.

3.3 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.

3.4 MEETINGS AND CORRESPONDENCE WITH INLAND REVENUE

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.

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 is the only person authorised to correspond or meet with Inland Revenue to discuss the tax matters of Council - although they may delegate this responsibility to others where appropriate.

3.5 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 \$50,000 or if there is political or public risk the Chief Financial Officer will seek written advice from external tax advisors.

In some instances, the degree of uncertainty over a particular tax issue may warrant seeking a Binding Ruling from Inland Revenue. No approach should be made for a Binding Ruling without the prior approval of the Chief Financial Officer. However, the Chief Financial Officer may obtain agreement from the Audit and Risk Subcommittee if considered appropriate.

3.6 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 highly likely to be correct based on current law. Notwithstanding this, Council will endeavour to ensure that the most tax efficient position is adopted.

Tax payments must be authorised in accordance with Council's delegated authorities. Any tax payments in excess of \$20,000 must be authorised by the Chief Financial Officer. However, the Chief Financial Officer may delegate this in accordance with Council's delegation authorities.

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.

3.7 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.

3.8 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 and other areas of tax risk 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.

3.9 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, Council (in consultation with the Audit and Risk Subcommittee) should always consider making a Voluntary Disclosure as a means of minimising any potential penalties.

3.10 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, 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.



4. HUTT CITY COUNCIL'S TAX RISK MANAGEMENT STRATEGY

TAX SERVICES	FINANCIAL YEAR ENDING 30/06/2025 COMPLETED	FINANCIAL YEAR ENDING 30/06/2026 PROPOSED	FINANCIAL YEAR ENDING 30/06/2027 PROPOSED	FINANCIAL YEAR ENDING 30/06/2028 PROPOSED	FINANCIAL YEAR ENDING 30/06/2029 PROPOSED
Tax helpdesk facility	✓	✓	✓	✓	✓
Access to online taxation policies	✓	✓	✓	✓	✓
Tax compliance reviews undertaken¹					
▪ GST	✓				
▪ FBT		✓			
▪ PAYE/withholding taxes			✓		
▪					
• Payroll analytics				✓	
• GST data analytics					✓
Income tax return independently reviewed	✓	✓	✓	✓	✓
Tax disclosure notes – external support when required	✓	✓	✓	✓	✓
Tax agency – income tax	✓	✓	✓	✓	✓
External advice sought on major tax issues	✓	✓	✓	✓	✓
Tax training provided to staff			As required		

Report no: ARSC2026/1/11

Sensitive Expenditure Disclosures

Purpose

1. To provide the Subcommittee with a list of sensitive expenditure incurred by elected members, the Chief Executive and Directors for the periods 1 July 2025 to 30 September 2025 and 1 October 2025 to 31 December 2025.

Recommendations

That the Subcommittee:

- (1) receives and notes the information;
- (2) notes the Sensitive Expenditure disclosure information attached as Appendix 1 to the report: Sensitive Expenditure 1 July 2025 to 30 September 2025; and
- (3) notes the Sensitive Expenditure disclosure information attached as Appendix 2 to the report: Sensitive Expenditure 1 October 2025 to 31 December 2025.

Background

2. Information has been extracted from our financial system from relevant cost centres and expenditure codes where sensitive expenditure is highly likely to be coded.
3. The list of transactions for the quarter from 1 July 2025 to 30 September 2025 is attached as Appendix 1 to the report, and 1 October 2025 to 31 December 2025 is attached as Appendix 2 to the report.
4. This information will also be published on Council's website - [Sensitive Expenditure | Hutt City Council](#)
5. The current information provided by the Office of the Auditor General on sensitive expenditure can be located on their website - [Sensitive expenditure – Office of the Auditor-General New Zealand](#)

Appendices

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2↓	Summary of Sensitive Expenditure 1 Oct 2025 to 31 Dec 2025	105

Author: Darrin Newth
Financial Accounting Manager

Reviewed By: Jenny Livschitz
Group Chief Financial Officer

Approved By: Jo Miller
Chief Executive

Summary of Sensitive Expenditure 01 July 2025 to 30 September 2025

Chief Executive and Directors

Representative	Date	Amount \$	Paid to	Description
Miller, J	13 Aug 25	26.96	Reimbursement	Biscuits purchased from Woolworths Job & Skills Hub meeting with stakeholders. Sandwiches purchased from Le Bon Pain Lunch Meeting – 11 attendees
Miller, J	16 Jul 25	101.74	Purchase Card	Wellington Combined Taxi- Travel from home to Wellington airport for the flights to LGNZ conference in Christchurch.
Miller, J	20 Jul 25	44.6	Purchase Card	Blue Star Taxis -Christchurch. Crowne Plaza Hotel to Christchurch Airport to travel home from LGNZ conference.
Miller, J	21 Jul 25	91.31	Purchase Card	Crowne Plaza Christchurch LGNZ Conference – x 3 meals
Miller, J	30 Jul 25	969.98	Reimbursement	Accommodation Christchurch 15-19 Jul 25 – LGNZ conference
Miller, J	31 Jul 25	221.74	Purchase Card	Subway Waiwhetu-Lower Hutt Executive working lunch for 15 people
Miller, J	5 Aug 25	93.36	Purchase Card	Woolworths Online - Catering for Executive leadership Away Day 4 August 2025 for morning tea and lunch items for 20 attendees.
Miller, J	30 Aug 25	85.51	Purchase Card	Woolworths Online - catering for CE Forum held in Council Chambers on Friday 29 August for 8 attendees.
Geddes, A	9 Sep 25	26.09	Purchase Card	NZPI Webinar: Generative AI and urban planning for 4 attendees on 16 Sept.
Geddes, A	28 Jun 26	273.74	Purchase Card	Workshop for Hutt City Council Local Water Done Well Transition Project 2 July - catering for 27 attendees

Griffiths, J	17 Jul 25	63.86	Purchase Card	Med*Ropata Health-Auckland - travel vaccination/consultation for travelling to Bogota Columbia - Mayors Challenge
Griffiths, J	22 Jul 25	39.31	Purchase Card	Hotel Hilton Bogota - dinner for 2 (Director and S Bascand) on arrival in Bogota Colombia for the Bloomberg Mayoral Challenge
Griffiths, J	25 Jul 25	33.82	Purchase Card	Origen Bistro - Bogota - dinner for 2 (Director and S Bascand) conclusion of programme and Bloomberg funded meals
Griffiths, J	26 Jul 25	26.97	Purchase Card	Libertario Coffee Roas - Bogota - breakfast for 2 (Director and S Bascand) after conclusion of the programme and Bloomberg funded meals
Griffiths, J	13 Aug 25	248.64	Reimbursement	Dinner, Lunch Expenses. Lunch in transit back to NZ from Bloomberg Mayoral Challenge - Bogota Columbia (for Director and S Bascand)
Griffiths, J	27 Aug 25	40.00	Purchase Card	Wellington Airport-Wellington - parking at Wellington Airport 26 Aug 25 for ALGIM presentation in Hamilton
Griffiths, J	27 Aug 25	39.00	Purchase Card	UBER taxi fare to ALGIM event to Hamilton Airport 26 Aug 25
Griffiths, J	5 Sep 25	64.52	Purchase Card	Hutt and City Taxi - transport from Hutt City Council into Wellington to SOSA Awards (2 attendees)
Griffiths, J	5 Sep 25	61.39	Purchase Card	Hutt and City Taxi - Transport into Wellington for SOSA Awards for 4 attendees
Griffiths, J	5 Sep 25	13.11	Purchase Card	UBER taxi fare - transport Wellington to Lower Hutt following SOSA event for 2 attendees
Griffiths, J	28 Aug 25	28.16	Purchase Card	Woolworths - Catering for Strategy and Engagement People Leaders quarterly hui - refreshments for 15 attendees
Griffiths, J	24 Sep 25	43.72	Purchase Card	Woolworths - refreshments for All-day Hui 24 with external partners Sep 2025 for 4 attendees
Kingsbury, J	2 Jul 25	2907.52	Purchase Card	EZI*LG Professionals-Mascot - LGPA Delegation (Sydney) Conference for 4 Days including accommodation & expenses (AUD) 11-14 Aug 2025
Kingsbury, J	5 Aug 25	1043.48	Purchase Card	2025 Taituara Conference

Kingsbury, J	30 Jun 25	775.70	Purchase Card	Air NZ flights and booking fee Wellington to Sydney 10 Aug 25
Kingsbury, J	9 Jul 25	8.96	Purchase Card	WCC Parking Meters-Wellington - Te Awa Kairangi PGG workshop in CBD
Kingsbury, J	23 Jul 25	21.31	Purchase Card	WILSON PARKING-AUCKLAND - Te Awa Kairangi PGG meeting in CBD
Kingsbury, J	7 Aug 25	17.65	Purchase Card	WCC Parking Meters-Wellington - Building Nations Conference: Takina Events Centre
Kingsbury, J	8 Aug 25	17.65	Purchase Card	WCC Parking Meters-Wellington - Building Nations Conference: Takina Events Centre
Kingsbury, J	9 Aug 25	43.48	Purchase Card	Air New Z-Auckland (Sydney 2025 Delegations Conf.) - Airline service fee.
Kingsbury, J	10 Aug 25	80.77	Purchase Card	UBER taxi fare - Whitby (home) to Wellington Airport for Sydney trip.
Kingsbury, J	11 Aug 25	56.36	Purchase Card	-Uber taxi fare to Hotel from Sydney airport (AUD \$57.65 - 10 Aug 25)
Kingsbury, J	15 Aug 25	114.64	Purchase Card	UBER taxi fare -Wellington airport to Home - Delegations 2025 conference post Sydney trip
Kingsbury, J	27 Aug 25	21.31	Purchase Card	Wilson Parking fee - Te Awa Kairangi PGG meeting (CBD)
Kingsbury, J	13 Sep 25	4.78	Purchase Card	Porirua City Council parking fee while attending PDA Working Group at Porirua City Council
Kingsbury, J	18 Sep 25	23.13	Purchase Card	Wilson parking fee while attending SSG Meeting at Greater Wellington Regional Council.
Kingsbury, J	24 Sep 25	73.09	Reimbursement	Sydney 2025 Delegations Conference: Meal

Mayor and Councillors

Representative	Date	Amount \$	Paid to	Description
Council - Cr Morgan	30 Jul 25	40.00	Hutt Valley Chamber of Commerce	Hutt Valley Chamber breakfast event - Women in Business Health through the ages
Council - All	29 Aug 25	2,590.44	Silverstream Retreat	Non-refundable deposit for Councillor induction 10 Nov 25

Council – Cr Morgan	22 Sep 25	10.00	Hutt Valley Chamber of Commerce	Women in Business - Voices of Experience event
Council – Deputy Mayor Lewis	10 Jun 25	1,450.00	LGNZ Conference	16 and 17 July 2025 LGNZ Conference
Council – Cr Tupou	10 Jun 25	1,400.00	LGNZ Conference	16 and 17 July 2025 LGNZ Conference
Council – Cr Briggs	10 Jun 25	1,400.00	LGNZ Conference	16 and 17 July 2025 LGNZ Conference
Council – Cr Shaw	30 Jun 25	493.71	Orbit Travel	Air NZ flights and booking fee – Wellington to Christchurch, 15 July 25
Council – Cr Tupou	30 Jun 25	325.25	Orbit Travel	Air NZ flights and booking fee – Wellington to Christchurch, 15 July 25
Council – Cr Briggs	30 Jun 25	357.91	Orbit Travel	Air NZ flights and booking fee – Wellington to Christchurch 15 July 25
Council – Cr Parkin	30 Jun 25	336.83	Orbit Travel	Air NZ flights and booking fee – Wellington to Christchurch 15 July 25
Council – Deputy Mayor Lewis	30 Jun 25	332.49	Orbit Travel	Air NZ flights and booking fee – Wellington to Christchurch 15 July 25
Council – Cr’s Shaw, Briggs, Parkin and Deputy Mayor Lewis	14 Jul 25	2,389.57	NZ Hotel Co South Ltd Fable Christchurch	Accommodation in Christchurch while attending LGNZ Conference
Council – Cr Shaw and Deputy Mayor Lewis	13 Aug 25	552.21	Reimbursement	Parking MP Chris Bishop, Lunch at Airport to Christchurch LGNZ Conference, Shared Shuttle Cost to Hamilton to Auckland, Breakfast at LGNZ conference, Taxis, Shuttle, Meals
Council – Cr Stallinger	2 Jul 25	1,019.98	Reimbursement	AI governance and AI Persuasion/Collaboration, ethics Training
Council	30 Sep 25	200.00	Dowse Museum	Acknowledgement gift of service – Independent Chair Audit and Risk Subcommittee
Council – Cr Stallinger	13 Aug 25	532.32	Reimbursement	Mileage for the period between July 24 and July 25
Mayoral Office	30 Jun 25	21.90	Orbit Corporate Travel	International Booking Fee for Mayor’s travel
Mayoral Office	31 Aug 25	172.07	Orbit Corporate Travel	Mayor’s accommodation and booking fee at Crown Plaza Auckland 14 Aug 25, while attending Metro Water Panel interviews

Mayoral Office	31 Aug 25	81.77	Orbit Corporate Travel	Mayor's Air NZ flights and booking fee to Auckland 14 Aug 2025 while attending Metro Water Panel interviews
Mayoral Office	16 Jul 25	11.13	Reimbursement	Parking in Wellington while attending 2025 Gold Awards
Mayoral Office	16 Jul 25	60.99	Purchase Card	Corporate Cabs – travel from Christchurch Airport to Fable Hotel 15 July 25 ahead of the Superlocal Conference
Mayoral Office	16 Jul 25	105.94	Purchase Card	Corporate Cabs – travel from Laings Road to Wellington Airport 15 July 25 ahead of the Superlocal Conference
Mayoral Office	19 Jul 25	65.57	Purchase Card	Corporate Cabs – travel from Fable hotel to Christchurch Airport 19 July 2025 following Superlocal Conference
Mayoral Office	19 Jul 25	93.67	Purchase Card	Corporate Cabs – travel from Wellington Airport to Laings Road 19 July 25 after the Superlocal Conference
Mayoral Office	5 Aug 25	80.87	Purchase Card	Mayor carparking at Wellington airport 14-15 Aug 25, while in Auckland for Metro Water Panel interviews 14-15 August 2025
Mayoral Office	13 Aug 25	61.04	Reimbursement	Uber taxi fare from home to Hutt City Council while his work vehicle was broken down, parking in Wellington for the Building Nations conference 07 Aug 25
Mayoral Office	15 Aug 24	96.60	Purchase Card	Corporate Cabs - taxi fare from Auckland airport to Crown Plaza 14 Aug 2025, for Metro Water Panel interviews
Mayoral Office	15 Aug 25	99.46	Purchase Card	Corporate Cabs - taxi fare from Crowne Plaza hotel to airport 15 Aug 2025 following Metro Water Panel interviews
Mayoral Office	27 Aug 25	26.61	Reimbursement	Parking in Wellington for Metro Water Interviews
Mayoral Office	10 Sep 25	5.78	Reimbursement	Parking in Wellington for AOG Meeting at Wellington City Council
Mayoral Office	2 Jul 25	1,653.15	Purchase Card	Registration for the Mayor at Water NZ Conference & Expo + gala dinner, Christchurch 30 Sep -3 Oct 25

Mayoral Office	3 Sep 25	30.44	Purchase Card	Mayor's attendance at The Cullen Breakfast - Colin Keating on 10 Oct 2025
Mayoral Office	5 Jul 25	252.17	Purchase Card	Beer, wine, low alcohol beer, zero alcohol beer for A Powerhouse for Professional Water Services event on 30 July 25 for 50-60 attendees
Mayoral Office	22 Jul 25	34.77	Purchase Card	Ginger Beer for Water Services event 30 Jul 25 for 50-60 attendees
Mayoral Office	22 Jul 25	134.78	Purchase Card	Catering for the Gold Awards Mayoral Presentation event on 21 July 2025. Approx 32 attendees
Mayoral Office	30 Jul 25	286.77	Purchase Card	Catering for the Water Services event at The Dowse on 30 July 2025. Approx 55 attendees.
Mayoral Office	15 Aug 25	43.85	Purchase Card	Juice & slice for Citation recipients MT 20 Aug 25 30 attendees. Juice & slice for Kings Honours AT 21 Aug 25 20 attendees
Mayoral Office	21 Aug 25	82.89	Purchase Card	Catering for Mayoral citation afternoon tea hosted by the Mayor 20 Aug 25 35 attendees
Mayoral Office	22 Aug 25	47.83	Purchase Card	Catering for the King's Honours recipients' afternoon tea hosted by the Mayor on 21 Aug 2. Approx 20 attendees
Mayoral Office	10 Sep 25	47.83	Purchase Card	Catering for Mana Whenua/Mayoral Candidates meeting. Approx 17 guests
Mayoral Office	18 Sep 25	32.48	Purchase Card	4x packets of crisps & 4x dips for the Farewell event on 26 Sep 25

NB: The Mayor's travel expenses are pre-approved, and all other expenses are approved by the Audit and Risk Subcommittee's Independent Chair.

Chair – Audit and Risk Subcommittee

Representative	Date	Amount \$	Paid to	Description
Tindal, S	16 Jul 25	221.15	Reimbursement	Accommodation for ARSC Meeting expenses
Tindal, S	16 Jul 25	85.75	Reimbursement	Uber from Wellington Airport to Laings Road for Audit and Risk Subcommittee expenses

NB: The Independent Chair's travel expenses are approved by the Head of Democratic Services.

Summary of Sensitive Expenditure 01 October 2025 to 31 December 2025

Chief Executive and Directors

Representative	Date	Amount \$	Paid to	Description
Miller, J	7 Oct 25	1,480.00	Hutt Valley Chamber of Commerce	2 Degrees Wellington Regional Business Excellence Awards Gala Dinner, 21 Nov 25 Purchase of corporate table for 8 attendees
Miller, J	8 Oct 25	144.60	Purchase Card	Pak-N-Sav Lower Hutt – Catering to mark the last Council meeting on Tuesday, 7 October 2025
Griffiths, J	12 Nov 25	185.00	Assn of Local Government Information Management (ALGIM)	ALGIM Awards and Gala Dinner – nominated for (and won) Jim Higgins Leadership Award
Griffiths, J	4 Nov 25	496.00	Koha	Koha for Kokiri and Waiwhetu Marae as part of Bloomberg Mayor's Challenge. Completely funded by Bloomberg
Griffiths, J	27 Nov 25	21.42	Purchase Card	Uber fare – ALGIM Awards and Gala Dinner – Laings Road to the venue in Wellington
Griffiths, J	27 Nov 25	38.26	Purchase Card	Uber fare – ALGIM Awards and Gala Dinner – venue to Laings Road
Griffiths, J	29 Nov 25	8.96	Purchase Card	Parking fee while presenting to LGNZ Young Elected Members Hui workshop
Griffiths, J	2 Oct 25	31.47	Purchase Card	Woolworths – Light refreshments for Targeted Operating Model Design Team Launch Workshop – 7 attendees
Kingsbury, J	25 Sep 25	411.96	Boulcotts Farm Heritage Golf Club	Venue hire and catering – 8 attendees (Group Leadership Away Day)
Kingsbury, J	24 Sep 25	8.96	Purchase Card	Wellington City Council parking fee while attending the Te Awa Kairangi Partners Governance Group meeting

Kingsbury, J	15 Oct 25	23.04	Purchase Card	Wilson parking fee while attending H&S Workshop
Kingsbury, J	17 Oct 25	17.65	Purchase Card	Wellington City Council parking fee while attending the National Lifeline Utilities Forum 2025 Infrastructure Resilience in a Shifting Landscape conference
Kingsbury, J	22 Oct 25	4.61	Purchase Card	Wellington City Council parking fee while attending stakeholders meeting in CBD
Kingsbury, J	22 Oct 25	8.96	Purchase Card	Wellington City Council parking fee while attending WSP and Helen Clark Foundation Report launch
Kingsbury, J	30 Oct 25	23.13	Purchase Card	Wilson parking fee while attending WRLC Senior Staff meeting
Kingsbury, J	28 Nov 25	86.96	Flower Boutique	Flowers to Jennifer Rees (employee) family following her death.
Kingsbury, J	7 Oct 25	6.09	Purchase Card	Woolworths – refreshments for Business Advisory Group (externals) meeting 6 Oct 25

Mayor and Councillors

Representative	Date	Amount \$	Paid to	Description
Council – Cr Dyer	17 Dec 25	429.00	Reimbursement	Remuneration Entitlement for District Licensing Committee hours 3 Dec 25
Council	7 Oct 25	136.52	Purchase Card	Woolworths catering for Council's final meeting of the triennium – approximately 30 attendees
Council – Cr Briggs	8 Oct 25	134.79	Reimbursement	Local Government New Zealand conference accommodation, transport and meals
Council	15 Oct 25	538.26	Chalet Caterers	Catering for elected members' all day induction day
Council – Mayor Laban	21 Oct 25	1,145.00	Local Government New Zealand	Mayoral induction hui and dinner 20-21 Oct 25 at Te Papa
Council	21 Oct 25	172.51	Blue Carrot Catering	Catering Cancellation Fee after Induction Sessions were cancelled due to a storm
Council	21 Oct 25	382.53	Blue Carrot Catering	Catering for elected members all day induction sessions 22 Oct 25

Council – Cr Lewis	22 Oct 25	30.00	Reimbursement	Registration fee to attend presentation by Hon. Chirs Penk
Council – Cr Edwards	22 Oct 25	2,080.00	WSP NZ Ltd	Making Good Decision chair certification
Council	23 Oct 25	4,300.00	The Training Practice Ltd	How Local Government Works elected members induction workshop 22 Oct 25
Council	23 Oct 25	804.99	Mark Tantrum Photography	Councillors and community board photographs
Council	24 Oct 25	200.00	Just Plants	Inaugural Council meeting – plant hire
Council	29 Oct 25	278.26	Hutt City Florists	Inaugural Council meeting – flowers
Council	30 Oct 25	177.39	Purchase Card	Catering for inaugural Council meeting 29 Oct 25
Council	30 Oct 25	10,582.42	USAR Commercial Ltd	Town Hall venue hire, catering and equipment hire for inaugural Council meeting 29 Oct 25
Council – Cr Dyer	30 Oct 25	185.00	Hutt Valley Chamber of Commerce	Registration fee to attend Regional Business Awards 21 Nov 25
Council	4 Nov 25	800.00	Taumata Whitire	Kapa Haka Group for the Inaugural Council meeting
Council	4 Nov 25	3,840.00	Local Government New Zealand	Elected Members Induction 4 Nov 25 for six elected members
Council	5 Nov 25	215.25	Reimbursement	Catering for lunch for elected members induction session
Council	7 Nov 25	380.00	Chalet Caterers	Catering for elected members all day induction sessions
Council	12 Nov 25	380.00	Chalet Caterers	Catering for lunch for elected members all day induction sessions
Council	13 Nov 25	1,552.51	Sheffield North Island Ltd	Induction session for elected members by Katy Anqtil on 12 Nov 25
Council	14 Nov 25	190.00	USAR Commercial Ltd	Balance of Town Hall venue hire, catering and equipment hire for inaugural Council meeting 29 Oct 25
Council	14 Nov 25	4,208.67	Silverstream Retreat	Accommodation, venue hire and catering for 10-11 Nov 25 for Mayor and Councillors first hui for the new triennium
Council	17 Nov 25	760.00	Chalet Caterers	Catering for elected members all day induction sessions
Council	25 Nov 25	451.74	Chalet Caterers	Catering for elected members all day induction sessions
Council	25 Nov 25	4,000.00	Kūwaha Ltd	Te Tiriti o Waitangi workshop for elected members induction session

Council	26 Nov 25	380.00	Chalet Caterers	Catering for elected members all day induction sessions
Council – Cr Puketapu	26 Nov 25	2,913.00	WSP NZ Ltd	Registration fee for Making Good Decisions training course 4 Mar 26
Council – Crs Shaw and Puketapu	27 Nov 25	390.00	Local Government New Zealand	Registration for Te Maruata Hui 27 Nov 25
Council – Crs Dyer, Yung, and Tonga-Grant and Lesa Bingley, Chair Wainuiomata Community Board	28 Nov 25	780.00	Local Government New Zealand	Registration fee for Young Elected Members Hui 28 Nov 25
Council	30 Nov 25	4,456.41	Meeting and Governance Solutions Ltd	Induction training for elected members on “effective and chiring meeting on 12 Nov 25
Council	3 Dec 25	44.79	Reimbursement	Catering for councillors’ planning hui
Council – Cr Ravi	3 Dec 25	49.14	Reimbursement	Mileage and parking at Local Government New Zealand
Council – Crs Dyer and Mitchell	17 Dec 25	228.15	Reimbursement	Mileage and parking at Local Government New Zealand
Council	27 Sep 25	408.70	Purchase Card	New World - catering for farewell for Mayor, and Cr Briggs and Tupou. Approx. 200 attendees
Mayoral Office	31 Oct 25	637.90	Orbit Corporate Travel	Mayor Barry Hotel accommodation, meal and booking fee at Fable Christchurch while attending Water NZ Conference 30 Sep 25
Mayoral Office	30 Sep 25	135.84	Purchase Card	Mayor Barry – taxi from home to airport to attend Water NZ Conference 30 Sep 25
Mayoral Office	30 Sep 25	65.65	Purchase Card	Mayor Barry – taxi from airport to Fable Hotel to attend Water NZ Conference 30 Sep 25
Mayoral Office	3 Oct 25	65.73	Purchase Card	Mayor Barry – taxi from airport to home after attending Water NZ Conference 30 Sep 25
Mayoral Office	3 Oct 25	106.65	Purchase Card	Mayor Barry – taxi from Fable Hotel to airport after attending Water NZ Conference 30 Sep 25
Mayoral Office	20 Oct 25	59.99	Purchase Card	Mayor Laban Corporate Cabs – taxi from Wellington Airport to Te Papa to attend Mayor’s School 20 Oct 25 (no mayoral car)

Mayoral Office	31 Oct 25	87.86	Purchase Card	Mayor Laban Corporate Cabs – taxi form Laings Road to Upper Hutt for their inaugural council meeting 30 Oct 25
Mayoral Office	6 Oct 25	1,480.00	Hutt Valley Chamber of Commerce	2 Degrees Wellington Regional Business Excellent Awards Gala Dinner 21 Nov 25 Mayor and 7 other attendees
Mayoral Office	24 Oct 25	33.71	Purchase Card	Catering for meeting on 23 Oct 25 relating to a sports tournament. Approx 15 guests.
Mayoral Office	28 Nov 25	193.60	Purchase Card	Soft drinks for 7 upcoming events on 28 Nov, 3 on 1 Dec, 10 Dec, 11 Dec, 12 Dec. Approx total of 155 guests
Mayoral Office	29 Nov 25	65.21	Purchase Card	Catering for the Ulalei afternoon tea on 28 Nov 25. Approx 17 guests
Mayoral Office	1 Dec 25	126.09	Hutt City New World	Catering for Marist Rugby Football Club afternoon tea 12 Dec 25. Approx 17 guests.
Mayoral Office	1 Dec 25	176.91	Hutt City New World	Catering for Manukuru Awards on 10 December 2025. Approx 50 guests.
Mayoral Office	1 Dec 25	126.09	Hutt City New World	Catering for Eastbourne and Wainuiomata afternoon tea's on 1 December. Approx 30 guests.
Mayoral Office	1 Dec 25	125.19	Hutt City New World	Catering for Randwick Rugby League morning tea on 2 December. Approx 17 guests.
Mayoral Office	11 Dec 25	16.84	Purchase Card	Catering for councillor staff BBQ on 11 December. Approx 50 guests.

NB: The Mayor's travel expenses are pre-approved, with all other expenses approved by the Audit and Risk Subcommittee Independent Chair.

Chair – Audit and Risk Subcommittee

Representative	Date	Amount \$	Paid to	Description
Tindal, S	3 Dec 25	128.14	Reimbursement	Uber taxi fare from airport to Laings Road

NB: The Independent Chair's travel expenses are approved by the Head of Democratic Services.

02 February 2026**Report no: ARSC2026/1/5**

Human Resource Information Management and Payroll Systems Project, and Holidays Act Remediation Project Update

Purpose of Report

1. This report provides an update to the Audit and Risk Subcommittee on Council's progress on the Human Resources Information System (HRIS) and Payroll Project, and the Holidays Act Remediation Project (HARP).

Recommendations

That the Subcommittee:

- (1) notes and receives the update to the HRIS/Payroll project;
- (2) notes that a full procurement process was undertaken by officers and two integrated systems, Datapay and Workday, have been chosen and will be implemented by delivery partner Datacom;
- (3) notes that a key part of contract negotiation was to ensure there was additional wording included in the contract around Holidays Act compliance;
- (4) notes there is still an onus on Council to provide accurate data to ensure payroll compliance;
- (5) notes the HRIS/Payroll project is currently in the design and architecture phase, and go-live is planned for by the end of July 2026;
- (6) notes that Council has completed Holidays Act remediation payments for current staff up to February 2025;
- (7) notes that a webpage remains on Council's external website providing information on Holidays Act remediation and enabling eligible former staff to lodge their details to receive payment;
- (8) notes that final remediation beyond February 2025 will be completed as part of the go-live of the HRIS/Payroll systems; and
- (9) notes that the financial provision for Holidays Act remediation in Council's accounts as at 30 June 2025 was \$1.495M.

Background

2. The Human Resources Information System (HRIS)/Payroll project was established to ensure Hutt City Council (Council) has Human Resource and Payroll Systems that are fit for purpose, enhance the employee experience, enable access to workforce data and comply with the relevant legislation.
3. The Audit and Risk Subcommittee has received regular updates on the Holidays Act Remediation Project since April 2021. These updates have detailed Council's progress in reviewing and remediating historical non-compliance with the Holidays Act 2003.
4. In November 2020, Ernst & Young (EY) was engaged to undertake a review of Council's holiday pay calculations. Following EY's analysis, a Holidays Act Remediation Project (HARP) was initiated to address historical issues and support future compliance with the Act.
5. Remediation calculations were developed in collaboration with a payroll calculation specialist and tested in 2022. The outcomes of this testing gave a high level of confidence in the model.
6. The first phase of remediation payments was made in July 2022 to current staff for the period March 2015 to March 2022. These payments have been previously reported to the Subcommittee; refer to report ARSC2023/1/29.
7. A second phase of remediation payments was completed in July 2025 to current staff, extending remediation coverage to February 2025. This work has been previously reported to the Subcommittee, refer to report ARSC2025/4/221.
8. In addition to payments made to current staff, the remediation framework for the former staff is managed separately using a secure public-facing web portal. Eligible former employees are located and invited to register their details, provide verification information, and supply bank account details. Once verified, payments are processed each month. This approach ensures that former staff who may be owed remediation can receive payment regardless of when they come forward.

HRIS/Payroll Project Update

9. In May 2024, the project brief was agreed by the Go Digital Programme Board, an internal oversight group, which outlined a high-level approach to complete the initiation phase of this project. This work included:
 - a. Project start up – review work done to date to define objectives, scope and key requirements/functionality that is required to meet Council needs, identify pain points and systems / processes that need to be improved as part of this project (COMPLETED)
 - b. Market research – conduct research to identify potential vendors that offer the features and capabilities Council needs. Discuss with other councils their approach to HRIS/Payroll (COMPLETED)

- c. Procurement – develop and agree a procurement approach and engage with the market (COMPLETED)
 - d. Vendor evaluation and selection (COMPLETED)
 - e. Contract Negotiation (COMPLETED)
 - f. Privacy Impact Assessment (COMPLETED)
 - g. Security Risk Assessment (COMPLETED)
 - h. Business case development and sign off (COMPLETED)
10. Since the last report, implementation of the solution is progressing; the project is currently in the design and architecture phase.
11. Two integrated systems were chosen as part of a joint response to the request for proposal (RFP) process. They are:
- a. Workday (HRIS) – Workday is a leading cloud-based HRIS platform designed to manage human resources, time tracking and employee data on one system. It is used by organisations worldwide to streamline human resource processes and support strategic workforce planning. Auckland Council and Western Bay of Plenty Council are two organisations that are also implementing this system. The Ministry of Health and Corrections have also recently implemented Workday.
 - b. Datapay (Payroll) – Datapay is Datacom’s cloud-based payroll system, designed for medium to large organisations across New Zealand and Australia. Datapay is updated every four weeks to reflect changes in the Holidays Act, tax, Kiwisaver and PAYE rules and is used extensively across the public sector.
12. The project is currently on track with testing scheduled to commence in March 2026 and go-live planned for by the end of July 2026.
13. The project will continue to deliver a progress update to the Audit and Risk Subcommittee, built into the forward programme.

Project Risks

14. Risks are being tracked by the project and are reported as follows:
- a. Process improvement change – if there is an unwillingness to adopt change processes or the business attempts to customise the new systems to meet old existing processes, the system will not fix all compliance issues, and benefits will not be realised. This risk remains valid during the design and architecture phases. The mitigation for this risk is effective project management and sound change management processes.

- b. Holidays Act compliance – if there are no systems available that meet current or future Holidays Act compliance, then the project may be delayed, or requirements or processes adjusted to meet legislative requirements. This was a key point in contract negotiation, and additional wording was included in the DataPay statement of work. This wording stated that Datacom is confident that the DataPay system can support customers’ compliance by performing calculations that meet the relevant regulatory guidance. There is also an onus on Council to provide accurate data to ensure payroll compliance. This risk has now been updated to a risk around the quality of data.
 - c. Budgetary constraints – if there are no systems available within the current budget, with the capability and right-sized solutions that have been proven in the New Zealand market, then the requirements may need to be adjusted to fit within budget. If additional funding is required, other projects within Go Digital would need to be deprioritised or scoped out of the programme. This risk was raised to an issue during business case development, as an additional \$420k was needed to implement the core minimum viable product. Additional funding was transferred from underspends from other Go Digital projects and the de-prioritisation of another project. While the issue raised has been mitigated, budgetary constraints remain a risk, as extra support may be needed from external consultants to mitigate testing risks.
 - d. Resource constraints – if there is insufficient resource availability with the right capability, then this will lead to delays in the project and/or poor-quality delivery. This risk is mitigated through the availability of funding in the project budget for two FTE to backfill Payroll and People and Capability resources so they can be freed up to support the project full-time.
 - e. Quality of data – if the quality of data is poor, then this can lead to the continuation of incorrect data in the new system, leading to non-compliance. This risk will be mitigated by ensuring the data is cleansed and tested against correct calculations, utilising the expertise of external partners, and maintaining a robust test strategy. An extra parallel pay run has also been agreed to further mitigate this risk
15. The following new risk has been added to the project’s risk register:
- Testing - There is a risk that insufficient or poorly resourced testing of the HRIS/Payroll system results in defects not being identified before go-live. This could lead to incorrect pay outcomes, loss of staff confidence, increased manual rework, and financial or reputational impact to Council. This risk will be mitigated through comprehensive test planning, ensuring sufficient resourcing for testing, and leveraging the expertise and support of delivery partners.

Holidays Act Remediation Project Update

16. Since late 2020, Council has been undertaking a staged programme of work to address historical non-compliance with the Holidays Act 2003. This work has included an independent review by Ernst Young, development and testing of a remediation calculation model, establishment of a financial provision, and two phases of remediation payments to current and former staff. Regular updates on progress have been provided to the Audit and Risk Subcommittee (refer to ARSC2025/4/221 for the August 2025 update). Remediation has been completed by February 2025 for current staff, with remaining payments to former staff continuing through an established framework.
17. Since the last update to the Subcommittee in August 2025, the Holidays Act Remediation Project (HARP) has continued in its ongoing phase for former staff. Any further remediation of current staff beyond February 2025 is planned alongside the go-live of the HRIS/Payroll project.
18. Former staff remediation payments continue to be processed on a monthly basis as eligible individuals register through Council's web portal and complete the required verification process. This approach is consistent with that outlined in earlier reports and reflects the ongoing nature of former staff engagement.
19. Since the August 2025 update, a further total of 206 former staff have received remediation payments across Phases 1 and 2, with cumulative payments totalling \$276,790.21 before tax and Kiwisaver.
20. The external webpage remains active and continues to provide information to former staff about the remediation process and how to lodge their details. Council officers continue to monitor and process claims as they are received.
21. The remediation of staff entitlements beyond February 2025 will be finalised alongside the implementation of the new payroll system, which is intended to provide full ongoing compliance with the Holidays Act.
22. The financial provision for the HARP continues to be reviewed and updated as payments are made.

Climate Change Impact and Considerations

23. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide.

Consultation

24. There are no consultation considerations arising from this report.

Legal Considerations

25. Council's external lawyers extensively reviewed contracts from Workday and Datacom. The advice received was included in contract negotiations with the providers.

Financial Considerations

26. The project is on track in terms of the budget.
27. Concerning the Holidays Act remediation payments, there are no other financial considerations other than those outlined in the report. Funding for compliance and related project costs is provided through the provision that has been set aside.

Appendices

There are no appendices for this report.

Author: Alicia Andrews
Manager Finance Transaction Services

Author: Lyndon Allott
Chief Digital Officer

Approved By: Jenny Livschitz
Group Chief Financial Officer

Our Reference

TO: Chair and Members
Audit and Risk Subcommittee



FROM: Jenny Young, Democracy Advisor

DATE: 04 February 2026

SUBJECT: AUDIT AND RISK SUBCOMMITTEE FORWARD
PROGRAMME 2026

Purpose of Memorandum

1. To provide the Audit and Risk Subcommittee (the subcommittee) with a Forward Programme of work planned for the subcommittee for 2026.

Recommendation

That the Subcommittee receives and notes the Forward Programme for 2026 attached as Appendix 1 to the memorandum.

Background

2. The Terms of Reference for the subcommittee require the subcommittee to have a monitoring and advisory role in reviewing the effectiveness of the way Council discharges its responsibilities with respect to governance, risk management and internal control.
3. The Forward Programme for 2026 provides a planning tool for both members and officers to coordinate programmes of work for the year. The forward programme is attached as Appendix 1 to the memorandum.

Forward Programme

4. The Forward Programme is a working document and is subject to change on a regular basis.

Appendices

No.	Title	Page
1↓	Audit and Risk Subcommittee 2026 Forward Programme	117

Author: Jenny Young
Democracy Advisor

Approved By: Kathryn Stannard
Head of Democratic Services

AUDIT AND RISK SUBCOMMITTEE 2026 Forward Programme

Description	Business Unit	Cycle 1 24 Feb	Cycle 2 21 Apr	Cycle 3 24 June	Cycle 4 25 Aug	Additional meeting: Annual Report 29 Sep	Cycle 5 10 Nov	Pending
Forward Programme	Democratic Services	✓	✓	✓	✓		✓	
Regulatory Compliance Update	Economy and Development	✓	✓	✓	✓		✓	
Water Service Reform Update	Strategic Projects	✓	✓	✓	✓		✓	
Risk Management and Assurance Update	Finance	✓	✓	✓	✓			
Sensitive Expenditure Disclosures	Finance	✓	✓		✓		✓	

Description	Business Unit	Cycle 1 24 Feb	Cycle 2 21 Apr	Cycle 3 24 June	Cycle 4 25 Aug	Additional meeting: Annual Report 29 Sep	Cycle 5 10 Nov	Pending
External Audit update	Finance	✓	✓		✓			
Annual Tax Compliance Update	Finance	✓					✓	
Review of Procurement Policy	Finance		✓					
Treasury Risk Management Policy	Finance		✓					
Review of Financial Delegation Policy	Finance		✓					

Description	Business Unit	Cycle 1 24 Feb	Cycle 2 21 Apr	Cycle 3 24 June	Cycle 4 25 Aug	Additional meeting: Annual Report 29 Sep	Cycle 5 10 Nov	Pending
Holidays Act Remediation Project (half-yearly)	Finance		✓		✓			
Tupua Horo Nuku / Eastern Bays Shared Pathway Project Update	Transport		✓		✓			
Legal Compliance survey results	Legal		✓				✓	
Litigation, Official Information Requests and Privacy Updates	Legal		✓				✓	

Description	Business Unit	Cycle 1 24 Feb	Cycle 2 21 Apr	Cycle 3 24 June	Cycle 4 25 Aug	Additional meeting: Annual Report 29 Sep	Cycle 5 10 Nov	Pending
Health and Safety Update (half-yearly)	Chief People Officer		✓				✓	
Te Wai Takamori o Te Awa Kairangi RiverLink Project Update	Te Wai Takamori o Te Awa Kairangi RiverLink Project Team		✓		✓			
Cybersecurity Update 2026 (public excluded)	Information Services			✓				
Group Annual Report 2025/26 and audit update	Finance, Strategy and Policy			✓	✓	✓		

Description	Business Unit	Cycle 1 24 Feb	Cycle 2 21 Apr	Cycle 3 24 June	Cycle 4 25 Aug	Additional meeting: Annual Report 29 Sep	Cycle 5 10 Nov	Pending
Insurance Renewal Update	Finance				✓			
Human Resource Information System and Payroll Project Update	Information Services				✓			
Eastern Hutt Road and other resilience work (half-yearly)	Transport		✓				✓	
Overview of AI at Council	Strategy and Engagement				✓			

Description	Business Unit	Cycle 1 24 Feb	Cycle 2 21 Apr	Cycle 3 24 June	Cycle 4 25 Aug	Additional meeting: Annual Report 29 Sep	Cycle 5 10 Nov	Pending
Standard and Poor's Credit Rating update	Finance				✓			
Contract Management	Finance						✓	
Regional Amalgamation	To be advised							✓