AUDIT AND RISK COMMITTEE MEETING
HELD AT 3.00 PM ON TUESDAY 10 FEBRUARY 2026 IN TOTARA, COUNCIL CHAMBERS, 96 WEST END, KAIKOURA

Date:	Tuesday 10 February 2026
Time	3.00pm
Location	Totara, Council Chambers

AGENDA

1. Opening With a Karakia

2. Apologies

3. Declarations of Interest

4. Review of Action List
– carried over from disestablished Finance, Audit & Risk Committee page 3

5. Matters of Importance to be raised as Urgent Business

6. Review of Committee Terms of Reference page 4

7. Process for setting the Agenda – Standing Items

8. Audit & Risk Agenda Reports page 9

9. Risk Management Report page 28
9.1 Risk Register page 31

10. Recommendations from the Committee to the Council

11. Public Excluded Session
Moved, Seconded that the public be excluded from the following parts of the proceedings of this meeting, namely

a) Harbour Financial Matters – verbal update
b) Commercially sensitive and legally privileged risk items – verbal update

The general subject matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1), 6 and 7 of the Local Government Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each to be considered	Reason for excluding the public	Grounds of the Act under which this resolution is made
Harbour Financial Matters – Verbal Update	Verbal update on subject previously brought to Council around negotiations which are commercially sensitive.	Section (7)(2)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information Section (7)(2)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section (7)(2)(i) enable any local authority holding the information to carry on, without

		prejudice or disadvantage, negotiations (including commercial and industrial negotiations)
Commercially sensitive and legally privileged risk items – verbal update	To protect information that is commercially sensitive and subject to legal professional privilege, and because the verbal update will discuss risk matters that could unreasonably prejudice the organisation if made publicly available	Section (7)(2)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information Section (7)(2)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section (7)(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) Section (7)(2)(g) maintain legal professional privilege

*This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

- Disclosure would likely prejudice the Council by weakening its commercial position, compromising legally privileged advice, and exposing sensitive risk information that could be misused or misunderstood. This may lead to financial loss, reduced bargaining power, reputational harm, or increased operational risk.

12. Close meeting with a Karakia

ACTION LIST

OPEN ITEMS

	ACTION ITEM	ASSIGNED TO	DUE	STATUS
1	Reserves: Seek advice from PWC on mid-range rate on internal borrowing	P Kearney	Ongoing	A detailed update was provided at the August meeting. Council staff recommended that the actions for the Local Water Done Well are completed first to fully understand the financial position. It is a good opportunity to tidy up the reserves and this will be an action for the next Committee. The first meeting of the new Committee will likely be in February 2026.

Audit and Risk Committee – Extract from Delegations Manual

Type of Committee	Council Committee
Subordinate to	Council
Subordinate Committees	None
Legislative basis	Committee reconstituted by the Council as per Schedule 7, Section 30 (1) (A), LGA 2002 Committee delegated powers by the Council as per Schedule 7, Section 32, LGA 2002
Membership	Chair - Deputy Mayor Vicki Gulleford Mayor Craig Mackle Councillor Mark Redwood Councillor John Diver Diane Brandish - Independent member (1)
KDC Contacts	Senior Manager Corporate Services, Executive Officer
Delegations	Responsible for assisting the Council in assuring it exercises due care and diligence in its practices and processes with a focus on audit and risk. Approve submissions to relevant bills, discussion and policy documents relating to the responsibilities of the committee. **Audit and Risk Functions:** Review Council's annual financial statements with Council management and the Auditors prior to their approval by Council. • Oversee statutory compliance in terms of financial disclosure. • Monitor corporate risk assessment and the internal risk measures that have been instituted. • Make recommendations to Council on the appointment of auditors, and audit fees. • Review annually the internal audit programme, ensuring emphasis is placed on areas where either the Council or Council Management or the Auditors believe attention is necessary. • Review insurance arrangements annually. • Oversee Council's: o risk management framework o internal control environment o legislative and regulatory compliance o internal audit and assurance o external audit o financial reporting structure o management of significant projects o compliance to Treasury Risk Management Policies • Review the effectiveness of Council's external accountability reporting (including non-financial performance).

	• Waivers of fees and charges in accordance with Council policy.
Terms of Reference	**Membership** The Audit and Risk Committee will be the Mayor, three Councillors and one independent member as voting members of the Committee. **Quorum** The quorum for every meeting shall be two. **Chair** The Chair will be appointed by the Mayor. **Frequency of Meetings** The Audit and Risk Committee will meet on a quarterly basis and submit a report to Council on a quarterly basis to raise recommendations for decisions. **Parent Body** The Audit and Risk Committee reports to the Kaikōura District Council. **Objectives of the Committee** The objectives of the Audit and Risk Committee are to assist the Council to discharge its responsibilities for: a) the robustness of the internal control framework and financial management practices; b) the integrity and appropriateness of internal and external reporting and accountability arrangements; c) the robustness of risk management systems, processes and practices; d) the independence and adequacy of internal and external audit functions e) compliance with applicable laws, regulations, standards and best practice guidelines; and f) the establishment and maintenance of controls to safeguard the Council's financial and non-financial assets. In fulfilling their role on the Audit and Risk Committee, members shall be impartial and independent at all times. *1. Internal Control Framework* 1.1. Review whether management's approach to maintaining an effective internal control framework is sound and effective. 1.2. Review whether management has taken steps to embed a culture that is committed to probity and ethical behaviour. 1.3. Review whether there are appropriate processes or systems in place to capture and effectively investigate fraud. *2. Internal Reporting* 2.1 To consider the processes for ensuring the completeness and quality of financial and operational information being provided to the Council.

	2.2 To seek advice periodically from internal and external auditors regarding the completeness and quality of financial and operational information that is provided to the Council. *3. External Reporting and Accountability* 3.1 Consider the appropriateness of the Council's existing accounting policies and principles and any proposed changes: 3.2 Enquire of internal and external auditors for any information that affects the quality and clarity of the Council's financial statements, and assess whether appropriate action has been taken by management in response to the above. 3.3 Satisfy itself that the financial statements are supported by appropriate management signoff on the statements and on the adequacy of the systems of internal control (i.e. letters of representation), and recommend signing of the financial statements by the Chief Executive/Mayor and adoption by Council. 3.4 Confirm that processes are in place to ensure that financial information included in the entity's annual report is consistent with the signed financial statements. *4. Risk Management* 4.1 Review whether management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of the Council's significant risks. 4.2 Consider whether appropriate action is being taken by Management to mitigate Council's significant risks. *5. Internal Audit* 5.1 Review and approve the internal audit coverage and annual work plans, ensuring these plans are based on the Council's risk profile. 5.2 Review the adequacy of management's implementation of internal audit recommendations. 5.3 Review the internal audit charter to ensure appropriate organisational structures, authority, access, independence, resourcing and reporting arrangements are in place. 5.4 Conduct a session comprised only of committee members and elected members (i.e. without any management being present) with internal audit to discuss any maters that the auditors wish to bring to the Committee's attention. 5.5. Should there be a disagreement between Management and the Internal Auditor on a particular issue, that: • The Committee to meet with the Internal Auditor without Management present so the auditor can outline the issue of disagreement. • The Committee can then allow the Management to put forward their assessment of the issue.

- The Committee can make an assessment on which group they agree with.
- Should the Committee agree with Management, then a formal request for the issue to be removed from the Internal Auditor's Report will be made.
- Should the Committee agree with the Auditor, then it can instruct the Management to comply with the Auditor's issue.

6. External Audit

6.1 At the start of each audit, confirm the terms of the engagement, including the nature and scope of the audit, timetable and fees, with the external auditor.

6.2 Receive the external audit report(s) and review action to be taken by management on significant issues and audit recommendations raised within.

6.3 Conduct a session comprised only of committee members and elected members (i.e. without any management being present) with external audit to discuss any matters that the auditors wish to bring to the Subcommittee's attention and/or any issues of independence.

6.4 Ensure any recommendation by management that the Office of the Auditor-General replace the external auditor is referred to and examined by the Audit and Risk Committee.

6.5. Should there be a disagreement between Management and the External Auditor on a particular issue that:

- The Committee to meet with the External Auditors without Management present so they can outline the issue of disagreement.
- The Committee can then allow the Management to put forward their assessment of the issue.
- The Committee can make an assessment on which group they agree with.
- Should the Committee agree with Management, then a formal letter would be sent to the External Auditors outlining its assessment and requesting that the issue be removed from the Management Report.
- Should the External Auditors not agree with the removal of the issue, then the Committee shall write a formal letter to the Officer of the Auditor-General for clarification.
- Should the Committee agree with the External Auditors, then it can instruct the Management to comply with the Auditor's issue.

7. Compliance with Legislation, Standards and Best Practice Guidelines

7.1 Review the effectiveness of the system for monitoring the Council's compliance with laws (including governance legislation, regulations and associated government policies), with Council's own standards, and Best Practice Guidelines as applicable.

	8. Insurance 8.1 Review the level of insurance on an annual basis to ensure that it is appropriate. *9. Treasury Function* 9.1 Monitor the Council's compliance with its Treasury Risk Management Policies and compliance with the relevant debt covenants. 9.2 Make recommendations to changes to the Treasury Risk Management Policy where appropriate. **Delegated Authority** • The chairperson of the Audit and Risk Committee shall have delegated authority to approve the letter of engagement for the external appointee to the Audit and Risk committee. • The Audit and Risk Committee shall have delegated authority to internal audit programmes, audit engagement letters and letters of undertaking for audit functions and additional services provided by the external auditor. • The Audit and Risk Committee reviews all financial reports on behalf of the full Council but submits a report for approval by the Council on a quarterly basis.
Council Resolutions	*THAT THE COUNCIL CONFIRMS THE AUDIT AND RISK COMMITTEE AS A COMMITTEE OF COUNCIL.* *THAT THE COUNCIL DETERMINES THE CHAIRPERSON AND THE COMMITTEE'S MEMBERSHIP BEING:* • *THE CHAIR OF THE COMMITTEE IS DEPUTY MAYOR VICKI GULLEFORD* • *THE MEMBERSHIP BEING THE MAYOR, COUNCILLOR MARK REDWOOD, COUNCILLOR JOHN DIVER, AND DIANE BRANDISH AS AN INDEPENDENT* • *THE QUORUM IS TWO MEMBERS.* *THAT THE COUNCIL DELEGATES THE POWER TO ACT IN THE ABOVE AREAS TO THE AUDIT & RISK COMMITTEE.*

Report to:	**Audit & Risk Committee**	
Date:	10 February 2026	
Subject:	Audit and Risk Agenda Reports	
Prepared by:	P Kearney – Senior Manager Corporate Services	
Input sought from:	C Kaa – Finance and Business Partnering Manager	
Authorised by:	W Doughty – Chief Executive Officer	

1. SUMMARY

This report provides narrative on a number of Council processes, projects or initiatives including statutory and legislative obligations. In addition this report includes oversight on Treasury and Debtors status

2. RECOMMENDATION

It is recommended that:

a) the Council/Committee receives this report and attachments for information
b) provides staff direction on any amendments or inclusion/deletion for agenda topics
c) notes full financials are absent and will be included in due course
d) notes the Treasury Report in section 13
e) notes the Debtors Report in section 14

3. LOCAL WATERS DONE WELL

Next steps will focus on:

- progressing the director and General Manager recruitment
- transfer agreement
- scope of work for the revaluation of assets
- financials and tariffs as part of the annual plan
- preparation of the Waters entity annual plan
- system requirements and set up

Overall Risk Status: Amber

4. CAPITAL PROGRAMME

Facilities Activity	CAPEX Budget	Status	Notes
Vehicle replacement	$ 30,000.00	Ontrack	will be delivered before 30 June 2026
Memorial Hall re-roof	TBC	On track	will be delivered before 30 June 2026 - money in LTP in 2028
Stage 1 Pohowera Park	TBC	Not on track	resourcing issue - will need a contractor PM - also waiting on government funding application
Design and consent for airport waste water system	$ 60,000.00	Paused	under review - to assess if required
Pensioner flat re-roof	$ 50,000.00	On track	will be delivered before 30 June 2026
Pensioner flat refurbishment	$20,000	On track	will be delivered before 30 June 2026
Civic centre renewals/repairs	$19,000	On track	will be delivered before 30 June 2026

Parks and Reserves Activity	CAPEX Budget	Status	Notes
Amphitheatre and bridge repairs	$ 100,000.00	Not on track	project yet to be initiated/defined
I-Site carpark	$ 20,000.00	Not on track	project yet to be initiated/defined
Link Pathway	completed	completed	completed
Multi-use courts	completed	completed	completed

3 waters activity	CAPEX Budget	Status	Notes
Water Renewals	$ 293,924.00	Not on track	Programme behind schedule due to staff turnover/vacancy in 3 waters engineer role
Sewerage Renewals	$ 280,845.00	Not on track	Programme behind schedule due to staff turnover/vacancy in 3 waters engineer role
Stormwater Renewals	$ 10,000.00	Not on track	Programme behind schedule due to staff turnover/vacancy in 3 waters engineer role

Roading Activity	CAPEX Budget	Status	Notes
Reseals, footpaths, renewals	$ 2,328,634.00	On track	Activity being managed well, reseal programme in February with Fulton Hogan. Beach Road and Scarborough Rd Footpaths on track. Remaining capex being tendered out this month

Overall capital programme is broadly on track however, the IAF project, as the single highest value item remains materially behind schedule. Progress on Water renewals is focused on progressing repairs to the corroded sewer line under the State Highway near the Lyell creek bridge and renewing an asbestos sewer pipe on Torquay but the team are currently reprioritizing the programme of works which will be included in the Annual Plan and provided to the new entity.

Depending on the funding requirement outcome from the work across Ecan regarding the landfill and external consultants this may require a stop/go decision.

Overall Risk Status: Amber (excluding IAF)

5. ANNUAL PLAN / LTP

5.1 Annual Plan

The annual plan is being developed using a similar methodology for the rates calculation for the 2025/2026 annual plan. This is to reduce the pressure of change on the team given the ERP transition. The team will utilise the old Ozone system budget entry screens in order to maintain a similar excel model. Enhancements are being made to the model in order to bring needed efficiencies and improvements into play. This work is being balanced by the need to upgrade to a more robust system that reduces manual effort and time requirements from individuals, is auditable, allows greater insight analysis and can cope with the upcoming legislation changes.

The current focus of the team remains on reviewing budgets and ensuring cost impacts are minimised while ensuring service delivery is maintained. Department teams have reviewed their operational budgets with minimal number of changes noted. The Fees and Charges schedule is also being updated as required and for CPI impacts.

Previously stated cost pressures identified as approximately $250k-$350k across the following areas/themes:

Northern entrance - $50k
Aquatic centre Costs - $40k
Wakatu Quay $100k
Emergency Management - $20k
Mayoral Forum Regional Deal and Climate Change Support - $10k

Earthquake 10 year event - $10k
Economic Development - $20k

The above excludes previous proposed interest cost funding for Clarence access given timing (2027 LTP item). Some capital works items particularly in the waters (desludging requirements) and landfill space are still being finalised and are likely to increase. Capacity requirements for Waters are also being reviewed to ensure system adequacy.

An item that is under consideration relating to civil defence is improving our power generation during extreme events (e.g. the need for updated generators to power pump stations etc). While the overall cost is estimated at around $40k to bring our generators into a fit for purpose state, this cost does not have to be incurred in a single year.

A number of unknown costs remain at the current time such as the effect of the RMA reforms on the District Plan and this will be an area we review for any cost efficiencies.

Another key aspect of the annual plan this year will be the separation of Water from the Council Annual Plan report and financials. A consultant has been engaged to support the financial analysis required however this is another significant piece of work for a small finance team over and above BAU.

Overall Risk Status: Amber

5.2 LTP

Discussion:

While still early in the LTP (2027-2037) journey, there are a number of items that will need to be considered for the LTP which may put pressure on council resources; some items which will require analysis and consideration including:

- Rates Capping / User Pays
- Asset Management Plans and Infrastructure Strategy Development Procurement/resourcing
- Consultation Topics
- Impact of Overhead / Shared Services arrangements as part of LWDW
- Depreciation funding for non waters assets
- Economic Strategy aligned Initiatives
- Town Centre Enhancements
- Automation
- Shared Services
- Legal matters

6. LEGISLATION CHANGES

The consideration of Rates Capping requires careful consideration in the lead up to the legislation coming in. Full details of the actual methodology remain uncertain and continue to be worked through. For a small council the impacts of being forced to operate within a range of 2-4% are likely to be significant in the absence of alternative means of revenue generation.

Careful planning for cost requirements to enable the district not to stagnate and to ensure staff stay motivated and invested.

Impacts of the RMA reform are still being worked through with the largest current impact being to staff time and ability perform BAU while working to understand the legislation changes and requirements.

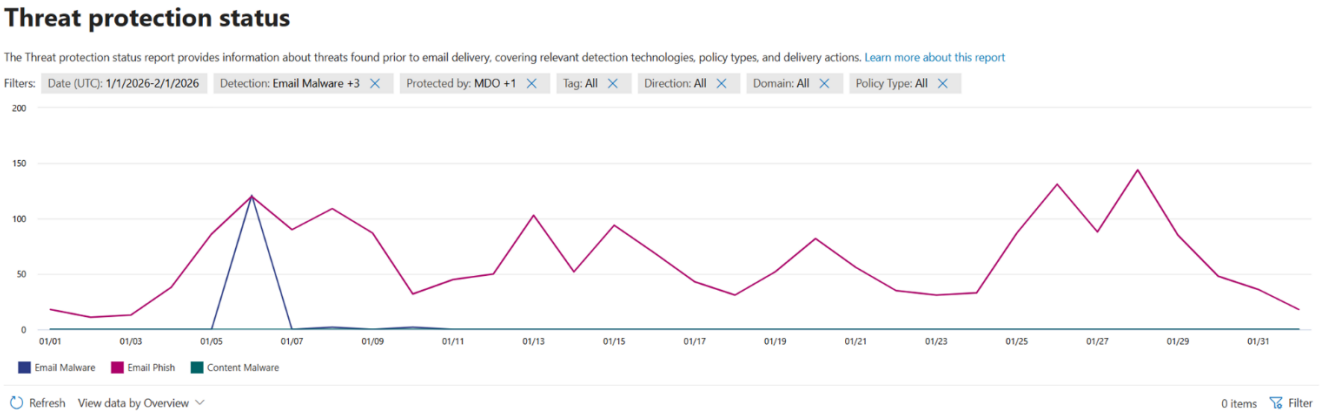
Overall Risk Status: Amber

7. CYBER SECURITY

Platforms and software in place are mitigating risk from:

- access to websites (1,671 attempts in month across HDC and KDC)
- ASR (attack surface reduction) rules blocking ~14,000 threats across HDC and KDC in past month
- ZAP (Zerohour Auto Purge) scanning removes about 10 emails per day post delivery

Instantly rejected emails prior to delivery indicates bulk of threat in emails from phishing but malware and content malware is also captured. Currently it appears the systems are coping well wit the level of threat but this requires constant review and monitoring.



Overall Risk Status: Green

8. CIVIL DEFENCE

The rain event of 24th January cause mild damage across the following:
Kekerengu (Ellerton Valhalla, Kekerengu Road, Kekerengu, Valley Road, East Lane and Wiffins)
Clarence (Clarence Valley Road, Matariki, Silver Springs)
Waipapa (plus Glen Alton and Waiau-toa)
Puhi Puhi Road
Blue Duck Road
Grange Road
Postman Road
Various other (e.g. culvert resizing / upgrades, street sweep)
Total ROM ~$130-180k (*final pricing from Downer outstanding so this is pure engineer estimate)*

Additional funding from NZTA is being worked through however, it is likely that civil defence events are likely to increase in volume, particularly localised flooding. Procurement will need to consider resilience aspects and additional reserve funding may be an LTP consideration.

Staff time to attend training remains problematic given the infrequent nature of CDEM training provided and intensity of daily BAU especially for some teams. Ensuring staff are current and understand their roles and responsibilities in this space as well as ensuring contractability remains a core focus.

Overall Risk Status: Amber

9. LEGAL MATTERS

Mediation for an ongoing legal matter regarding the application of rates and subsequent non-payment will be held on the 9th February. The outcome of this will determine next steps. Current

legal costs this year for this matter are approximately $12k. The mediation costs for legal representation for the day is expected to be in the region of $3k.

A defence response to the defamation case is being prepared for the 16th February. We are working with a legal firm and have engaged a special counsel who specialises in these kind of cases. At the time of writing it is not known the situation regarding insurance although we are aware that should insurance be provided the excess will be $50k. Early cost estimates at the current time are in the region of $30k for this matter.

Overall Risk Status: Red

10. AUDIT

Central to a positive audit experience and outcome is a productive working relationship across staff and the audit team. Our previous audit manager has left which will create a relationship gap however early meetings with the teams to be established.

25J Audit management letter recommendations which staff need to respond to from AuditNZ are noted below:

Priority	Recommendation	Why we are making this recommendation
Medium	**Sensitive expenditure** • The Council re-evaluates if a Christmas lunch is appropriate for council. If they still wish to do this, make sure only the Council are in attendance. • That all mayoral expenditure is approved by either resolution or by the Chief Executive Officer (CEO). • That when meals are purchased individuals do their best to adhere to the approximate $30 per meal guideline. • That all of the CEO's expenditure is approved by the Mayor. • That when sensitive expenditure is incurred the business purpose is clear.	When we completed our testing over sensitive expenditure, we noted multiple pervasive issues with the transactions tested.
Medium	**Adherence to policies – debt covenants** **The Council should ensure they adhere not only to the LGFA debt covenants, but also their own Treasury Management policy.**	**When completing our work over covenants we noted two instances where the requirements per the Treasury Management policy were breached regarding LGFA debt. These were regarding the maturity of loans (that is, too much of the overall debt would mature in the short-term), and regarding fixed rate loans (that is, too much of the medium-term loans were fixed rate).**
Medium	**Asset revaluations** • Ensure that future peer reviews of valuation reports include verification of quantity calculations and alignment with source data. • Investigate and resolve data inconsistencies within AWM. • Consider implementing the AWM Valuation Module to reduce reliance on manual calculations. • Ensure all additions, deletions, and write-offs of roading assets up to balance date are considered in the valuation. • Adopt WSP's recommendations.	We found: 1. Formula errors in the spreadsheet formulas used to calculate quantities, leading to discrepancies in the valuation data. 2. Inconsistent AWM Data mismatches between calculated length and actual prepopulated length. 3. Peer review did not include verification of the underlying quantity calculations. 4. Significant amount of manual Inputs, assumptions and calculations required to determine quantities. 5. No formal consolidated valuation report.

Medium	**Bank reconciliations – timely review** **Review the bank reconciliation report in a timely manner and to clearly document approvals with the appropriate authority. Periodic reviews should also be conducted to ensure reconciliations are completed accurately and on time, and that documentation standards are consistently followed.**	**The audit found untimely bank reconciliation reviews and missing documentation, including sign-off, dates, and reviewer identification, indicating weak internal controls and increased risk of errors or fraud.**
Medium	**Performance information** SSP calculation procedures be documented to ensure they are calculated consistently year on year.	A new staff member calculated the performance result, but was not aware of the DIA requirements to assess the number of complaints.

Critical areas for the 26J audit are expected to focus on the financials regarding Water and the ERP implementation as well as progress on recommendations (the management response to these recommendations will be shared in due course).

An audit scope and expectations from AuditNZ have been requested.

Overall Risk Status: Amber

11. TECHNOLOGY

General staff familiarity with Datascape is improving although teething issues and frustrations remain. Issues that had been dragging in the Regulatory space have been worked through with a Datascape expert post-Christmas and the team are more confident with the system functionality noting "98%" of outstandings have been resolved.

Water billing has been processed in the system which was noted as being a positive experience and future state is expected to add automation with the inclusion of the 'field app' such that readings are directly entered into the system rather than being written down and manually entered back at the office.

Further work is still required with financials in Datascape, particularly with regards to reconciling the balance sheet, performing any reclassifications and until this is resolved this may frustrate the ability to present these financial statements. Using Datascape support and specific module experts will be required to provide capacity for the team.

Planning and Building are undertaking data validation work currently. Go live for Planning is expected early March and Building go live for Kaikoura is going to defer until after the IAANZ audit. Relevant commercial conversations as a result will be held with Datascape representatives.

The finance team went live on 17th December 2025 with an automated invoice scanning system following the resignation of Accounts Payable staff. Currently the stats are showing ~30% flow through delivery. 50% of the non through flow is due to invoices with no PO – a staff and supplier education issue and 'supplier unknown' which is largely a data issue and will be resolved in time. In due course the aim is that, at a minimum, approximately 80% of invoices will be processed with negligible manual effort. Approval controls remain in place.

Overall Risk Status: Amber

12. USER FEES

Description/Activity	User Fees % (Actuals)	User Fees % (Target)	Notes

Note: Airport, harbour, Statutory Planning, Building, Regulatory and other relevant user fees groups will be included in due course along with relevant narrative

13. TREASURY REPORT

The below table has been provided by PWC our Treasury advisors – showing total debt of $9.3M. We are currently outside our policy limit with 65% ($7.3M) of external debt maturing within 3 years. This is a timing issue as $2M is maturing in April 2026 and **we** will be within the policy again in April. Once our options have been discussed with PWC, this will be refinanced through LGFA in either the February or March tender but not drawn down until April**.** A CARL facility was introduced in December 2025 as a short term cash flow solution primarily driven by the concern of being able to cover the expected high cost of IAF construction prior to cost recovery being received, this is currently undrawn.

Metrics:

- Actual Debt = $9.3m
- Forecast Debt 2025/2026 = $10.3m
- Net Debt = $7.3m (given $9.3m drawdown and $2m currently in cash as at February)
- Net Debt % (net debt / budgeted revenue) = 30% (LGFA covenant is net debt <175%)
- Net interest to total Rates income 2.3% (LGFA covenant is net interest <25%)

Council is compliant with funding/liquidity and interest rate risk profile and well within LGFA covenants.

Funding and liquidity risk position — Kaikōura District Council

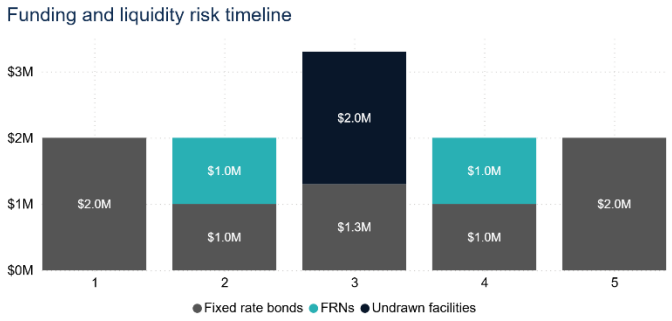
Month end: January 2026

Currency: NZD

Liquidity summary

122%
Liquidity ratio (liquid deposits)

110%
Liquidity ratio policy



$9,300,000
Gross external debt, less prefunding

$2,000,000
Undrawn and unlinked bank facilities

$0
Liquid assets

$0
Linked deposits

2.24
WA term of debt (years)

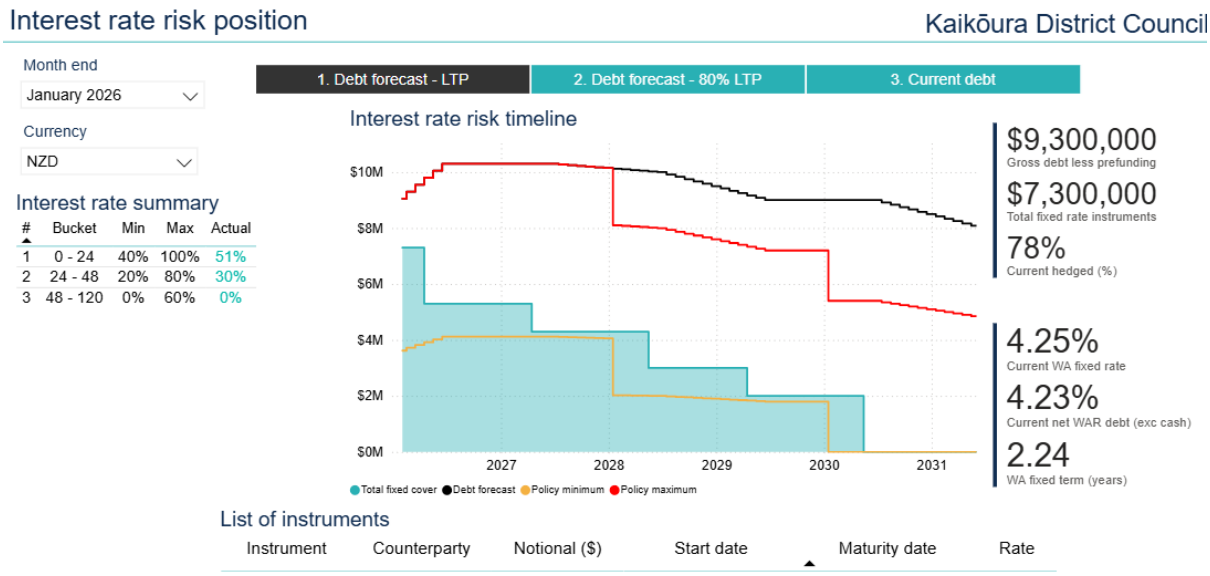
Funding summary

Bucket (years)	Maturing in period ($)	Policy	Actual
0 - 3	$7,300,000	15% - 60%	65%
3 - 7	$4,000,000	25% - 85%	35%
7 - 16	$0	0% - 60%	0%

List of instruments

Instrument	Counterparty	Drawn ($)	Limit ($)	Maturity	Margin	Com
Fixed Rate Bond	LGFA	$1,000,000	$1,000,000	15 April 2026		
Fixed Rate Bond	LGFA	$1,000,000	$1,000,000	15 April 2026		
Fixed Rate Bond	LGFA	$1,000,000	$1,000,000	15 April 2027		
Floating Rate Note	LGFA	$1,000,000	$1,000,000	15 April 2027	0.81%	
Fixed Rate Bond	LGFA	$1,300,000	$1,300,000	15 May 2028		
Revolving Cash Advance Facility	BNZ	$0	$2,000,000	5 December 2028		

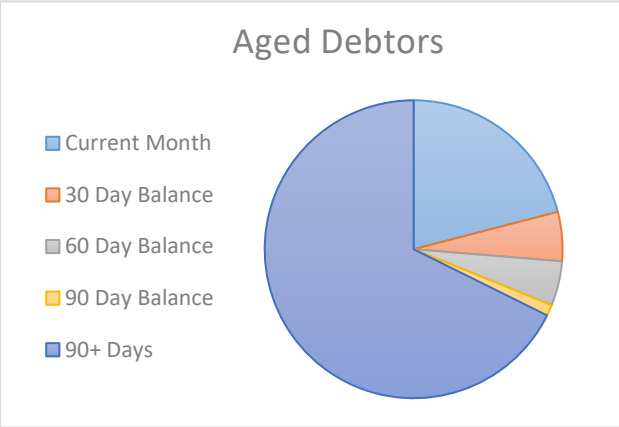
pwc



Overall Risk Status: Green

14. DEBTORS REPORT

As at 31 January 2026 the current debtors outstanding is $348,373, the profile remains highly aged with 80% of the receivables overdue and 67% sitting in the 90+days, this is driven by one large legacy item which contributes to 54% of the total amount outstanding. *(Note: a single debtor makes up approximately 54% of the balance).*



We are still working through the ERP transition and correcting migration and historical errors; this is on-going as resourcing allows.

Rates Debtors:

Age	Number of Properties	Value NZD
3 year	5	10,296
2 year	17	41,600
1 year	60	243,417

Note: A single debtor makes up approximately $100,000 of the 1 year balance

Overall Risk Status: Amber (Would be Green; if not for the single large debtor)

15. COMMERICAL ACTIVITIES

Council provided approval to explore further opportunities at the Wakatu Quay location with the aim of maximising returns to the Council while ensuring full site activation is achieved.
Key risks include community consultation/engagement, financial and legal due diligence, MBIE approvals and the proposed JV partner relationships. RMA and other statutory processes and outcomes remain TBC.

While the risk exposure here would be classed as above medium, the potential opportunity to reduce rates pressure or assist with community investment is substantial.

Overall Risk Status: Green

16. PEOPLE AND CULTURE

Survey:

Corporate Services has conducted a culture survey before Christmas which has been a great success in highlighting some direct areas of focus in specific teams to work on. Participation rate was almost 100% which is fantastic and provides great opportunity to work with specific teams.

The organisation wide survey will be shared to the team in the middle of February and will run for a few weeks. While the service provider has changed, the questions will remain in line with previous years and will also allow comparison against fellow councils.

Leavers and Joiners:

Susi Haberstock Community Services Manager resigned with her effect last day the 26th February. The consideration for what this means in the way of replacement is under discussion.

From February the Finance team will finally be largely fully resourced with the replacement Assistant Accountant (Chanel Jolly) starting the first week in February and Business Partner support continuing to be provided via a contractor (currently on 20 hours a week). Recruitment for a permanent replacement is ongoing and has been a difficult area since Cherie stepped into the management role.

A replacement customer services officer will be starting in February.

Staff Capacity:

Capacity constraints given new legislation e.g. LWDW implementation, RMA changes, as well as the impact of the new ERP system alongside the usual day to day continues to impact teams and remains a high risk for certain teams and individuals in particular in a small council. Currently no risk to service delivery but teams are stretched in some areas.

Staff Turnover:

2025-2026 YTD: 20%

Driven by one person leaving the district, two moving to another employer in Kaikōura, one trial notice period termination, one person leaving to manage their own business, two people retiring, and one to study fulltime.

2024-2025: 32.5%

Driven by six people leaving the district, two moving to another employer in Kaikoura, two people retiring, one misconduct, and two fixed term positions

This turn over represents a significant drain on council resources both in terms of time and money as well as lost intellectual property. Ongoing review of salaries and remote location working will be required as well as ensuring the correct capabilities in roles.

Overall Risk Status: Amber

17. COMMUNITY OUTCOMES SUPPORTED

Community
We communicate, engage and inform our community

Development
We promote and support the development of our economy

Environment
We value and protect our environment

Future
We work with our community and our partners to create a better place for future generations

Report to management

on the audit of Kaikōura District Council

For the year ended 30 June 2025

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Introduction

We completed our audit of Kaikōura District Council (the Council) on 29 October 2025. The significant matters arising from the audit were covered in our Report to Council dated 19 December 2025.

The purpose of this report is to report to management on relevant matters identified during the audit. It supplements the Report to Council, covering other matters identified and our recommendations for improvements. For each recommendation we provide an indicative priority rating.

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

Dereck Ollsson
Appointed Auditor
DRAFT - 2 February 2026

DRAFT

Recommendations

Ref	Priority	Recommendation	Why we are making this recommendation	Management comments
1	Medium	**Sensitive expenditure** • The Council re-evaluates if a Christmas lunch is appropriate for council. If they still wish to do this, make sure only the Council are in attendance. • That all mayoral expenditure is approved by either resolution or by the Chief Executive Officer (CEO). • That when meals are purchased individuals do their best to adhere to the approximate $30 per meal guideline. • That all of the CEO's expenditure is approved by the Mayor. • That when sensitive expenditure is incurred the business purpose is clear.	When we completed our testing over sensitive expenditure, we noted multiple pervasive issues with the transactions tested.	

DRAFT

Ref	Priority	Recommendation	Why we are making this recommendation	Management comments
2	Medium	**Adherence to policies – debt covenants** The Council should ensure they adhere not only to the LGFA debt covenants, but also their own Treasury Management policy.	When completing our work over covenants we noted two instances where the requirements per the Treasury Management policy were breached regarding LGFA debt. These were regarding the maturity of loans (that is, too much of the overall debt would mature in the short-term), and regarding fixed rate loans (that is, too much of the medium-term loans were fixed rate).	
3	Medium	**Asset revaluations** • Ensure that future peer reviews of valuation reports include verification of quantity calculations and alignment with source data. • Investigate and resolve data inconsistencies within AWM. • Consider implementing the AWM Valuation Module to reduce reliance on manual calculations. • Ensure all additions, deletions, and write-offs of roading assets up to balance date are considered in the valuation. • Adopt WSP's recommendations.	We found: 1. Formula errors in the spreadsheet formulas used to calculate quantities, leading to discrepancies in the valuation data. 2. Inconsistent AWM Data mismatches between calculated length and actual prepopulated length. 3. Peer review did not include verification of the underlying quantity calculations. 4. Significant amount of manual Inputs, assumptions and calculations required to determine quantities. 5. No formal consolidated valuation report.	

DRAFT

Ref	Priority	Recommendation	Why we are making this recommendation	Management comments
4	Medium	**Bank reconciliations – timely review** Review the bank reconciliation report in a timely manner and to clearly document approvals with the appropriate authority. Periodic reviews should also be conducted to ensure reconciliations are completed accurately and on time, and that documentation standards are consistently followed.	The audit found untimely bank reconciliation reviews and missing documentation, including sign-off, dates, and reviewer identification, indicating weak internal controls and increased risk of errors or fraud.	
5	Medium	**Performance information** SSP calculation procedures be documented to ensure they are calculated consistently year on year.	A new staff member calculated the performance result, but was not aware of the DIA requirements to assess the number of complaints.	
6	Low	**Aging of receivables** Management should review the aging settings in the new Datascape system, which was implemented from 1 July 2025.	During our receivables aging testing, we identified aging errors in four out of 10 random samples. While the overall population is below PM and no errors were found in key item testing, giving us confidence that the risk of material misstatement is low, we recommend management review the aging settings in Datascape from 1 July 2025. This will help ensure accurate aging of receivables and reduce the risk of reporting errors in future periods.	

DRAFT

Ref	Priority	Recommendation	Why we are making this recommendation	Management comments
7	Low	**Related party relationships** The Council should follow up with the relevant members to confirm the nature of these relationships and ensure full disclosure in future.	During our company search, we identified three related parties that were not fully disclosed by the Council members. To ensure transparency and compliance with related party disclosure requirements, council should review and update its declaration processes. We recommend that the Council follow up with the relevant members to confirm the nature of these relationships and ensure full disclosure in future.	
8	Low	**Policy reviews** Conducting regular reviews and updates for all policies.	The Capitalisation Policy was last reviewed in August 2023. We recommend conducting regular reviews and updates for all other policies.	

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Status of prior period recommendations

Ref	Priority	Recommendation	First Raised	Status/management comments
1	Medium	**Contract variations** Contract variations be formally documented and signed by all parties.	2022/23	**In progress** **Management comment**
2	Medium	**Review of capital work in progress** Capital work in progress be reviewed at year end to identify completed projects, or identifiable project stages, to be capitalised	2022/23	**In progress** **Management comment**
3	Medium	**Infrastructure asset revaluation** Review the current valuation process and consider the efficiency and effectiveness of an independent valuer completing the valuation followed by a staff review. Three waters asset quantities in the valuation report should be confirmed to the asset management systems for completeness. Unit rates to be based on contractor costs/actual costs from recent contracts. Recommendations from the peer reviewer, WSP, be implemented to improve the accuracy of future valuations and ensure that the assumptions, which are used, are aligned to the conditions in the district.	2021/22	**In progress** **Management comment**

DRAFT

Ref	Priority	Recommendation	First Raised	Status/management comments
4	Medium	**Sensitive Expenditure policy** Implement Sensitive Expenditure policies that are in line with the Auditor-General's good practice guidelines and consider bribery and corruption. Key improvements include implementing policies on: • credit card usage; • council motor vehicle usage; and • entertainment, hospitality and gifts. We also recommend the Travel and Accommodation policy is reviewed to bring it in line with the Office of the Auditor-General guidance.	2016/17	**In progress** **Management comment**
5	Medium	**Library book renewals and depreciation** The Council amend the average useful life of library books to reflect the actual length of time books are in circulation.	2024/25	**In progress** **Management comment**

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AUDIT NEW ZEALAND
Mana Arotake Aotearoa

www.auditnz.parliament.nz

DRAFT

Report to:	**Audit & Risk Committee**	
Date:	10 February 2026	
Subject:	Risk Management Report	
Prepared by:	B Makin – Executive Officer	
Input sought from:	KDC Management Team P Kearney – Senior Manager Corporate Services W Doughty – Chief Executive Officer	
Authorised by:	P Kearney – Senior Manager Corporate Services	

1. BACKGROUND

This report presents the updated Risk Management Report as at February 2026.

Attachments:

1. Risk Register as at February 2026 – see A3 version.

2. RECOMMENDATION

It is recommended that the Committee:

a) Receives this report
b) Notes the contents of the Risk Management Report (including Risk Register)
c) Provides any feedback for staff consideration.

3. BACKGROUND

Attached to this report is an updated Risk Register. This has been reviewed and updated by the Management Team. A summary one-page risk report has been added as previously outlined. Updates are clearly identified in the attached. Additions are included in bold, italics and underlined, and deletions have been removed but are noted below. Risk level changes are highlighted in yellow.

The Risk Policy was adopted by the Council in July 2025. The updates to the risk register have been made to include the new 5 risk levels (low, medium, significant, high and extreme) rather than the previous 3 (low, medium and high), and a revised consequence table with the inclusion of 'reputational risk'.

4. SUMMARY

Government reforms remain the top risk. Towards the end of 2025, the Government announced a two-phased approach to the RMA reforms, with two proposed bills currently open for Council submissions. The Government also released information on the proposed rates-capping model and the new regional council framework. Commentary has been updated in the register, noting that the team has prepared a submission on the RMA bills, and Taituarā has provided a sector response to the proposed rates-capping model (Risk ID#29).

Staff attraction and retention also remain high-priority risks. Work is underway on a job-sizing exercise to ensure fairness and consistency of remuneration across the organisation, and the Human Resources Business Partner has been actively progressing recruitment to fill vacant roles (Risk ID#3).

In addition to these priority areas, several risks across the organisation have shifted in rating as a result of operational progress, system changes, and updated regulatory expectations. A number of risks have been refined or consolidated to reduce duplication. New risks have also been identified, particularly in relation to environmental compliance and legal exposure.

System-related risks have increased in response to the transition to Datascape, with teams working through data accuracy and reporting challenges. While this work is progressing, it continues to influence the organisation's ability to access timely and reliable information. The two remaining

modules are expected to be rolled out for Building and Planning by the end of March. Conversely, improvements in water services delivery and the lifting of all boiled-water notices have contributed to reduced risk levels in key operational areas.

The following risks have either been removed due to duplication, replaced, or introduced as new risks:

Risk ID#4 – Removed risk, duplication of other reforms mentioned throughout the risk register.

- Risk ID#4 – Removed. This risk duplicated other reform-related risks already captured in the register.
- Risk ID#38 – Removed. The 2025 Local Body Elections have been completed. The induction programme is being implemented and is captured elsewhere in the risk register.
- Risk ID#9 – Removed. This risk duplicated content already included under the Government reforms risk.
- Risk ID#6 – Removed. The roadworks programme is now defined, and footpath upgrades are addressed in the LTP.
- Risk ID#43 – New Risk: Solid Waste. A new risk has been added relating to cost pressures arising from consent conditions, particularly regional council environmental consents required for the landfill capping project.
- Risk ID#44 – New Risk: Legal Challenges. A new financial risk has been included relating to potential judicial reviews and legal action.

The following risk ratings have been increased:

- Risk ID#5: Lack of Process and Systems – Asset Management
  The likelihood of the inherent risk has increased from 3 to 4, raising the total inherent risk score from 12 to 16. The likelihood and impact of the residual risk have also increased from 2 to 3, increasing the total residual risk from 4 to 9, due to limited progress on strategic asset management.
- Risk ID#10: Failure to Achieve Statutory Requirements
  The inherent likelihood has increased from 4 to 5, and the risk wording has been updated to include reference to RMA abatement notices. Council has received abatement notices for the WWTP and closed landfills due to non-compliance and insufficient monitoring. A lack of active monitoring across all ECAN resource consents could result in further abatement notices and may make new resource consent applications more challenging, as the regulator's confidence in Council's self-monitoring capability is reduced.
- Risk ID#11: Lack of Timely, Relevant and Accurate Information
  The likelihood of the inherent risk has increased from 3 to 4, raising the total inherent risk from 9 to 12. The likelihood of the residual risk has also increased from 3 to 4, lifting the residual risk score from 9 to 12. This reflects the impacts of the transition to Datascape, with staff currently working through significant data accuracy and reporting extraction challenges.
- Risk ID#39: LWDW – Rural Residents Moving to Private Water Supply
  We have re-defined this risk and its' description. The impact of the residual risk has increased from 3 to 4, raising the total residual risk to 16. Communications activity for LWDW will be increased to support community understanding and mitigate potential backlash.

The following risk rating has been decreased:

- Risk ID#12: Lack of Water Testing and Responsiveness
  The likelihood of the inherent risk has decreased from 3 to 2, reducing the total inherent risk from 15 to 10. As at the date of this report, all boiled-water notices have been lifted, and water treatment facilities are being well maintained. Council has appointed a replacement Three Waters Engineer on a fixed-term basis while the new water services council-controlled organisation is established.

5. FINANCIAL IMPLICATIONS AND RISKS

Most risks have financial implications and risks – these are taken into account in the compilation of the report.

6. COMMUNITY OUTCOMES

The work is in support of all community outcomes.

Community

We communicate, engage and inform our community

Development

We promote and support the development of our economy

Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose

Environment

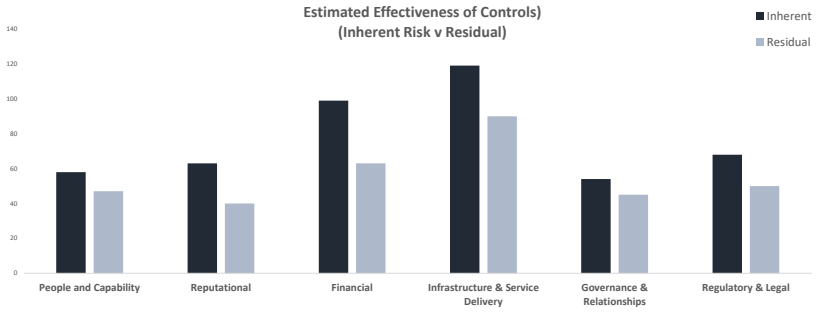
We value and protect our environment

Future

We work with our community and our partners to create a better place for future generations

KaiKoura District Council - Risk Register Summary

Risk Category	Ext	High	Sig	Med	Low	Total
People and Capability	0	3	0	1	0	4
Reputational	0	2	2	0	0	4
Financial	0	5	0	1	1	7
Infrastructure & Service Delivery	0	6	1	1	1	9
Governance & Relationships	0	3	1	0	0	4
Regulatory & Legal	0	3	0	2	0	5
Total	**0**	**22**	**4**	**5**	**2**	**33**



Commentary:

While the RMA reforms present the largest risk to the overall organisation, Legal actions underway present a substantial standalone risk from potential financial and reputation impact. The ERP change has caused significant disruption to council staff in the first 6 months but the impact is reducing (for the most part) and the change is presenting opportunity to review 'ways of working'. The Risk Register has been updated to reflect the categories that were established during the Risk Workshops held earlier in 2025. The number of risks is now at 33 compared to the previous count of 35. This is largely due to removing risks that were either duplicative and or no longer relevant as a stand alone risk i.e. Local 2025 Elections. Infrastructure and Service Delivery has the highest number of risks at 9 as well as the highest rated number of risks which is appropriate given the business model. The estimated effectiveness graph highlights that in terms of mitigation actions the risk mitigations regarding People, Financial and Governance likely require additional review to provide assurance on proposed controls. People and the Governance/Relationship risks appear to be most complex to mitigate (looking at the graph score). The risks captured in this category are around cost of living impacts to staff (inflation), attraction and retention and staff engagement. Comparing inherent risk to the residual risk for People and Capability risks (a difference of 11 points) suggests that this is currently the most complex risk to mitigate and potentially where additional effort may be required although Governance and Relationships is a similar area where more assurance work may be required.
The Risk tolerance classification is a starting position and is designed to indicate Councils position on dealing with the risk. Councils options regard risk is to:
i) transfer the risk (i.e. insurance)
ii) mitigate the risk i.e. find ways to reduce exposure to the risk
iii) avoid the risk i.e. as much as possible should be done to reduce any exposure to this risk and,
iv) accept the risk i.e. council is willing to accept the risk of the risk event taking place

The scoring for Risk classifications is as follows:
Extreme >20
High <20
Sig <9
Med <7
Low <3

Residual Risks (All)	Residual Risk Score	Risk Treatment	Risk Tolerance	Risk Category	Risk Outcome
LWDW & RMA Reform and Simplifying Local Government	20	Accept	High	Regulatory & Legal	Operational, Political
Climate Change	16	Mitigate	High	Infrastructure & Service Delivery	Environmental, Financial
Staff Engagement	16	Mitigate	Medium	People and Capability	Operational
Staff Attraction/Retention	16	Accept	High	People and Capability	Operational
Runanga Relationship (General)	16	Mitigate	Low	Governance & Relationships	Operational
Poor record keeping	12	Mitigate	Medium	Reputational	Operational and reputational
ERP Replacement	12	Mitigate	Low	Infrastructure & Service Delivery	Operational, Financial, Reputational
Demographic changes increase in +65 age group	12	Mitigate	High	Financial	Environmental, Financial
Lack of timely, relevant and accurate information (General)	12	Avoid	Low	Financial	Financial
Lack of Project Methodology (General)	12	Mitigate	High	Infrastructure & Service Delivery	Operational
Poor Contract Establishment	12	Avoid	Low	Infrastructure & Service Delivery	Operational
Political Pressure	12	Accept	High	Governance & Relationships	Political or Reputational
Legal Challenge from affected residents	12	Mitigate	Medium	Reputational	Financial
Price escalation	12	Mitigate	Low	Financial	Financial, Operational
Rural residents moving to private water supply Schemes looking to opt	12	Mitigate	Low	Infrastructure & Service Delivery	Operational
Legal Challenges	10	Transfer	Low	Financial	Financial
Lack of Financial and Staff Capacity for CDEM	9	Mitigate	High	People and Capability	Operational
Lack of Process and Systems	9	Mitigate	High	Infrastructure & Service Delivery	Operational
Lack of decisive decision making	9	Avoid	Medium	Governance & Relationships	Political or Reputational
Failure to achieve Statutory Requirements	9	Avoid	Low	Regulatory & Legal	Operational
Statutory Non-Compliance	9	Mitigate	Low	Regulatory & Legal	Operational
Cost pressure from consent conditions	9	Mitigate	Low	Financial	Financial
Lack of Appropriate Prioritisation and Capacity	8	Mitigate	Low	Governance & Relationships	Political or Reputational
Lack of Appropriate IT Access Controls	8	Avoid	Low	Reputational	Political or Reputational
Lack of Water Testing and Responsiveness	8	Avoid	Low	Infrastructure & Service Delivery	Health & safety
Lack of BCA Process and Procedures	8	Avoid	Low	Reputational	Operational
Lack of Appropriate Fraud Controls	6	Avoid	Low	People and Capability	Financial
Water Services CCO (WSCCO) Set Up	6	Mitigate	Low	Regulatory & Legal	Reputational
Failure to maintain/replace IT Hardware	6	Avoid	Low	Infrastructure & Service Delivery	Operational
Regulatory Judical Process	6	Mitigate	Medium	Regulatory & Legal	Financial, Operational
Carbon Credit liability for the next four years (2025-2029)	5	Mitigate	Low	Financial	Financial
Lack of Financial Buffer	3	Mitigate	High	Financial	Financial
Catestrophic Event / Black Swan	3	Accept	High	Infrastructure & Service Delivery	Operational

Risk Id	Risk quadrant	Risk Category	Treatment of Risk	Department	Activity	Risk	Risk Description	Risk owner	Control owner	Risk Impact Outcome	Tolerence	Likelihood	Impact	Inherent Risk	Controls in place	Likelihood	Impact	Residual Risk	Control plan
Unique code for easy identification	Select either Council Risk or District Risk	What is the risk aligned to e.g. Operational, Strategic, Governance, Compliance / Legislative, Market or Emergent	How do we wish to treat this risk e.g. Accept, Mitigate, Transfer, Avoid	Department	Council activity (e.g. water supplies)	What is the cause of the Risk	Clear, unambiguous, brief description of the risk event and what the impact to Council would be (i.e. what the loss or gain will be if the event occurs)	Person accountable for ensuring the risk is monitored and controlled, and, where necessary, escalated	Person accountable for ensuring the control plan for the risk is implemented	Select either: (1) Health & Safety (2) Operational, (3) Political (4) Reputational, (5) Financial, (6) Environmental, or (7) Personnel	What is the Councils tolerence for this Risk (Low = must be avoided or transfered; High = risk can be accepted or mitigated	Based on Appendix B section 10.1 of the Risk Management Policy	Based on Appendix B section 10.2 of the Risk Management Policy	Total level of unmitigated risk	Description of existing controls	Based on Appendix B section 10.1 of the Risk Management Policy	Based on Appendix B section 10.2 of the Risk Management Policy	Level of risk that remains after taking the existing controls into account	Description of further controls (if required) from the detailed control plan developed by the risk owner
29	Council and District Risk	Regulatory & Legal	Accept	Enterprise	All	LWDW & RMA Reform ***and Simplifying Local Government***	Substantial changes to the role of Councils arising from LWDW and RMA planning reforms, purpose of local government review threaten the viability of KDC as a stand-alone entity and with its local democracy. Associated shorter term risks in respect of maintaining staff morale and retaining capability. LWDW - loss of critical mass and financial consequences for remaining organisation	Chief Executive	Chief Executive	Operational, Political	High	4	5	20	~~Proposed~~ LWDW, RMA and Local Government Reforms and changes largely outside of control of KDC. Involvement in submission processes and C4LD where ever opportunity arises RE: Staff morale, retention and recruitment - a number of actions being taken (refer risks 3, ~~4,~~ 10, 32). Developing plan for retention of local government influence in Kaikoura post reform, and for progressive structural change towards that provides some reasssurance to staff. Opportunistic actions RE: staff retention and recruitment when opportunities arise. Keeping teams informed of reforms. RMA and Building Reforms are ongoing. Ensure plan changes focus on community needs as opposed to political direction which is subject to change with political cycles.	4	5	20	Joint WSCCO to be established by 1 July 2026. ~~RMA legislation later in 2025.~~ ***The planning team have put together a submission on the proposed two bills to replace the RMA and presenting this to the Council at a workshop on 11th February.*** ***Taituara put together a response to the proposed rate-capping model.***
3	Council Risk	People and Capability	Accept	Enterprise	HR	Staff Attraction/Retention	Depth of staffing - one tier deep - loss of key people, loss of institutional knowledge, difficult to recruit, lack of backup support, very limited opportunity for succession planning.	Chief Executive	Management team	Operational	High	5	4	20	Fair remuneration and staff benefits e.g. medical insurance. Regular team building exercises and training opportunities. Staff culture improved. Use of shared BA resource to help document process and procedures. Develop standard operating procedures: documented and agreed policies, and complete workflows, implementation of records management project. Team leader training. Develop a whole of team approach and encourage cross-department support. Keep job descriptions up to date. ~~1 current vacancy in key management position.~~ Increased use of external contractor resource. Contracted Building Control Manager appointed. ~~Building control manager recruited 1 July start~~ Consideration of shared BCA arrangements for longer term.	4	4	16	As one option for consideration: closer collaboration with neighbouring Councils. Work underway at both Canterbury and North Canterbury level. Consider succession plans for key roles where we can. Recruitment of Senior Management on hold. Strategic Advisor to provide some support. Explore opportunities for growth in roles. ***Job sizing project underway internally.***
16	Council Risk	Governance & Relationships	Mitigate	Enterprise	All	Runanga Relationship (General)	Lack of progress following both senior management and operational interactions with Runanga result in delays in projects and BAU	Chief Executive	Executive team	Operational	Low	*5*	4	20	Regular meetings with Te Runanga and Mana to Mana Hui held, and some issues discussed In addition specific project meetings held for key capital projects in particular. Continued Governance hui's to discuss key issues. These to include further highlighting of difficulties for Council projects and operations. MOU and SLA to be developed. Cultural awareness activities to be undertaken. Controls being worked on but little progress to date in terms of physical agreements Currently significant engagement issues impacting delivery of key projects. Priorities list shared with TROK.	4	4	16	Development a formal partnership agreement to establish framework for relationship. Movement on several key projects but no change in overall approach Taking the approach to keep them informed of issues. ~~Limited Governance engagement over the last few months.~~ Chair has indicated no major issues.
31	Council Risk	People and Capability	Mitigate	Enterprise	HR	Staff Engagement	Team morale and impacts of workloads, reforms uncertainty staff shortages, and cost of living and ERP change process	Chief Executive	Management team	Operational	Medium	5	4	20	Workplace Support is in place for staff. Included in PDW process and focus from Management. Wellbeing action plan in place. Flexible Working Policy implemented. ~~Report being prepared on financial implications of 3Waters Reforms for the organisation.~~ Regular communication around reform agenda. ***Internal Strategy roll out.*** ***Human Resources Business Partner recruited.***	4	4	16	Management Team to provide support to their teams. ~~Internal Strategy roll out.~~ Staff working group action plan. Leadership training undertaken. ***Purchasing NZIM training for management as part of developing leadership.*** Successful staff development day for team building. ~~Improved staff survey results.~~ Continued roll out of actions. Impact from ERP project. ***New survey provider engaged for 2026 annual survey with the ability to run multiple pulse surveys throughout the year.***

35	Council Risk	Infrastructure & Service Delivery	Mitigate	Enterprise	All	Climate Change	More frequent and severe weather events (rainfall, wind, fire) that increase risk of slips, road/bridge damage and increase risk of property damage Ocean Warming sees marine life change e.g. Whale migration and Whale/dolphin tourism decreases	Chief Executive	Executive team	Environmental, Financial	High	4	4	16	Data driven investment in stormwater drainage and increased roading resiliance requirements.	4	4	16	Other controls required include facilitating/promoting marine research and diversifying toursism opportunity Canterbury climate change action plan. Emergency Preparedness. Increased rainfall events this year. ***Increased resilience in rainfall events need to be factored into infrastructure procurement***
21	Council Risk	Reputational	Mitigate	Finance & IT	Information & Records Management	Poor record keeping	Records and documents can't be accessed reasonably or found, due to lack of information management processes across the organisation	SMC: Senior Manager Corporate Services	Community Services Manager	Operational and reputational	Medium	5	3	15	Laserfiche procured and operational. All Staff now using Laserfiche but uptake across organisation is slow. Evidence of IT audit January 2023 shows high number of files being kept on desktops. Project Manager in place shared with Hurunui District Council. Local Information Management Officer in place. Dedicated time factored into weekly schedule. Files scanned and inputted in Laserfiche as created or requested internally or externally. Retention and disposal plan under development. R:Drive locked, readable only and being transferred into Laserfiche	4	3	12	Continued monitoring and training to ensure 100% uptake of staff using Laserfiche. Likely to require significant time and cost. Review of H:Drives and Desktops 2nd phase of back scanning project commended in July using transition funding. Additional budget included in LTP. Increased staff hours to focus on backlog of data quality.
24	Council Risk	Infrastructure & Service Delivery	Avoid	Enterprise	Contractor performance risk	Poor Contract Establishment	Sub-optimal or poor contractor performance (including health & safety) and/or additional costs	~~SMO: Senior Manager Operations~~ ***Chief Executive***	~~Management team~~ ***Operations Delivery Manager***	Operational	Low	4	4	16	Experienced and full compliment of current works and services team, exercising better oversight of activities under improved contract documents that more clearly specify required outcomes. Increasing focus on health & safety documentation. Priorities for major contractor works being clarified in LTP. Contractor reports are received monthly from the Roading Contractor, contains H&S reporting.	3	4	12	Ensuring the contractor understands the contract obligations. Continually improving procurement processes and contracts for quality outcomes and to include better health & safety requirements Focus on KPI reporting with 3 Waters contractor Improve contract management focus. Included in LOE + SOI for IWK Contract checklist in place. Focus on quality checks remain work in progress.
26	Council Risk	Governance & Relationships	Accept	Enterprise	RMA consent compliance monitoring and enforcement	Political Pressure	Continuation of KDC historic practice of reactive rather than proactive monitoring and enforcement of consent conditions will result in material breaches	~~Senior Manager Operations &~~ Senior Manager Corporate Services	Chief Executive	Political or Reputational	High	4	3	12	Historic approach and resource levels restrict the ability to proactively monitor compliance Resource Management Officer on 0.2 full-time equivalent through secondment from Environment Canterbury. In addition part of a Regulatory Officer has been allocated, where available to monitoring. A draft plan has been created for priorities bearing in mind the small FTE Further proactive monitoring compliance will require additional resource.	4	3	12	Non compliances being identified. Additional regulatory resource would be required for pro-active compliance. Increased focus for Regulatory Team but may require additional resource and budget. Good progress being made on identifcation of issues.
30	Council Risk	Financial	Mitigate	Enterprise	All	Price escalation	Rapid cost escalation (e.g. oil/Ukraine) and inflation effects on capital delivery and BAU costs and possible rates increases	Chief Executive	Executive team	Financial, Operational	Low	5	4	20	Internal monthly reporting of capital projects and operational results within Management meetings. ***Inflationary effects factored into 2025/2026*** Some inflationary effects factored into 2023/2024 Annual Plan. Watching brief with -PWC RE: effect on future borrowings	3	4	12	Ongoing effects monitored to assess effects on current LTP forecasts Review of capital programme procurement and delivery Increased cost of delivery factored into LTP. ~~Easing of price indices and interest rates.~~
34	Council Risk	Infrastructure & Service Delivery	Mitigate	Enterprise	Capital Delivery	Lack of Project Methodology (General)	Lack of internal capacity and capability impacts on ability to deliver capital programme	Chief Executive	Executive team	Operational	High	4	4	16	Monthly reporting to management team on critical projects covering finanicals, status, risks and progress issues. Pace of change impacted by project reporting methodology, systems and capacity	3	4	12	Development of project management process. Increased focus on all aspects of delivery by ELT. Project cordination role included in draft LTP. Monthly reporting remains a work in progress. Better controls in place in Operations Team.
36	Council Risk	Financial	Mitigate	Enterprise	Financial Management	Demographic changes increase in +65 age group	Higher proportion of +65 aged population will place more stress on ability to absorb rates increases. The types of services required will need to be more care based which we currently don't have. Being seen as a retirement town may be restrictive on ability to grow per aspirations	Chief Executive	Executive team	Environmental, Financial	High	3	4	12	Watching brief	3	4	12	Watching brief Aging Well Group meeting regularly. Elderly person housing requirements.
37	Council Risk	Infrastructure & Service Delivery	Mitigate	Enterprise	All	ERP Replacement	ERP fails to work as expected or certain modules do not provide the expected service causing service or finanical implications	Senior Manager Corporate Services	Management team	Operational, Financial, Reputational	Low	4	4	16	Joint procurement with Hurunui IT team. Involvement in staff in module reviews Budget for training in LTP Implementation project plan to be developed in detail once preferred supplier chosen	3	4	12	Implementaiton and training will be in conjunction with Hurunui IT team. Staff kept informed to progress with feedback opportunity Testing and training to be incorporated
39	Council Risk	Infrastructure & Service Delivery	Mitigate	Works & Services	Local Waters Done Well	***Rural residents moving to private water supply*** ~~Schemes looking to opt out~~	~~Public backlash to increased water tarrifs once finished.~~ ***Cost of water service provisions are spread to a diminishing group***	Chief Executive	Chief Executive	Operational	Low	4	4	16	***Use of debt and exploring tarrif amalgamations***	4	***3***	12	Communication with community. Meeting with specific water scheme members. ***KDC Comms increasing messaging for LWDW.***
40	Council Risk	Reputational	Mitigate	Works & Services	Waiau Toa / Clarence Valley Access ~~project~~	Legal Challenge from affected residents	Residents lodge a legal challenge seeking financial compensation for loss of access	Chief Executive	Chief Executive	Financial	Medium	4	4	16		4	3	12	Residents are being kept informed of the progress. Council are considering the options. Initial legal advice sought.

11	Council Risk	Financial	Avoid	Enterprise	Financial management	Lack of timely, relevant and accurate information (General)	Unplanned costs, overspends, loss of revenue streams	Chief Executive	Management team	Financial	Low	***4***	3	12	Financial delegation limits, budget supervision, monthly reporting of variances Robust LTP and Annual Plan processes Budget variances closely monitored. Monthly Management meetings reviewing capital and operational expenditure. Deployed greater accountability for budget overruns, financial reporting brought to management teams, whole of team approach to budgets Risks remain for any contracts or commitments that exceed budget provisions - the financial reporting only brings these to attention after the commitment has been made. Mitigated by involvement of Senior Managers and CEO and regular management meetings regarding operational and capital expenditure	***4***	3	12	No surprises reporting to elected members. Increased costs of audit & insurance included in LTP. Increased legal costs for harbour. Annual Plan has all updated budgets for 2025/2026 ***Risk raised given difficulty in extracting required reporting through Datascape. The team has better understanding of the sytem and issues that need to be resolved. Use of Datascape consultant SME to provide expert oversight and assurance to be booked***
44	***Council Risk***	***Financial***	***Transfer***	***Enterprise***	***Financial management***	***Legal Challenges***	***Judicial reviews and legal action - unbudgeted costs for the ratepayers***	***Chief Executive***	***Senior Manager Corporate Services***	***Financial***	***Low***	***5***	***4***	20	***Legal experts engaged to prepare defence submission by 16th February.*** ***Awaiting confirmation on insurance cover***	***5***	***2***	10	***Insurance cover if approved may limit any liability to the excess of $50,000*** ***Liklihood of damages sought been awarded is considered highly unlikely***
10	Council Risk	Regulatory & Legal	Avoid	Building, Regulatory ***and Operations***	Building control, other regulatory ***and service delivery activities***	Failure to achieve Statutory Requirements	Statutory non-compliance (e.g. failure to conduct BWOFs, enforcement activities), ***and RMA abatement notices***	~~Team Leader Community Facilities & Regulation~~ ***Chief Executive***	~~Senior Manager Operations~~ ***Regulatory Manager*** ***Building Manager*** ***Operations Delivery Manager***	Operational	Low	***4***	3	12	Ongoing investment in staff, resources and training ~~Some re-focussing of duties within operations team to enhance efficiency of monitoring and enforcement.~~ ***Building have full team qualified to do BWOF audits*** ~~Restructure of regulatory team following departure of regulatory officers; introduction of new Regulatory Services Team Leader and casual parking/freedom camping officers. These roles were filled & commenced employment early April.~~ ***Regulatory Manager employed*** ***Dog control/Investigation officer employed*** ***Contractor engaged for freedom Camping and Parking enforcement*** ***Created new digital management systems for all of our resource consents so tasks are monitored. Team is working on removing abatements either via new, less onerous consents for the WWTP or by undertaking monitoring.***	3	3	9	***Food Safety Officer training.*** ***Resource consent/RMA monitoring training.*** ***Building have instigated audits, and Regulatory are assisting with enforcement*** ~~External resources to assist with TA functions~~ ~~Regulatory Team Leader in place focusing on TA functions~~ ~~Good work being undertaken by Regulatory Team now in this area.~~ ~~IANZ accreditation audit completed in March 2024.~~ ~~Low risk status achieved.~~ ~~Support being provided to Hurunui~~ ***New management systems in place and active monitoring now occurring. Working to remove 2 new abatements on closed landfills at Clarence and Kekerengu. New consents for the WWTP and Kaikoura Landfill will be oeprationalised once they are granted later in 2026.***
13	Council Risk	Governance & Relationships	Avoid	Enterprise	Council	Lack of decisive decision making	Not robust decision-making from elected members	Chief Executive	Executive team	Political or Reputational	Medium	3	4	12	~~Reports to Council are well-researched and presented, staff give competent advice, elected members receive induction training.~~ ~~Independent committee member appointed for FARC.Difficult or contentious issues are workshopped to enable full understanding prior to a decision being required at a Council meeting. No surprises. New council induction held and training programme in place. Emergency Management overview held with Elected Members.~~ ~~Governance Training completed and mid-term review held in 2024.~~ ***Council decision making is supported through well researched and balanced reports, competent staff advice, and comprehensive elected member induction covering key governance procedures. Councillors receive information in advance (no surprises), are provided briefings, and complex issues are workshopped to ensure full understanding before decisions are required. Independent oversight is maintained through the appointment of an external Audit & Risk Committee member ensuring decisions are informed, timely, and robust.***	3	3	9	~~Elected members receive ongoing training, including on legislative matters, Chairs Training~~ ~~Akona Platform available for members.~~ ~~Election period upcoming~~ ***Elected members to receive ongoing development opportunities, including legislative updates, Chairs Training, and media training, supported by access to the Akona learning platform. Continuous capability building is further reinforced through a scheduled mid-term review in 2027, ensuring members remain confident and well-equipped to make timely and informed decisions.***

15	Council Risk	Regulatory & Legal	Mitigate	Strategy & policy	District planning	Statutory Non-Compliance	Statutory non-compliance (planning decision subject to challenge)	SMC: Senior Manager Corporate Services	Strategy, Policy & Planning Manager	Operational	Low	4	3	12	Staff are adequately trained, adherence to current district plan, use of qualified consultants as required. Additional pressures are being placed on Stat timeframes with outsourcing but still manageable at this time. Aware of national shortage of skilled planners with many councils and central governement departments recruiting. In addition some external contractors are declining work due to workload. Consent timeframes excluded due to "special circumstances" where necessary	3	3	9	Weekly consent timeframes are being prepared to assist with tracking consents. Involve legal advisor if required at an early stage
22	Council Risk	People and Capability	Mitigate	Community Services	Emergency Management	Lack of Financial and Staff Capacity for CDEM	Other priorities resulting in failure to adequately train for emergency event	SMC: Senior Manager Corporate Services	Community Services Manager	Operational	High	3	3	9	Regular meetings and significant EOC specific training Enchanced relationships and training with other local first responders. Excellent relationship with Canterbury Group EM Clear understanding of who does what in the event of a disaster. New staff trained as they arrive ~~Controller refresher training held for 2024~~ ~~New EMO in place on permanent part time contract and training underway.~~	3	3	9	Developing clearer operating procedures for all function managers. Will always need external resource for significant local event. ~~New EMO now in place. Several group and national exercises planned for 2024 and 2025 - AF 8 Training and Exercise Pandora in November 2024~~ ~~C10 EMO training.~~
43	***Council***	***Financial***	***Mitigate***	***Works & Services***	***Solid Waste***	***Cost pressure from consent conditions***	***Environmental consent conditions may require Council to undertake costly mitigation or infrastructure upgrades, resulting in financial strain and challenges meeting statutory obligations***	***Chief Executive***	***Service Delivery Manager***	***Financial***	***Low***	***3***	***4***	12	***Staff are actively engaged in the consenting process for the landfill capping project to lobby for pragmatic consent conditions.***	***3***	***3***	9	***Looking to raise fees and charges proactively to cover the costs of consenting and capex.***
5	Council Risk	Infrastructure & Service Delivery	Mitigate	Works & Services	Asset management	Lack of Process and Systems	Lack of knowledge about KDC assets, especially critical infrastructure	~~SMO: Senior Manager Operations~~ Chief Executive	~~Works & Services Manager Operations~~ ***Operations Delivery Manager***	Operational	High	***4***	4	16	~~Significant progress made on improving asset knowledge and preparing Infrastructure Strategy and AMP's to support LTP.~~ ~~ADAPT asset management system in place and being used for waters assets.~~ ~~Continuing focus for Works & Services Team.~~ ***Roading asset management is in a more mature place. Very little progress, if any, has been made on strategic asset management for 3waters, solid waste, parks, facilities, harbours***	***3***	***3***	9	Further work required with ADAPT Working alongside Hurunui District Council and Waimak Council on ADAPT
2	Council Risk	Reputational	Avoid	Building & Regulatory	Building control	Lack of BCA Process and Procedures	Loss of BCA accreditation	Chief Executive	Building Control Manager	Operational	Low	5	4	20	Ongoing investment in staff, resources and training, monitoring BCA audit outcomes Accreditation achieved March/April. 2 Year low risk	2	4	8	~~IANZ accreditation completed in March 2024. Low risk until march~~ ***Audit booked for early March 2026*** ~~Datascape build module needs to beimbedded, tested and go live before the end of 2025. This will give 3 months of data for IANZ to assess for accreditation in March /April 2026~~ ***Datascape go live has been deferred for building to ensure no interuption with the audit. A further audit may be requried***
12	District Risk	Infrastructure & Service Delivery	Avoid	Works & Services	Water supplies	Lack of Water Testing and Responsiveness	Drinking water transgression, people get sick or die	~~SMO: Senior Manager Operations~~ ***Chief Executive***	~~Works & Services Manager~~ ***Operations Delivery Manager***	Health & safety	Low	***2***	5	10	Water treatment facilities are in place, are well maintained, and data collection water testing regimes are followed. Drinking Water Safety Plans are in place ~~Boiled water notice lifted for Fernleigh.~~ Water safety plans in place.	2	4	8	Regular interface with regulator. Source water risks understood and managed UV disinfection in place- for all schemes. Chloridation in place for all but airport (as very small) Annual Review by independent acessor.

18	Council Risk	Reputational	Avoid	Enterprise	IT services	Lack of Appropriate IT Access Controls	Data privacy breach - Individual information or contact database is accessed without authorisation	SMC: Senior Manager Corporate Services	Finance Manager	Political or Reputational	Low	3	4	12	Firewalls are in place, laptops and devices are password protected. Increased focus on cyber security. Mimecast security training has been rolled out for staff by IT. Free Privacy Act training modules available for staff to gain an understanding. Personal devices owned by staff and elected members don't have the same protection protocols in place. Would require IT to enforce 6-digit pin numbers and other protection measures. Data regularly exported (e.g. to Quotable Value and Environment Canterbury) could be encrypted - IT to advise.	2	4	8	Have installed new firewalls with greatly improved security capabilities. Upgrade to Microsoft E3 also gives a larger suite of security products Prohibited access to external webmail platforms. Multifactor authentication being phased in.
19	Council Risk	Governance & Relationships	Mitigate	Enterprise	Leadership	Lack of Appropriate Prioritisation and Capacity	Qualified annual report for 2024 - 2025	Chief Executive	Management team	Political or Reputational	Low	5	2	10	Suitably qualified and experienced staff complete the annual report. Currently inadequate systems in place for service performance reporting. Improved capture of performance reporting in place - year end review will assess whether qualification can be avoided.	4	2	8	Successful audit in 2023/2024 but need to retain focus on measures - ERP change could affect risk.
17	Council Risk	Infrastructure & Service Delivery	Avoid	Enterprise	IT services	Failure to maintain/replace IT Hardware	IT hardware failure	SMC: Senior Manager Corporate Services	Finance Manager	Operational	Low	2	4	8	Backups are undertaken 3 times daily, stored offsite. Backups kept for daily, monthly and yearly iterations. Document management system now up and running, the document management system does not have cloud-based storage (its on one of our new onsite servers). This risk is mitigated by the backups described as above. Core servers - all now replaced,replacement programme in place	2	3	6	No hardware issues to report.
20	Council Risk	People and Capability	Avoid	Enterprise	Financial management	Lack of Appropriate Fraud Controls	Fraud - whether misappropriation of cash, theft of assets or cash, or some other fraud/corruption	Executive team	Management team	Financial	Low	3	3	9	Segregation of duties within finance team, daily checking of banking and cash handling, regular financial reporting, financial delegations enforced. Cash Handling Policy has been updated and endorsed by the Finance, Audit & Risk Committee in August 2021. Monthly internal reconcilliation process. Safe purchased.	3	2	6	Increased internal auditing and deep dives. ***25J Management letter has some medium level recommendations to work through***
32	Council Risk	Regulatory & Legal	Mitigate	Enterprise	Financial management, HR	Regulatory Judical Process	District Licensing Committee hearings impacts on resourcing and budget	Chief Executive	Chief Executive	Financial, Operational	Medium	4	3	12	Regulatory Manager on board Consideration of fees and charges in the LTP and resourcing in the Regulatory Team. Consider further educational awareness initiatives. Section 17a sample review	3	2	6	Completed and updated contract in place. DLC Commissioner approved. Look at ways to fully recover costs.
41	Council	Regulatory & Legal	Mitigate	Legislative, Financial	Governance	Water Services CCO (WSCCO) Set Up	Complexities and or resource capacity impact on the ability to set up the WSCCO alongside potential for HR action	Chief Executive	SMC: Senior Manager Corporate Services	Reputational	Low	3	4	12	Project team in place, use of legal and finance/accounting external advice. Ensure milestone progression is in place with appropriate expert review and endorsement. A coherent communication plan will also be required	2	3	6	Project plan to ensure milestone reviews in place. Progression to be dependent on expert endorsement. Minimal staff impact expected. A strong communication plan to keep the community informed will help mitigate unfounded perceptions and ensure accurate details are available
42	Council	Financial	Mitigate	Works & Services	South Bay Forestry	Carbon Credit liability for the next four years (2025-2029)	Potential for Council to have a financial liability due to the harvesting of SB Forest	Chief Executive	SMC: Senior Manager Corporate Services	Financial	Low	3	5	15	Submitted request for further information - currently exploring replant options	1	5	5	Landscaping plan is being put together.
1	Council Risk	Financial	Mitigate	Enterprise	Financial management	Lack of Financial Buffer	Long-term financial position: Major unforeseen projects or disaster events raise our debt levels too high	Chief Executive	Executive team	Financial	High	2	4	8	Financial delegation limits, budget supervision, monthly reporting of variances, asset management planning, and inputs to Long Term Plan. LTP approved. Headroom remains Current debt levels leave headroom.	1	3	3	Would require very major event as borrowing headroom significant
8	Council Risk	Infrastructure & Service Delivery	Accept	Enterprise	HR	Catestrophic Event / Black Swan	Major disaster - business continuity severely impacted	Executive team	Team leaders	Operational	High	1	5	5	Regular EOC function manager training, documented processes, EOC cupboards stocked, participate in Exercise Pandora, IT backups and disaster recovery plans in place Policy and procedures review and update commenced. BCP plans in place from Covid.	1	3	3	Develop clear operating procedures for all function managers with a clear understanding of who does what in the event of a disaster

Risk Id	Risk quadrant	Risk Category	Treatment of Risk	Department	Activity	Risk	Risk Description	Risk owner	Control owner	Risk Impact Outcome	Tolerence	Likelihood	Impact	Inherent Risk	Controls in place	Likelihood	Impact	Residual Risk	Control plan
Unique code for easy identification	Select either Council Risk or District Risk	What is the risk aligned to e.g. Operational, Strategic, Governance, Compliance / Legislative, Market or Emergent	How do we wish to treat this risk e.g. Accept, Mitigate, Transfer, Avoid	Department	Council activity (e.g. water supplies)	What is the cause of the Risk	Clear, unambiguous, brief description of the risk event and what the impact to Council would be (i.e. what the loss or gain will be if the event occurs)	Person accountable for ensuring the risk is monitored and controlled, and, where necessary, escalated	Person accountable for ensuring the control plan for the risk is implemented	Select either: (1) Health & Safety (2) Operational, (3) Political, (4) Reputational, (5) Financial, (6) Environmental, or (7) Personnel	What is the Councils tolerence for this Risk (low = must be avoided or transfer; High = risk can be accepted or mitigated	Based on Appendix B section 10.1 of the Risk Management Policy	Based on Appendix B section 10.2 of the Risk Management Policy	Total level of unmitigated risk	Description of existing controls	Based on Appendix B section 10.1 of the Risk Management Policy	Based on Appendix B section 10.2 of the Risk Management Policy	Level of risk that remains after taking the existing controls into account	Description of further controls (if required) from the detailed control plan developed by the risk owner
Deleted																			
4	Council Risk	Regulatory & Legal	Accept	Strategy & policy	District planning	Pace of Legislative Change	National legislative changes are too rapid, too complex, and/or too constant - challenging capacity within staff to keep up	SMC: Senior Manager Corporate Services	Strategy, Policy & Planning Manager	Operational	Medium	5	3	15	Active member of Regional Planning Network, access work from other Councils, use consultants if required Canterbury region sharing resource to enable combined assessments and submissions Stay abreast of changes, support sector submissions (KDC has a very low level of influence), amended roadmap for district plan and legislative changes. The National Policy Statement re Biodiversity may be repealed. Impacts of RMA reforms and possible future change in Government are not fully determined. We are understanding other Council's positions and waiting on legislation to change. RMA "plan stop"has been issued council has written to minister Ensure that work with curreny contractors is controlled to prevent rework	4	3	12	New legislation being reviewed letter sent to minister 25 July 2025
38	Council Risk	Governance & Relationships	Mitigate	Enterprise	Leadership	2025 Local Body Elections	Change of councillors, policy and direction	Chief Executive	Executive team	Political or Reputational	High	5	3	15	Staff capacity for councillor education .	5	2	10	Campaign to community and plan for councillor education input early. Comprehensive induction plan to be delivered.
9	District Risk	Regulatory & Legal	Mitigate	Strategy & policy	District planning	Ineffective District Plan	District Plan is sub-optimal, there is both permissive and restrictive land use, that may have undesirable effects. In addition RMA reforms suggest regional plans going forward which would include Kaikoura's sub-optimal plan	SMC: Senior Manager Corporate Services	Strategy, Policy & Planning Manager	Environmental	Medium	4	3	12	Spatial plan completed. Section.35 Review of District Plan is being undertaken. Ongoing discussion with Runanga.	3	3	9	Expect to have Draft Spatial Plan by December 2024. Rolling review needs to progress in 2024/2025
6	Council Risk	Infrastructure & Service Delivery	Avoid	Works & Services	Roading	Lack of Project Methodology (Roading)	Poor network resilience and a backlog of work resulting in poor roads and financial burden, and community impact	SMO: Senior Manager Operations Chief Executive	Works & Services Manager ***Operations Delivery Manager***	Operational	Low	3	4	12	Adoption of the LTP with the investments included will enable reseal backlog to be dealt with over the programmed six years. Final Waka Kotahi funding has increased and is being applied to additional capital works in order to accelerate the programme to eliminate the backlog. RAMM (Road Asset Maintenance Management) validation completed and improvement plan being developed. NCTIR Haul Roads completed within budget. Year 1 delivery successful (although Ludstone Road delayed to Year 2 to align with IAF projects. This year's activities will focus on delivery of the budgeted programme for year 3. Area wide treatments completed. Detailed delivery programme developed for 2024/2025 financial year Sealing works scheduled for Q2 of financial year (within sealing season). Focus for next 3 years programme. Greater uncertainty in immediate reform with a change in Government. 3 waters included in LTP. Details of new reform proposal still required. Ongoing service.	2	2	4	Clear work programme defined. Roading and footpaths remain a priority investment in LTP. Committee directions on whether to close out this risk.