



If calling, please ask for Democratic Services

Finance, Risk and Assurance Committee

Tuesday 13 May 2025, 9.30am

Taumata Kōrero - Council Chamber, Greater Wellington Regional Council,
100 Cuba Street, Te Aro, Wellington

Quorum: *Three Members*

Members

Independent Chair

Martin Matthews (Chair)

Councillors

David Bassett (Deputy Chair)

Chris-Kirk-Burnnand

Yadana Saw

Ros Connelly

Hikitia Ropata

Simon Woolf

Recommendations in reports are not to be construed as Council policy until adopted by Council

Finance, Risk and Assurance Committee

1 Purpose

Oversee, review, and report on Greater Wellington's discharge of its responsibilities in the areas of financial management; risk management; statutory reporting; internal and external audit and assurance; and monitoring of compliance with laws and regulations (including health and safety).

2 Specific responsibilities

- 2.1 Apply Council's Te Tiriti o Waitangi principles when conducting the Committee's business and making decisions.
- 2.2 Review and monitor performance under Council's Financial Strategy (adopted under section 101A of the Local Government Act 2002).
- 2.3 Review the effectiveness of Greater Wellington's financial management and performance, including proposed changes, with a particular focus on the effectiveness of Greater Wellington's:
 - a Financial management policies and frameworks for, and the robustness of, the organisation's financial performance
 - b Accounting policies and principles.
- 2.4 Review the effectiveness of Greater Wellington's risk management process, including overseeing changes to the risk management policy and approach, with a particular focus on:
 - a Providing guidance to Council on the appetite for risk
 - b Whether Greater Wellington is taking effective action to mitigate significant risks, including cyber security and climate change.
- 2.5 Review Greater Wellington's systems to manage legislative compliance (including health and safety), significant projects, and work programmes.
- 2.6 Review and monitor Greater Wellington's compliance with regulatory requirements.
- 2.7 Review Greater Wellington's health, safety and wellbeing management system to obtain assurance that the organisation is identifying and managing risks in accordance with the Health and Safety at Work Act 2015.
- 2.8 Approve the internal assurance programme, review the results of internal assurance work, and review the effectiveness of actions to address audit recommendations from Greater Wellington's internal auditors.
- 2.9 Receive, at the start of each external audit, the terms of engagement with the external auditor, including the nature and scope of the audit, timetable and fees.
- 2.10 Review any external audit reports and Greater Wellington's actions on significant issues and audit recommendations raised in these reports.
- 2.11 Review annually the appropriateness of Council's insurance.

- 2.12 Recommend to Council changes to improve the effectiveness of Greater Wellington's policies and frameworks for financial management, assurance, and risk management.
- 2.13 Review:
 - a The draft Annual Report to ensure it complies with statutory requirements and provides a sound basis for the public accountability of Council's and Greater Wellington's performance and position for each financial year
 - b Any proposed formal announcements relating to Council's financial performance.
- 2.14 Recommend the Annual Report for adoption by Council.

3 Delegations

The Committee has the authority to approve:

- a The internal assurance programme; in particular, whether Greater Wellington's approach to maintaining an effective internal control framework is sound and effective
- b Submissions to external organisations on matters pertaining directly to the Committee's purpose.

4 Members and Chair

- 4.1 Six Councillors.
- 4.2 One external member, appointed by Council, who has the necessary independence, expertise, and knowledge of local government relevant to the Committee's purpose and responsibilities.
- 4.3 Where Council appoints the external member under section 4.2, Council shall also appoint that member as the Chair.

5 Quorum

Three Committee members.

Finance, Risk and Assurance Committee

Tuesday 13 May 2025, 9.30am

Taumata Kōrero - Council Chamber, Greater Wellington Regional Council,
100 Cuba Street, Te Aro, Wellington

No.	Item	Report	Page
1.	Apologies		
2.	Conflict of interest declarations		
3.	Public participation		
4.	Confirmation of the Public Minutes of the Finance, Risk and Assurance Committee meeting on Tuesday 25 February 2025	25.22	5
5.	Confirmation of the Restricted Public Excluded Minutes of the Finance, Risk and Assurance Committee meeting on Tuesday 25 February 2025	RPE25.83	9
6.	Update on the Progress of Action Items from previous Finance, Risk and Assurance Committee Meeting	25.156	11
7.	Quarterly Finance Update – Quarter Three	25.189	18
8.	2025/26 Annual Plan Update	25.191	36
9.	Audit Plans for the Financial Year Ended 30 June 2025	25.192	40
10.	Fair Value Assessment of Property Plant and Equipment 2024/25	25.136	92
11.	Risk and Assurance Update	25.199	98
12.	Health, Safety and Wellbeing Update May 2025	25.200	134
13.	Harbour Management – Risk and Compliance Update	25.171	141
14.	Forward Work Programme	25.154	146
Resolution to Exclude the Public			
15.	Resolution to Exclude the Public	25.201	152
Public Excluded			
16.	Cyber Security Report	PE25.188	154



Please note these minutes remain unconfirmed until the Finance, Risk and Assurance Committee meeting on 13 May 2025.

Report 25.22

Public minutes of the Finance, Risk and Assurance Committee meeting on Tuesday 25 February 2025

Taumata Kōrero – Council Chamber, Greater Wellington Regional Council
100 Cuba Street, Te Aro, Wellington at 9.30am

Members Present

Martin Matthews (Chair)
Councillor Bassett (Deputy Chair)
Councillor Connelly (from 9.33am)
Councillor Kirk-Burnnand
Councillor Saw
Councillor Woolf

Karakia timatanga

The Committee Chair invited Alison Trustrum-Rainey, Group Manager Finance and Risk to open the meeting with a karakia timatanga.

Public Business

1 Apologies

Moved: Martin Matthews / Cr Bassett

That the Committee accepts the apology for absence from Councillor Ropata.

The motion was **carried**.

2 Declarations of conflicts of interest

There were no declarations of conflicts of interest.

3 Public participation

There was no public participation.

4 Confirmation of the Public minutes of the Finance, Risk and Assurance Committee meeting on 21 November 2024 – Report 24.622

Moved: Cr Bassett / Cr Saw

That the Committee confirms the Public minutes of the Finance, Risk and Assurance Committee meeting on 21 November 2024 – Report 24.622.

The motion was **carried**.

5 Confirmation of the Public Excluded minutes of the Finance, Risk and Assurance Committee meeting of 21 November 2024 – Report PE24.623

Moved: Cr Bassett / Cr Connelly

That the Committee confirms the Public minutes of the Finance, Risk and Assurance Committee meeting on 21 November 2024 – Report PE24.623.

The motion was **carried**.

Councillor Connelly arrived at the meeting at 9.33am during the above item.

6 Update on the Progress of Action Items from Previous Finance, Risk and Assurance Committee Meetings – Report 25.50 [For Information]

Alison Trustrum-Rainey, Group Manager, Finance and Risk, spoke to the report.

7 Quarterly Finance Update – Quarter Two – Report 25.43

Ashwin Pai, Head of Finance, spoke to the report.

Moved: Cr Saw / Cr Kirk-Burnnand

That the Committee:

- 1 Accepts the financial report for the second quarter ended 31 December 2024, including Attachment 1.

The motion was **carried**.

8 Audit New Zealand Management Reports for Council and WRC Holdings Limited Group – Report 25.15 [For Information]

Ashwin Pai, Head of Finance, and Rajesh Ratanjee, Financial Controller, spoke to the report.

9 Harbour Management – Risk and Compliance Update – Report 25.46 [For Information]

Grant Nalder, Manager Harbours, spoke to the report.

Noted: The Committee requested a report to a future Committee meeting outlining advice, options, and recommendations for:

- an exclusion zone at Oriental Bay and surrounding bays
- and boat launching and non-compatible activities at Mana/Porirua.

10 Health, Safety and Wellbeing Update – February 2025 – Report 25.68 [For Information]

Julie Barber, Head of Health, Safety and Wellbeing, spoke to the report.

11 Risk and Assurance Update – Report 25.49 [For Information]

Jacob Boyes, Head of Corporate Risk and Assurance, spoke to the report.

Noted: The Committee requested that officers provide advice and options for managing and mitigating risks on the reduced water supply from the Waiwhetū aquifer.

12 Forward Work Programme – February 2025 – Report 25.51

Alison Trustrum-Rainey, Group Manager Finance and Risk, spoke to the report.

Moved: Cr Connelly / Cr Bassett

That the Committee:

- 1 Endorses the Forward Work Programme (Attachment 1).

The motion was **carried**.

Resolution to exclude the public

13 Resolution to exclude the public – Report <number>

Moved: Cr Bassett / Cr Connelly

That the Committee excludes the public from the following parts of the proceedings of this meeting, namely:

Legal Update – Report RPE25.65

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

Legal Update – Report RPE25.65	
<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under section 48(1) for the passing of this resolution</i>
This report contains information: a On matters (namely settlement negotiations) being conducted under an obligation of confidence and associated information used in and obtained from those negotiations (section 7(2)(c)(i) of the Act)	The public conduct of this part of the meeting is excluded as per: a section 7(2)(c)(i) of the Act to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any

<p>b On potential internal investigations as to alleged wrongdoing and the release of such information would likely prevent the maintenance of law and in particular the investigation of such matters and/or would be likely to prejudice the supply of information into those investigations (section 6(c) of the Act)</p> <p>c That is being gathered to enable in-house counsel to appropriately advise Greater Wellington and/or where litigation is in reasonable contemplation and as such, the release of the same would prejudice the maintenance of legal professional privilege (section 7(2)(g) of the Act).</p> <p>Officers have considered whether the public interest outweighs the restriction on release of the information to the public. Officers consider that the public interest does not so outweigh the restrictions.</p>	<p>enactment, where making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied</p> <p>b section 6(c) of the Act, that making available of that information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to fair trial</p> <p>c section 7(2)(g) to maintain legal professional privilege.</p>
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This resolution is made in reliance on section 48(1)(a) of the Act and the particular interest or interests protected by section 6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.

The motion was **carried**.

The public part of the meeting closed at 10.51am

M Matthews

Chair

Date:



Please note these minutes remain unconfirmed until the Finance, Risk and Assurance Committee meeting on 13 May 2025.

The matters referred to in these minutes were considered by the Committee in Restricted Public Excluded business. These minutes do not require confidentiality and may be considered in the public part of the meeting.

Report RPE25.83

Restricted Public Excluded minutes of the Finance, Risk and Assurance Committee meeting on Tuesday 25 February 2025

Taumata Kōrero – Council Chamber, Greater Wellington Regional Council
100 Cuba Street, Te Aro, Wellington at 10.51am

Members Present

Martin Matthews (Chair)
Councillor Bassett (Deputy Chair)
Councillor Connelly
Councillor Kirk-Burnnand
Councillor Saw
Councillor Woolf

Restricted Public Excluded Business

1 Legal Update – Report RPE25.65 [For Information]

Deborah Kessell-Haak, Head of Legal and Procurement, and Vivienne Holm, Senior Legal Counsel – Environment, spoke to the report.

Noted: The Committee requested that members be provided with the wastewater infringement notice register and that officers provide an update on the issues at the Seaview Wastewater Treatment Plant.

Karakia whakamutunga

The Committee Chair invited Alison Trustrum-Rainey, Group Manager Finance and Risk, to close the meeting with a karakia whakamutunga.

The restricted public excluded part of the meeting closed at 11.08am.

M Matthews

Chair

Date:

Finance, Risk and Assurance Committee
13 May 2025
Report 25.156



For Information

UPDATE ON THE PROGRESS OF ACTION ITEMS FROM PREVIOUS FINANCE, RISK AND ASSURANCE COMMITTEE MEETINGS

Te take mō te pūrongo

Purpose

1. To update the Finance, Risk and Assurance Committee (the Committee) on the progress of action items arising from previous Committee meetings.

Te tātaritanga

Analysis

2. Items raised at previous Committee meetings, that require actions from staff, are listed in the table of action items from previous Committee meetings ([Attachment 1](#)). All action items include an outline of the current status and a brief comment.

Ngā hua ahumoni

Financial implications

3. There are no financial implications from this report, but there may be implications arising from the actions listed.

Ngā tūāoma e whai ake nei

Next steps

4. Completed items will be removed from the action items table for the next report.
5. Items not completed will continue to be progressed and reported.
6. Any new items will be added to the table following this Committee meeting and circulated to the relevant business group/s for action.

**Ngā āpitihanga
Attachments**

Number	Title
1	Action items from previous Finance, Risk and Assurance Committee meetings – February 2025.

**Ngā kaiwaitohu
Signatories**

Writers	Jacob Boyes – Head of Corporate Risk & Assurance
Approvers	Alison Trustrum-Rainey – Kaiwhakahaere Matua Pūtea me ngā Tūraru Group Manager Finance and Risk

He whakarāpopoto i ngā huritaonga Summary of considerations
<i>Fit with Council's roles or with Committee's terms of reference</i> The action items are of an administrative nature and support the functioning of the Committee.
<i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i> Action items contribute to Council's and Greater Wellington's related strategies, policies and plans to the extent identified in Attachment 1 .
<i>Internal consultation</i> We engaged with relevant business groups to obtain updates on each of the actions.
<i>Risks and impacts - legal / health and safety etc.</i> There are no known risks.

Action items from previous Finance, Risk and Assurance Committee meetings

Date	Action item	Status and comment
2 May 2023	<p>Finance, Risk and Assurance Committee Update – Report 23.137</p> <p>Noted:</p> <p>The Committee requested that staff report back to a future Committee meeting on the separation of swimmers from craft at Oriental Bay.</p>	<p>Status: In progress</p> <p>Comment: The reported incident highlights the potential consequences of this issue.</p> <p>We currently do not have capacity to directly consider changes to the rules in this area.</p> <p>However, once we have concluded work surrounding the higher risk area of boat ramps, we seek to investigate options at Oriental Bay and surrounding bays.</p>
13 August 2024	<p>Rates Remission update – Report 24.383 [For Information]</p> <p>Noted: The Committee requested annual reporting on the exercise of delegated authority to the Group Manager Finance and Risk regarding rates remissions</p>	<p>Status: In progress</p> <p>Comment: We will bring the report to the Committee in August 2025. Following the end of the rating year we are able to report on the total remissions and postponements applied.</p>
13 August 2024	<p>Health, Safety and Wellbeing update – Report 24.415 [For Information]</p> <p>Noted: The Committee requested that officers provide advice on Councillor and appointed members’ health and safety legal duties and obligations.</p>	<p>Status: Completed</p> <p>Comment: Deep dive was completed with the Committee on the 25 February. Please touch base with the HSW team if you would like to learn more about completing your HSW workplan.</p>
10 October 2024	<p>Greater Wellington Regional Council 2023/24 Annual Report – Report 24.555</p>	<p>Status: Completed</p> <p>Comment:</p>

Action items from previous Finance, Risk and Assurance Committee meetings

	<p>Noted: the Committee asked officers to consider:</p> <ul style="list-style-type: none"> ○ for future Annual Reports, how they can be designed as digital products to increase accessibility and allow the public to navigate the document more easily, and <p>whether there are other, complementary ways to provide the public with enhanced regular information about Greater Wellington’s performance.</p>	<ul style="list-style-type: none"> ● What we will produce: The Annual Report is made available in several formats, to cover our statutory responsibilities as well as our commitment to public-friendly and accessible content. We produce: <ul style="list-style-type: none"> ○ PDFs of the full and Summary report ○ Limited number of print copies, available at libraries ○ A website version of the Summary Report, with modern user-interface ● Focus on accessibility: Print and digital products are designed to be accessible. The full Annual Report and Summary Report are written with plain English, and content is also summarised on an easy to navigate website. PDFs and web content are both developed to work with screen readers. ● Communicating key messages: The Annual Report is primarily about accountability, so we use other means of telling good stories throughout the year to ensure we’re current and hitting topics when they’re most relevant to our public audience. We do this via platforms such as our social media and media releases and re-iterate the key achievements in the Annual Report. We also produce ‘bite sized’ messaging from the Annual Report, with eye-catching and informative graphics posted on our social media.
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Action items from previous Finance, Risk and Assurance Committee meetings

21 November 2024	<p>Bulk Water Internal Audit – Preparedness for Summer Water Shortage – Report 24.636 [For Information]</p> <p>Noted: The Committee asked officers to arrange for a deep dive into bulk water risks at a full Council workshop, to be held in the first quarter of 2025, with the Chair of the Finance, Risk and Assurance Committee to be invited to attend.</p>	<p>Status: Completed</p> <p>Comment: Workshop held with the Full Council on 11 March 2025.</p>
25 February 2025	<p>Harbour Management – Risk and Compliance Update – Report 25.46 [For Information]</p> <p>Noted: The Committee requested a report to a future Committee meeting outlining advice, options, and recommendations for:</p> <ul style="list-style-type: none"> • an exclusion zone at Oriental Bay and surrounding bays • and boat launching and non-compatible activities at Mana/Porirua. 	<p>Status: In progress</p> <p>Comment: Please see action from the 2 May 2023 for an update on the "exclusion zone at Oriental Bay and surrounding bays".</p> <p>In relation to boats launching and non-compatible activities at Mana/Porirua, we note the following:</p> <ul style="list-style-type: none"> • We have meet with Porirua City Council to discuss improvements than can be made to these ramps which would deter swimmers from use the ramps and other possible options. • We are waiting on information surrounding updates to H&S legislation which would clarify that landowners (in our case boat ramp owners) will not be legally responsible for those injured on their land while undertaking recreational activities.
25 February 2025	<p>Risk and Assurance Update – Report 25.49 [For Information]</p>	<p>Status: In progress</p>

Action items from previous Finance, Risk and Assurance Committee meetings

	<p>Noted: The Committee requested that officers provide advice and options for managing and mitigating risks on the reduced water supply from the Waiwhetū aquifer.</p>	<p>Comment: Modelling is still underway, and we expect to be able to provide an update to the committee in August.</p>
<p>25 February 2025</p>	<p>Legal Update – Report RPE25.65 [For Information]</p> <p>Noted: The Committee requested that members be provided with the wastewater infringement notice register and that officers provide an update on the issues at the Seaview Wastewater Treatment Plant.</p>	<p>Status: Completed</p> <p>Comment: List of formal actions taken by Greater Wellington in relation to the Seaview wastewater treatment plant provided to the Committee on the 5 of May 2025.</p>

Finance Risk and Assurance Committee
13 May 2025
Report 25.189



For Decision

QUARTERLY FINANCE UPDATE – QUARTER THREE

Te take mō te pūrongo

Purpose

1. To advise the Finance, Risk and Assurance Committee (the Committee) of Greater Wellington Regional Council's (Greater Wellington) summary financial reports for the period ended 31 March 2025.

He tūtohu

Recommendation

That the Committee:

1. **Accepts** the financial report for the second quarter ended 31 March 2025, including [Attachment 1](#).

Te tāhū kōrero

Background

2. The Committee is responsible for overseeing, reviewing and reporting on Greater Wellington's financial management, including tracking how the financial result is performing against the first year of 2024-34 Long Term Plan.
3. Regular review of financial results is needed for effective management enabling informed decision making, performance evaluation and for compliance and accountability while highlighting potential risks to assets and services.
4. This report and [Attachment 1](#) provide a summary of the financial performance of Greater Wellington's activities for the 9 months to 31 March 2025. All amounts in this report and attachment are GST exclusive.
5. The full year forecast has been incorporated in this report based on third quarter update.

Te tātaritanga

Analysis

6. The result to end of March 2025 is a \$12 million operating surplus before fair value movements. Greater Wellington had budgeted for an operating surplus of \$40 million. The main drivers for the variance are outlined below.

Total Operating Revenue is \$67 million lower than budgeted, materially driven by the following items:

7. Year to date Grants and Subsidies revenue is lower by \$66 million due to reassessed milestones with Lower North Island Rail Integrated Mobility (LNIRIM), delays in the National Ticketing Solution (NTS) project and the decision on the National Land Transport Plan (NLTP) projects. Full year forecasts have been updated to reflect this and have resulted in a variance of \$63 million - LNIRIM \$48 million, NTS delays \$3 million and the NLTP funding reduction of \$21 million. This is partially offset by additional crown revenue for flood protection and a lower amount payable to the New Zealand Transport Agency (NZTA) for reduced farebox revenue.
8. Year to date Other Revenue is lower by \$1 million, driven by farebox revenue being lower than anticipated (\$13 million), materially offset by higher interest revenue and subvention payment. Farebox revenue is forecast to be \$14.5 million lower by year end.

Total Operating Expenditure is \$39 million lower than budgeted, materially driven by the following items:

9. Year to date Grants and Subsidies are under by \$27 million due to, changes in the accounting treatment for the NTS project moving from an expense to a Prepaid Asset \$21 million (Full Year \$28 million). This will be released when the NTS system goes live. Currently the project is \$15 million behind budget due to Cubic CSAM solution and integration delays. This is forecasted to reduce to a \$4 million underspend for the full year.
10. The remaining \$6 million is due to delays in rail network renewals and decarbonisation delays, with \$3 million underspend expected for the full year.
11. Year to date Consultants, Contractors and Suppliers are lower than budget by \$18 million, primarily due to lower spending across Environment and Public Transport. The underspend is expected to reduce to \$13 million by year-end.

Capital Delivery

12. Year-to-date capital expenditure is \$73 million lower than budgeted due to delays across multiple projects within Water Supply, as well as with RiverLink property purchases. The agreed reduction in the Metlink capital programme to align with the NLTP funding decision is also contributing to the underspend.
13. The forecast is indicating a full year underspend of \$61 million driven by a \$21 million underspend from unapproved NZTA funding on NLTP projects. Water's Te Mārua capacity optimisation project is expecting a 2024/25 \$17 million underspend but for all of life project to be on budget. Forecast full year \$17 million underspend in Riverlink will be partially offset by \$7 million of additional flood resilience works (crown funded). The remaining variance is composed of smaller projects across the groups.
14. LNIRIM spend profile and cashflow has changed from the initial business case due to revised milestones. The 24/25 reduction in spend (\$14 million from \$67 million) does not indicate a material delay or reduction in overall programme cost.

Key Risks

15. The Public Transport activity is currently forecasting a balanced budget, using reserves. However, any further significant cost pressures may require additional debt or additional reserve funding.
16. Public Transport faces external cost risks, mainly relating to - Bus contracts, Capital Connection and Transdev contract.
17. These items are being actively monitored, and an update will be provided to Council if any materialise.

Ngā hua ahumoni Financial implications

18. This report presents the financial health and performance of Greater Wellington for the Committee's consideration.

Ngā Take e hāngai ana te iwi Māori Implications for Māori

19. There are no known implications for Māori.

Ngā tikanga whakatau Decision-making process

20. The matters requiring decision in this report were considered by officers against the decision-making requirements of Part 6 of the Local Government Act 2002.

Te hiranga Significance

21. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of the matters for decision, taking into account Council's *Significance and Engagement Policy* and Greater Wellington's *Decision-making Guidelines*. Officers consider that the matters outlined in the report are of low significance because of their administrative nature.

Te whakatūtakitaki Engagement

22. Because of the low significance no external engagement is necessary.

Ngā tūāoma e whai ake nei Next steps

23. The last report for the 2024/25 financial year will be presented on 19 August 2025.

Ngā āpitihanga

Attachment

Number	Title
1	Financial Report – Q3

Ngā kaiwaitohu

Signatories

Writer	Darryl Joyce – Kaiwhakahaere Matua Manager Accounting Services
Approvers	Ashwin Pai – Kaiwhakahaere Matua Head of Finance Alison Trustrum-Rainey – Kaiwhakahaere Matua, Pūtea me ngā Tūraru Group Manager Finance and Risk

He whakarāpopoto i ngā huritaonga Summary of considerations
<i>Fit with Council's roles or with Committee's terms of reference</i> The Committee's specific responsibilities include to review the effectiveness of Greater Wellington's financial management and performance.
<i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i> The report reviews performance against the budget set in the first year of 2024-34 Long Term Plan.
<i>Internal consultation</i> This report has been drafted following contributions from Manager Treasury and Finance Business Partners (Metlink, Environment and Corporate Services).
<i>Risks and impacts - legal / health and safety etc.</i> There are no risks arising from this report.

FRAC Report (Q3)

This report provides the financials for the period ended 31 March 2025 with,

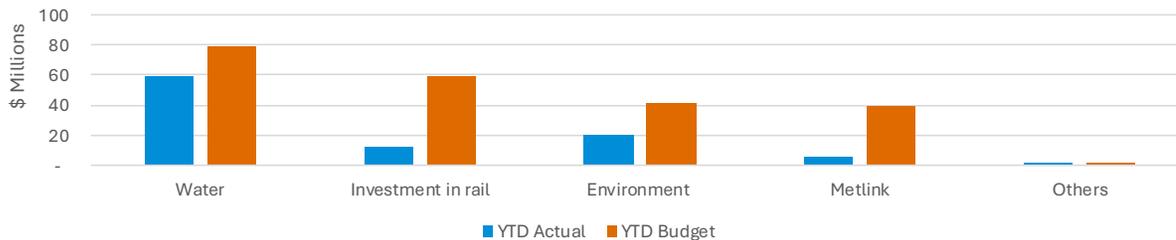
1. Comparisons are to the budget set in the first year of 2024/2034 Long Term Plan and includes re-budgets approved by Council.
2. Projected variance for the full-year compares the approved budgets to the current forecast updated in April 2025.
3. The figures in this report reflect best accounting practice. The overall funding surplus or deficit will differ due to non-cash items and capital grants.

Summarised Profit and Loss as at March 2025

	Year to date			Full Year		
	Actual \$000s	Revised \$000s	Variance \$000s	Forecast \$000s	Revised Budget \$000s	Variance \$000s
Operating Revenue						
Rates and Levies	241,328	240,944	385	321,821	321,531	290
Grants and Subsidies	128,078	194,523	(66,444)	196,384	259,515	(63,131)
Other Revenue	105,703	106,899	(1,196)	146,137	147,866	(1,728)
Total Operating Revenue	475,109	542,365	(67,256)	664,343	728,912	(64,569)
Operating Expenditure						
Personnel	75,294	75,932	(638)	100,523	101,168	(645)
Grants and Subsidies	212,282	239,623	(27,341)	288,840	319,708	(30,868)
Consultants, Contractors and Suppliers	102,459	120,609	(18,149)	149,797	162,739	(12,942)
Finance Costs	45,213	41,059	4,155	59,856	56,154	3,703
Depreciation	27,773	25,185	2,589	38,524	34,149	4,374
Total Operating Expenditure	463,022	502,407	(39,385)	637,540	673,918	(36,378)
Operating Surplus/(Deficit) before other items	12,087	39,958	(27,871)	26,803	54,994	(28,191)
Fair Value Movements	(18,920)	-	(18,920)	(20,857)	-	(20,857)
Operating Surplus/(Deficit)	(6,833)	39,958	(46,790)	5,945	54,994	(49,049)
Capital Expenditure	86,282	159,310	(73,028)	153,893	215,259	(61,366)
Investment in Greater Wellington Rail	12,326	58,736	(46,410)	24,000	78,315	(54,315)

** Revised budget is budget set in the first year of 2024-34 Long-Term Plan plus re-budgets approved by Council

Capital Expenditure by Group

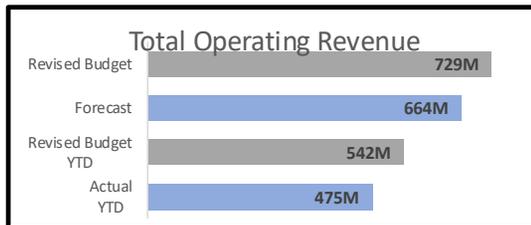


- The overall operating deficit variance of \$28 million YTD (\$28 million FY) is heavily impacted by a \$45 million YTD (\$46 million FY) operating deficit variance in the Metlink Group. This is primarily due to:
 - A reduction in revenue:
 - Adjusted Lower North Island Rail Integrated Mobility (LNIRIM) milestones (\$41 million YTD, \$48 million FY),
 - The National Land Transport Program (NLTP) funding decision (\$15 million YTD, \$21 million FY),
 - Lower operational spending and delays in National Ticketing Solution (NTS) (\$6 million YTD, \$3 million FY),
 - Lower farebox revenue (\$13 million YTD, \$14.5 million FY),
 - The impact is partially offset from lower spend in OPEX:
 - A change in NTS accounting treatment and delays to the project (\$21 million YTD, \$28 million FY),
 - Lower grant and subsidies expenditure relating to rail network renewals and decarbonization (\$6 million YTD, \$3 million FY),
 - Lower contractors and consultant due to delayed spending for the bus corridor, new bus routes and accessibility projects while government and WCC decide its direction (\$11 million YTD, This variance is expected to reduce to \$4 million for the full year as work begins.
- Capital Expenditure year to date is currently tracking below budget with the full year capital forecast indicating a \$61 million underspend driven by the unapproved funding from NZTA on NLTP projects (\$21 million), rephasing of Water's capital projects (\$21 million) and delays in Riverlink project (\$17 million). The remaining variance is composed of smaller projects across the GW partially offset by additional flood resilience works \$7 million (crown funded).
- LNIRIM spend profile and cashflow has changed from the initial business case due to revised revenue recognition milestones. The 24/25 reduction in spend (\$14m from \$67m) does not indicate a material delay or reduction in overall programme cost.

Other Items of Interest:

- Council is fully compliant with the Treasury Risk Management Policy as of 31 March 2025.
- Council currently holds investments (excluding subsidiaries) of \$416 million up from a starting balance of \$315 million on 1 July 2024. This includes water contingency investments of \$50 million, and pre-funding of \$175 million.
- Council currently has gross external debt of \$1.2 billion with a net debt of \$792 million, of which \$175 million is pre-funded debt.

Key Variance Commentary

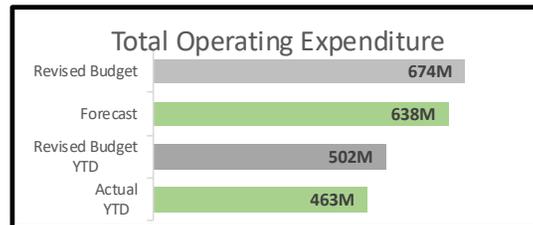


Metlink PT – YTD grants and subsidies revenue are below budget primarily due to reassessed milestones with LNIRIM, the NLTP projects funding decision and delays in the NTS programme, **\$73 million**. Full year forecasts have been updated to reflect this resulting in a variance of **\$68 million** - \$48 million relating to LNIRIM, \$21 million relating to the NLTP and a \$6 million lower operational spending and delays in NTS. This is partially offset by lower amount payable to NZTA for lower farebox revenue.

Farebox revenue is under budget by **\$13 million** YTD due to changing travel patterns, with fewer longer distance customers lowering the average ticket price and patronage numbers compared to budget assumptions. FY forecasts have been reduced by **\$14.5 million** compared to original budget to account for the latest estimated farebox revenue shortfall.

Environment - Grants and subsidies is **\$4 million** above budget mainly due to unbudgeted Crown revenue for the Flood Resilience capex programme (FY forecast of **\$5 million** favourable).

Investment – YTD other revenues are **\$13 million** favorable due to higher subvention payments and interest revenue. This is partially offset by additional financing costs.

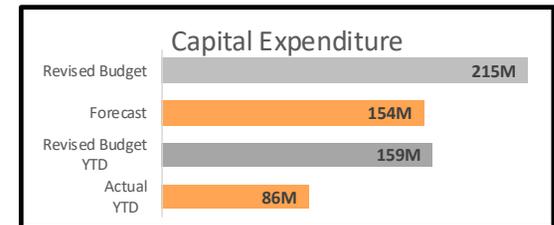


Metlink PT – YTD grants and subsidies are under by **\$28 million** due to changes in the accounting treatment for the NTS project moving from an expense to a Prepaid Asset and delays in rail network renewals and decarbonisation. This will be released when the NTS system goes live. Of the **\$31 million** full year variance, \$28 million is due to NTS.

Currently NTS project is \$15 million behind budget due to Cubic CSAM solution and integration delays. This is forecasted to reduce to a \$4.2 million underspend for the full year.

Environment – Underspend across Knowledge & Insights, Catchment Management, and Pinehaven, **\$5 million**. This variance is expected to increase to **\$7 million** for the full year.

Investment – YTD Finance costs are **\$6 million** higher, mainly due to prefunding. This is offset by additional interest revenue.



Metlink PT – NZTA’s decision to withhold funding for NLTP projects delayed their start times while funding prioritisation decisions were made, resulting in a \$14 million underspend year to date. Full year NLTP forecasts have had the NZTA funding portion of **\$21 million** removed.

Environment – RiverLink property acquisitions are \$11 million behind budget with substantial settlement due at the end of April. RiverLink Implementation is \$10 million under budget due to contractor cost savings on below ground demolition and Mills Street stop bank and timing of EVA cable relocation costs. This variance is expected to reduce to **\$17 million** by year end.

Water Supply – Delays across multiple projects are driving **\$20 million** YTD lower spend, with a forecasted **\$24 million** full year underspend. The Group is proposing to rebudget the full year underspend with \$22 million into 2025/26 and the balance 2026/27 to accommodate the rephasing of existing projects.

Environment March 2025

Favourable: ● Caution: ● Unfavourable: ●

Environment Group

March 2025

	Year to Date				Full Year			
	Actual \$000	Budget \$000	\$ Variance \$000	% Variance	Forecast \$000	Budget \$000	\$ Variance \$000	% Variance
Operational Revenue								
Rates	80,294	80,095	199	0%	107,067	107,067	(00)	0%
Grants & Subs	6,412	1,969	4,442	226%	8,299	2,699	5,600	207%
Fees Charges & Other	17,693	17,337	356	2%	24,158	23,787	371	2%
Total Operating Revenue	104,399	99,402	4,997	5%	139,523	133,552	5,971	4%
Operational Expenditure								
Personnel	31,621	31,920	(299)	-1%	42,353	42,662	(309)	-1%
Materials, Supplies & Services	6,457	6,720	(263)	-4%	10,057	9,649	409	4%
Contractor & Consultants	22,629	28,046	(5,417)	-19%	32,098	39,043	(6,945)	-18%
Grants & Subsidies Expenditure	161	137	24	17%	199	214	(15)	-7%
Other	3,877	3,238	639	20%	5,388	4,654	734	16%
Interest	9,511	9,800	(289)	-3%	12,815	13,496	(681)	-5%
Total Operating Expenditure	74,255	79,859	(5,605)	-7%	102,911	109,718	(6,807)	-6%
Overheads	20,270	20,193	77	0%	27,041	27,024	17	0%
Operational Surplus/(Deficit)	9,875	(651)	10,525	-1617%	9,572	(3,190)	12,761	-400%
Net Capital Expenditure	20,820	40,919	(20,099)	-49%	42,681	57,367	(14,687)	-26%

Top Projects by Direct Expenditure for Environment Group

March 2025

Project Name	Year to Date				Full Year			Project Type
	Actual	Budget	Variance	Variance %	Forecast	Budget	Variance	
RiverLink Implementation	11,454	21,182	9,728	-45.93%	18,578	28,015	9,437	Capital - New
RiverLink Property Purchase	297	11,323	11,026	-97.38%	9,185	16,985	7,800	Capital - New
Flood Operations Delivery	6,317	6,571	(254)	-3.86%	9,080	9,128	49	Operational
Total Knowledge - Flood	2,309	4,291	(1,982)	-46.19%	4,071	5,719	1,648	Operational
Pinehaven FMP Implementation	888	2,000	(1,112)	-55.61%	900	4,000	3,100	Operational
Pest Animals	3,416	3,303	113,701	3.44%	4,456	4,414	(42)	Operational

Operating Revenue is **\$5.0m favourable YTD** due to:

- **Grants and subsidies** is \$4.4m above budget with \$3.9m due to additional Crown revenue for Flood Resilience Tranche 1 capex programme (full year forecast of \$4.65m favourable). Ruamahanga Buffers, Wairarapa Moana and Fish Passage being ahead of schedule, offset by additional expenditure.
- **Fees and charges** is \$0.3m above budget- RiverLink, Flood Operations and Environment Restoration are favourable and partly offset by reduced revenue for Sustainable land use (\$0.3m), Regulation (0.4m) and Cracked Willows (\$0.15m).



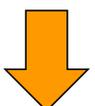
Operating Expenditure is **favourable \$5.6m YTD** due to:

- **Personnel** is \$0.3m below budget due to vacancies across several activities.
- **Materials** is \$0.1m below budget.
- **Contractor & Consultants** is \$5.4m behind budget mostly due to underspends in Knowledge & Insights (\$2.2m) mainly for Floodplain Management Planning, Pinehaven (\$1.1m), and Policy Plan Change (\$1.1m). The forecast incorporates underspends for Pinehaven (\$3.1m), FMP planning, Policy and Sustainable Land Use projects.



Capital Expenditure is **under budget by \$20.1m YTD** due to:

- RiverLink property acquisitions are \$11m behind budget. Substantial settlement due at the end of April.
- RiverLink Implementation is \$9.7m under budget due to contractor cost savings on below ground demolition and Mills Street stop bank and timing of EVA cable relocation costs.
- The full year forecast includes \$7.2m of additional Flood Resilience works (Crown funded) and is offset by unbudgeted Grant Revenue and underspends in flood implementation programs and RiverLink.



Metlink March 2025

Favourable: ● Caution: ● Unfavourable: ●

Metlink

March 2025

	Year to Date				Full Year			
	Actual \$000	Budget \$000	\$ Variance \$000	% Variance	Forecast \$000	Budget \$000	\$ Variance \$000	% Variance
Operational Revenue								
Rates	103,281	103,453	(172)	0%	137,937	137,937	00	0%
Grants & Subs	116,985	190,350	(73,365)	-39%	185,433	253,898	(68,465)	-27%
Fees Charges & Other	65,311	78,277	(12,966)	-17%	89,695	104,369	(14,674)	-14%
Total Operating Revenue	285,576	372,080	(86,504)	-23%	413,064	496,204	(83,139)	-17%
Operational Expenditure								
Personnel	11,125	10,997	129	1%	14,707	14,607	100	1%
Materials, Supplies & Services	5,048	6,584	(1,535)	-23%	8,044	8,777	(733)	-8%
Contractor & Consultants	13,557	24,606	(11,049)	-45%	28,562	32,811	(4,249)	-13%
Grants & Subsidies Expenditure	207,979	235,983	(28,004)	-12%	283,270	314,824	(31,554)	-10%
Other	212	56	156	281%	123	73	50	68%
Interest	12,772	13,951	(1,179)	-8%	17,946	18,937	(991)	-5%
Total Operating Expenditure	250,694	292,176	(41,482)	-14%	352,653	390,030	(37,377)	-10%
Overheads	15,192	15,151	41	0%	20,235	20,256	(21)	0%
Operational Surplus/(Deficit)	19,690	64,752	(45,062)	-70%	40,176	85,918	(45,741)	-53%
Net Capital Expenditure	5,380	38,771	(33,392)	-86%	26,485	51,695	(25,210)	-49%
Investment in Greater Wellington Rail	12,326	58,736	(46,410)	-79%	24,000	78,315	(54,315)	-69%

Top Capex Projects by Direct Expenditure for Metlink & Rail

March 2025

Project Name	Year to Date			Full Year			Project Type
	Actual	Budget	Variance	Forecast	Budget	Variance	
AI - Fixed Asset Maintenance CAPEX	2,531	3,440	(909)	4,141	4,586	(445)	Capital - New
Lower North Island Rail Integrated Mobility (LNIRIM) Program	5,389	50,355	(44,966)	14,141	67,139	(52,998)	Capital - New
AI - Rolling Stock Capex	3,391	3,481	(91)	4,061	4,642	(581)	Capital - New
GWRC - Ticketing/Transition	8,084	23,349	(15,265)	17,244	31,132	(13,888)	Opex & Capex

Operating Revenue unfavourable \$86.5m YTD due to:

- **Grants and Subsidies** – The year-to-date variance is primarily due to delays and changes in project approvals and spending, offset by lower amount payable to NZTA from lower farebox revenue. Significant impacts are:
 - LNIRIM milestones have been adjusted and account for \$41m lower than budget (\$48m FY)
 - Approval delays in the NLTP Significant and Low Cost Low Risk Projects have a \$15 million variance (\$21m FY)
 - Lower operational spending and delays in NTS programme \$6 million (\$4m FY), rail network renewals \$4m (\$1m FY), bus decarbonisation \$2.5m (\$2.5m FY)
- **Fees and Charges** This is primarily due to Farebox Revenue being lower than anticipated by \$13m. Mainly due to patronage for Rail being below forecast, driven by changing travel patterns for longer distance customers and the mix of passengers. Full year forecasts have been reduced by \$14.5m to account for the latest estimated farebox revenue shortfall as current budget phasing is straight line and not reflecting seasonal patterns.



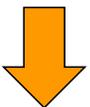
Operating Expenditure is favourable \$41.5m YTD due to:

- **Contractors & Consultants** \$11 million YTD due to delays in spending on bus corridors (in contributions with WCC), new bus routes and accessibility projects while government and WCC decide its direction. This variance is expected to reduce to \$4 million for the full year as work begins.
- **Grants & subsidies expenditure** are under due to changes in the accounting treatment for the NTS project moving from an expense to a prepaid asset because of advice from PwC. This will be released when the NTS system goes live (\$21m YTD variance). The remaining \$6m is due to delays in rail network renewals and decarbonisation. Of the \$31m full year variance, \$28m is related to NTS. Currently the project is \$15m behind budget due to Cubic CSAM solution and integration delays. This is forecasted to reduce to a \$4.2m underspend for the full year.



Capital Expenditure Bus and Investment in Rail is underspent \$79.8m YTD due to:

- LNIRIM milestones have been adjusted. Project is expected to begin in the final quarter of the year with the forecast for full year being \$14m. Of the \$80m full year underspend, \$54m relates to LNIRIM spending delays.
- Significant projects including the Asset Control Strategy and all Low Cost Low Risk have not been approved for funding support from Waka Kotahi. Council have decided to reprioritise Greater Wellington's budgeted contribution of remaining NLTP projects. This makes up the remaining \$23m underspend in the full year.



Water Supply March 2025

Favourable:  Caution:  Unfavourable: 

Water Supply

March 2025

	Year to Date				Full Year			
	Actual \$000	Budget \$000	\$ Variance \$000	% Variance	Forecast \$000	Budget \$000	\$ Variance \$000	% Variance
Operational Revenue								
Rates	50,799	50,799	00	0%	67,731	67,731	00	0%
Fees Charges & Other	2,337	2,338	(02)	0%	3,332	3,092	241	8%
Total Operating Revenue	53,135	53,137	(02)	0%	71,064	70,823	241	0%
Operational Expenditure								
Materials, Supplies & Services	8,293	8,285	08	0%	11,314	11,216	98	1%
Contractor & Consultants	20,943	20,805	137	1%	27,788	27,740	48	0%
Other	-	01	(01)	-100%	01	02	(01)	-42%
Interest	13,426	13,259	168	1%	18,106	18,353	(247)	-1%
Total Operating Expenditure	42,662	42,350	311	1%	57,209	57,311	(102)	0%
Overheads	2,391	2,375	17	1%	3,186	3,189	(02)	0%
Operational Surplus/(Deficit)	8,082	8,412	(329)	-4%	10,668	10,323	345	3%
Net Capital Expenditure	58,473	78,301	(19,828)	-25%	80,500	104,402	(23,902)	-23%

Top Capex Projects by Direct Expenditure for Water Supply

March 2025

Project Name	Year to Date				Full Year				Project Type
	Actual \$000's	Budget \$000's	Variance \$000's	Variance %	Forecast \$000's	Budget \$000's	Variance \$000's		
Relocate Kaitoke Main on SS Bridge	25,324	22,296	3,028	13.58%	34,036	23,838	10,198	Capital - New	
TM WTP Capacity Optimisation	23,427	27,381	(3,954)	-14.44%	28,458	45,239	(16,781)	Capital - New	
Kaitoke Flume Bridge	1,682	3,289	(1,607)	-48.86%	1,788	4,789	(3,001)	Capital - New	
GI and WL Wells Replace Stage 2	1,630	2,425	(795)	-32.78%	2,233	5,373	(3,140)	Capital - New	
Te Marua Treatment Plant Equipment	1,172	793	379	47.79%	2,467	1,485	982	Capital - New	
Rocky Pt&NgaurangPipeConnectio	176	316	(140)	-44.30%	223	2,866	(2,643)	Capital - New	
Other Capex projects	5,062	21,801	(16,739)	-76.78%	13,795	20,812	(7,017)	Capital - New	

Operating Revenue is **on budget** overall due to:

- **Fees charges & other** – on budget.



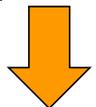
Operating Expenditure is **\$0.3m unfavourable** due to:

- **Materials, Supplies & Services** – on budget.
- **Contractor & Consultants** – \$0.1m unfavourable.
- **Interest costs** – (\$0.17m) unfavourable due to higher debt opening balance. Interest savings forecasted at year end because of capex underspend.



Capital Expenditure **\$19.8m YTD** underspend.

- Te Marua WTP Capacity Optimisation – forecasting a \$16.8m underspend this year.
- Silverstream Pipe Bridge works are progressing well. Full year forecast has significantly increased to allow for design changes and potential contractor claims.
- Kaitoke Flume Bridge physical works are now complete, and the total cost is within the overall project budget.
- Gear Island and Waterloo Wells replacement is in the design phase, Waterloo Treatment Plant equipment project has been re-profiled and Waterloo WTP Building ventilation project rescheduled.
- The Rocky Point to Ngauranga Valve Chamber Connections project has been paused. The revised schedule is yet to be confirmed.



Investment March 2025

Favourable:  Caution:  Unfavourable: 

Investment Management

March 2025

	Year to Date				Full Year			
	Actual \$000	Budget \$000	\$ Variance \$000	% Variance	Forecast \$000	Budget \$000	\$ Variance \$000	% Variance
Operational Revenue								
Rates	(10,920)	(10,920)	(00)	0%	(14,560)	(14,560)	00	0%
Fees Charges & Other	20,152	7,560	12,591	167%	27,282	15,113	12,169	81%
Total Operating Revenue	9,232	(3,359)	12,591	-375%	12,722	553	12,169	2199%
Operational Expenditure								
Personnel	03	02	01	82%	03	02	01	60%
Materials, Supplies & Services	25	55	(30)	-55%	(64)	(54)	(10)	18%
Contractor & Consultants	113	129	(16)	-13%	180	194	(14)	-7%
Other	520	520	-	0%	693	693	-	0%
Interest	8,163	2,577	5,586	217%	9,172	3,368	5,804	172%
Total Operating Expenditure	8,824	3,283	5,541	169%	9,985	4,204	5,782	138%
Overheads	39	38	01	2%	52	52	00	1%
Operational Surplus/(Deficit)	369	(6,681)	7,050	-106%	2,685	(3,702)	6,387	-173%
Net Capital Expenditure	-	-	-	0%	-	-	-	0%

Operating Revenue is **favourable \$12.6m YTD** due to:

- Subvention payment of \$5.6m received from CentrePort, This is \$3.5m higher than what was budgeted in the Long Term Plan. This additional revenue will go to the general reserve and \$2.1m is helping to reduce 2024/25 rates inline with the Long Term Plan.
- Additional financing and interest revenue \$7m from investing funds raised in advance of the contractual repayment date of LGFA maturities, prefunding of future CAPEX payments by issuing Commercial paper and raising LGFA debt and investing excess liquidity.



Operating Expenditure is **unfavourable by \$5.6m YTD** due to:

- External interest costs are \$5.6m above budget, primarily because of prefunding which is offset by increased revenue. Forecast to be \$5.8m above budget, mainly due to the cost of prefunding debt maturities, offset by lower than budgeted interest expense on unhedged floating debt.



People & Customer March 2025

Favourable:  Caution:  Unfavourable: 

People & Customer

March 2025

	Year to Date				Full Year			
	Actual \$000	Budget \$000	\$ Variance \$000	% Variance	Forecast \$000	Budget \$000	\$ Variance \$000	% Variance
Operational Revenue								
Fees Charges & Other	165	143	22	15%	188	191	(02)	-1%
Total Operating Revenue	165	143	22	15%	188	191	(02)	-1%
Operational Expenditure								
Personnel	8,930	9,003	(74)	-1%	11,836	11,986	(150)	-1%
Materials, Supplies & Services	1,045	1,236	(191)	-15%	1,483	1,648	(165)	-10%
Contractor & Consultants	408	449	(41)	-9%	569	599	(30)	-5%
Other	1,060	755	305	40%	1,386	1,006	380	38%
Interest	11	126	(115)	-92%	128	179	(51)	-28%
Total Operating Expenditure	11,453	11,569	(116)	-1%	15,402	15,417	(15)	0%
Overheads	(11,702)	(11,709)	07	0%	(15,571)	(15,605)	33	0%
Operational Surplus/(Deficit)	414	283	131	47%	358	378	(20)	-5%
Net Capital Expenditure	566	1,307	(741)	-57%	1,152	1,780	(628)	-35%

Operating Revenue is **on budget** 

Operating Expenditure is **favourable \$0.1m YTD** with:

- **Materials, Supplies & Services** \$191k favourable driven by an underspend in Customer Engagement. We forecast savings in Advertising and Campaigns.
- **Other** \$305k unfavourable with vehicle running costs higher than anticipated. Cost pressures as well as increased vehicle usage are driving costs up higher than budget.



Capex Projects for People & Customer
March 2025

Project Name	Year to Date				Full Year			Project Type
	Actual \$000's	Budget \$000's	Variance \$000's	Variance %	Forecast \$000's	Budget \$000's	Variance \$000's	
Website Development	46	59	(12)	-21.08%	59	78	(20)	Capital - New
Vehicle Purchases	499	1,248	(749)	-	902	1,702	(800)	Capital - New
Additional Cuba St desks	-	-	-	-	250	-	250	Capital - New

Capital Expenditure is **\$0.7m underspent YTD** due to vehicle purchases. We have now found a solution to make the new model of Utes operational and will be able to purchase some in the coming months 

Strategy March 2025

Favourable:  Caution:  Unfavourable: 

Strategy

March 2025

	Year to Date				Full Year			
	Actual \$000	Budget \$000	\$ Variance \$000	% Variance	Forecast \$000	Budget \$000	\$ Variance \$000	% Variance
Operational Revenue								
Rates	9,167	9,220	(54)	-1%	12,294	12,294	(00)	0%
Grants & Subs	2,717	2,790	(72)	-3%	2,511	2,518	(06)	0%
Fees Charges & Other	799	673	126	19%	2,346	2,065	282	14%
Total Operating Revenue	12,683	12,683	(00)	0%	17,152	16,876	275	2%
Operational Expenditure								
Personnel	5,479	5,851	(372)	-6%	7,418	7,738	(320)	-4%
Materials, Supplies & Services	1,576	1,221	355	29%	2,132	1,777	355	20%
Contractor & Consultants	721	1,197	(476)	-40%	1,060	1,629	(569)	-35%
Grants & Subsidies Expenditure	4,143	3,690	453	12%	5,371	4,921	450	9%
Other	90	116	(26)	-22%	148	155	(07)	-4%
Interest	175	102	73	72%	263	136	127	94%
Total Operating Expenditure	12,184	12,177	08	0%	16,392	16,355	37	0%
Overheads	196	249	(53)	-21%	219	262	(43)	-16%
Operational Surplus/(Deficit)	302	257	45	17%	541	259	281	108%
Net Capital Expenditure	11	48	(38)	-78%	54	64	(10)	-16%

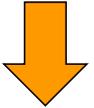
Operating Revenue is **on budget** 

Operating Expenditure is **on budget with:**

- **Personnel** \$372k favourable due to vacancies in the group.
- **Contractors and Consultants** \$476k underspend with variances across the group. 
- **Grants & Subsidies** Over budget by \$453k due to the LCAF grant to the Regional Stadium for an upgrade to their light fittings. This is cost neutral as funded through an LCAF loan.

Capex Projects by Direct Expenditure for Strategy March 2025

Project Name	Year to Date				Full Year			Project Type
	Actual \$000's	Budget \$000's	Variance \$000's	Variance %	Forecast \$000's	Budget \$000's	Variance \$000's	
Transport Model	11	48	(38)	-78.13%	54	64	(10)	Capital - New

Capital Expenditure is **\$38k underspent YTD** which we are forecasting to spend in the last quarter of the year 

Corporate Services March 2025

Favourable: ● Caution: ● Unfavourable: ●

Corporate Services

March 2025

	Year to Date				Full Year			
	Actual \$000	Budget \$000	\$ Variance \$000	% Variance	Forecast \$000	Budget \$000	\$ Variance \$000	% Variance
Operational Revenue								
Rates	1,553	1,312	241	18%	2,200	1,749	451	26%
Grants & Subs	1,002	300	702	234%	850	400	450	112%
Fees Charges & Other	752	688	64	9%	987	904	83	9%
Total Operating Revenue	3,307	2,300	1,007	44%	4,037	3,053	984	32%
Operational Expenditure								
Personnel	11,833	11,474	359	3%	15,453	15,254	200	1%
Materials, Supplies & Services	8,805	9,404	(598)	-6%	11,784	12,538	(755)	-6%
Contractor & Consultants	6,564	7,731	(1,167)	-15%	8,285	10,359	(2,074)	-20%
Other	573	387	186	48%	673	488	186	38%
Interest	1,108	1,191	(83)	-7%	1,541	1,617	(76)	-5%
Total Operating Expenditure	28,883	30,187	(1,305)	-4%	37,737	40,256	(2,520)	-6%
Overheads	(26,428)	(26,341)	(87)	0%	(35,217)	(35,237)	20	0%
Warm Wellington	(70)	(434)	365	-84%	(665)	(582)	(83)	14%
Operational Surplus/(Deficit)	922	(1,112)	2,033	-183%	2,183	(1,384)	3,567	-258%
Net Capital Expenditure	737	797	(59)	-7%	1,062	1,062	-	0%

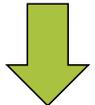
Operating Revenue is **\$1.0m favourable YTD** due to:

- **Rates** \$241k favourable, due to rates penalties
- **Grants & Subs** \$702k favourable with additional revenue from DIA for Better-Off funded projects, this is fully offset in OPEX below

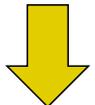


Operating Expenditure is **\$1.3m favourable YTD** due to:

- **Materials, Supplies & Services** \$598k favourable, driven by delayed Software Licences.
- **Contractors & Consultants** \$1.2m favourable mainly driven by ICT, with the ICT Strategy tracking under budget. We expect some delay in this programme of work which will seek to re-budget into future years.



Capital Expenditure is currently **\$59k YTD underspend**. We expect to spend the full year budget



Capex Projects for Corporate Services

March 2025

Project Name	Year to Date				Full Year			Project Type
	Actual \$000's	Budget \$000's	Variance \$000's	Variance %	Forecast \$000's	Budget \$000's	Variance \$000's	
EUS Hardware	563	646	(83)	-12.93%	862	862	-	Capital - New
Office Upgrades (CAPEX)	174	150	24	16.10%	200	200	-	Capital - New

Te Hunga Whiriwhiri March 2025

Favourable:  Caution:  Unfavourable: 

Te Hunga Whiriwhiri

March 2025

	Year to Date				Full Year			
	Actual \$000	Budget \$000	\$ Variance \$000	% Variance	Forecast \$000	Budget \$000	\$ Variance \$000	% Variance
Operational Revenue								
Rates	4,665	4,635	30	1%	6,220	6,180	39	1%
Grants & Subs	-	-	-	0%	-	-	-	0%
Fees Charges & Other	91	-	91	0%	120	-	120	0%
Total Operating Revenue	4,756	4,635	121	3%	6,340	6,180	159	3%
Operational Expenditure								
Personnel	2,347	2,307	41	2%	3,167	3,106	61	2%
Materials, Supplies & Services	59	45	14	31%	85	66	19	29%
Contractor & Consultants	1,609	1,782	(173)	-10%	1,651	1,959	(308)	-16%
Other	11	16	(05)	-33%	15	22	(07)	-33%
Total Operating Expenditure	4,026	4,150	(123)	-3%	4,918	5,153	(235)	-5%
Overheads	770	771	(00)	0%	1,023	1,027	(04)	0%
Operational Surplus/(Deficit)	(41)	(285)	245	-86%	398	00	398 -	

Operating Revenue is **\$0.1m favourable YTD** due to:

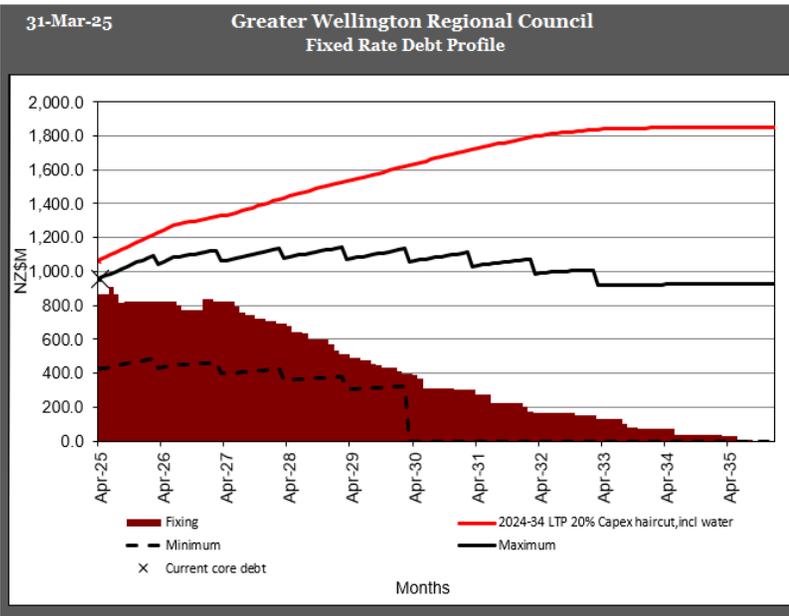
- **Fees Charges & Other** with internal revenue from the Environment Group to fund an additional role support Mauri Tūhono. This is being offset in OPEX below.



Operating Expenditure is **\$0.1m favourable**



Compliance with Treasury Risk Management Policy March 2025

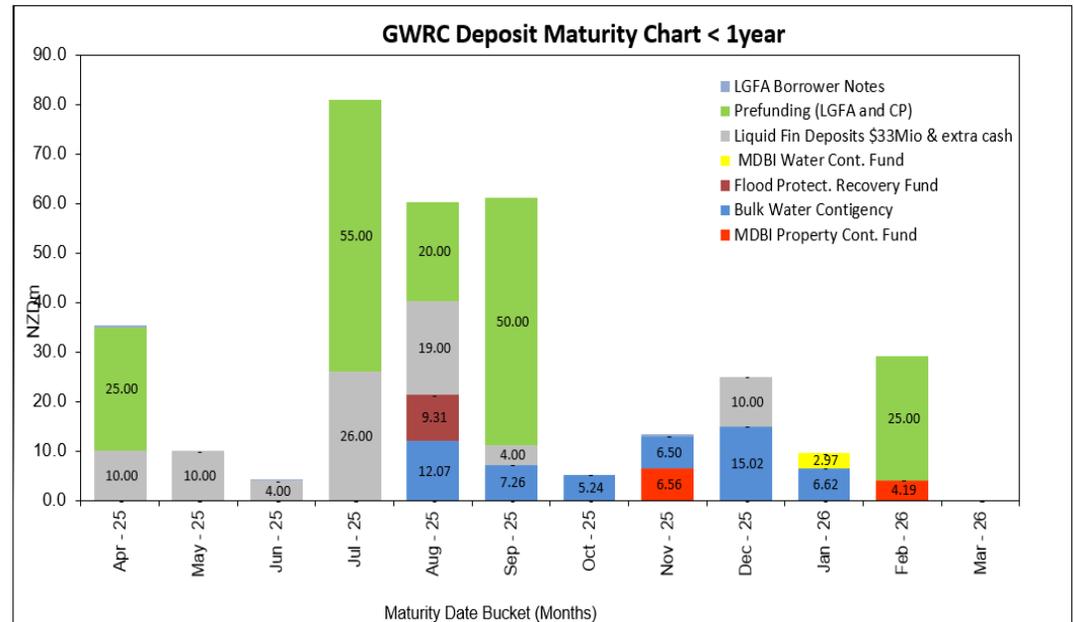
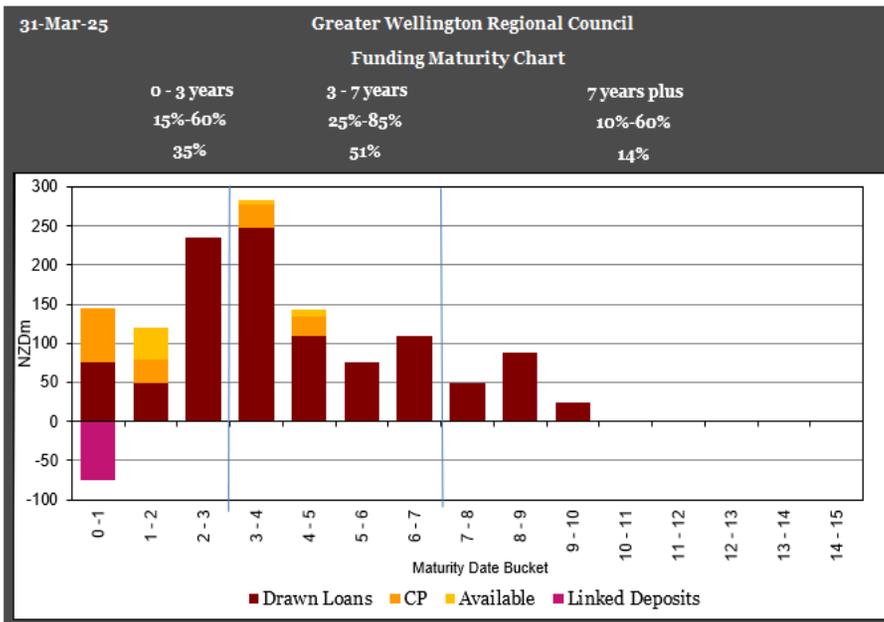


2. COMPLIANCE WITH TREASURY RISK MANAGEMENT POLICY

2.1 Summary Treasury Report As at 31 March 2025

Total Council Limit Compliance Analysis As at 31 March 2025				Compliant		
				Yes	No	actual %
Debt Interest Rate Policy Parameters - based on 2024-34 LTP less 30% haircut						
Current	40% - 90%	✓	69%	Counterparty credit exposure with New Zealand registered banks which have a credit rating of at least A-, long term, and A2 short term		
year 1	40% - 90%	✓	67%	Other counterparty exposure within policy limits, net of prefunding		
year 2	35% - 85%	✓	62%	Maximum counterparty exposure with a NZ registered bank is within \$192 million limit		
year 3	30% - 80%	✓	48%	The repricing of liquid financial investments are to occur within the following timebands		
year 4	25% - 75%	✓	34%	0 - 1 year 70% - 100%		
year 5	20% - 70%	✓	25%	1 - 5 years 0% - 30%		
year 6	0% - 65%	✓	17%			
year 7	0% - 60%	✓	9%	Core Council External Borrowing Limits - Ratios		
year 8	0% - 55%	✓	7%	Net Debt / Total Revenue < 285%		
year 9	0% - 50%	✓	4%	Net interest / Total Revenue < 20%		
year 10	0% - 50%	✓	2%	Net interest / Annual rates and levies < 30%		
year 11	0% - 50%	✓	0%	Liquidity > 110%		
year 12	0% - 50%	✓	0%			
year 13	0% - 50%	✓	0%			
year 14	0% - 50%	✓	0%			
year 15	0% - 50%	✓	0%			
The maturity of total external debt to fall within the following timebands						
0 - 3 years	15% - 60%	✓	35%			
3 - 7 years	25% - 85%	✓	51%			
> 7 years	10% - 60%	✓	14%			

GWRC Debt and Investment Maturity Profiles as at March 2025



Finance Risk and Assurance Committee
13 May 2025
Report 25.191



For Information

2025/26 ANNUAL PLAN UPDATE

Te take mō te pūrongo

Purpose

1. To provide the Finance, Risk and Assurance Committee (the Committee) with an update on the progress of 2025/26 Annual Plan.

He tūtohu

Context

2. An Annual Plan is a key document that sets out what Council plans to do in a specific financial year, and how it will pay for it. It is based on the Council's Long Term Plan (LTP), which looks ahead over ten years. The Annual Plan focuses on the year ahead, showing any changes to what was previously planned, including updates to projects, services, budgets, and rates.
3. Councils use the Annual Plan to explain how they are managing finances and delivering services to the community. It is also a way for the public to see what is happening and provide feedback, especially if there are significant changes from what was outlined in the LTP.
4. The Annual Plan helps keep the community informed and gives opportunity for feedback if there are significant changes from what was previously planned. Councils must adopt their Annual Plan before 1 July each year.
5. In the Council workshop on 5 December 2024, Council supported reducing the regional rates increase in 2025/26, as outlined in the 2024–34 LTP, from 14.5% to 9.72%. See Attachment 1 for a breakdown of rates savings by the business units.

Te tātaritanga

Analysis

6. Since the 5 December Council workshop, Metlink has maintain a balanced budget, managing to offset reduced farebox revenue forecasts, increased bus operator costs, and higher Total Mobility costs due to increased demand. Details on how this will be achieved at the time of writing are proposed to be presented at a full Council workshop on 8 May 2025.
7. The Environment Group has entered into an agreement to purchase Gollan Valley Station for \$9 million and will take ownership of the property in July 2025. The \$9 million purchase price has been partially offset by a \$1 million gift, and the loan

servicing for 2025/26 has been offset by internal savings within the Environment Group.

8. A reduction of \$21 million in Wellington Water Limited’s 24/25 capital project forecast has resulted in a lower opening debt balance in the 25/26 Annual Plan. This reduction in opening debt results in lower loan servicing costs in 25/26 and the Water Levy moves from 16.88% to 15.80%.

Ngā tūāoma e whai ake nei

Next steps

9. 2025/26 Annual Plan Engagement feedback and the rates recap will be presented to the Council on 22 May 2025. Any outstanding items arising from this meeting will be discussed further at the Council meeting on 12 June 2025.
10. Approval to adopt the 2025/26 Annual Plan will be tabled at 26 June 2025 Council meeting along with the 2025/26 rates resolution.

Ngā āpitihanga

Attachment

Number	Title
1	Business Unit Annual Plan 2025_26 rates savings

Ngā kaiwaitohu

Signatories

Writers	Darryl Joyce – Kaiwhakahaere Matua Manager Accounting Services
Approvers	Ashwin Pai - Kaiwhakahaere Matua Head of Finance Alison Trustrum-Rainey – Kaiwhakahaere Matua, Pūtea me ngā Tūraru Group Manager Finance and Risk

<p style="text-align: center;">He whakarāpopoto i ngā huritaonga Summary of considerations</p>
<p><i>Fit with Council’s roles or with Committee’s terms of reference</i></p> <p>The Committee’s specific responsibilities include to review the effectiveness of Greater Wellington’s budgeting process.</p>
<p><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>The report outlines the progress with setting the 2025/26 Annual Plan rates.</p>
<p><i>Internal consultation</i></p> <p>This report has been drafted following contributions from Corporate Planning and Reporting and the Finance Business Partners of Metlink, Environment and Corporate Services.</p>
<p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>There are no risks arising from this report.</p>

Consolidated work programme changes, 5 December 24

Attachment 1 to Report 25.191

Council workshop

Group	Rates implication (inc, neutral, savings)	Annual Plan 2025/26 Rates impact
Regional Rates increase 2025/26 per 2024-34 LTP		14.5%
Finance	Rates Savings	-2.90%
Environment	Rates Savings	-1.55%
Metlink	Rates Neutral	0.0%
Corporate Support, Finance and Regional Strategy	Rates Savings	-0.03%
All Groups - Reduce inflation from 2% to 1% on non-contractual expenses	Rates Savings	-0.30%
Total Rates Impact, after Group savings		9.72%

Finance, Risk and Assurance Committee
13 May 2025
Report 25.192



For Information

AUDIT PLANS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Te take mō te pūrongo

Purpose

1. For the Finance, Risk and Audit Committee (the Committee) to receive the audit plans issued to Greater Wellington Regional Council (Greater Wellington), WRC Holdings Limited (WRCHL) and Greater Wellington Rail Limited (GWRL) by external auditors Audit New Zealand (Audit NZ).

Te tāhū kōrero

Background

2. The Auditor-General has appointed Audit NZ to carry out the audit of Greater Wellington, WRCHL and GWRL for the financial year ended 30 June 2025.
3. As required by the Auditor-General, Audit NZ have provided Greater Wellington, WRCHL and GWRL with an audit plan.
4. The audit plan sets out the areas of audit focus, risks & issues, audit timelines and audit process for 2024/25 financial year (Refer [Attachments 1, 2 and 3](#)).

Te tātaritanga

Analysis

5. The audit timetable is outlined below:

Entity	Audit visit	Dates
GWRC	Interim audit (3 weeks)	2 June to 19 June 2025
GWRC	Final audit (6 weeks)	25 August to 3 October 2025
GWRL	Interim audit (1 week)	7 July to 11 July 2025
GWRL	Final audit (3 weeks)	18 August to 5 September 2025
WRCHL	Final audit (4 weeks)	25 August to 18 September 2025

6. Audit NZ will cover the below key audit risks during their group audit visit:
 - a. The risk of management override of internal controls (including WRCHL & GWRL)
 - b. Fair value assessment of infrastructure assets (non-revaluation year) (including GWRL)
 - c. Measurement of greenhouse gas emissions
 - d. Performance reporting (including GWRL)
 - e. Completeness and accuracy of fare revenue
 - f. Adjustments to ensure CentrePort results are correctly incorporated into WRCHL group results.
7. The WRCHL and GWRL annual report is expected to be adopted by the Board of the respective entities by 30 September 2025.
8. The draft Greater Wellington Annual Report 2024/25 is intended to be presented to the Committee on 30 September 2025 and the final Annual Report is expected to be adopted by the Council on 9 October 2025.

**Ngā hua ahumoni
Financial implications**

9. There are no financial implications arising from this report.

**Ngā Take e hāngai ana te iwi Māori
Implications for Māori**

10. There are no known impacts for Maori.

**Ngā tūāoma e whai ake nei
Next steps**

11. Officers will report to the Committee on progress of the audit in future Committee meetings.

**Ngā āpitihanga
Attachments**

Number	Title
1	Greater Wellington Audit Plan 2025
2	WRCHL Audit Plan 2025
3	GWRL Audit Plan 2025

**Ngā kaiwaitohu
Signatories**

Writer	Rajesh J Ratanjee – Kaikaute Pūtea Financial Controller
Approver	Ashwin Pai – Kaiwhakahaere Matua Head of Finance Alison Trustrum-Rainey – Kaiwhakahaere Matua, Pūtea me ngā Tūraru Group Manager, Finance & Risk

<p>He whakarāpopoto i ngā huritaonga Summary of considerations</p>
<p><i>Fit with Council’s roles or Committee’s terms of reference</i></p> <p>The Committee’s specific responsibilities include to ‘review the Council’s audit plan from the external auditors.</p>
<p><i>Contribution to Annual Plan / Long term Plan / Other key strategies and policies</i></p> <p>External audit provides assurance that the policies, controls, processes and systems in place at the Council will enable efficient delivery of the Long Term Plan, Annual Plan and Annual Report.</p>
<p><i>Internal consultation</i></p> <p>Finance, Strategy and other relevant people involved with the audit plan were consulted.</p>
<p><i>Risks and impacts: legal / health and safety etc.</i></p> <p>The Council’s management of relevant risks is addressed in the report.</p>

Audit plan

Greater Wellington Regional Council

For the year ending 30 June 2025

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Executive Summary

I am pleased to present our audit plan for the audit of Greater Wellington Regional Council (the Regional Council) for the year ending 30 June 2025. Our role as your auditor is to give an independent opinion on the financial statements and performance information. Our work improves the performance of, and the public's trust in, the public sector. We also recommend improvements to the internal controls relevant to the audit.

The contents of this plan should provide a good basis for discussion when we meet with you. We will be happy to elaborate further on the matters raised. If there are additional matters that you think we should include, or any matters requiring clarification, please discuss these with me.

Yours sincerely



Clint Ramoo
Appointed Auditor
11 April 2025

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Our audit process.....	14
Reporting protocols and expectations	17
Health and safety.....	18
Audit logistics and next steps	19



Focus areas: risks and issues



Based on the planning work and discussions that we have completed to date, we set out in the table below the main risks and issues relevant to the audit. These will be the main focus areas during the audit.

Many of these risks and issues are relevant to the audit because they affect our ability to form an opinion on your financial statements and statement of service performance. As part of the wider public sector audit, we are also required to be alert to issues of effectiveness and efficiency, waste and a lack of probity or financial prudence.

Additional risks may also emerge during the audit. These risks will be factored into our audit response and our reporting to you.

Risk/issue	Our audit response
Fair value assessment of infrastructure assets (non-revaluation year)	
<p>For those assets that the Regional Council does not plan to revalue, the Regional Council needs to perform a fair value movement assessment (assessment) to determine whether there could be a material difference between the fair value and the carrying value.</p> <p>An assessment should:</p> <ul style="list-style-type: none"> • factor in local cost information; • utilise relevant and reliable price movement indicators; and • involve consultation with valuers, where necessary. <p>If the fair value movement of the assets, individually or in combination with other asset classes, is likely to be material, the Regional Council will need to complete a full revaluation. If specified criteria are met, the Regional Council may be able to undertake an index based revaluation.</p>	<p>We will review the reasonableness of the Regional Council’s assessment including the appropriateness of the assumptions used in the assessment.</p>



Risk/issue	Our audit response
The risk of management override of internal controls	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls.</p> <p>Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Auditing standards require us to treat this as a risk on every audit.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • testing the appropriateness of selected journal entries; • reviewing accounting estimates for indications of bias; and • evaluating any unusual or one-off transactions, including those with related parties.
Measurement of Greenhouse gas emissions	
<p>The Regional Council has included two measures of greenhouse gas emissions (GHG) in its performance information. We consider these to be material performance measures because the Council has declared a climate emergency and because of the public interest in climate change related information.</p> <p>Reduction in tonnes of CO2 equivalent (tCO2e) emissions</p> <p>The Regional Council’s performance information includes a performance measure on the quantity of GHG emissions from the Regional Council and Group. This includes emissions generated directly by the Group itself, emissions from the services that the Regional Council is responsible for (such as public transport) and emissions from the use of the Regional Council’s assets (such as grazing in regional parks). The Regional Council is still developing the systems and controls needed to produce reliable evidence to support the data inputs and estimations used in the measurement of GHG emissions. This includes the measurement of material emissions from public transport and grazing activities which rely on data from third parties.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • obtaining sufficient appropriate evidence to conclude whether the reported performance is materially correct by using our data analytics team; and • if we are unable to obtain sufficient audit evidence, we will consider alternative audit procedures, failing which we will consider the impact on our audit report.



Risk/issue	Our audit response
<p>Tonnes of CO2 emitted per year on Metlink Public Transport Services</p> <p>The Regional Council’s performance information also includes a performance measure specifically on the quantity of emissions generated from Metlink Public Transport services.</p> <p>In the 2023/24 financial year we modified our opinion, because we did not obtain sufficient appropriate evidence to conclude whether the reported performance for both measures was materially correct as we were unable to verify the reliability of inputs into the model used to calculate emissions or the robustness of the model itself.</p>	
<p>Performance reporting</p> <p>Appropriate performance information is essential for ensuring that public entities are accountable to Parliament and the public and provides management with sufficient performance information to monitor performance and for decision making purposes.</p> <p>We are required to carry out our audit of service performance information prepared by the Regional in accordance with NZ AS 1 (Revised): The Audit of Service Performance Information. The revised standard, effective for periods beginning on or after 1 January 2024 i.e. for the Regional Council, it is for the year ending 30 June 2025, introduces critical changes that impact both auditors and the Regional Council.</p> <p>For auditors, there is an increased emphasis on risk identification and evaluation methods. This has necessitated a more robust assessment of service performance information.</p> <p>The Regional Council is encouraged to ensure that their performance measures are appropriate and meaningful in order to align with NZ AS 1 (Revised). These changes require a shift towards clearer and more</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> consider the Regional Council’s performance framework, enhancements made and understand how the Regional Council will report its performance. This includes performing a review of Statement of Performance Expectations 2025/26 to ensure compliance with the legislative requirements; update our understanding of the systems/methodology, processes and controls for significant performance measures and test the Regional Council’s performance results for the year ending 30 June 2025; assess appropriateness of the disclosures made to support reported results, for example, including any assumptions, uncertainties and trends in the performance information; and consider the cohesiveness of the overall performance story.



Risk/issue	Our audit response
<p>meaningful language aimed at enhancing the quality and reliability of service performance reporting.</p>	
<p>Completeness of fare revenue</p>	
<p>During the 2022/23 financial year, the Regional Council migrated all its Public Transport fare collection systems to Snapper for both trains and buses.</p> <p>Obtaining assurance over the completeness and accuracy of fare revenue is complex due to:</p> <ul style="list-style-type: none"> • different fares applied throughout the period; • different fares applicable to different users at different times of the day; and • changes in patrons behaviours post Covid etc. <p>In the prior year we managed to test the completeness and accuracy of fare revenue with the assistance of our Data and analytics team, we will continue with the approach in the current year.</p>	<p>In order to obtain assurance over the completeness and accuracy of fare revenue, we will:</p> <ul style="list-style-type: none"> • engage with the Regional Council’s internal audit team to undertake an Information Technology General Controls review of the Snapper IT environment; • update our understanding of the systems and controls in place at the Regional Council for recording fare revenue from Snapper; • using our data and analytics team, • perform a reconciliation between fares collected by Snapper and amounts recorded in Council’s general ledger; and • test a sample of fares to ensure they have been charged in accordance with published fares and distances travelled.



Other areas of interest across the local government sector

There are a number of sector wide issues significant to most local authorities. These include areas of interest that are not necessarily significant to the Council but are areas we monitor as part of our responsibility to consider the broader risks affecting local authorities. We have reviewed the specific areas of interest for the 2024/25 year and have not identified any areas of focus over and above those already covered in this plan. Should any additional areas be identified during the year we will notify the Council separately. Wider public sector areas of interest are set out on pages 16 -17.

Dealing with the “Local Water Done Well” water reforms in the 2025 annual report

Local Water Done Well is being implemented in stages:

- stage 1 – repealing the affordable water reforms (completed in February 2024);
- stage 2 – passing the Local Government (Water Services Preliminary Arrangements) Act 2024 (completed in September 2024); and
- stage 3 – introducing the Local Government Water Services Bill, which will establish the enduring settings for the new water services system (expected to be passed by mid-2025).

Depending on the status of the water reforms and the Council’s response to those, we recommend the Council provide a high-level summary of the reforms at the time of reporting. This should include that the council must prepare, consult on aspects of, and adopt a water services delivery plan. Where the Council’s intentions are well developed and formalised via council resolution, the council may wish to describe the anticipated or proposed model or arrangement for delivering water services, and planned timing of implementation.

We will communicate any changes in expectations to you when we have a better understanding of water service delivery plans and their possible effects on the audited information contained in the annual report.

Benchmark reporting

As part of the local government reform programme, the Department of Internal Affairs (DIA) is set to benchmark council performance. The DIA will publish a yearly report on key financial and delivery outcomes, of which the first report is to be released mid-2025. The report is expected to include several council performance metrics, including rates, council debt, capital expenditure, balanced budget, and road condition. Legislation is expected to be amended to allow future benchmarking reports to include comparison of contractors and consultant expenditure, alongside other metrics.

We wish to signal to the Council that where information used in the DIA’s benchmarking process is drawn from the annual report, this may create additional areas of focus for both the Regional Council and the audit team during the audit process. Should any additional areas be identified, we will notify the Regional Council separately.

Fraud risk

Misstatements in the financial statements and [performance information](#) can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional. Our consideration of fraud risk covers both misstatements resulting from fraudulent reporting and misstatements resulting from misappropriation of assets.

Your responsibility

The primary responsibility for the prevention and detection of fraud and error rests with the governing body, with assistance from management. In this regard, we will discuss the following questions with you:

- How does Council see its role in relation to fraud? How do you monitor management's exercise of its responsibilities?
- Has a robust fraud risk assessment been completed? If so, is the Council satisfied that it had appropriate input into this process?
- How does management provide assurance that appropriate internal controls to address fraud risks are in place and operating?
- What protocols/procedures have been established between the Council and management to keep you informed of instances of fraud, either actual, suspected, or alleged?
- Are you aware of any actual, suspected, or alleged fraud? If so, have the results of management's investigation been reported to Council? Has appropriate action been taken on any lessons learned?

Our responsibility

Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and [performance information](#) are free from material misstatement, including any resulting from fraud. Our approach to obtaining this assurance is to:

- identify fraud risk factors and evaluate areas of potential risk of material misstatement;
- evaluate the effectiveness of internal controls in mitigating the risks;
- perform audit testing to address the risks identified; and
- remain alert for indications of potential fraud in evaluating audit evidence.

The Auditor-General has published useful information on fraud that can be found at oag.parliament.nz/reports/fraud-reports.

Legislative compliance

As part of the Auditor-General's mandate, we consider compliance with laws and regulations that directly affect your financial statements. Our audit does not cover all of your requirements to comply with laws and regulations.

Mandatory disclosures

The annual report must contain the disclosures required under certain legislation, including:

- the Local Government Act;
- the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the Non-Financial Performance Measures Rules 2024.

The Regional Council should continue to review the legislative disclosure requirements and check that these are accurate and complete.

Integrity self-assessment survey

In December 2024, the Office of the Auditor-General (OAG) published the second edition of the integrity framework for the public sector, followed in January 2025 by a guide on monitoring integrity in public organisations. The OAG's 2024-25 Annual Plan highlighted as a priority supporting strong organisational integrity practices. Aligned with that priority, Audit New Zealand is conducting an integrity self-assessment survey (the survey) as part of the 2024-25 annual audits across 51 local authorities and 22 central government organisations. The survey aims to understand how these organisations establish a culture of integrity and

raise awareness about its importance. The Regional Council is one of the organisations being surveyed.

The survey results will be shared with the entity and will serve as a baseline for possible future audit work. A summary report will also be compiled from the findings across all surveyed organisations. This will be shared with the Regional Council.



Materiality

In performing our audit, we apply materiality. Materiality refers to information that if omitted, misstated, or obscured could reasonably be expected to:

- influence readers’ overall understanding of the financial statements and service performance information; and
- influence readers in making decisions about the stewardship and allocation of resources, or assessing your performance.

This definition of materiality is broader than the one used in the private sector.

It is a matter of judgement whether information is material. We consider the nature (qualitative) and amount (quantitative) of each item judged in the surrounding circumstances and its impact. Qualitative considerations are of equal significance as quantitative considerations. Qualitative considerations are of primary importance in the context of disclosures for transparency and accountability reasons, and in evaluating any non-compliance with laws and regulations.

The Council and management need to make their own assessment of materiality from a preparer’s perspective. Management and the Council should not rely on our materiality assessment as a basis for owning and making judgements about the integrity of the financial statements and service performance information.

Financial statements materiality

For planning purposes, we have set **overall group materiality** for the financial statements at \$212,770,000 based on forecast information. This is subject to change once the actual results for the current year are available. For this audit we are only applying this overall group materiality to the fair value of property, plant and equipment.

Overall group materiality	\$212,770,000
Specific group materiality	\$23,700,000
Group Clearly trivial threshold	\$1,185,000
Overall parent materiality	\$143,000,000
Specific parent materiality	\$18,500,000
Parent Clearly trivial threshold	\$925,000

For this audit we have set a lower, **specific group materiality** of \$23,700,000 for all items not related to the fair value of property, plant and equipment.

We have set **overall parent materiality** for the financial statements at \$143,000,000 based on forecasts information. This is subject to change once the actual results for the current year are available. For this audit we are only applying this overall parent materiality to the fair value of property, plant and equipment. We have set a lower, **specific parent materiality** of \$18,500,000 for all items not related to the fair value of property, plant and equipment.



A lower specific materiality is also determined separately for some items due to their sensitive nature. For example, a lower specific materiality is determined and applied for related party and key management personnel disclosures.

We design our audit procedures to detect misstatements at a lower level than overall materiality. This takes account of the risk of cumulative misstatements and provides a safety net against the risk of undetected misstatements.

We will report all uncorrected misstatements to the Council other than those that are **clearly trivial**.

We consider misstatements of less than \$1,185,000 to be clearly trivial for the **group** financial statement and misstatement of less \$925,000 to be clearly trivial for the **parent** financial statement unless there are relevant qualitative considerations. We will ask for each of these misstatements to be corrected. Where management does not wish to correct a misstatement we will seek written representations from the governing body on the reasons why the corrections will not be made.

Misstatements

Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader's overall understanding of your financial statements and service performance information . The effects of any detected and uncorrected misstatements, individually and in aggregate, are assessed against materiality and qualitative considerations.

Audit of service performance information

Our audit work will be undertaken under NZ Auditing Standard 1 (Revised) *The Audit of Service Performance Information* (issued by the External Reporting Board July 2023). This standard is closely related to the accounting standard for service performance reporting (PBE FRS 48). The new Standard is broadly similar to the existing Standard on auditing service performance information but may result in a few changes in our audit work, including our approach to determining which performance measures are material, or how we link the work we do on some performance measures to the work we do in related financial statement areas.

Of particular note are specific requirements relating to the measurement bases or evaluation methods used to measure or evaluate performance measures and/or descriptions. Auditors are required to assess if these are appropriate and meaningful, if they are available to intended users, and whether the service performance information is prepared, in all material respects, in accordance with these. In respect of availability to intended users, we will be looking for adequate disclosure in the annual report on the basis of measurement/evaluation methods for performance measures and/or descriptions, where this is not self-evident.

Materiality for service performance information

At an overall level, we assess whether the service performance information is suitable, given your purpose and the nature of your activities, and whether the reporting allows for an informed assessment of the Regional Council's performance. In doing this we consider whether



the information is relevant, complete, reliable, neutral, and understandable.

We set materiality for service performance information at an individual measure level based on what we expect would influence readers’ overall understanding, decision making, or assessment of the [Greater Wellington Regional Council](#)’s performance. Because of the variety of measurement bases applied, we normally express this materiality as a percentage of the reported result.

We have identified the following measures as material and assessed materiality for planning purposes. We will reassess this during the audit.

Material measure	Materiality
Percentage of scheduled bus trips that depart their timetabled starting location on time (punctuality) – to 5 minutes	5% of result
Percentage of scheduled rail services on-time (punctuality) – to 5 minutes	5% of result
Tonnes of CO2 emitted per year on Metlink Public Transport Services	8% of result
Reduction in tonnes of CO2 equivalent emissions	8% of result
Percentage of active resource consents identified as high risk and high priority are checked for compliance and marked with a compliance rating	5% of result

Material measure	Materiality
Major flood protection and control works are maintained, repaired, and renewed to the key standards defined in the relevant planning documents.	0% (Target is Yes or No)
Percent of identified vulnerable floodplains with a FMP in place	8% of result
Number of events in the bulk water supply preventing the continuous supply of drinking water to consumers	5% of result
The extent to which the local authority’s drinking water supply complies with bacteriological drinking water standards*	0% of result
The extent to which the local authority’s drinking water supply complies with protozoa drinking water standards*	0% of result
Percentage of Greater Wellington incentive funding used to advance catchment context priorities or to enhance or protect threatened biodiversity, through completion of high impact actions on private land	5% of result
Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:	



Material measure	Materiality
1 attendance of urgent call-outs: time from local authority receiving notification to service personnel reach the site; and	8% of result
2 resolution of urgent call-outs: time from local authority receiving notification to service personnel confirming resolution.	8% of result
Level of overall satisfaction with consent processing services	5% of results

*We understand that DIA are publishing guidance around the reporting of safety of drinking water measures. The Regional Council will need to review this guidance once it has been issued.



Group audit

Our audit report covers the group as a whole. We developed our audit approach for the group to obtain sufficient information to give an opinion on the group financial statements and [service performance information](#). We have assessed the risks of material misstatement and have identified our approach for each component.

We will report any significant internal control deficiencies to Council and management of the group. This will include any deficiencies identified by

the group engagement team or brought to our attention by a component auditor. We will communicate deficiencies related to:

- group-wide internal controls; or
- internal controls at each component.

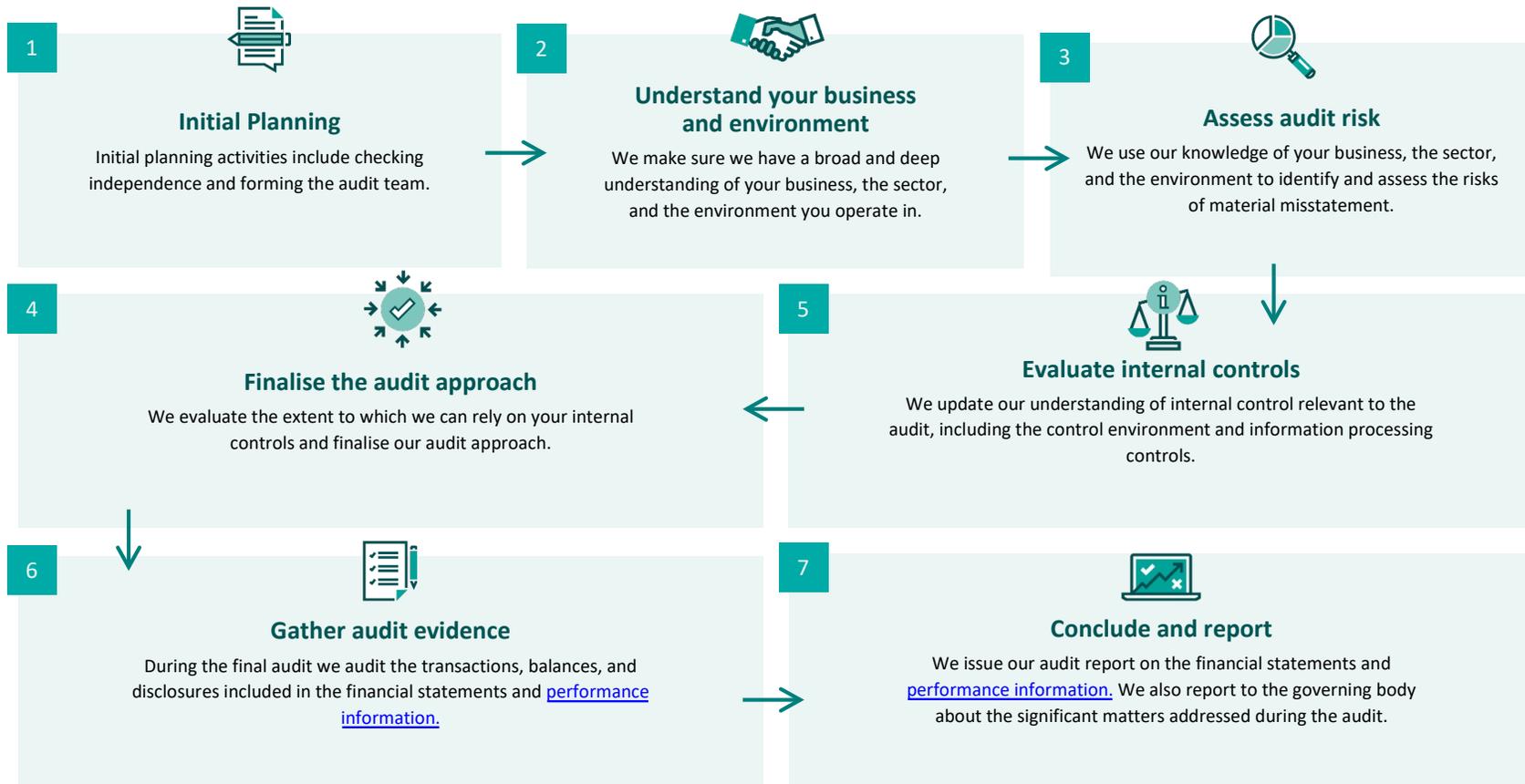
We will also communicate any fraud identified by the group engagement team or brought to our attention by a component auditor.

Component	Our audit approach
Wellington Regional Council Holdings Limited	<p>I am also the component auditor of Wellington Regional Council Holdings Limited. The audit work on this component will be a full financial statement and service performance report audit.</p> <p>The significant audit risks relevant to this component are:</p> <ul style="list-style-type: none"> • Management override of controls.

This table shows the work we have planned for each component. In addition to this, we will perform analytical procedures for other components.



Our audit process



Enhancing year-end processes

The year-end financial statement close process and the preparation of the annual report requires a large number of resources to be committed to complete it effectively. We want the audit process to run smoothly, and we will work with management to achieve this through bringing forward the timing of audit procedures.

Bringing forward audit procedures

Substantive audit procedures are traditionally performed after the year end. Where possible, we will aim to bring audit procedures earlier in the year. This will be focused on year-to-date transactions for revenue, expenditure, additions, performance measures (Greenhouse gas emissions) and fair value assessment. Completion of these tests earlier in the year should allow for more timely identification and resolution of errors.

We will work with management to facilitate getting the information required at the right time. We will communicate with management if information is not available as agreed, including any impact on the year-end audit.

Professional judgement and professional scepticism

Many of the issues that arise in an audit, particularly those involving valuations or assumptions about the future, involve estimates. Estimates are inevitably based on imperfect knowledge or dependent on future events. Many financial statement items involve subjective decisions or a

degree of uncertainty. There is an inherent level of uncertainty which cannot be eliminated.

The term “opinion” reflects the fact that professional judgement is involved. Our audit report is not a guarantee but rather reflects our professional judgement based on work performed in accordance with established standards.

Auditing standards require us to maintain professional scepticism throughout the audit. Professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. Professional scepticism is fundamentally a mind-set resulting in a questioning approach when considering information and in forming conclusions.

Exercising professional scepticism means that we will not accept everything you tell us at face value. We will ask you and management to provide evidence to support what you tell us. We will also challenge your judgements and assumptions and weigh them against alternative possibilities.

Wider public sector considerations

A public sector audit also examines whether:

- [Greater Wellington Regional Council](#) carries out its activities effectively and efficiently;
- waste is occurring or likely to occur as a result of any act or failure to act by the [Greater Wellington Regional Council](#) ;



- there is any sign or appearance of a lack of probity as a result of any act or omission by the [Greater Wellington Regional Council](#) or by one or more of its members, office holders, or employees; and
- there is any sign or appearance of a lack of financial prudence as a result of any act or omission by the [Greater Wellington Regional Council](#) or by one or more of its members, office holders, or employees.



Reporting protocols and expectations



Communication with management and the governing body

We will meet with management and the governing body throughout the audit. We will maintain ongoing, proactive discussion of issues as and when they arise to ensure there are “no surprises”.

Meeting with	Planned timing
Daran Ponter Council Chair	Quarterly
Martin Matthews, Chair & David Bassett, Deputy Chair, FRAC	Quarterly
Nigel Corry Chief Executive	Quarterly
General Managers	Quarterly
Finance and performance team	Monthly

Reports to the Council

We will provide a draft of all reports to management (and the Council) for discussion/clearance purposes. In the interests of timely reporting, we ask management to provide their comments on the draft within 10 working days. Once management comments are received the report will be finalised and provided to the governing body.

At the end of the audit, we will report to the governing body our views on:

- the level of prudence in key judgements made by management in preparing the financial statements; and
- the quality and timeliness of information provided for audit by management.



Expectations

For the audit process to go smoothly for both you and us, there are expectations that each of us need to meet. Our respective responsibilities are set out in our audit engagement letter.

We expect that:

- you will provide us with access to all relevant records and provide information in a timely manner;
- staff will provide an appropriate level of assistance;
- the draft financial statements, including all relevant disclosures, will be available in accordance with the agreed timetable;
- management will make available a detailed workpaper file supporting the information in the financial statements; and
- the annual report, financial statements and [service performance information](#) will be subjected to appropriate levels of quality review before being provided to us.

To help you prepare for the audit, we will liaise with management and provide them with a detailed list of the information we will need for the audit.

Health and safety

The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff.

Under the Health and Safety at Work Act 2015, we need to make arrangements with management to keep our audit staff safe while they are working at your premises.

We expect you to provide a work environment for our audit staff that minimises or, where possible, eliminates risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment where required. We also expect management to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

Audit logistics and next steps



Our team

Our engagement team is selected to ensure that we have the right subject matter expertise and sector knowledge. Each member of the audit team has received tailored training to develop their expertise

Our senior audit team members are:

Clint Ramoo	Appointed Auditor
Debbie Perera	Engagement Quality Review Director
Nosiviwe Tsotso	Audit Manager
Noziphiwo Deki	Audit Supervisor

The Engagement Quality Review (EQR) Director forms an important part of our internal quality assurance process to maintain and enhance the quality of your audit. They are independent from the day-to-day audit field work, and so can provide an independent challenge to the audit team on their judgements. The EQR will work with your Appointed Auditor and the audit team but will not have direct contact with you.

Timetable

Our proposed timetable is:

Interim audit begins and fair value assessment	2 June-19 June 2025
Draft report to the Council issued	30 June 2025
Draft group financial statements and performance information available for audit (including notes) with actual year-end figures	21 August 2025
Final audit begins	25 August-03 October 2025
Final group financial statements and performance information available, incorporating all agreed amendments	15 September 2025
Annual report available, including any Chair and Chief Executive's overview or reports	22 September 2025
Draft summary report to Audit NZ	29 September 2025
Verbal audit clearance given	02 October 2025
Draft report to the Council issued	02 October 2025
Audit opinion issued	09 October 2025



AuditDashboard

We will again use AuditDashboard for transferring files as part of the audit.

Working remotely

Covid-19 restrictions, such as lockdowns, and resultant changes to our own and our client's work locations, including increasing numbers working from home have meant we changed how we worked with our clients.

Lockdowns meant that our clients and our auditors did not always have access to their premises and information and had to work remotely. This confirmed that aspects of our audit work can be done efficiently off-site. We plan to continue to perform aspects of your audit remotely as there are some benefits to you and us of having our team off-site for parts of the audit.

During the previous audit, we were able to perform some of our audit work remotely. Based on our experience we found that the [Greater Wellington Regional Council](#) has good systems and processes in place to facilitate any future off-site work by us.

We recognise different organisations are positioned differently to enable off-site audit work. We will be discussing and agreeing off-site working expectations in conjunction with our information requests with you. This will include our continued use of AuditDashboard to manage our information requests.



PO Box 99
Wellington 6140
Phone: 04 496 3099

www.auditnz.parliament.nz



Attachment 2 to Report 25.192

Audit plan

WRC Holdings Limited (WRCH)

For the year ending 30 June 2025

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Executive Summary

I am pleased to present our audit plan for the audit of WRC Holdings Limited (WRCH) for the year ending 30 June 2025. Our role as your auditor is to give an independent opinion on the financial statements and performance information. Our work improves the performance of, and the public's trust in, the public sector. We also recommend improvements to the internal controls relevant to the audit.

The contents of this plan should provide a good basis for discussion when we meet with you. We will be happy to elaborate further on the matters raised. If there are additional matters that you think we should include, or any matters requiring clarification, please discuss these with me.

Nāku noa, nā



Clint Ramoo
Appointed Auditor
30 April 2025

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Focus areas: Audit risks and issues



Based on the planning work and discussions that we have completed to date, we set out in the table below the main audit risks and issues. These will be the main focus areas during the audit.

Additional risks may also emerge during the audit. These risks will be factored into our audit response and our reporting to you.

Audit risk/issue	Our audit response
The risk of management override of internal controls	
There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.	Our audit response to this risk includes: <ul style="list-style-type: none"> • testing the appropriateness of selected journal entries; • reviewing accounting estimates for indications of bias; and • evaluating any unusual or one-off transactions, including those with related parties.

Audit risk/issue	Our audit response
Adjustments to ensure CentrePort results are correctly incorporated into the WRC Holdings' group results	
CentrePort is a for-profit entity as its primary objective is to provide a financial return to equity holders. On the other hand, WRCH is a public benefit entity as its primary objective is to provide goods or services for community or social benefit rather than to provide a financial return to equity holders. Different accounting standards apply to public benefit entities and for-profit entities resulting in differences in the treatment of certain transactions and events. Therefore, when preparing the group financial statements, consideration needs to be given to any accounting adjustments that need to be made to adjust CentrePort results so that they are appropriate for inclusion in the group results.	We will review management's assessment of any public benefit/for-profit adjustments that need to be incorporated into the information provided by CentrePort. For example, CentrePort as a for-profit-entity must apply a different accounting treatment for leases than Public Benefit Entities, and CentrePort must capitalise borrowing costs in respect of "qualifying assets" whereas WRC Holdings expenses all borrowing costs. These accounting treatments are appropriate for both entities but does mean that adjustments need to be made in the WRC Holdings group financial statements.

Fraud risk

Misstatements in the financial statements and performance information can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional. Our consideration of fraud risk covers both misstatements resulting from fraudulent reporting and misstatements resulting from misappropriation of assets.

Your responsibility

The primary responsibility for the prevention and detection of fraud and error rests with the Board, with assistance from management. In this regard, we will discuss the following questions with you:

- How does the [Board](#) see its role in relation to fraud? How do you monitor management's exercise of its responsibilities?
- Has a robust fraud risk assessment been completed? If so, is the [Board](#) satisfied that it had appropriate input into this process?
- How does management provide assurance that appropriate internal controls to address fraud risks are in place and operating?
- What protocols/procedures have been established between the [Board](#) and management to keep you informed of instances of fraud, either actual, suspected, or alleged?
- Are you aware of any actual, suspected, or alleged fraud? If so, have the results of management's investigation been reported to the [Board](#)? Has appropriate action been taken on any lessons learned?

Our responsibility

Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and performance information are free from material misstatement, including any resulting from fraud. Our approach to obtaining this assurance is to:

- identify fraud risk factors and evaluate areas of potential risk of material misstatement;
- evaluate the effectiveness of internal controls in mitigating the risks;
- perform audit testing to address the risks identified; and
- remain alert for indications of potential fraud in evaluating audit evidence.

The Auditor-General has published useful information on fraud that can be found at oag.parliament.nz/reports/fraud-reports.

Materiality

In performing our audit, we apply materiality. Materiality refers to information that if omitted, misstated, or obscured could reasonably be expected to:

- influence readers’ overall understanding of the financial statements and performance information; and
- influence readers in making decisions about the stewardship and allocation of resources, or assessing your performance.

This definition of materiality is broader than the one used in the private sector.

It is a matter of judgement whether information is material. We consider the nature (qualitative) and amount (quantitative) of each item judged in the surrounding circumstances and its impact. Qualitative considerations are of equal significance as quantitative considerations. Qualitative considerations are of primary importance in the context of disclosures for transparency and accountability reasons, and in evaluating any non-compliance with laws and regulations.

The [Board](#) and management need to make their own assessment of materiality from a preparer’s perspective Management and the [Board](#) should not rely on our materiality assessment as a basis for owning and making judgements about the integrity of the financial statements and service performance information.

Financial statements materiality

For planning purposes, we have set **overall group materiality** for the financial statements at \$39,360,000 based on last year’s total property, plant and equipment. This is

Overall group materiality	\$39,360,000
Specific group materiality	\$4,800,000
Clearly trivial threshold	\$300,000

subject to change once the actual results for the current year are available. For this audit we are only applying this overall materiality to the fair value of property, plant and equipment.

For this audit we have set a lower, **specific group materiality** of \$4,800,000 for all items not related to the fair value of property, plant and equipment. A lower specific materiality is also determined separately for some items due to their sensitive nature. For example, a lower specific materiality is determined and applied for related party and key management personnel disclosures.

We design our audit procedures to detect misstatements at a lower level than overall materiality. This takes account of the risk of cumulative misstatements and provides a safety net against the risk of undetected misstatements.

We will report all uncorrected misstatements to the [Board](#) other than those that are **clearly trivial**.

We consider misstatements of less than \$300,000 to be clearly trivial unless there are relevant qualitative considerations. We will ask for each of these misstatements to be corrected. Where management does not wish to correct a misstatement we will seek written representations from the [Board](#) on the reasons why the corrections will not be made.

Misstatements

Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader’s overall understanding of your financial statements and Service Performance Information . The effects of any detected and uncorrected misstatements, individually and in aggregate, are assessed against materiality and qualitative considerations.

Materiality for service performance information

At an overall level, we assess whether the service performance information is suitable, given your purpose and the nature of your activities, and whether the reporting allows for an informed assessment of the WRCH’s performance. In doing this we consider whether the information is relevant, complete, reliable, neutral, and understandable.

We set materiality for service performance information at an individual measure level based on what we expect would influence readers’ overall understanding, decision making, or assessment of [WRC Holdings Limited \(WRCH\)](#)’s performance. Because of the variety of measurement bases applied, we normally express this materiality as a percentage of the reported result.

We have identified the following measures as material and assessed materiality for planning purposes. We will reassess this during the audit.

Material measure	Materiality
WRC Holdings Board monitor Holdings Group companies’ progress against their SOI targets quarterly	5% of result
WRC Holdings receives a quarterly report from CentrePort on its financial and non-financial performance	5% of result
Financial Performance Targets	5% of result

Group audit

Our audit report covers the group as a whole. We developed our audit approach for the group to obtain sufficient information to give an opinion on the group financial statements and [Service Performance Information](#) . We have assessed the risks of material misstatement and have identified our approach for each component.

We will report any significant internal control deficiencies to the Board and management of the group. This will include any deficiencies identified by the group engagement team or brought to our attention by a component auditor. We will communicate deficiencies related to:

- group-wide internal controls; or
- internal controls at each component.

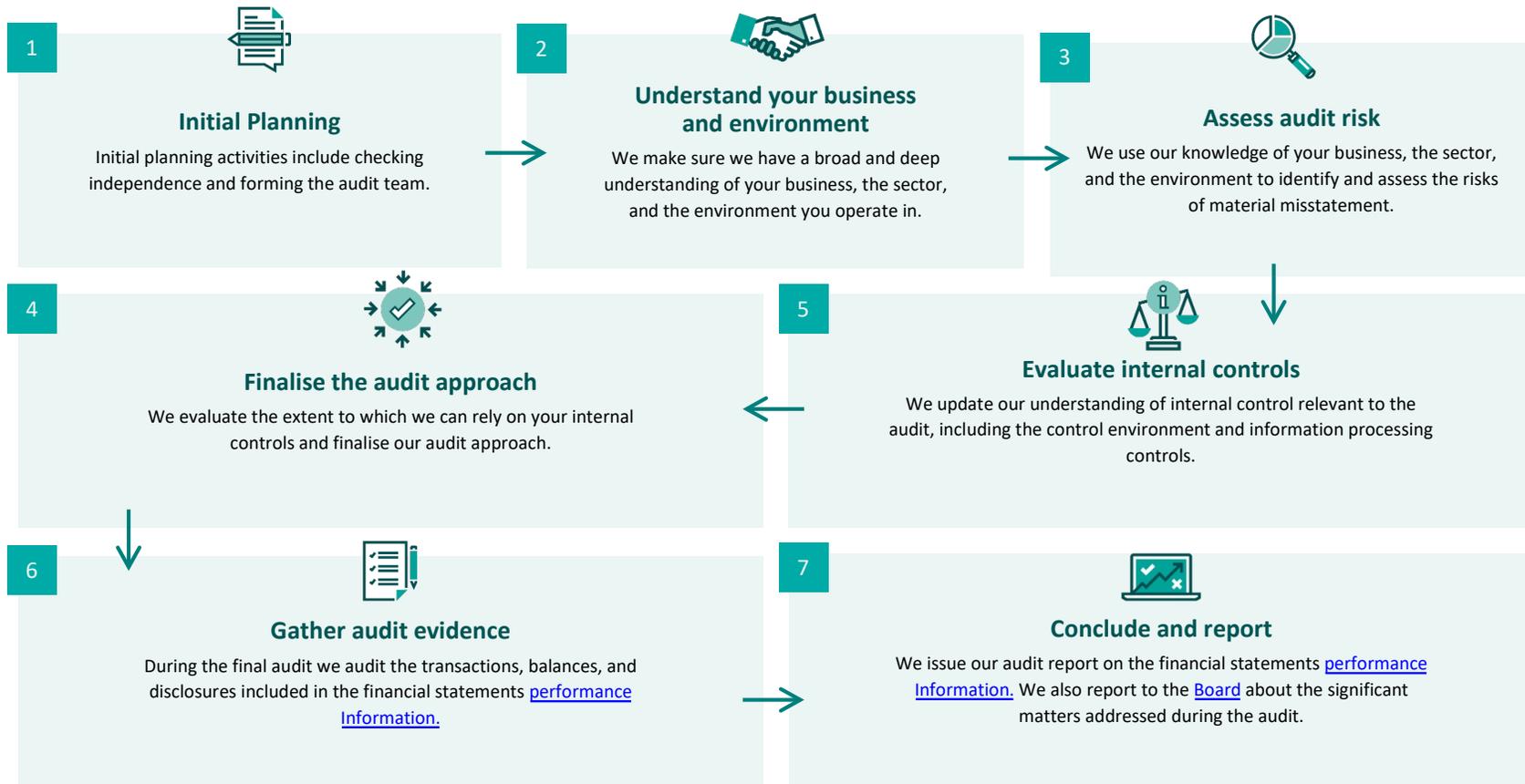
We will also communicate any fraud identified by the group engagement team or brought to our attention by a component auditor.

Attachment 2 to Report 25.192

Component	Our audit approach
Greater Wellington Rail Limited (GWRL)	<p>GWRL will be audited by me as the auditor for the Greater Wellington Regional Council and the WRCH.</p> <p>The group audit risks relevant to this component are:</p> <ul style="list-style-type: none"> • fair value assessment of property, plant and equipment (non-revaluation year); and • risk of management override of controls. <p>The audit work on GWRL will be a full financial statement audit.</p>
CentrePort Limited	<p>This component will be audited by Deloitte. The Appointed Auditor for CentrePort is Hamish Anton.</p> <p>Group instructions have been issued to the component auditor that specify information we require.</p> <p>The group audit risks relevant to this component are:</p> <ul style="list-style-type: none"> • fair value assessment of property, plant and equipment (non-revaluation year); • valuation of property, plant and equipment (revaluation year); and • risk of management override of controls. <p>The audit work on this component will be a full financial statements audit.</p> <p>As the Group Auditors, we will meet with Deloitte throughout the audit to ensure that we are satisfied as to the adequacy of their work for the purposes of inclusion of CentrePort’s financial statements in the Group financial statements.</p>

This table shows the work we have planned for each significant component. In addition to this, we will perform analytical procedures for non significant components.

Our audit process



Professional judgement and professional scepticism

Many of the issues that arise in an audit, particularly those involving valuations or assumptions about the future, involve estimates. Estimates are inevitably based on imperfect knowledge or dependent on future events. Many financial statement items involve subjective decisions or a degree of uncertainty. There is an inherent level of uncertainty which cannot be eliminated.

The term “opinion” reflects the fact that professional judgement is involved. Our audit report is not a guarantee but rather reflects our professional judgement based on work performed in accordance with established standards.

Auditing standards require us to maintain professional scepticism throughout the audit. Professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. Professional scepticism is fundamentally a mind-set resulting in a questioning approach when considering information and in forming conclusions.

Exercising professional scepticism means that we will not accept everything you tell us at face value. We will ask you and management to provide evidence to support what you tell us. We will also challenge your judgements and assumptions and weigh them against alternative possibilities.

Wider public sector considerations

A public sector audit also examines whether:

- [WRC Holdings Limited \(WRCH\)](#) carries out its activities effectively and efficiently;
- waste is occurring or likely to occur as a result of any act or failure to act by [WRC Holdings Limited \(WRCH\)](#);
- there is any sign or appearance of a lack of probity as a result of any act or omission by [WRC Holdings Limited \(WRCH\)](#) or by one or more of its members, office holders, or employees; and
- there is any sign or appearance of a lack of financial prudence as a result of any act or omission by [WRC Holdings Limited \(WRCH\)](#) or by one or more of its members, office holders, or employees.

Reporting protocols and expectations



Communication with management and the [Board](#)

We will meet with management and the [Board](#) throughout the audit. We will maintain ongoing, proactive discussion of issues as and when they arise to ensure there are “no surprises”.

Meeting with	Planned timing
Chris Kirk-Burnnand (Board Chair)	Quarterly
Finance and Service performance team	Monthly

Reports to the [Board](#)

We will provide a draft of all reports to management and the [Board](#) for discussion/clearance purposes. In the interests of timely reporting, we ask management to provide their comments on the draft within 10 working days. Once management comments are received the report will be finalised and provided to the [Board](#).

At the end of the audit, we will report to the [Board](#) our views on:

- the level of prudence in key judgements made by management in preparing the financial statements; and
- the quality and timeliness of information provided for audit by management.

Expectations

For the audit process to go smoothly for both you and us, there are expectations that each of us need to meet. Our respective responsibilities are set out in our audit engagement letter.

We expect that:

- you will provide us with access to all relevant records and provide information in a timely manner;
- staff will provide an appropriate level of assistance;
- the draft financial statements, including all relevant disclosures, will be available in accordance with the agreed timetable;
- management will make available a detailed workpaper file supporting the information in the financial statements; and
- the annual report, financial statements and [Service Performance Information](#) will be subjected to appropriate levels of quality review before being provided to us.

To help you prepare for the audit, we will liaise with management and provide them with a detailed list of the information we will need for the audit.

Health and safety

The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff.

Under the Health and Safety at Work Act 2015, we need to make arrangements with management to keep our audit staff safe while they are working at your premises.

We expect you to provide a work environment for our audit staff that minimises or, where possible, eliminates risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment where required. We also expect management to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

Attachment 2 to Report 25.192

PO Box 99
Wellington 6140
Phone: 04 496 3099

www.auditnz.parliament.nz



Attachment 3 to Report 25.192

Audit plan

Greater Wellington Rail Limited

For the year ending 30 June 2025

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Executive Summary

I am pleased to present our audit plan for the audit of Greater Wellington Rail Limited (GWRL) for the year ending 30 June 2025. Our role as your auditor is to give an independent opinion on the financial statements and performance information. Our work improves the performance of, and the public's trust in, the public sector. We also recommend improvements to the internal controls relevant to the audit.

The contents of this plan should provide a good basis for discussion when we meet with you. We will be happy to elaborate further on the matters raised. If there are additional matters that you think we should include, or any matters requiring clarification, please discuss these with me.

Nāku noa, nā



Clint Ramoo
Appointed Auditor
Draft – 11 April 2025

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Focus areas: Audit risks and issues



Based on the planning work and discussions that we have completed to date, we set out in the table below the main audit risks and issues. These will be the main focus areas during the audit.

Additional risks may also emerge during the audit. These risks will be factored into our audit response and our reporting to you.

Audit risk/issue	Our audit response
The risk of management override of internal controls	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • testing the appropriateness of selected journal entries; • reviewing accounting estimates for indications of bias; and • evaluating any unusual or one-off transactions, including those with related parties.
Fair value of property, plant and equipment (Rolling Stock and Transport Infrastructure)	
<p>The last revaluation was performed in the 2022/23 financial year. GWRL is not planning to revalue in the current year but will be performing a fair value movement assessment (assessment) to determine whether there is a significant difference between the fair value and the carrying value. Where the estimated difference is significant a revaluation may be necessary.</p> <p>An assessment should:</p> <ul style="list-style-type: none"> • factor in local cost information; • utilise relevant and reliable price movement indicators; and • involve consulting with valuers, if necessary. 	<p>We will review the reasonableness of GWRL’s assessment including the appropriateness of the assumptions used in the assessment.</p> <p>If the movement of the assets individually or in combination with other asset classes is significant GWRL may need to complete a revaluation. In certain circumstances it may be acceptable to make an adjustment based on the desktop revaluation.</p>

Audit risk/issue	Our audit response
<p>Alternatively GWRL could engage valuers to assist in preparing a fair value assessment.</p>	
<p>Performance reporting</p>	
<p>Appropriate performance information is essential for ensuring that public entities are accountable to Parliament and the public and provides management with sufficient performance information to monitor performance and for decision making purposes.</p> <p>We are required to carry out our audit of service performance information prepared by GWRL in accordance with NZ AS 1 (Revised): The Audit of Service Performance Information. The revised standard, effective for periods beginning on or after 1 January 2024 i.e. for GWRL, it is for the year ending 30 June 2025, introduces critical changes that impact both auditors and GWRL.</p> <p>For auditors, there is an increased emphasis on risk identification and evaluation methods. This has necessitated a more robust assessment of service performance information.</p> <p>GWRL is encouraged to ensure that their performance measures are appropriate and meaningful in order to align with NZ AS 1 (Revised). These changes require a shift towards clearer and more meaningful language aimed at enhancing the quality and reliability of service performance reporting.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • consider GWRL’s performance framework, enhancements made and understand how GWRL will report its performance. This includes performing a review of Statement of Performance Expectations 2025/26 to ensure compliance with the legislative requirements; • update our understanding of the systems/methodology, processes and controls for significant performance measures and test GWRL’s performance results for the year ending 30 June 2025; assess appropriateness of the disclosures made to support reported results, for example, including any assumptions, uncertainties and trends in the performance information; and • consider the cohesiveness of the overall performance story.

Fraud risk

Misstatements in the financial statements and [performance Information](#) can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional. Our consideration of fraud risk covers both misstatements resulting from fraudulent reporting and misstatements resulting from misappropriation of assets.

Your responsibility

The primary responsibility for the prevention and detection of fraud and error rests with the Board, with assistance from management. In this regard, we will discuss the following questions with you:

- How does the [Board](#) see its role in relation to fraud? How do you monitor management's exercise of its responsibilities?
- Has a robust fraud risk assessment been completed? If so, is the [Board](#) satisfied that it had appropriate input into this process?
- How does management provide assurance that appropriate internal controls to address fraud risks are in place and operating?
- What protocols/procedures have been established between the [Board](#) and management to keep you informed of instances of fraud, either actual, suspected, or alleged?
- Are you aware of any actual, suspected, or alleged fraud? If so, have the results of management's investigation been reported to the [Board](#)? Has appropriate action been taken on any lessons learned?

Our responsibility

Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and [performance Information](#) are free from material misstatement, including any resulting from fraud. Our approach to obtaining this assurance is to:

- identify fraud risk factors and evaluate areas of potential risk of material misstatement;
- evaluate the effectiveness of internal controls in mitigating the risks;
- perform audit testing to address the risks identified; and
- remain alert for indications of potential fraud in evaluating audit evidence.

The Auditor-General has published useful information on fraud that can be found at oag.parliament.nz/reports/fraud-reports.

Materiality

In performing our audit, we apply materiality. Materiality refers to information that if omitted, misstated, or obscured could reasonably be expected to:

- influence readers’ overall understanding of the financial statements and service performance information; and
- influence readers in making decisions about the stewardship and allocation of resources, or assessing your performance.

This definition of materiality is broader than the one used in the private sector.

It is a matter of judgement whether information is material. We consider the nature (qualitative) and amount (quantitative) of each item judged in the surrounding circumstances and its impact. Qualitative considerations are of equal significance as quantitative considerations. Qualitative considerations are of primary importance in the context of disclosures for transparency and accountability reasons, and in evaluating any non-compliance with laws and regulations.

The [Board](#) and management need to make their own assessment of materiality from a preparer’s perspective. Management and the [Board](#) should not rely on our materiality assessment as a basis for owning and making judgements about the integrity of the financial statements and service performance information.

Financial statements materiality

For planning purposes we have set **overall materiality** for the financial statements at \$26,810,000 based on last year’s total assets.

Overall materiality	\$26,810,000
Specific materiality	\$2,750,000
Clearly trivial threshold	\$183,000

This is subject to change once the actual results for the current year are available. For this audit we are only applying this overall materiality to the fair value of property, plant and equipment.

For this audit we have set a lower, **specific materiality** of \$2,750,000 for all items not related to the fair value of property, plant and equipment. A lower specific materiality is also determined separately for some items due to their sensitive nature. For example, a lower specific materiality is determined and applied for related party and key management personnel disclosures.

We design our audit procedures to detect misstatements at a lower level than overall materiality. This takes account of the risk of cumulative misstatements and provides a safety net against the risk of undetected misstatements.

We will report all uncorrected misstatements to the [Board](#) other than those that are **clearly trivial**.

We consider misstatements of less than \$183,000 to be clearly trivial unless there are relevant qualitative considerations. We will ask for each of these misstatements to be corrected. Where management does not wish to correct a misstatement we will seek written representations from the [Board](#) on the reasons why the corrections will not be made.

Misstatements

Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader’s overall understanding of your financial statements and Service Performance Information . The effects of any detected and uncorrected misstatements, individually and in aggregate, are assessed against materiality and qualitative considerations.

Materiality for service performance information

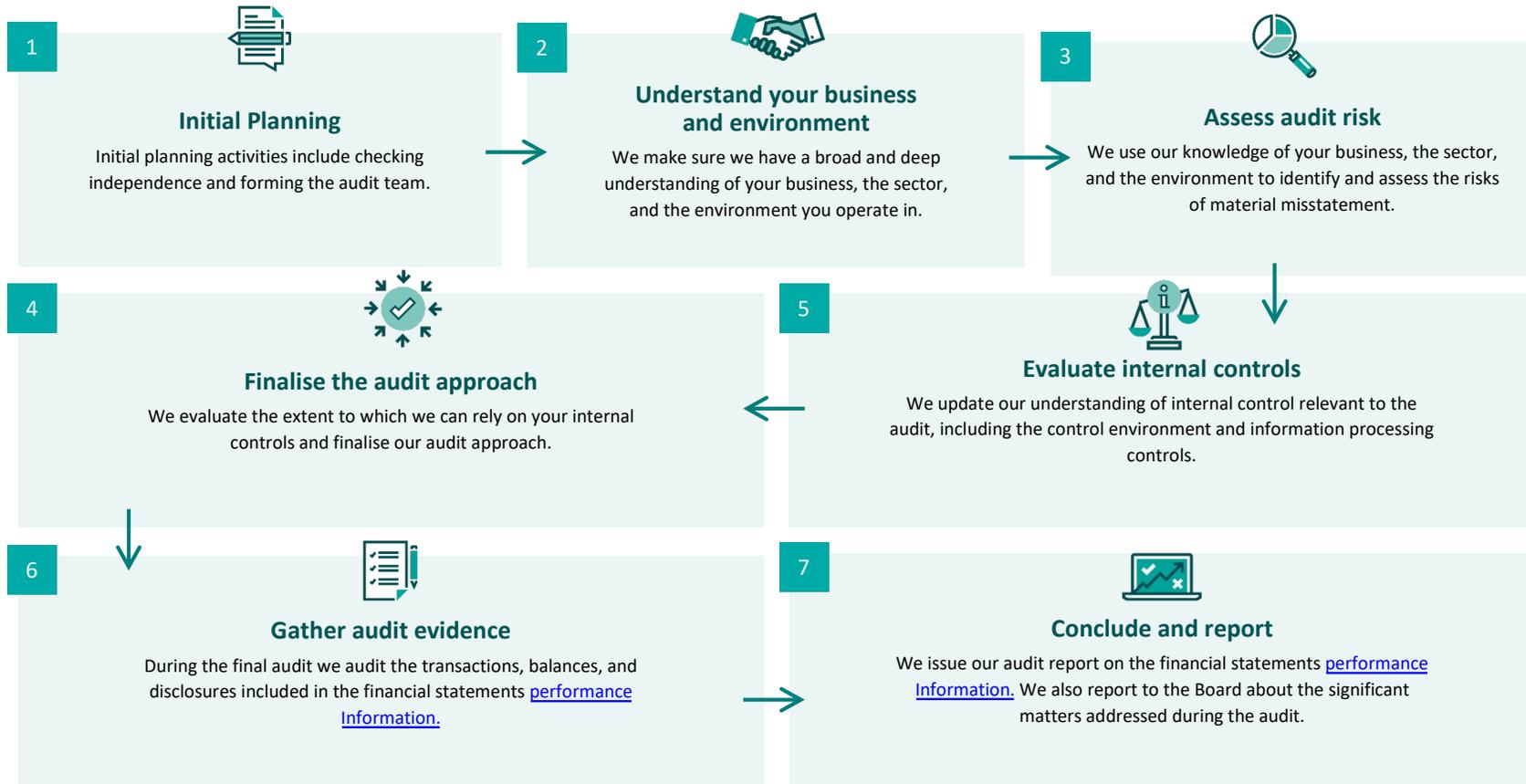
At an overall level, we assess whether the service performance information is suitable, given your purpose and the nature of your activities, and whether the reporting allows for an informed assessment of the GWRL’s performance. In doing this we consider whether the information is relevant, complete, reliable, neutral, and understandable.

We set materiality for service performance information at an individual measure level based on what we expect would influence readers’ overall understanding, decision making, or assessment of [Greater Wellington Rail Limited](#)’s performance. Because of the variety of measurement bases applied, we normally express this materiality as a percentage of the reported result.

We have identified the following measures as material and assessed materiality for planning purposes. We will reassess this during the audit.

Material measure	Materiality
Matangi - Mean distance between failure	5% of result
Percentage of passengers who are satisfied with the condition of the vehicle fleet	5% of result
Percentage of passengers who are satisfied with overall station	5% of result
Percentage of pedestrian bridges and subways which meet at least 67% of NBS earthquake rating	5% of result

Our audit process



Enhancing year-end processes

The year-end financial statement close process and the preparation of the annual report requires a large number of resources to be committed to complete it effectively. We want the audit process to run smoothly and we will work with management to achieve this through the use of a bringing forward the timing of audit procedures.

Bringing forward audit procedures

Substantive audit procedures are traditionally performed after the year-end. Where possible, we will aim to bring audit procedures earlier in the year. This will be focused on year-to-date transactions for revenue, expenditure and Property, plant and equipment fair value assessment. Completion of these tests earlier in the year should allow for more timely identification and resolution of errors.

We will work with management to facilitate getting the information required at the right time. We will communicate with management if information is not available as agreed, including any impact on the year-end audit.

Professional judgement and professional scepticism

Many of the issues that arise in an audit, particularly those involving valuations or assumptions about the future, involve estimates. Estimates are inevitably based on imperfect knowledge or dependent on future events. Many financial statement items involve subjective decisions or a degree of uncertainty. There is an inherent level of uncertainty which cannot be eliminated.

The term “opinion” reflects the fact that professional judgement is involved. Our audit report is not a guarantee but rather reflects our professional judgement based on work performed in accordance with established standards.

Auditing standards require us to maintain professional scepticism throughout the audit. Professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. Professional scepticism is fundamentally a mind-set resulting in a questioning approach when considering information and in forming conclusions.

Exercising professional scepticism means that we will not accept everything you tell us at face value. We will ask you and management to provide evidence to support what you tell us. We will also challenge your judgements and assumptions and weigh them against alternative possibilities.

Wider public sector considerations

A public sector audit also examines whether:

- [Greater Wellington Rail Limited](#) carries out its activities effectively and efficiently;
- waste is occurring or likely to occur as a result of any act or failure to act by [Greater Wellington Rail Limited](#);
- there is any sign or appearance of a lack of probity as a result of any act or omission by GWRL or by one or more of its members, office holders, or employees; and
- there is any sign or appearance of a lack of financial prudence as a result of any act or omission by GWRL or by one or more of its members, office holders, or employees.

Reporting protocols and expectations



Communication with management and the [Board](#)

We will meet with management and the [Board](#) throughout the audit. We will maintain ongoing, proactive discussion of issues as and when they arise to ensure there are “no surprises”.

Meeting with	Planned timing
Chris Kirk-Burnnand (Board Chair)	Quarterly
Finance and performance team	Monthly

Reports to the [Board](#)

We will provide a draft of all reports to management and the [Board](#) for discussion/clearance purposes. In the interests of timely reporting, we ask management to provide their comments on the draft within 10 working days. Once management comments are received the report will be finalised and provided to the [Board](#).

At the end of the audit we will report to the [Board](#) our views on:

- the level of prudence in key judgements made by management in preparing the financial statements; and
- the quality and timeliness of information provided for audit by management.

Expectations

For the audit process to go smoothly for both you and us, there are expectations that each of us need to meet. Our respective responsibilities are set out in our audit engagement letter.

We expect that:

- you will provide us with access to all relevant records and provide information in a timely manner;
- staff will provide an appropriate level of assistance;
- the draft financial statements, including all relevant disclosures, will be available in accordance with the agreed timetable;
- management will make available a detailed workpaper file supporting the information in the financial statements; and
- the annual report, financial statements and [Service Performance Information](#) will be subjected to appropriate levels of quality review before being provided to us.

To help you prepare for the audit, we will liaise with management and provide them with a detailed list of the information we will need for the audit.

Health and safety

The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff.

Under the Health and Safety at Work Act 2015, we need to make arrangements with management to keep our audit staff safe while they are working at your premises.

We expect you to provide a work environment for our audit staff that minimises or, where possible, eliminates risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment where required. We also expect management to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

Attachment 3 to Report 25.192

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AUDIT NEW ZEALAND
Mana Aotake Aotearoa

Finance, Risk and Assurance Committee
13 May 2025
Report 25.136



For Decision

**FAIR VALUE ASSESSMENT OF PROPERTY PLANT AND EQUIPMENT
 2024/25**

Te take mō te pūrongo

Purpose

1. To outline Greater Wellington Regional Council’s (Greater Wellington) approach to determining materiality to be used in the fair value assessment of property, plant and equipment to the Finance, Risk and Audit Committee (the Committee).

He tūtohu

Recommendations

That the Committee

- 1 **Approves** the process for setting materiality for the fair value assessment of property, plant and equipment outlined in this report, including a materiality threshold of ten percent (10%) of the carrying value for the asset class.

Te horopaki

Context

2. In accordance with accounting standards, Greater Wellington revalue its classes of property, plant and equipment on a rolling three to five years cycle to ensure that their carrying values do not materially differ from their fair values. Revaluations are staggered over the period to spread the cost and workload involved. The current asset revaluation cycle is summarised below:

Asset class	Previous Valuation	Next Valuation
Flood Protection	June 2024	June 27 – June 29
Parks and Forests	June 2022	June 25 – June 27
Public Transport	June 2023	June 26 – June 28
Regional Water Supply	June 2022	June 25 – June 27
Navigation Aids	June 2024	June 27 – June 29

3. For those assets that are not due to be revalued, accounting standards require Greater Wellington to perform a comprehensive analysis at each reporting date to determine whether there is a significant difference between the fair value and the carrying value that would trigger the need for a revaluation.
4. Over the past few years, Audit New Zealand (Audit NZ) have also identified the fair value assessment of infrastructure assets as a specific focus area for the audit.
5. Audit NZ recommend management must consider assessing fair value of property, plant and equipment against most recent actual or quoted costs as opposed to solely relying on Statistics New Zealand index data.
6. Audit NZ also recommend management table internally set materiality thresholds for approval by the Committee which will determine the timing of the next full valuation of the asset classes stated above on an annual basis.
7. Management has conducted similar assessment in previous years which has been well received and validated by Audit NZ.

Te tātaritanga Analysis

8. The methodology for setting materiality applied by Greater Wellington is derived from PBE IPSAS Standards and industry practice. The main consideration in the assessment are materiality of estimated movements and the presence of objective evidence.
9. IPSAS standards require the accounting treatment and disclosures of events and transactions to be guided by the principle of materiality as set out in IPSAS 1: Presentation of Financial Statements. Elements of the financial statements and transactions are deemed to be material when their omission or misstatement “could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements or service performance information” (Par. 7). Materiality can be viewed as a quantitative and or qualitative concept and should be assessed individually and collectively. In assessing whether the fair value movements are material to the financial statements, Greater Wellington management will conduct both qualitative and quantitative analysis.
10. Accounting standards do not specify thresholds for determining materiality, rather this area remains subject to management’s judgement based on the knowledge of the environment in which the entity operates. The judgments applied in this assessment have been developed from a combination of management’s knowledge of the assets, its operating environment and external factors.
11. Management has considered a quantitative threshold of 10%, which is an industry standard, for the overall movement on the respective asset classes subject to a fair value assessment for the year ending 30 June 2025.
12. Consequently, our assessment assumes that where the movement in the selected market indicators is more than 10%, this will be taken to be an indicator that the carrying value of that asset class may be materially different from the fair value. This result will trigger a full revaluation assessment in the subsequent financial

year. Inversely where the indicative movement is less than 10%, no further work will be performed.

13. Further, management will take all factors into account in determining any updates to the carrying value of the asset classes for the current financial year.
14. PBE IPSAS 17 Property, Plant & Equipment (Par. IG3) states that in assessing whether there is any indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date, an entity considers, as a minimum, the following external indications:
 - a) Significant changes affecting the entity have taken place during the period, or will take place in the near future, in the technological, market, economic, or legal environment in which the entity operates or in the market to which the asset is dedicated.
 - b) Where a market exists for the assets of the entity, market values are different from the carrying amounts.
 - c) During the period, a price index relevant to the asset has undergone a material change.
15. Internal indications that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date, an entity considers, as a minimum:
 - d) Evidence is available of obsolescence or physical damage of an asset.
 - e) Significant changes affecting the entity have taken place during the period, or are expected to take place in the near future, that might impact the extent to which, or way, an asset is used or is expected to be used. Adverse changes include the asset becoming idle or plans to dispose of an asset before the previously expected date and reassessing the useful life of an asset as finite rather than indefinite. Favourable changes include capital expenditure incurred during the period to improve or enhance an asset more than its standard of performance assessed immediately before the expenditure is made; and
 - f) Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse or better than expected.
16. Management will further consider actual costs or unit rates to ascertain the asset values. However, since very few assets are constructed over the course of a year the use of actual costs is expected to be limited.
17. In the instances of limited actual costs information being available internally, Management will also consider getting the appropriate information from external asset valuers for performing the fair value assessment.

Ngā hua ahumoni
Financial implications

18. There are no financial implications arising from this report.
19. Using this methodology there is risk that unbudgeted professional valuations may be required. This will be brought to Council for approval either as part of the Long Term Plan/Annual Plan process or as an out of cycle request.
20. For noting, Greater Wellington funds all capital projects with debt. The valuation increase and subsequent impact on depreciation has no impact on rates.

Ngā Take e hāngai ana te iwi Māori
Implications for Māori

21. There are no known impacts for Māori.

Ngā tikanga whakatau
Decision-making process

22. The matters requiring decision in this report have been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act).

Te hiranga
Significance

23. Officers have considered the significance of the matters, considering the Council's *Significance And Engagement Policy* and Greater Wellington's *Decision-Making Guidelines*. Officers consider that the matters to be considered have low significance, due to their administrative nature.

Te whakatūtakitaki
Engagement

24. Due to the low significance of the matters for decision, no engagement was considered necessary.

Ngā tūāoma e whai ake nei
Next steps

25. Officers will share the fair value assessment with Audit NZ and keep the Committee updated on the progress.

**Ngā kaiwaitohu
Signatories**

Writers	Rajesh J Ratanjee – Kaikaute Pūtea Financial Controller
Approvers	Ashwin Pai – Kaiwhakahaere Matua Head of Finance Alison Trustrum-Rainey – Kaiwhakahaere Matua, Pūtea me ngā Tūraru Group Manager, Finance & Risk

He whakarāpopoto i ngā huritaonga Summary of considerations
<i>Fit with Council's roles or with Committee's terms of reference</i> The Committee's specific responsibilities include reviewing the effectiveness of Greater Wellington's accounting policies and principles and complying with audit recommendations (section 2.3 of the Committee's Terms of Reference).
<i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i> The fair value assessment will enable efficient delivery of the Annual Report.
<i>Internal consultation</i> Finance and relevant people involved with the asset management process across the Council were consulted.
<i>Risks and impacts - legal / health and safety etc.</i> The Council's management of relevant risks is addressed in the report.

Finance, Risk and Assurance Committee
13 May 2025
Report 25.199



For Decision

RISK AND ASSURANCE UPDATE

Te take mō te pūrongo

Purpose

1. To provide the Finance, Risk and Assurance Committee (the Committee) with an update on the developments with respect to risk management and the three-year assurance plan.

He tūtohu

Recommendations

That the Committee:

- 1 **Endorses** the completed 2024-27 assurance plan annual review.

Te tāhū kōrero/Te horopaki

Background/Context

Risk Management

2. Please refer to [Attachment 1](#) for the updated ELT Risk Dashboard with management comments.

Business Assurance action points

3. Updates against the current assurance plan have been included in [Attachment 2](#).

Te tātaritanga

Analysis

Updated risk appetite statement

4. Outlined below are the definitions which we have used to define risk appetite for each of WRC Holdings risk categories. WRC Holdings' Board supported the use of these definitions at their February Board meeting.

Risk appetite	Definition
Adherence	Process and controls in place exist and need to be followed strictly without deviation.
Balanced	While process and controls exist to mitigate risk, we recognise that we may need to deviate from strict rules or processes to seize new opportunities and to respond to changing circumstances.
Agile	We need to be fluid and innovative to ensure we can take advantage best advantage of opportunities as they present themselves.

5. To ensure alignment, we propose using the same definitions within Greater Wellington’s risk appetite statements. The format, style and make up of existing risk appetite statements reviewed by the Committee and the Executive Leadership Team (ELT) will remain unchanged, with these definitions being incorporated under the risk tolerance section of the risk appetite statement.
6. We have chosen not to frame these definitions with more traditional language like averse/neutral/tolerant, as Greater Wellington Regional Council (Greater Wellington) previously used these terms, and the resulting definitions did not align to the type and nature of activities we were undertaking.
7. We expect that effective process and controls are in place to manage risk, and where this is not the case, we have recognised this within the one-page uncertainty statements, with these improvements being captured as response items which could be undertaken to lower the level of uncertainty.
8. We have instead used risk appetite definitions that frame our appetite in line with systems, controls and the environment in which we operate, ensuring they also consider both risk and opportunity.
9. We have also continued to work on developing risk appetite statements based on the agreed format between ELT and the Committee.
10. The Committee reviewed the ‘Customer & Stakeholder’ risk appetite statement in February 2025, providing feedback on its form and content.
11. We have attached the ‘Regulatory & Compliance’ and ‘Technology’ risk appetite statements for your perusal.
12. We have included discussion on these risk appetite statements in our May Committee workshop.
13. Please refer to [Attachment 3](#) for the risk appetite statements.

Business Assurance arrangements

14. We are in the process of finalising the terms of reference for the Operationalisation of Environmental Regulation Internal Audit. We expect to bring the report to the Committee’s August meeting.

15. We have also closed 8 recommendations since the last Committee meeting. Further details on open recommendations can be found in [Attachment 2](#).

Annual Assurance plan review

16. We have completed our review of the 2024-27 assurance plan, please refer to [Attachment 4](#) for detailed analysis. There has been no change to the proposed activities for FY2026.
17. We are seeking endorsement from the Committee on the completed 2024-27 assurance plan annual review.

Treasury internal audit update

18. Please refer to [Attachment 5](#) for a copy of the Treasury Processes and Controls internal audit report for your perusal.
19. The primary focus of the internal audit was on treasury processes and controls and ensuring they are designed and operating effectively to enable ongoing compliance with our treasury policy.
20. Findings from the report were positive with treasury having roles and responsibilities that were clearly defined and understood by key personnel, appropriate compliance reporting, and processes in place that align to treasury policy requirements.
21. While the review was positive, it did identify areas of improvement which included:
 - New treasury tools which could be used to improve the documentation of treasury transactions.
 - Improvements to treasury operational guidance to manage key person risk.
22. We also note that PWC commented on the structure of Greater Wellington's treasury team, and while the team is small, compared to other similar organisations, it operates effectively due to its support from the wider Finance team. PWC does note that a watching brief should be in place due to expected changes from Government reforms.

Insurance update

23. The final insurance modelling report will be provided to the Committee in August alongside a dedicated insurance paper with the outcome of our recent insurance renewal.
24. We would like to highlight to the Committee that draft insurance modelling has been received for assets included within the Wellington Combined Insurance Group (WCIG). Draft results show a significant increase in expected losses for a 1 in 1000-year event, increasing from \$474 Million to \$1,748 Million (64% of the \$2,730 Million asset base).
25. Due to the increase in expected losses, we have been working alongside AON to develop an insurance programme that continues to provide appropriate cover for our assets.

26. To achieve this, AON, on behalf of the WCIG, have gone to market with two programmes:
 - Programme 1 – Non-water assets which for us includes the likes of train stations, dams, footbridges and the Cuba street fit out.
 - Programme 2 – Water assets such as the water treatment plants.
27. Splitting these programmes allows us to achieve cost efficiencies across water assets, by accounting for Government contributions towards these assets, if a natural disaster event occurs.
28. Insurance markets have responded positively to the two programmes resulting in Greater Wellington achieving significantly higher limits and better policy terms, at no additional cost to the ratepayers (i.e. within existing insurance budgets).
29. While we have achieved additional insurance cover, improved understanding of expected losses, from unplanned events, means we have more certainty over these losses, how our insurance will respond, and the resultant insurance gap.
30. Based on the draft report, we can confirm that the insurance gap has increased but this increase remains manageable within our current borrowing capacity.
31. We will be providing the Committee a full update on the insurance gap in August alongside completed insurance modelling and results of the insurance renewal.

Ngā hua ahumoni
Financial implications

32. There are no financial implications arising from this report.

Ngā Take e hāngai ana te iwi Māori
Implications for Māori

33. There are no implications for Māori arising from this report.

Ngā tikanga whakatau
Decision-making process

34. The matters requiring decision in this report were considered by officers against the decision-making requirements of Part 6 of the Local Government Act 2002.

Te hiranga
Significance

35. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of the matters for decision, taking into account Council's *Significance and Engagement Policy* and Greater Wellington's *Decision-making Guidelines*. Officers consider that the matters outlined in the report are of low significance because of their administrative nature.

**Te whakatūtakitaki
Engagement**

36. Because of the low significance no external engagement is necessary.

**Ngā āpitihanga
Attachments**

Number	Title
1	Risk update August
2	Assurance update August
3	Risk appetite statements
4	2024-27 Assurance Plan Annual Review
5	Treasury processes and controls internal audit report

**Ngā kaiwaitohu
Signatories**

Writers	Jacob Boyes – Head of Corporate Risk & Assurance
Approvers	Ali Trustrum-Rainey – Kaiwhakahaere Matua, Pūtea me ngā Tūraru Group Manager, Finance and Risk

<p>He whakarāpopoto i ngā huritaonga Summary of considerations</p>
<p><i>Fit with Council’s roles or with Committee’s terms of reference</i></p> <p>The Committee has specific responsibilities to review the effectiveness of Greater Wellington’s identification and management of risks faced by Council and the organisation; and to approve an internal audit plan.</p>
<p><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>Greater Wellington makes decisions every day in order to deliver what it has committed to through the Long-Term Plan.</p> <p>Risk management is enabling good decisions to be made that reflect a good understanding of uncertainty within the environment and tradeoffs between competing choices.</p> <p>Internal audit/assurance reviews the effectiveness of Greater Wellington’s internal controls framework and processes such that Council can deliver effectively on its objectives, including safeguarding assets as set out in its Long-Term Plan and Annual Plans.</p> <p>Internal audit also supports the risk management framework.</p>
<p><i>Internal consultation</i></p> <p>We undertook the following internal consultation process:</p> <ul style="list-style-type: none"> • Risk - discussions with risk leads and risk champions. • Assurance – PWC, risk leads and subject matter experts. • Insurance – AON as our insurance broker.
<p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>Several areas of risk have emerged from this work. These are described in the body of this paper.</p> <p>Internal audit acts to reduce risk by ensuring controls are operating as Greater Wellington has developed through its policies and procedures.</p>

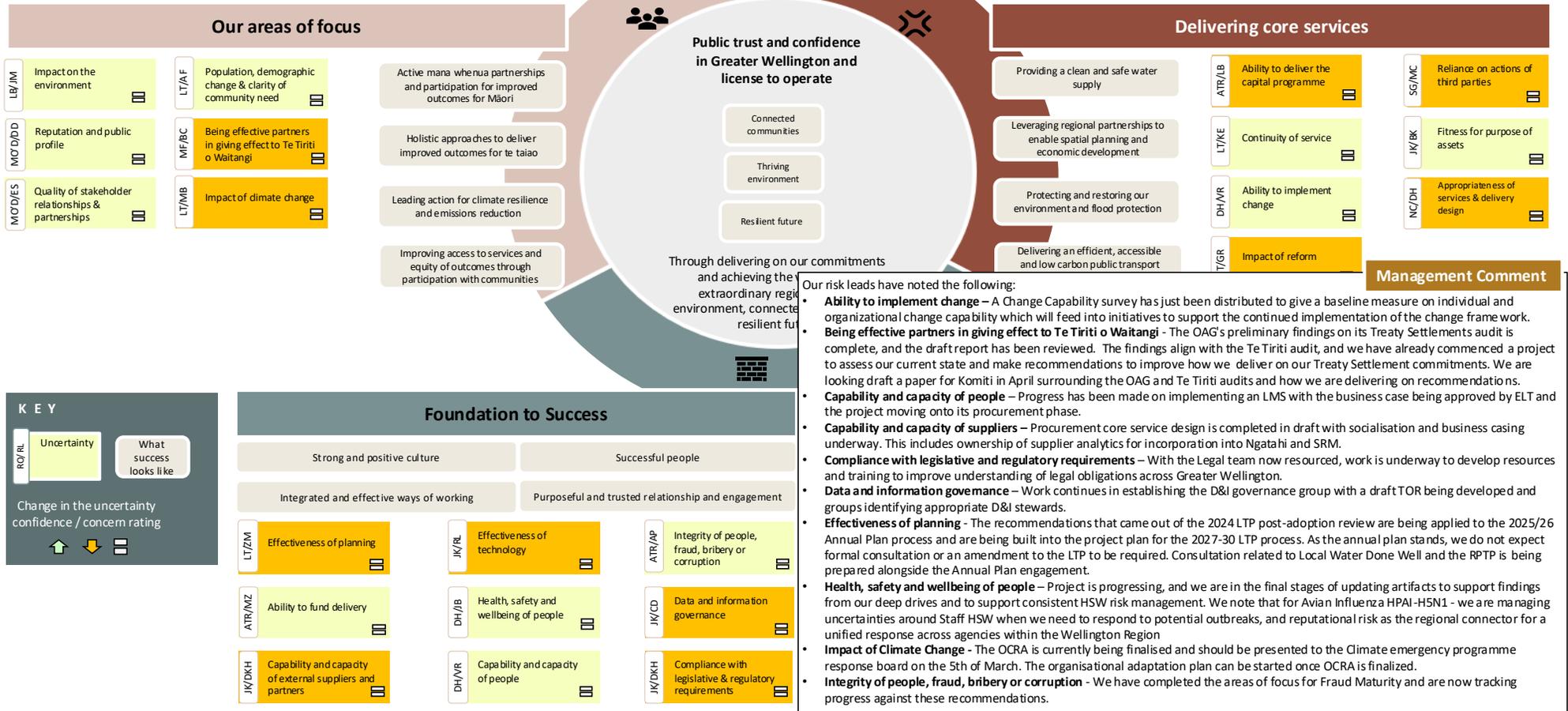
Attachment 1

Risk Update

Finance, Risk and Assurance Committee
13 May 2025

ELT Dashboard

Last updated: 18 February 2025



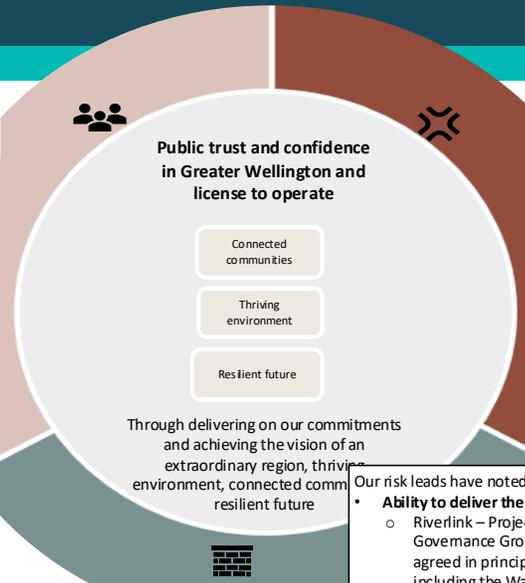
ELT Dashboard

Last updated: 25 March 2025

Our areas of focus

LB/IM	Impact on the environment	LT/AF	Population, demographic change & clarity of community need
MO/D/D/D	Reputation and public profile	MF/BC	Being effective partners in giving effect to Te Tiriti o Waitangi
MO/D/ES	Quality of stakeholder relationships & partnerships	LT/MB	Impact of climate change

- Active mana whenua partnerships and participation for improved outcomes for Māori
- Holistic approaches to deliver improved outcomes for te taiao
- Leading action for climate resilience and emissions reduction
- Improving access to services and equity of outcomes through participation with communities



Delivering core services

ATR/LB	Ability to deliver the capital programme	SG/MC	Reliance on actions of third parties
LT/KE	Continuity of service	JK/BK	Fitness for purpose of assets
DH/VR	Ability to implement change	NC/DH	Appropriateness of services & delivery design
LT/GR	Impact of reform		

- Providing a clean and safe water supply
- Leveraging regional partnerships to enable spatial planning and economic development
- Protecting and restoring our environment and flood protection
- Delivering an efficient, accessible and low carbon public transport network

Management Comment

Our risk leads have noted the following:

- Ability to deliver the capital programme** – Uncertainty remains high primarily due to:
 - Riverlink – Project risks were escalated to Council and FRAC, with active management of these risks by the Internal Governance Group. However, Project uncertainty is now stable with the commercial, relationship and ancillary agreements agreed in principle by Council on the 20 March 2025. The Project Governance Group continues active management of risks including the Waiwhetu aquifer and the flood resilience aspects of the bridge design impacts in particular.
 - NTS - ECAN go live has resulted in delays to the launch for GW (est. 2025/26). While funding is available, the uncertainty remains around the continuation of Snapper.
 - LNRIM – Procurement is progressing for the EMU and Depot, but the use of these trains is contingent on track upgrades on the Wairarapa and Kapiti lines – resource availability is uncertain.
- Ability to fund delivery** – GW, alongside the other Councils within the region were downgraded. The downgrade to AA will not impact our borrowing costs from the LGFA (further downgrade would increase our LGFA funding costs by 0.05%). We also note that while recent US policy is recessionary, NZ markets remain unaffected these policy shifts and RBNZ is still signalling further decreases to the OCR.
- Impact of reforms** – The reforms working group has been expanded to include Emergency Management reforms, with a bill being proposed to be introduced in the second half of this year, for enactment in 2026. We understand that a report is being developed on the cumulative impact of reforms on GW, for presentation to ELT in May. The paper will also leverage the reforms working group to ensure our reporting is aligned. We have updated the [reform timeline](#) to reflect progress in areas such as LG, Environment and Transport, and to capture emergency management reforms.
- Reliance on actions of third parties** – We note the following in relation to this uncertainty:
 - WWL** - We had a successful risk workshop with Council and WWL around Bulk water active risks. Reports (AECOM, Deloitte & Field Force) value for money concerns relate primarily to TAs. GW large projects were through competitive processes. This information has been provided to Council. We have also signaled to WWL that we are looking to have greater involvement in major projects and to get more regular risk reporting (quarterly).

We also note decreased uncertainty in relation to "Internal Capacity & Knowledge" with Metlink having a new structure to manage 3rd party contracts.

KEY

RO/RL **Uncertainty** What success looks like

Change in the uncertainty confidence / concern rating

↑ ↓ =

Foundation to Success

Strong and positive culture		Successful people	
Integrated and effective ways of working		Purposeful and trusted relationship and engagement	
LT/ZM	Effectiveness of planning	JK/RL	Effectiveness of technology
ATR/MZ	Ability to fund delivery	DH/IB	Health, safety and wellbeing of people
JK/DKH	Capability and capacity of external suppliers and partners	DH/VR	Capability and capacity of people
ATR/AP	Integrity of people, fraud, bribery or corruption	JK/CD	Data and information governance
		JK/DKH	Compliance with legislative & regulatory requirements

ELT Dashboard

Last updated: 17 April 2025

Our areas of focus

LB/IM	Impact on the environment	LT/AF	Population, demographic change & clarity of community need
MO/D/DD	Reputation and public profile	MF/BC	Being effective partners in giving effect to Te Tiriti o Waitangi
MO/DES	Quality of stakeholder relationships & partnerships	LT/MB	Impact of climate change

- Active mana whenua partnerships and participation for improved outcomes for Māori
- Holistic approaches to deliver improved outcomes for te taiao
- Leading action for climate resilience and emissions reduction
- Improving access to services and equity of outcomes through participation with communities



Delivering core services

ATR/LB	Ability to deliver the capital programme	SG/MC	Reliance on actions of third parties
LT/KE	Continuity of service	JK/BK	Fitness for purpose of assets
DH/VR	Ability to implement change	NC/DH	Appropriateness of services & delivery design
LT/GR	Impact of reform		

- Providing a clean and safe water supply
- Leveraging regional partnerships to enable spatial planning and economic development
- Protecting and restoring our environment and flood protection
- Delivering an efficient, accessible and low carbon public transport network

KEY

RO/RL **Uncertainty** | What success looks like

Change in the uncertainty confidence / concern rating

↑ ↓ =

Foundation to Success

Strong and positive culture		Successful people	
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ATR/AP	Integrity of people, fraud, bribery or corruption	JK/CD	Data and information governance
		JK/DKH	Compliance with legislative & regulatory requirements

Management Comment

Our risk leads have noted the following:

- Ability to deliver the capital programme** – Uncertainty rating has increased from amber to red reflecting increasing uncertainty surrounding NTS. There is a review of timeframes underway to avoid loss of continuity of ticketing services in the event of a delay to NTS delivery for GWRC. We are looking at options which will be presented to key stakeholders over the next 6 weeks. We note that the LTP does not include funding for the existing ticketing supplier beyond FY2026.
- Ability to implement change** – Uncertainty rating has increased from yellow to amber. While improvements have been made to change management processes, these changes have indicated that we are not managing change well, have too much change occurring and do not properly understand or measure the impact of this change. However, the work ELT are looking into around prioritisation and change governance, alongside continued use of the new framework, training and reporting should help to improve uncertainty over time.
- Health, safety and wellbeing of people** – Uncertainty continues to improve with the H&S improvement project moving deliverables into implementation. We are now undertaking change management activities and expect uncertainty in relation to “GW Staff capacity and capability” to begin trending towards improvement.

Attachment 2

Assurance Update

Finance, Risk and Assurance Committee
13 May 2025

Attachment 2 to Report 25.199

Progress on the 2024-27 Assurance Plan

Progress on the 2024 - 2027 Assurance Plan

In summary:

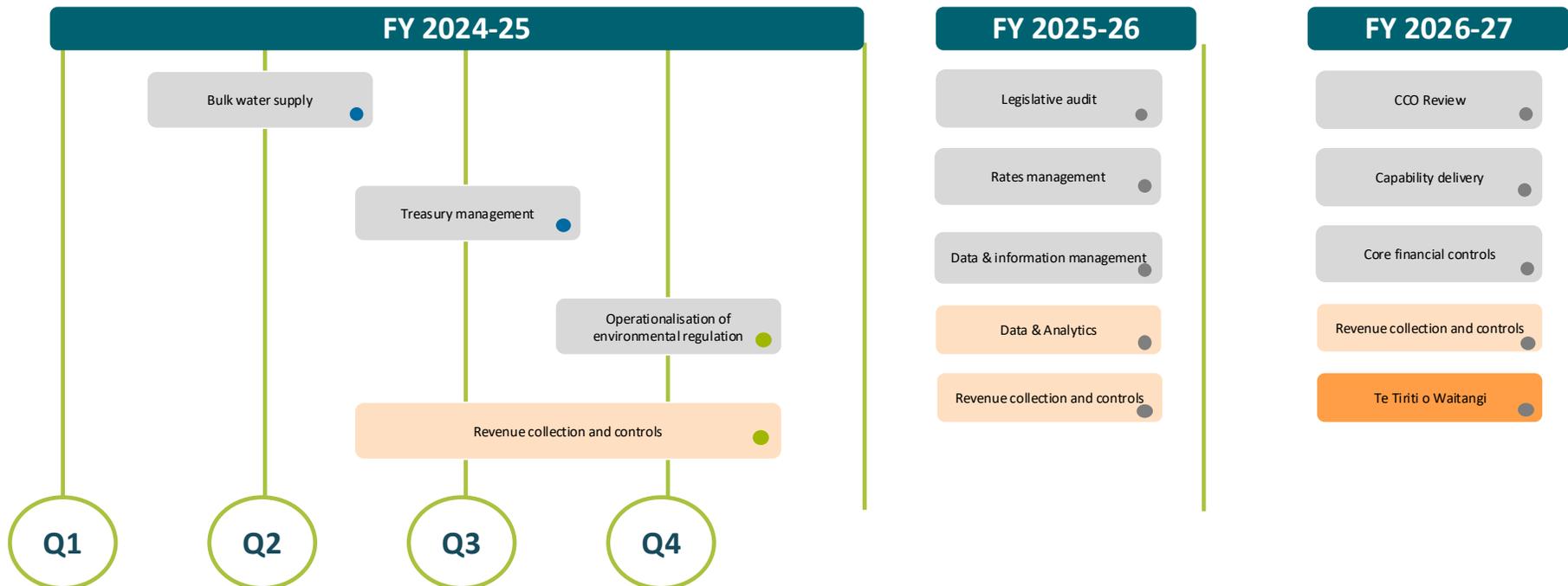
The Treasury Management audit is now complete.
 Planning has started for the operationalisation of environmental regulation audit.

Key:

- One-off assurance activities
- Regular assurance activities
- Triennial assurance activities

PwC status:

- Completed
- In progress/ on track
- Delays or changes expected
- Not yet started



Status of in progress reviews

The table below provides an update on in progress assurance reviews.

Review	Objective	Scoping	Terms of Reference	Fieldwork	Draft	Management Comments	Final Deliverable	Comments
Treasury Management Sponsor: Alison Trustrum-Rainey	Assess the alignment of Treasury process and controls against Treasury policy and framework.							Audit completed
Revenue collection and controls Sponsor: Alison Trustrum-Rainey	Assess the design and effectiveness of revenue controls across Snapper and Transdev.							Interim audit completed.
Operationalisation of environmental regulation Sponsor: Fathima Iftikar	Assessing how GWRC understands and operationalises its environmental (RMA) regulation requirements to enable ongoing compliance and to implement their environmental regulatory role using efficient and cost-effective approaches							Initial scoping and setting the terms of refence.

Update on outstanding recommendations

Follow up of Open Actions

The below table provides an update on current open and completed Business Assurance actions

Business Assurance review	Closed Actions #	Open Actions #	Management commentary
Health, Safety & Wellbeing	12	7 (7 in progress)	1 recommendation closed. HSW are routinely involved in contract review and procurement panels. Remaining HSW recommendations have been reviewed and incorporated into the H&S improvement project.
Procurement and Contract Management	7	All actions closed	2 recommendation closed. Procurement training and guidance completed and in place on He Kete (sharepoint), will be actively managed and updated as required. Strategic procurement planning has been established and the procurement team are engaging with business units to support them.
Asset management maturity	2	1 (1 in progress)	Asset management outsourcing policy to be addressed as part of procurement services blueprinting.
Capital works programme internal audit	7	8 (8 in progress)	1 recommendations closed. Guidance and requirements for performing a market analysis have now been developed. Residual recommendations have been aligned to the BPI process which has been extended until July 2025.
Revenue collection controls assessment internal audit report	9	1 (1 in progress)	New process to review firmware changes being developed.
Fleet management	9	11 (11 in progress)	Process and guidance underway to clearly define and document the roles and responsibilities of operational and central fleet management teams. Work under way to establish a centralised repository for fleet processes.
Core financial controls	1	4 (4 in progress)	1 recommendations closed. New WIP review process in place. Plan is being developed by ERP and Accounting Services teams to develop a prioritised list of processes for review and controls for automation.
Bulk Water Management (Summer Water Shortage)	1	5 (5 in progress)	Developing a RACI and continuing work on the roles and responsibilities document.
Fraud Maturity Plan	3	17 (17 in progress)	3 recommendations closed. Procurement policy and manual has been updated and is available online. Policy review reminder process and Fraud & Corruption Policy in place.

Attachment 3 – Risk Appetite Statement

Risk category Technology	
Risk category description Events or decisions which could impact service availability, data and information integrity, and confidentiality.	
Risk appetite statement We are committed to maintaining a robust security posture to protect our assets, the security and privacy of our people, and our partners information assets and taonga. This protection is provided against external threats and internally against technological misuse through a lack of education and awareness. We will not tolerate any uncertainty that presents risks to core systems and the data and information they hold. We prioritise investment & maintenance into critical technology systems, with a balancing of service levels, availability and cost for non-critical systems. We do allow for technology innovation and freedom, to develop tools and systems for the delivery and improvement of our service with appropriate oversight and monitoring.	
Risk stance We are committed to providing critical system availability and protection of our information assets through robust technology policies, controls, regulatory compliance and security measures that mitigate against external and internal threats.	
Risk tolerance	...
<p>Council will tolerate:</p> <ul style="list-style-type: none"> • Limited personal use of technology per acceptable use policies • False alarms raised by staff in relation to suspected failures or breaches of systems • Limited unavailability of systems that do not impact core business functions • Innovating technology systems with appropriate oversights 	<p>Council will not tolerate:</p> <ul style="list-style-type: none"> • Unauthorised access to information or systems • Use of technology outside of acceptable use policies • Unavailability of Tier 1 services for longer than one business day • Staff inaction in relation to real or suspected breaches or failures of technology • Non-compliance with relevant regulations and Greater Wellington policies • Third-party vendor that does not meet our security and availability requirements
Associated Uncertainties (ELT Dashboard)	
<ul style="list-style-type: none"> • Customer and stakeholder • Regulatory and compliance • Continuity of service • Reputation and public profile 	<ul style="list-style-type: none"> • Regulatory and compliance • Integrity of people, fraud, bribery or corruption • Effectiveness of technology • Data & information governance

<p>Risk category Regulatory & compliance</p>	
<p>Risk category description Understanding and abiding by our legislative, regulatory and compliance obligations and ensuring that we are an effective regulator.</p>	
<p>Risk appetite statement We will operate in line with legislative and compliance requirements and expect there to be processes and controls in place to identify and manage these requirements and, where a breach occurs, be able to identify and respond to the breach on a timely basis. We will ensure that we are aware of any gaps in our processes and controls that could lead to a breach of legislative and/or common law requirements in relation to our regulatory requirements and will have management plans in place to address these gaps (if necessary). We will ensure that appropriate management policy exist to give effect to our legislative and regulatory obligations. This also includes ensuring processes and controls are in place aligned to these policies are regularly reviewed.</p>	
<p>Risk stance We will ensure we comply with our legislative and regulatory obligations which will be supported by effective management policy.</p>	
<p>Risk tolerance</p>	
<p>...</p>	
<p>Council will tolerate:</p> <ul style="list-style-type: none"> • <i>Gaps in processes and controls where legislation or policy is not critical and we are actively working towards addressing the gap and where a breach to occur, we would be able to identify and respond to the breach in a timely basis.</i> • <i>Undertaking necessary enforcement actions even if this could have negative impacts (e.g. reputation, cost).</i> 	<p>Council will not tolerate:</p> <ul style="list-style-type: none"> • Legislative non-compliance causing significant reputational risk which includes by staff and our suppliers (including public transport operators). • Undue interference in undertaking regulatory decision making (e.g. political or staff). • Undertaking enforcement if we do not have sufficient evidence to support the proceedings and/or there are other options to achieve good environmental outcomes • <i>Management policy that does not align to legislation or regulation and controls are not in place to ensure policy remains up to date.</i>
<p>Associated Uncertainties (ELT Dashboard)</p>	
<ul style="list-style-type: none"> • Reputation and public profile • Impact on the environment • Data and information governance • Compliance with legislative & regulatory requirements 	<ul style="list-style-type: none"> • Reliance on actions of third parties • Impact of reform • Health, safety and wellbeing of people • Capability and capacity of people

2024-27 Assurance Plan Annual Review

Survey results - Potential audit activities

The majority of respondents suggested that no change was required to the proposed activities for FY2026 and FY2027. However we have considered the suggestions below:

Potential audit activity	Analysis
Impact of reforms including local water done well and RMA	<p>We note the following:</p> <ul style="list-style-type: none"> We are in the process of doing an internal review of reforms and how they are managed and reported on to governance. This internal should be well place to respond to governance concerns in regards to oversight and monitoring of these reforms. We are also in the process of undertaking operationalisation of environmental regulation Internal Audit. With key deliverables coming up shortly, if we did look to do something in the LWDW space I would suggest that the assurance plan might not be best place to respond. Might be better placed as a project health check or similar review. <p>We would not look to change the assurance plan based on this suggestion.</p>
Contract reviews	<p>The assurance plan is not best placed to undertake individual contract reviews. We could review the contract management process which includes how/when we undertake contract reviews but we would not look to include individual contract reviews within the assurance plan.</p> <p>We would not look to change the assurance plan based on this suggestion.</p>
Review of flood modelling and protection systems to provide assurance they remain robust and fit for purpose in the wake of increasing more extreme weather events.	<p>We could consider this activity as part of the 2027-30 assurance plan. I do note that Knowledge & Insights are currently undertaking “2023 North Island Severe Weather Events (NISWE): Lessons and Recommendations Report” which includes:</p> <ul style="list-style-type: none"> understand and learn the lessons from these events, identify gaps and opportunities that exist within and between GWRC and the wider CDEM Group, and clearly identify tasks to be completed to put in place appropriate improvements, including clear and effective decision-making systems and processes, to avoid similar impacts in the Wellington region from similar events in the future. <p>Considering such an audit in 2027-30 would enable the lessons learned to be completed and recommendations from the report be implemented.</p> <p>We would not look to change the assurance plan based on this suggestion.</p>

Survey results – Other comments

Other comments	Analysis
WCC are about to launch a CCO review. Is there any merit in co-ordinating/aligning the GW review planned for 2026/27. Particularly, shared interests in at least the Stadium.	I will touch base with WCC to understand when they are looking to undertake this activity and their scope. We would not look to change the assurance plan based on this comment.
Wondering if still appropriate to look at capability delivery given, we could be heading into funding restrictions and inability to implement outcomes	Noted. The audit was originally timed to coincide with the potential implementation of a LMS. Audit is planned for delivery in FY2027. Could reconsider during the FY2027 annual review when we have more certainty around LMS delivery and outputs from reforms. We would not look to change the assurance plan based on this comment.

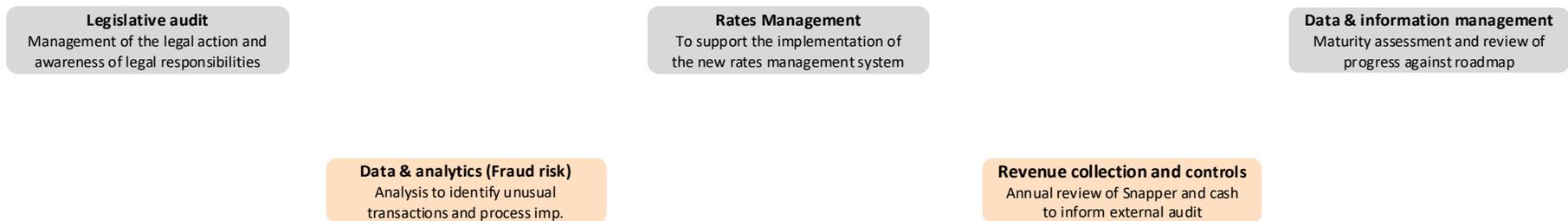
Risk Considerations

Review is based on the risk analysis undertaken when establishing the 2024-27 assurance plan. Outlined below are areas where the uncertainty rating has shifted from our last review of the assurance plan.

Potential audit activity	Analysis
Ability to deliver the capital programme	We have seen an increase in uncertainty in this space (amber to red), however we note that several audits have been recently commission in this space including capital works and the PMO. We need to focus on implementing the proposed recommendations from these reports and actively managing risks across large projects like NTS, LNIRIM and Riverlink that is generating the increased uncertainty. We would not look to change the assurance plan based on this area of uncertainty.
Appropriateness of services & delivery design	We have seen an increase in uncertainty in this space (yellow to amber), off the back of Government indications of a focus on Core Services and what that means for GW. Significant internal resource already allocated to this area of uncertainty through due to we already have a high degree of internal resourcing allocated We would not look to change the assurance plan based on this area of uncertainty.
Impact of Climate Change	We have seen an increase in uncertainty in this space (yellow to amber), due to increasing uncertainty our ability to meet our climate emergency targets. Assurance activity was considered but excluded from the plan by ELT and FRAC due to the significant Strategic/planning work already underway which when complete will help to manage/mitigate climate risk for GW. We would not look to change the assurance plan based on this area of uncertainty.

Activities for FY2026

Based on the analysis undertaken we propose no change to ELT and FRAC endorsed assurance activities for FY2026. Those activities include:



As a reminder we also note the following considerations that need to be made when considering activities for the assurance plan:

- Internal audit needs to have oversight of the internal control environment to mitigate the risk of fraud. To enable this, we have included at least one topic in the area of finance annually.
- Activities were prioritised based on the agreed prioritisation progress. Priorities were included within this methodology. When agreeing assurance activities they were prioritized using the agreed prioritisation process. This process balances risk with strategic direction and other hot topics.

Greater Wellington Regional Council

Treasury processes and controls internal audit report

March 2025



Jacob Boyes
Head of Corporate Risk and Assurance
Greater Wellington Regional Council
100 Cuba Street, Te Aro
Wellington, 6011

24 March 2025

Treasury processes and controls internal audit report

Dear Jacob,

In accordance with our Terms of Reference dated 16 January 2025, we have completed our internal audit of Greater Wellington Regional Council's (GW) treasury processes and controls.

Our internal audit was performed per our agreed scope, and is based on our fieldwork performed during February 2025.

I would like to take this opportunity to acknowledge and thank the GW personnel for the time and contributions they have made to enable us to perform this engagement.

Please feel free to contact me on 027 511 6563 if you have any questions or require any further information.

Yours sincerely



Vaughan Harrison
Partner
PricewaterhouseCoopers
vaughan.x.harrison@pwc.com



Inherent Limitations

This assignment does not constitute a review, audit, assurance engagement or agreed upon procedures as defined in the standards issued by the External Reporting Board. Accordingly, this engagement is not an assurance engagement, nor is it intended to, and will not result in, the expression of an assurance, audit or review opinion, or the fulfilling of any statutory audit or other assurance requirement.

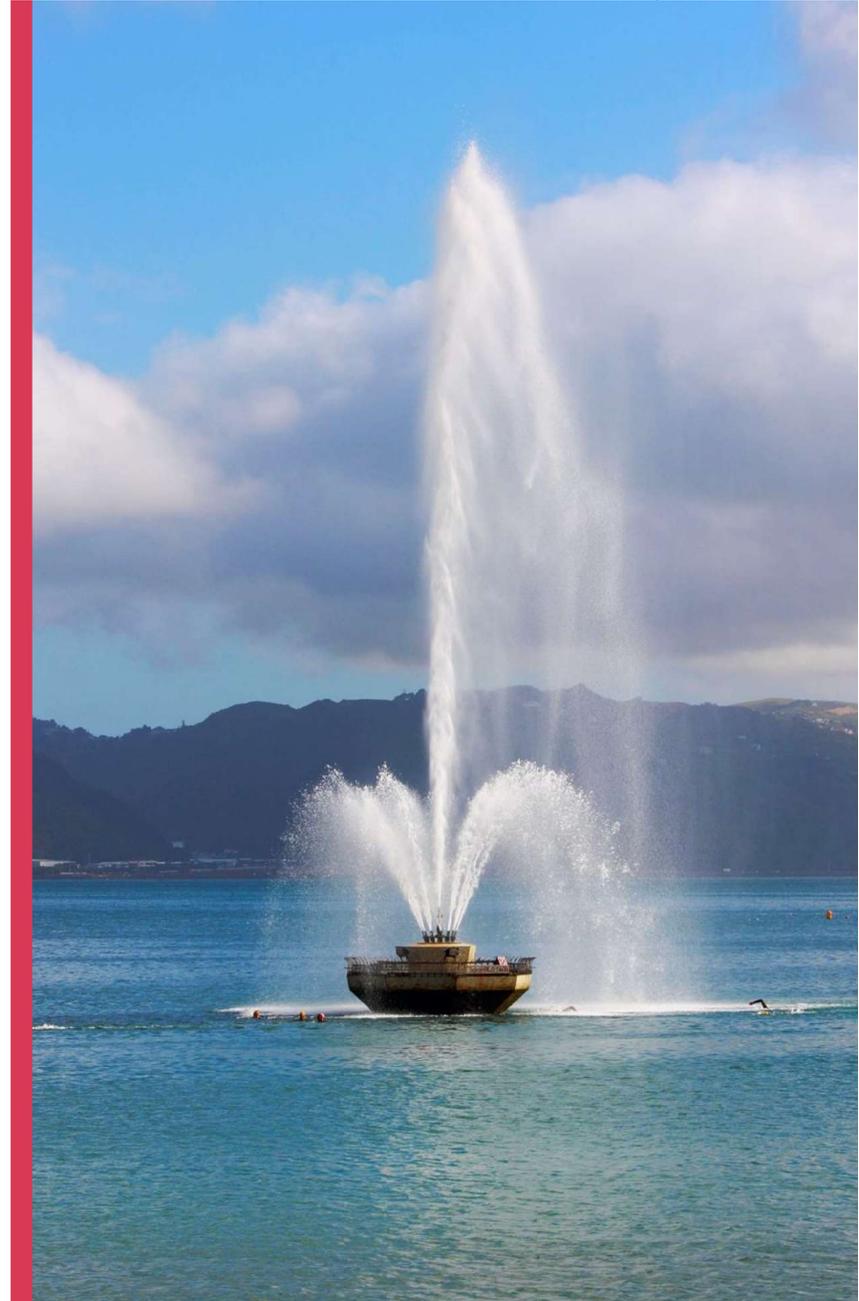


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This report is provided solely for Greater Wellington Regional Council for the purpose for which the services are provided and should not be relied upon for any other purpose. Unless required by law you shall not provide this report to any third party, publish it on a website or refer to us or the services without our prior written consent. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom our report is disclosed or otherwise made available. No copy, extract or quote from our short-form report may be made available to any other person without our prior written consent to the form and content of the disclosure contained within the report.

1

Executive summary



Executive summary

Introduction

Due to the uncertainties within the current economic climate, affordability challenges and continuing pressures to continue to deliver with constrained resources, GW Councillors and Executive Leadership Team deemed treasury management a key priority for the 2025-27 Assurance plan.

Our internal audit focused on assessing:

1. GW's treasury processes and controls, and whether they are designed and operating effectively to enable ongoing compliance with GW's Treasury policy and mitigate against associated risks inherent to treasury
2. The size and structure of the treasury team, comparative to other organisations with comparable debt and treasury functions, and at what levels an increase in resourcing / improved structure for control would be recommended.

Refer to Appendix 1 for our agreed detailed scope and exclusions, and assessment approach.

Key messages

GW's treasury roles and responsibilities are clearly defined and understood by key personnel, including the General Manager Finance & Risk, Head of Finance and Financial Controller.

GW leverages a structured approach to compliance reporting, with monthly and quarterly reviews by the Board and FRAC. Additionally, delegation limits set the value of Treasury transactions each individual (based on their position) can approve per day. All transactions we tested were correctly approved in line with delegations through the use of physical signatures. There is however an opportunity to digitise this approval process for efficiency, and also to capture the approval dates to help provide a full audit trail of all treasury transactions.

The treasury policy is reviewed by GW at least every three years, and any changes to the treasury policy approved by the Council. Opportunities exist, in line with GW plans, to further develop treasury guidance materials to ensure continuity and consistency in operations, especially in light of current key person risk within the treasury team.

Treasury process has controls in place that align to policy requirements. The treasury team, consisting of a Treasury Manager and Treasury Advisor, is small but based on our sample testing we can confirm controls are effective. By comparison, the core treasury teams of other organisations and/or Councils in our experience generally consist of three to four FTE, which are slightly larger than GW's current resourcing. However, we do note that based on our testing there does appear to be sufficient capacity in the GW's team to appropriately manage GW's current treasury workload.

However, GW should regularly review the capacity and capability of treasury resourcing to confirm this remains fit-for-purpose, particularly in light of upcoming potential changes, e.g. anticipated water reforms, that could impact the volume and value of treasury transactions, and the increased risk profile treasury is responsible for managing.

Refer to Section 2 for the detailed findings.

Executive summary

Summary of findings

Our report has **two findings rated “Some Concerns”** and **one finding rated “No Concerns”** (opportunity for improvement). Our detailed findings and recommendations are provided in Section 2.

- 1

Treasury deal tickets are approved by appropriate personnel, but their approval date is not consistently recorded

- 2

There is an opportunity to further develop treasury guidance material to address the current key person dependency risk

- 3

GW’s currently structure adequately supports front, middle, and back-office treasury tasks, however consistent with all good business planning the makeup of the treasury team should be reviewed as potential future changes become clearer

Overall management comment

We acknowledge that while the report does show areas for improvement, the overall report is positive in relation to how we manage Treasury, with the resources we have available.

We also note that we agree with the findings and will work to implement the associated recommendations.

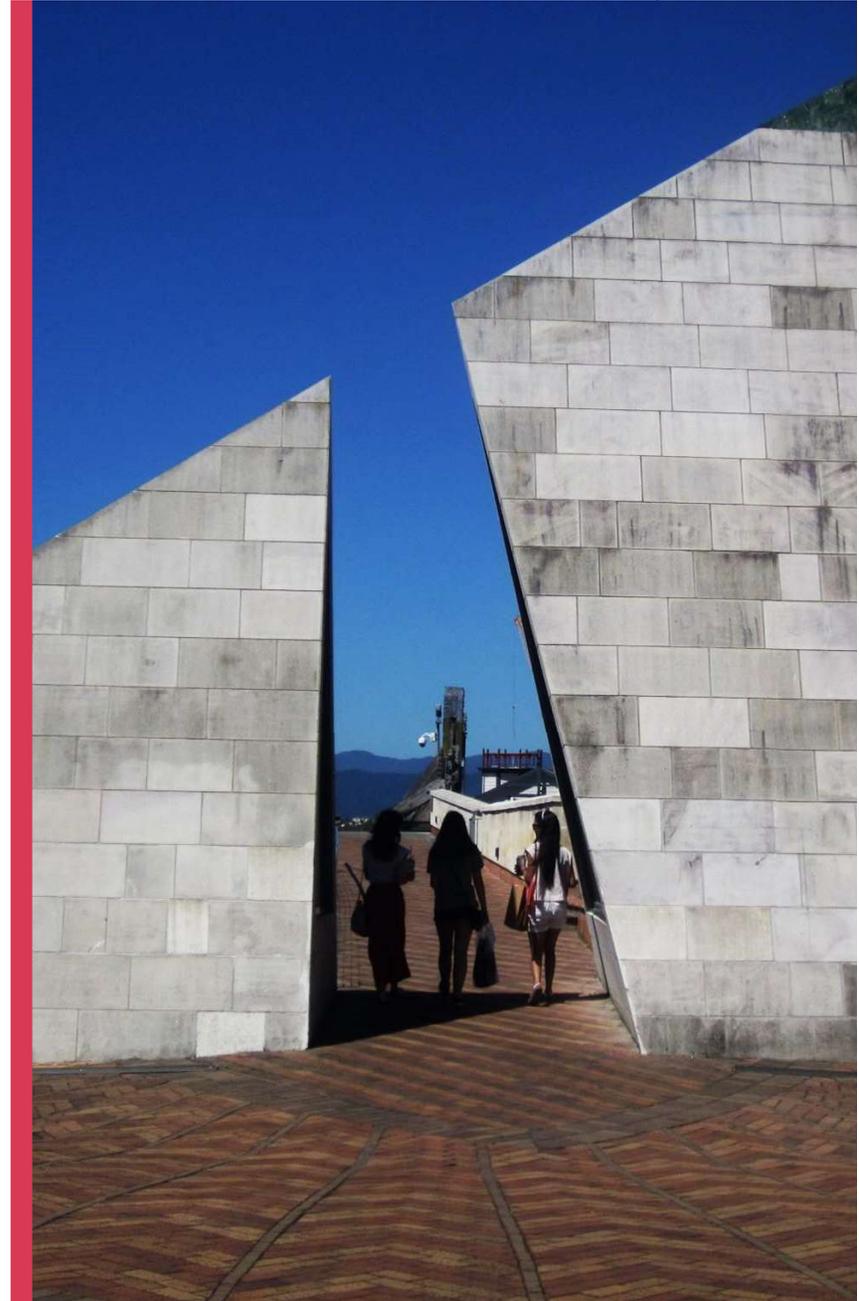
Key (refer Appendix 3 for definitions)

- Extremely concerned
- Very concerned
- Some concerns
- No concerns

2



Detailed findings & recommendations



Finding 1: Treasury deal tickets are approved by appropriate personnel, but their approval date is not consistently recorded

What did we observe?

Treasury transactions are dated and approved manually through signature on physical documents. From our sample testing of 11 GW deal tickets, all were signed and approved however nine did not record a sign-off date. Whilst there is no indication these tickets were not reviewed and approved in a timely manner, without a signature date there can be challenges to tracing the history of transactions, verifying compliance with internal policies and delegation limits, and ensuring accountability. Additionally, the reliance on physical documentation for approvals and transaction processing can slow treasury operations, and could result in manual approvals being lost.

Implementing a treasury management system could address these issues by automating processes, enhancing efficiency in treasury activities, and providing a comprehensive digital record and audit trail of all transactions and approvals.

Recommendation

Assess the most effective system/tool that should be used to document treasury transactions. This may include:

- Exploring if the existing Hedgebook software could be used for this purpose
- Determining whether there would be value in implementing a treasury management systems, such as GTreasury.

Risk and impacts

Paper based records can be easily lost, damaged, or altered without detection which could result in difficulty tracking the history of treasury transactions and approvals. This could result in approvals not being available where required to provide a clear audit trail of activities across important treasury transactions.

Manual processes are also typically slower and more likely to result in errors compared to automated systems. Additionally, increased processing times for treasury transactions and approvals can lead to delays in treasury activities and decision-making.

Risk Rating: Some concerns

Management comment

We agree with the findings and will consider new treasury tools as part of upcoming business planning. In the meantime, we will improve processes to ensure approvals are dated. We note that process documentation and improvement is part of new Treasury Advisor role.

Finding 2: There is an opportunity to further develop treasury guidance material to address the current key person dependency risk

What did we observe?

Whilst GW has a treasury policy, treasury operational guidance is currently not in place that sets out how the treasury policy is applied day-to-day, for example expectations of what ticket and documentation is required for differing transaction types. As a result, if the Treasury Manager were to unexpectedly not be available (due to sickness, leave, or no longer working at GW), there would be no comprehensive guidance for others to follow in executing treasury activities, potentially disrupting continuity of treasury operations and the efficiency in which these are conducted.

We acknowledge that a Treasury Advisor position has recently been established to address this gap. This individual is currently creating new treasury operational guidance which should address this risk.

Recommendation

- Continue with plans to prepare treasury operational guidance that sets out how the treasury policy is applied day-to-day. This could include the use of flow diagrams to illustrate key process steps
- Once developed, review treasury operational guidance documentation every six months, and where required update, to remain aligned to GW's treasury ways of working.

Risk and impacts

Reliance on key individuals to operate important treasury processes and controls increases the risk of operational disruption where key knowledge is no longer available, resulting delays, expected treasury processes not being followed, errors, and/or inefficiencies in treasury processes.

Risk Rating: Some concerns

Management comment

Process and documentation was also raised as part of the core financial controls review in the 2021-24 assurance plan.

We are looking to track all finance processes and documentation centrally and develop a plan to regularly review these documents.

Finding 3: GW’s currently structure adequately supports front, middle, and back office treasury tasks, however consistent with all good business planning the makeup of the treasury team should be reviewed as potential future changes become clearer

What did we observe?	Recommendation
<p>GW’s currently structure adequately supports front, middle, and back-office tasks:</p> <ul style="list-style-type: none"> • GW treasury activities are performed by two key personnel (the Treasury Manager and Treasury Advisor), and approvals are provided by Head of Finance and/or Group Manager Finance & Risk depending on the type and value of the treasury transaction • Additionally, the GW Board and FRAC review treasury compliance (against established Treasury Policy and associated limits) each month. Before the Treasury Advisor position was established the back-office procedures were completed by an Assistant Accountant, who is still available as a backup to carry out these procedures when/if required. <p>By comparison, the core treasury teams of other organisations and/or Councils in our experience generally consist of three to four FTE, which are slightly larger than GW’s current resourcing. However, we do note that based on our testing there does appear to be sufficient capacity in the GW’s team to appropriately manage GW’s current treasury workload.</p> <p>Whilst GW’s treasury capability and capacity is appropriate for current requirements, there would be benefit to reviewing the current team make up as potential future changes, such as the anticipated water reforms, become clearer.</p>	<p>We recommend GW’s treasury resources should be reviewed periodically to confirm headcount are sufficient to effectively deliver the number and nature of treasury transactions. Key triggers for this review should include:</p> <ul style="list-style-type: none"> • If there was a change in organisational structure (e.g. following the anticipated waters reform) which requires additional oversight or changes the nature or value of treasury transactions being undertaken • If debt levels increase significantly, thereby increasing the number of treasury transactions • If Council’s transactions were to become more complex.
Risk and impacts	Management comment
<p>GW’s currently structure adequately supports front, middle, and back-office tasks. However potential changes, such as those stemming from anticipated waters reform, could alter the nature and value of treasury transactions. These changes could strain the existing staffing model, creating process inefficiencies and inaccurate transactions due to increased workload.</p> <p>Risk Rating: No concerns</p>	<p>We agreed with PWC findings and have existing processes in place through Business Planning and contingency planning.</p>

3



Appendices



Appendix 1: Scope and approach

Background

GW has a risk-based three-year rolling Business Assurance plan which was reviewed and confirmed in early 2024. Due to the uncertainties within the current economic climate, affordability challenges and continuing pressures to continue to deliver with constrained resources, GW Councillors and ELT deemed treasury management a key priority for the FY25 Business Assurance plan.

This engagement focused on assessing GW's treasury policy, and assessing the alignment of the design and operation of GW's treasury processes and controls against the treasury policy and framework.

Objective and scope

The objective of this engagement was to:

- Assess whether the processes and controls in place are designed and operating effectively to enable ongoing compliance with the Treasury policy and mitigate against the treasury policy and framework.
- Assess the size and structure of the treasury team, comparative to other organisations with comparable debt and treasury functions, and at what levels an increase in resourcing/improved structure for control would be recommended.

The following areas were out of scope for this engagement:

- Treasury policy, including alignment to good practice (given this was refreshed in April 2024)
- Treasury strategy and planning
- Debt investment decisions.

Approach

To deliver our assessment we:

- Walked through GW's in-scope Treasury processes, conducted interviews with key stakeholders, and read documentation to identify and understand GW's key treasury processes and controls
- Assessed the design of identified treasury controls against GW's treasury policy requirements, and assessed whether these controls are designed to mitigate treasury risks
- Assessed the size, structure and capabilities of GW's Treasury team, and compared to other organisations with comparable debt and treasury functions to determine if the current resourcing and structure is appropriate and fit-for purpose
- Tested key treasury processes and controls by:
 - Selecting a sample of events for each key control identified since the new treasury policy was implemented (1 July 2024 – 31 December 2024)
 - Obtained documentation for each sample item to determine whether the processes and controls operating consistently to their design
- Identified strengths and recommendations for further improvement.
- Conducted closeout meetings to validate our observations with key stakeholders within GW

Appendix 2: Risk rating definitions

The following GW risk rating definitions were used to define the ratings for our findings and the recommended next steps to be taken:

Risk rating	Definition
Extremely concerned	Corrective action needs to be taken now
Very concerned	Can't live with the current state as significant change required
Some concerns	We can live with this but we can do better
No concerns	Missed opportunities

Ngā Mihi
Thank you



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Finance Risk and Assurance Committee
13 May 2025
Report 25.200



For Information

HEALTH, SAFETY AND WELLBEING UPDATE MAY 2025

Te take mō te pūrongo

Purpose

1. To advise the Finance, Risk and Assurance Committee (the Committee) of Greater Wellington Regional Council's (Greater Wellington) Health, Safety and Wellbeing (HSW) performance and activity.

Te horopaki

Context

2. The HSW performance scorecard is outlined in [Attachment 1](#)

Te tātaritanga

Analysis

HSW improvement project update

3. We are tracking well against Phase 1 (Fatal and Severe Risk overhaul) of the HSW improvement project deliverables. Since the last update:
 - a The safe system of work, safe work plan and accompanying guidance have been finalised and are being rolled out through comprehensive change plans.
 - b Completion of verification of competency assessments and accompanying standard operating procedure reviews have been moved into business as usual to alleviate pressure on operational teams over the next 12 months.
 - c Work on the digital daily prestart briefing is nearing completion, with Survey 123 as the selected option, because of its functionality within ArcGIS.

HSW Risk Update

4. The temporary ban on loading quad bikes on the back of utes is still in place while we progress an engineered solution for utes transporting quads to the small number of farms that can't be accessed by trailers.
5. The position statement on Greater Wellington's use of Robinson helicopters has been approved.
6. This takes a hybrid approach where Greater Wellington will continue to use Robinson helicopters for contracted services, but staff must have a clear and justified reason for travelling in them. [Attachment 2](#)

7. To mitigate the risk of mild allergic reactions to wasp/ bee stings and contact with nettles, grasses and pollens Greater Wellington now provides limited amounts of oral antihistamines at our cost in each personal field survival kit, to be used by field staff on an informed and discretionary basis when needed.
8. This is supported by a medical opinion from Occupational Medicine Specialist, Dr Simon Ryder-Lewis, and managed by Greater Wellington Business support teams centrally.
9. Medical advice also supports that Greater Wellington should not provide EpiPens routinely in survival kits unless prescribed by a medical practitioner because of potentially serious side effects if used incorrectly.
10. No other proprietary medicines e.g. Panadol are provided by Greater Wellington in survival or first aid kits.
11. No serious work injuries or significant lost time were recorded in this reporting period, with those reported again mainly due to slips and falls and seasonal wasp and bee stings.
12. We are waiting on further details on the Government's proposed changes to the Health and Safety at Work Act (the Act), but of those of specific note for Greater Wellington are,
 - a Clarifying the distinction between governance and management to make it clear the day-to-day management of health and safety risk will be left to managers allowing directors and boards to focus on governance – following the Maritime vs Gibson Judgement.
 - b Clarifying responsibilities of landowners where recreational activities occur on their land, so that landowners would not be responsible where someone is injured - following the overturning of the Whakaari Management Ltd judgment.
13. Other proposed changes include
 - a Sharpening the primary focus of the Act to focus on critical risk
 - b Amending the requirement to notify a regulator of only significant workplace events (death, serious injury)
 - c A carve out for small business to remove unnecessary red tape
 - d A hotline for the public to report 'overzealous' use of road cones

Wellbeing Update

14. Our new Employee Assistance Programme service through Telus Health commenced on 3 March 2025. In addition to traditional counselling services this comes with access to a portal with comprehensive wellbeing information and support, including monthly webinars.
15. The annual round of health monitoring continues with no issues reported to date.
16. The annual round of Greater Wellington funded inhouse flu jabs commenced across our main locations at the end of April.

Ngā hua ahumoni
Financial implications

17. There are no financial implications.

Ngā Take e hāngai ana te iwi Māori
Implications for Māori

18. There are no known implications for Maori.

Ngā āpitihanga
Attachments

Number	Title
1	HSW performance scorecard February – April 2025
2	Position Statement – Greater Wellington use of Robinson helicopters

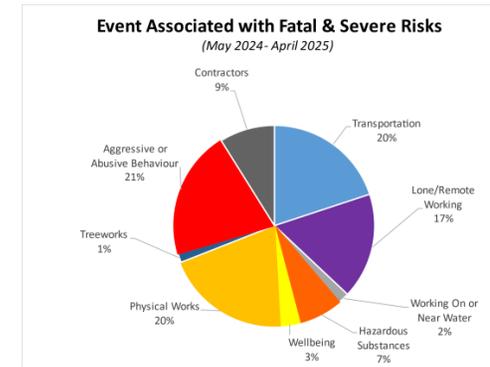
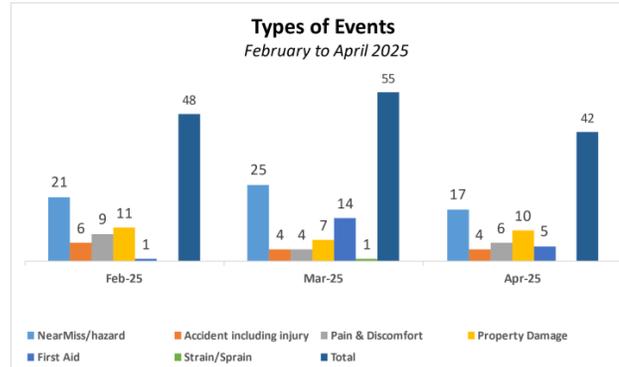
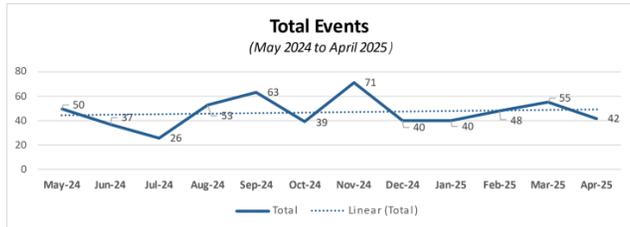
Ngā kaiwaitohu
Signatories

Writer	Julie Barber – Head of Health Safety and Wellbeing
Approver	Donna Hickey – Group Manager People and Customer

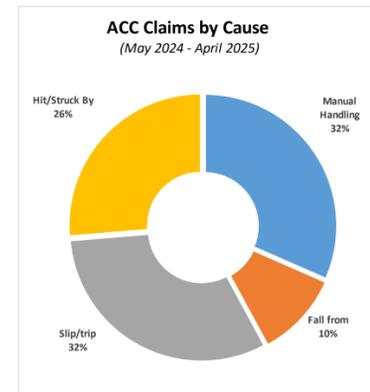
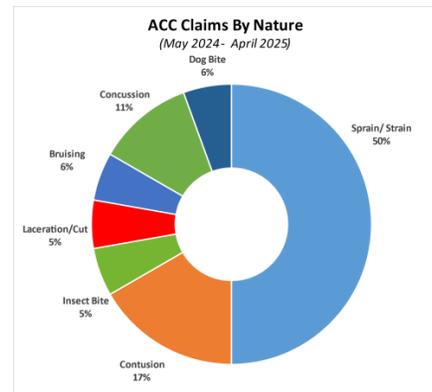
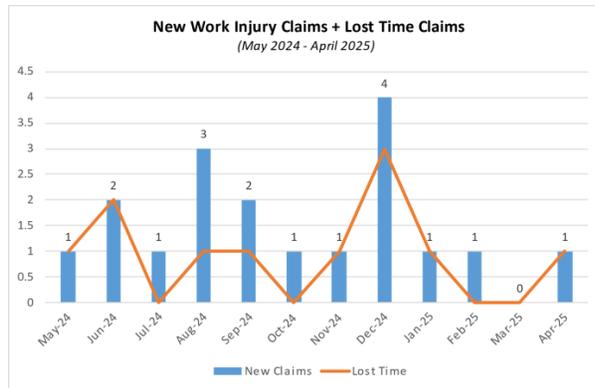
He whakarāpopoto i ngā huritaonga Summary of considerations
<i>Fit with Council's roles or with Committee's terms of reference</i> This report assures the Committee that Greater Wellington's legal obligations under the Health and Safety at Work Act 2015 are maintained and met.
<i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i> The HSW Policy and Wellbeing Strategy are included in Greater Wellington's Annual Plan 2024/25.
<i>Internal consultation</i> The Health, Safety and Wellbeing team were consulted in writing this report
<i>Risks and impacts - legal / health and safety etc.</i> The HSW risks and treatment are outlined in paragraphs 3 -17 inclusive

Health, Safety and Wellbeing Performance Scorecard February - April 2025

Event Reporting

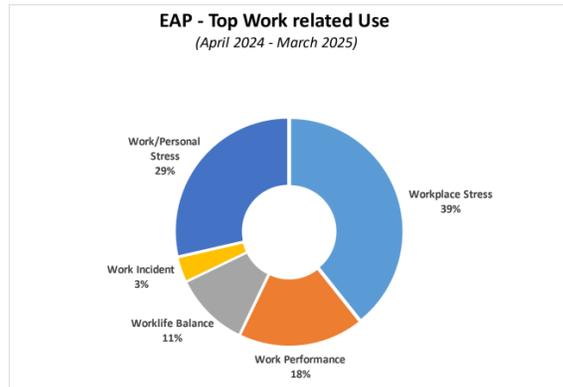


ACC work injury claims



Health, Safety and Wellbeing Performance Scorecard February - April 2025

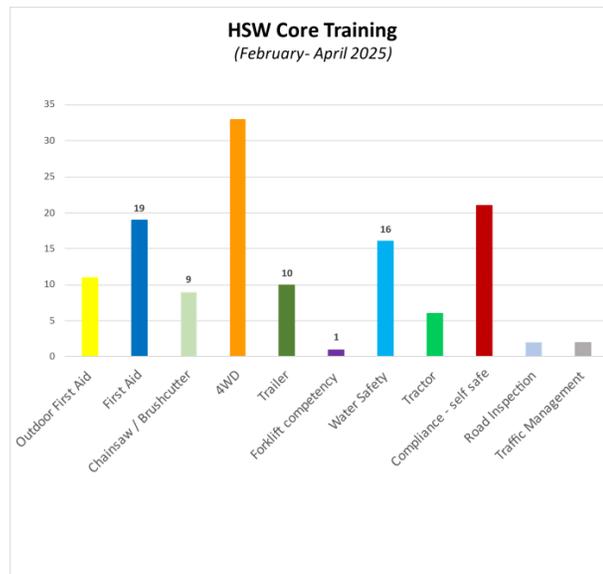
Wellbeing



Wellbeing insights February – April 2025

-  49 Mental health first responder conversations
-  19 Ōku Raukura Atawhai (EAP, Manawa Ora) new cases (Feb/March – April figures not yet received from provider)
-  2 Pax formal clinical support
-  26 Pax rehabilitation support (work / non work injury & medical)

HSW training activity



New/ Emerging trends February – April 2025	
↓	Well at work reports in Piko (lead indicator) down from 6 in the last quarter to 3 in this reporting period
↓	Continued concerns re: high workloads and wellbeing reported by mental wellbeing first responders. Down from 84 to 49 conversations in this reporting period
→	Speeding over 115km reported to managers for action
→	Seasonal wasp and bee stings (peak wasp season)

GW Helicopter Position Statement – Hybrid Approach	
Overview	
<p>Greater Wellington will continue to use Robinson helicopters for contracted services. However, GW staff may only travel in any helicopter as a passenger under the following conditions:</p> <ol style="list-style-type: none"> 1. Justified Operational Need – Staff must have a clear, justifiable reason for being in the helicopter, with no discretionary or unnecessary travel. 2. Use of Alternative Technologies – If tasks can be accomplished using drones, remote sensing, or existing GIS datasets, these methods should be prioritised over helicopter travel. 3. Voluntary Participation – Any GW staff who are not comfortable flying in a helicopter will not be required to do so. 	
Pro’s	Con’s
<p>Ensures GW continues to access the expertise, relationships, and unique services provided through contracted helicopter operations.</p> <p>Maintains cost-effective delivery of helicopter services using the most suitable aircraft for operational needs.</p> <p>Retains the ability for GW staff to oversee operations where direct involvement is essential.</p> <p>Reduces unnecessary risk by eliminating non-essential passenger flights.</p> <p>Aligns with modern technological advancements by leveraging drones and data analysis where possible.</p> <p>Reflects GW’s understanding, and consistent approach to the management of health and safety risk across all contracted helicopter operations.</p>	<p>GW may still face scrutiny for continuing to use Robinson helicopters, as other organisations (MPI, DOC, FENZ) have chosen different approaches.</p> <p>Some level of staff involvement in helicopter operations is lost compared to the full participation model.</p> <p>If an incident occurs involving a Robinson helicopter, there could be increased scrutiny regardless of the cause.</p>

Approved:  _____

Date: ___1/5/2025_____

Group Manager Environment

Finance, Risk and Assurance Committee
13 May 2025
Report 25.171



For information

HARBOUR MANAGEMENT – RISK AND COMPLIANCE UPDATE

Te take mō te pūrongo

Purpose

1. To update the Finance, Risk and Assurance Committee (the Committee) on any significant compliance issues or emerging or changing risks affecting Greater Wellington Regional Council's (Greater Wellington) Harbours function.

Te tātaritanga

Analysis

Channel Risk Assessment

2. In 2020, CentrePort and Greater Wellington commissioned South Maritime Solutions to review navigation safety in the Wellington Harbour entrance channel and approaches. The review considered the infrastructure, current practice, best practices, and possible future changes. The final report was received in October 2020.
3. In December 2024 overtaking between ships was stopped in the channel and the requirement to be on the leading line coming into the harbour was reduced from 2 nautical miles to 1.5 nautical miles. This was to create more space for Pilots boarding ships and was also requested by several stakeholders. This was introduced without issues being raised by stakeholders.
4. There have been third party delays relating to the Falcon Shoal Pile replacement and this work should be completed in Quarter 1 (Q1) of the 2025/26 financial year.
5. The risk review around the pinch point in the channel (near Steeple rock) was shared with stakeholders (CentrePort and ferry companies). Two meetings have been held with Pilots and the ferry companies. Constructive discussion was had around deconflicting traffic around Pilot Boarding Ground Charlie. This is not an all-weather conditions solution; however, it does make use of the changes made in December 2024.
6. The Controlled Navigation Zone approach was not generally favoured. We will be forming a small working group to adjust the recommended routes in and out of the harbour allowing for the new location of Falcon Shoal pile and a desire to improve separation with passing traffic.

Sunken/Derelict Vessels

7. The 99-year-old ex-Harbour board pilot launch *Arahina* remains at her berth, however Wellington City Council is talking to a possible suitable purchaser.
8. The larger pieces of the Cobham Drive wreck have recently been recovered by divers in April 2025.
9. In early March 2025 an anchored vessel at Pukerua Bay came adrift and ended up on the beach. Unfortunately, while the vessel was still in good condition when she first grounded, in the movement on the beach it opened up damage, which made her unrecoverable. While the owner took initial steps to clean up and recover the vessel, we lost contact with them and had to recover and dispose of the hull. This was done with minimal damage to the area or pollution.
10. We are currently going through an abandoned vessel process with a yacht at Mana and a second yacht in Evans Bay marina. The second is to assist Wellington City Council, who will meet our costs.
11. We continue to assist the marinas where needed with problematic vessels.

Navigation Aids

12. All navigation aids have been functioning well, our new lights have arrived and installed.
13. Pending the agreement on new shipping routes, the upgrade to the main navigation aids will be planned. This should take place over the next 18-months.
14. Greater Wellington has a service agreement with NIWA to provide wave measurement information. This comes from two NIWA buoys in Fitzroy Bay. During the bad weather event 30 April to 2 May 2025, both buoys came free from their moorings. One washed up on the Pencarrow coastline and the other drifted towards Island Bay. Both should be recovered prior to this meeting. NIWA has a spare buoy that should be deployed in the week starting 5 May 2025. After the storm event we were able to make use of buoys installed in Lyall Bay for monitoring in relation to airport seawall work.
15. The data from these buoys is used for swell forecasting and day to day shipping operations for the port.

Emergency Ocean Response Capability

16. The Government has signed an interim agreement until June 2026 for the multi-purpose offshore vessel *MMA Vision* to be in the Cook Strait area for approximately 20 days per month.
17. The tug was at anchor in Wellington harbour from Friday 18 April until Tuesday 22 April 2025. We will expect to see her again in the future. There are still details of her operation to be clarified with Maritime NZ.
18. We understand that there is still work being done on a long-term solution.

Bunker Barge - Kokako

19. A second permanent Master has been appointed to the ship and is starting Pilotage Exemption training.

20. We are seeking advice from Maritime NZ on what an acceptable ability to respond could be given the weather limitations on some of the equipment we have.

Port and Harbour Marine Safety Code

21. We continue to work with Centerport to review hazards and controls. There is a self-assessment due to be completed by 30 June 2025.
22. In June 2025 the Harbourmaster will be part of a peer review panel looking at Tauranga's Safety Management System.
23. The annual Code forum is being held in Wellington in May 2025 the day after the Navigation Safety Group meeting (Harbourmasters meeting)

Open Water Swimming in Oriental Bay

24. The two temporary swimming markers in Oriental Bay appear to be well used. We are currently seeking feedback from the swimmers as to whether or not to make them permanent. Initial feedback is very supportive of keeping them.

Safety Incidents

25. Early in the year staff responded to a report of a speeding Personal Watercraft (jet ski) at Eastbourne, the rider was travelling at high speed near to shore and people in the water. They were verbally aggressive towards our staff member. We worked with Police who have successfully prosecuted for both offences, we are still waiting for sentencing.
26. Weather forecasts for 30 April to 2 May 2025 indicated very strong winds and large swells. As well as disruption to the Cook Strait ferries we advised ships that would normally wait to the south of Wellington to proceed through Cook Strait or to Tasman Bay to seek shelter.
27. Prior to the forecast bad weather we worked with Centerport and ships agents to encourage ships that could not come into Wellington to either stay away or move to Tasman Bay, a sheltered anchorage. Often ships that are waiting for Wellington will drift to the south of Wellington, not something we wanted with 80 knot winds and up to 11m seas.
28. The bad weather of 30 April to 2 May 2025 saw several boats come free from part of their moorings in Porirua Harbour, three were able to be resecured by our staff on Friday but two ended up ashore. Another yacht came off its swing mooring. By Saturday afternoon one yacht was recovered ashore by the owner, with little damage. A catamaran (two hulls) was sitting stable ashore waiting for assistance to move and a trimaran (three hulls) has one small hull badly damaged also sitting high out the water. We will talk with the owners to get these back where they should be.

Mana Launching Areas

29. We have had a constructive meeting with Porirua City Council to consider possible options and alternatives. There is another meeting scheduled for May 2025. This gives us some time to consider possible actions before summer.

- 30. Changes in Health and Safety Legislation **may** reduce or remove any legal liability for either Greater Wellington or Porirua City Council; however, officers do not believe that removes the moral obligation to improve safety in this area.

Swing Mooring Inspection

- 31. Greater Wellington’s license locations for swing moorings for boats within areas set out in the Natural Resources Plan. The license requires the moorings to be inspected at least every two years to avoid breakaways and resulting damage to vessels. Previously we have had a choice of commercial operators for mooring licence holders to choose from to have inspection and repairs carried out.
- 32. We currently have two approved mooring contractors (one from Picton) and are working with the mooring owners and the Wellington contractors to organise inspections in areas to encourage compliance and make it easier for the contractor to schedule the work. We will continue to monitor how the compliance goes with these moorings.

**Ngā hua ahumoni
Financial implications**

- 33. The disposal of derelict or uninsured vessels will present unplanned expenditure from the operating budget.
- 34. Where we are assisting another organisation, like a marina or a city/district council, to dispose of vessels, the costs are generally met by that body. Our contribution is usually our time plus regulatory power. In some cases, we may engage an independent expert (e.g. a boatbuilder or surveyor) to provide advice.
- 35. Recommendations arising from the channel risk assessment may have a variety of financial implications for both CentrePort and Greater Wellington.

**Te whakatūtakitaki
Engagement**

- 36. The work around the approaches in channel is done as shared work with CentrePort and includes engagement with the operators of Pilot Exempt vessels (predominately the ferry companies) and Maritime NZ.
- 37. We are engaging with several of the groups of open water swimmers in relation to changes in Oriental Bay.

**Ngā kaiwaitohu
Signatories**

Writers	Grant Nalder, Harbourmaster Manager, Harbours
Approvers	Jack Mace – Delivery Director Alison Trustrum-Rainey – Group Manager, Finance and Risk Lian Butcher – Group Manager, Environment Group

He whakarāpopoto i ngā huritaonga Summary of considerations
<p><i>Fit with Council’s roles or with Committee’s terms of reference</i></p> <p>This report allows the Committee to “review... Greater Wellington’s identification and management of risks faced by Council and the organisation... [including]... whether Greater Wellington is taking effective action to mitigate significant risks.”</p>
<p><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>This report highlights key safety and risk incidents and measures which are managed by the Wellington Regional Navigation Safety Bylaws 2021 and the Port and Harbour Marine Safety Code.</p>
<p><i>Internal consultation</i></p> <p>There was discussion with Health and Safety and legal around the Mana launching area.</p>
<p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>Specific risks and related mitigations are discussed in the Analysis section of this report.</p>

Finance, Risk and Assurance Committee
13 May 2025
Report 25.154



For Decision

FORWARD WORK PROGRAMME

Te take mō te pūrongo

Purpose

1. To advise the Finance, Risk and Assurance Committee (the Committee) of the forward work programme ([Attachment 1](#)).

He tūtohu

Recommendations

That the Committee:

- 1 **Endorses** the Forward Work Programme (Attachment 1).

Te horopaki

Context

2. Staff have compiled regular reports for the year and other upcoming items into a Forward Work Programme for the Committee to consider. At each meeting, the work programme will be reviewed and adjusted based on progress, added information, and changing priorities.

Te tātaritanga

Analysis

3. The Forward Work Programme contains the regular and planned upcoming reports for the Committee meetings for the forward 12 months. However, we note that with upcoming Council elections, that only meetings up until August 2025 have been captured.
4. The Committee's Forward Work Programme is scheduled to be presented at each Committee meeting.
5. The Forward Work Programme and associated planning ensures the Committee meets its terms of reference. This includes the review and monitoring of performance under Council's Financial Strategy and to oversee, review, and report on Greater Wellington's discharge of its responsibilities in the areas of financial management; risk management; statutory reporting including the Annual Plan and Long Term Plan; internal and external audit and assurance; and monitoring of compliance with laws and regulations (including health and safety).

Ngā hua ahumoni
Financial implications

6. There are no financial implications arising from this report.

Ngā Take e hāngai ana te iwi Māori
Implications for Māori

7. There are no known implications for Māori arising from this report.

Ngā tikanga whakatau
Decision-making process

8. The matters requiring decision in this report were considered by officers against the decision-making requirements of Part 6 of the Local Government Act 2002.

Te hiranga
Significance

9. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of the matters for decision, taking into consideration Council's *Significance and Engagement Policy* and Greater Wellington's *Decision-making Guidelines*. Officers consider that the matter is of low significance due to its administrative nature.

Te whakatūtakitaki
Engagement

10. Due to the low level of significance, community engagement was not considered necessary.

Ngā tūāoma e whai ake nei
Next steps

11. Once the Committee endorses the programme, officers will implement the reporting.

Ngā āpitihanga
Attachments

Number	Title
1	Finance, Risk and Assurance Committee Forward Work Programme as at May 2025

**Ngā kaiwaitohu
Signatories**

Writers	Jacob Boyes – Head of Corporate Risk & Assurance
Approvers	Alison Trustrum-Rainey – Kaiwhakahaere Matua Pūtea me ngā Tūraru Group Manager Finance and Risk

<p>He whakarāpopoto i ngā huritaonga Summary of considerations</p>
<p><i>Fit with Council's roles or with Committee's terms of reference</i></p> <p>The Forward Work Programme is designed to cover the key items in the Committee's Terms of Reference.</p>
<p><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>The Committee's Terms of Reference includes the review and monitor performance under Council's Financial Strategy and to oversee, review and report on Greater Wellington's discharge of its responsibilities in the areas of financial management; risk management; statutory reporting including the Annual Plan and Long Term Plan; internal and external audit and assurance; and monitoring of compliance with laws and regulations (including health and safety).</p>
<p><i>Internal consultation</i></p> <p>Regular report writers to the Committee were consulted.</p>
<p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>Regular report writers to the Committee were consulted.</p>

Finance, Risk and Assurance Committee Forward Work Programme – May 2025
Finance, Risk, and Assurance Committee Work Programme 2024/25

Focus areas	May 2025	August 2025	TBC
Overall meeting focus if applicable			Future FRAC meetings to be planned post the reconvening of Council.
Work programme	Decision report Rolling forward work programme	Decision report Rolling forward work programme	
Financial Management	Q3 report	Q4 report	
		Rating software update	
Risk Management	Health Safety and Wellbeing	Health Safety and Wellbeing	
	Harbours Management – Risk and Compliance	Harbours Management – Risk and Compliance	
		Transport – financial uncertainties	
	Risk review and update	Risk review and update	
	Cyber Security Update	Legal Risk update	
	Insurance modelling stage 2 including our exposure	Insurance Review	
		Procurement policy incl. social procurement	

Finance, Risk and Assurance Committee Forward Work Programme – May 2025

Focus areas	May 2025	August 2025	TBC
		Protected disclosure policy	
Business Assurance	Decision report Assurance update including: <ul style="list-style-type: none"> • 2024-27 assurance plan review • Report on Treasury Management 	Decision report Risk Appetite review	
		Assurance update including: <ul style="list-style-type: none"> • Report on resource consent process 	
Reporting and Accounting	Annual Plan update	Audit Report to Council on the LTP	
	Decision report Fair Value Assessment of Property Plant and Equipment	Financial policy update	
	External audit plans		
	Deep Dive – Riverlink risks	Risk Deep Dive – Te Tiriti o Waitangi which includes our Te Tiri audit process	
	Risk appetite walkthrough	Risk appetite walkthrough	
Out of cycle items: - Annual Report			

Finance Risk and Assurance Committee
13 May 2025
Report 25.201



For Decision

RESOLUTION TO EXCLUDE THE PUBLIC

That the Committee excludes the public from the following parts of the proceedings of this meeting, namely:

Cyber Security Report – Report PE25.188

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

Cyber Security Report – Report PE25.188	
<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under section 48(1) for the passing of this resolution</i>
<p>The report contains information about Greater Wellington’s information security and cybersecurity status. Release of this information exposes Greater Wellington to cyber-attack threats by making it easier for the public to know Greater Wellington’s cyber security status and utilise the information for improper gain or improper advantage (section 7(2)(j)). It is necessary for Greater Wellington to exclude the information contained in this report from the public domain to protect our information assets and reduce the likelihood of cyber-attack.</p> <p>Greater Wellington has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override this risk.</p>	<p>The public conduct of this part of the meeting is excluded as per section 7(2)(j) of the Act to prevent the disclosure of use of official information for improper gain or improper advantage.</p>

This resolution is made in reliance on section 48(1)(a) of the Act and the particular interest or interests protected by section 6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.