

Finance and Performance Committee

Meeting of 25 March 2026

Business Unit: People and Corporate

Date Created: 19 March 2026

Internal Audit Programme Update

Purpose Te Aronga o te Pūrongo

To present a summary of the Internal Audit Programme, and any updates, to the Committee

Recommendations Ngā Tūtohinga

That the Committee:

1. Receives the Internal Audit Programme Update; and
2. Provides feedback on the changes to the Internal Audit Programme.

Report prepared by:

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Governance and Assurance Manager

Approved for submission by:

Lisa Thomas

Acting General Manager - People and Corporate

1 Background Ngā Kōrero o Muri

- 1.1 The Internal Audit Programme is presented to each Committee meeting and gives an opportunity for elected members to ask questions about our internal audit plan and progress.

2 Strategic Fit Te Tautika ki te Rautaki

- 2.1 The internal audit programme furthers the Council's strategic priority of "Value for money and excellence in local government" by providing independent assurance over the effectiveness of key systems, processes, and controls.

3 Discussion and Options Considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia

- 3.1 The Internal Audit Programme is intended to provide a continuation of audits completed in previous years, with individual audits generally (but not always) running on a fixed review schedule.

- 3.2 The programme encompasses recommendations that have been given by Audit NZ via their annual review of the Council's activities.

- 3.3 The below updates have occurred since the last report in September 2025:

Procurement Audit

- This audit has been completed by Deloitte, and executive leadership received the final report 17 March 2026. Actions have been finalised and are now with General Managers to distribute to key staff. The full audit, alongside management's comments and actions, will be reported to the Committee in June 2026.

- 3.4 Officers have adopted new internal processes for the ongoing implementation, tracking, and reporting of agreed audit recommendations. These processes are intended to strengthen oversight, clarify responsibilities (including action owners and Tier 2 managers), and support regular reporting of progress to the Committee. The first cycle of regular reporting will come through to the Committee in June 2026.

4 Risk Assessment Te Arotake Tūraru

- 4.1 The Internal Audit Programme supports the management of operational risks by providing assurance over key systems and processes.

- 4.2 There is a reputational risk to Council if identified issues are not addressed in a timely manner. The Internal Audit Programme provides a means of assessing key areas of Council operations that may be particularly prone to risks. It is also a mechanism that allows officers to further explore issues raised by Audit NZ during their auditing of the Council's annual reports.

- 4.3 Finding the right balance between the assurance gained from regular auditing and the cost of carrying out these audits requires careful judgement.

5 Engagement Te Whakapānga

Significance of Decision

- 5.1 The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Māori and Cultural Engagement

- 5.2 There are no known cultural considerations associated with the matters addressed in this report. No specific engagement with Māori or other ethnicity groups is necessary.

Community Engagement

- 5.3 No community engagement is required.

6 Operational Implications Ngā Pānga Whakahaere

- 6.1 There are no operational implications with this report.

7 Financial Implications Ngā Pānga Ahumoni

- 7.1 The internal audit budget is intended to be used for those audits that are organisation-wide, prompted from Audit NZ (via their annual audit of the Council) or are requested by the Audit and Risk Committee.
- 7.2 The budget for 2025/26 is \$52,582. Smaller audits are funded from existing departmental and team budgets.

8 Statutory Requirements Ngā Here ā-Ture

- 8.1 There are no statutory requirements for this report.

9 Next Steps Te Kokenga

- 9.1 Audit actions will be reported to executive leadership and a report prepared for the next Committee meeting in June 2026.

10 Attachments Ngā Āpitihanga

- Internal Audit Programme (Summary)