



**I give notice that  
an Audit & Risk Committee Meeting will be held on:**

<b>Date:</b>	<b>Monday, 17 July 2017</b>
<b>Time:</b>	<b>10.00am</b>
<b>Location:</b>	<b>Council Chamber 72 Lake Terrace Taupo</b>

# **AGENDA**

## **MEMBERSHIP**

**Chairperson** Mr Anthony Byett

**Deputy Chairperson** Cr Barry Hickling

**Members** Mayor David Trewavas  
Cr Rosie Harvey  
Cr Rosanne Jollands  
Cr Anna Park  
Vacancy

**Quorum** 4

**Gareth Green**  
**Chief Executive Officer**

## Order Of Business

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**3.1 AUDIT & RISK COMMITTEE MEETING - 15 MAY 2017**

**Author:** Tina Jakes, Democracy & Community Engagement Manager

**Authorised by:** Brian Fox, Group Manager: Corporate and Community

**RECOMMENDATION(S)**

That the minutes of the Audit & Risk Committee meeting held on Monday 15 May 2017 be confirmed as a true and correct record.

**ATTACHMENTS**

1. Audit & Risk Committee Meeting Minutes - 15 May 2017 [⇒](#)

**4.1 TAUPO DISTRICT COUNCIL CIVIC ADMINISTRATION BUILDING - RISK MANAGEMENT REPORT**

**Author:** Kevin Strongman, Group Manager, Operational Services

**Authorised by:** Gareth Green, Chief Executive Officer

**PURPOSE**

To receive a report entitled "Taupō District Council Civic Administration Building – Risk Management Report" dated 14 June 2017. BECA representatives will be at the meeting to present the report.

**DISCUSSION**

Taken from the Executive Summary: "In order to assist Taupō District Council gain an increased level of certainty around their risk profile of the condition of its existing civic administration building TDC engaged BECA Ltd and Warren & Mahoney Architects Ltd to conduct a risk assessment exercise in conjunction with TDC". The report is presented for receipt.

**CONCLUSION**

It is recommended that the Committee receives the report.

**RECOMMENDATION(S)**

That the Audit & Risk Committee receives the Taupō District Council Civic Administration Building – Risk Management Report dated 14 June 2017 [A1985484] and thanks the BECA representatives for their presentation.

**ATTACHMENTS**

1. Taupo District Council Civic Administration Building - Risk Management Report dated 14 June 2017 [⇒](#)

**4.2 RISK MANAGEMENT CHARTER REVIEW - PRICEWATERHOUSE COOPERS REPORT**

**Author:** Brian Fox, Group Manager: Corporate and Community

**Authorised by:** Gareth Green, Chief Executive Officer

**PURPOSE**

To receive a report from Pricewaterhouse Coopers entitled "Risk Management Framework for Taupō District Council". Pricewaterhouse Coopers representatives will be at the meeting to present the report. This will also be an opportunity for members to suggest any potential changes to the current Risk Management Charter.

**DISCUSSION**

Taupō District Council's Risk Management Charter is due for review. Pricewaterhouse Coopers have undertaken an initial examination of the Charter and their report is presented for members' information. The current Charter is also attached.

**CONCLUSION**

It is recommended that the Committee receives the Pricewaterhouse Coopers report and considers what changes if any it would like to make to the current Risk Management Charter. Changes will be incorporated into a new draft Charter and brought to the next Committee meeting for consideration.

**RECOMMENDATION(S)**

1. That the Audit & Risk Committee receives the Pricewaterhouse Coopers report "Risk Management Framework for Taupō District Council" (A1985494) and thanks the representatives for their presentation.
2. That the Audit & Risk Committee directs staff to incorporate Pricewaterhouse Coopers recommendations into the ongoing review of the Risk Management Charter.

**ATTACHMENTS**

1. Report from Pricewaterhouse Coopers - Risk Management Framework for Taupo District Council [⇒](#)
2. Risk Management Charter 2016 (A1221175) [⇒](#)

**4.3 RISK REGISTER UPDATE**

**Author:** Jamie Dale, Risk Manager

**Authorised by:** Brian Fox, Group Manager: Corporate and Community

**PURPOSE**

Council's current Risk Management Charter and the terms of reference for this committee require regular reporting on risk matters to Council. This report forms part of this procedural requirement.

**DISCUSSION**

There are two risk registers with one detailing the current top governance risks and the other detailing the top operational risks approved by elected members and the senior management team. They do not detail all Council's known risks or other risks that are managed on a day to day basis. It is a dynamic document in that some risks or other risks may be escalated in one year in terms of focus while others may not depending on the risk profile at any given point in time.

Since the last risk register update in March this year there has been the addition of asbestos in council buildings as a risk and there have been some changes to the status of some existing risks and their treatments.

**Addition to Operational Risk Register**

Asbestos in Council Buildings – Friable Asbestos in Council Buildings. Added to operational risk register. Untreated risk identified as high. 2 current treatments identified that reinforce the zero tolerance of asbestos regardless whether it poses an immediate risk to staff and public, the identification of buildings which may have asbestos in them and the removal of asbestos over time. Where the presence of asbestos is identified that poses a risk to staff and public measures will be taken to prevent exposure and remove the asbestos risks

**Updated Treatment Statuses**

Health & Safety in the Workplace – Employment of Contractors treatment status has been updated to reflect current state identified from internal reviews of current procedures. Health and Safety staff are working on improvements in this area and until improvements are fully implemented will be closely monitoring this area. No change to risk rating.

Inadequate Management & Planning for Infrastructure – Inadequate Maintenance & Repairs treatment status has been updated to identify that asset condition assessments have been completed that have identified a greater need for renewals and upgrades in the future. Asset Management Plans are being updated with this information. No change to risk rating.

Inadequate Water Supply – Water Supply Unsuitable for Consumption treatment status has been updated to record that processes for water supplies have been completed post Havelock North contamination report. Some improvements have been made to remote water supplies to ensure adequate disinfectant is achieved and there have been upgrades to the wellheads at the Bonshaw Park water supply. No change to risk rating.

Legal Liabilities – Judicial Reviews & Appeals. We have 2 potential emerging risks. New civic building: submitter's reference to the potential for judicial review of the Council's decision-making processes and Freedom Camping Bylaw, threat of judicial review by the New Zealand Motorhome and Caravan Association in relation to whether the Council's approach to the draft Freedom Camping Bylaw is consistent with the Freedom Camping Act 2011. No change to risk rating and it remains high.

**CONCLUSION**

The environment the Council operates in is very dynamic and the type of risks and risk treatments will evolve and change over time. The changes identified reflect this and show that the Council takes risk management seriously and is proactive in managing these risks to ensure that the Council achieves its objectives and goals.

**RECOMMENDATION(S)**

That the Audit & Risk Committee receives the report.

**ATTACHMENTS**

1. Operational Risks July 2017 [⇨](#)
2. Governance Risks July 2017 [⇨](#)

**4.4 REVIEW OF 2014 PROTECTED DISCLOSURES POLICY**

**Author:** Tina Jakes, Democracy & Community Engagement Manager

**Authorised by:** Brian Fox, Group Manager: Corporate and Community

**PURPOSE**

To enable the Committee to review and adopt [with amendments] Council's 2017 Protected Disclosure Act 2000 Policy.

**DISCUSSION**

This Policy was first adopted in 2000 and again in 2014. It has been reviewed by staff and still complies with the current legislation. Staff are recommending no changes to the Policy.

Some minor changes have been made to the internal procedure in relation to the definition of the Disclosure Managers from Chief Executive Officer, Group and Strategic Managers and Democracy & Community Engagement Manager to all members of the Senior Leadership Group.

This policy commonly referred to as the 'whistle blowing legislation' is designed to protect employees who raise concerns about serious wrong-doing within their workplace.

**CONCLUSION**

This committee has the delegated authority to review and adopt this policy.

**RECOMMENDATION(S)**

That the Audit & Risk Committee adopts [with amendments] the 2017 Protected Disclosures Act 2000 Policy [A1988102]

**ATTACHMENTS**

1. 2017 Protected Disclosures Act 2000 Policy [A1988102] [⇒](#)



**4.5 REVIEW OF THE STAFF CONFLICT OF INTEREST GUIDELINES**

**Author:** Tina Jakes, Democracy & Community Engagement Manager

**Authorised by:** Brian Fox, Group Manager: Corporate and Community

**PURPOSE**

To enable the Committee to receive a copy of Council's Staff Conflicts of Interest Guidelines.

**DISCUSSION**

These guidelines are based on the Good Practice Guide – Managing conflicts of interest: Guidance for public entities issued by the Office of the Auditor General were received by the Committee in March 2014. The Guidelines have been reviewed by staff and are working well. Conflicts have been notified and recorded in the Register as required under the Guidelines.

Some minor name changes have been made on page 4 (highlighted) and update of the next review date which will be in July 2020.

The guidelines provide staff information in relation to the definition of conflict of interest, how this can arise, how this is to managed, a process for reporting and recording conflicts as well as providing some Case Studies.

**CONCLUSION**

That the Staff Conflict of Interest Guidelines are received.

**RECOMMENDATION(S)**

That the Audit & Risk Committee receives the Staff Conflict of Interest Guidelines [A1987650]

**ATTACHMENTS**

1. 2017 Staff Conflict of Interest Guidelines (A1987650) [⇒](#)

**4.6 PROCUREMENT POLICY REVIEW**

**Author:** Brian Fox, Group Manager: Corporate and Community

**Authorised by:** Gareth Green, Chief Executive Officer

**PURPOSE**

Taupō District Council's Procurement Policy is due for review. The purpose of this report is to commence this review and to initiate discussion with Audit & Risk Committee members about what aspects of the policy may need to be updated.

**DISCUSSION**

Four documents are attached:

- Council's current Procurement Policy
- Auckland Council's current Procurement Policy
- An article which appeared in the LG magazine on 29 April 2016 entitled "Rotorua's Wood First Policy"
- A report which was considered by the Clutha District Council dated 6 October 2016 relating to 'buy local'

His Worship the Mayor has previously requested that a 'buy local' option be considered in any future programmed review of the policy. Additionally there has been a previous request from an external party for Council to consider a 'wood first' policy in its procurement processes where applicable.

**CONCLUSION**

It is recommended that the Committee has a discussion around potential changes to the Council's current Procurement Policy. Any requested changes will be brought to the next Committee meeting for consideration.

**RECOMMENDATION(S)**

That the Audit & Risk Committee provides initial direction to officers on any additional matters for consideration in the programmed review of Council's Procurement Policy and in particular a 'buy local' component and a 'wood first' component.

**ATTACHMENTS**

1. Procurement Policy 2014 [⇒](#)
2. Auckland Council Procurement Policy [⇒](#)
3. LG article Rotorua's Wood First Policy [⇒](#)
4. Clutha District Council 'Buy Local' Review - report

**4.7 AUDIT & RISK COMMITTEE SCHEDULE OF POLICIES FOR REVIEW**

**Author:** Brian Fox, Group Manager: Corporate and Community

**Authorised by:** Gareth Green, Chief Executive Officer

**PURPOSE**

To receive a Schedule of Policies regularly reviewed by the Audit & Risk Committee of Taupō District Council.

A Schedule of Policies is attached. This contains details of Council policies falling within the Terms of Reference of the Audit & Risk Committee, including dates of last review and when the policies will next appear before the Committee.

**RECOMMENDATION(S)**

That the Audit & Risk Committee receives the Schedule of Policies for review (A1987425).

**ATTACHMENTS**

1. Schedule of Policies for Review (A1987425) [⇒](#)

**5 CONFIDENTIAL BUSINESS**

**RESOLUTION TO EXCLUDE THE PUBLIC**

I move that the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the local government official information and meetings act 1987 for the passing of this resolution are as follows:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
<p><b>Agenda Item No: 5.1</b> Confirmation of Confidential Portion of Audit &amp; Risk Committee Minutes - 15 May 2017</p>	<p>Section 6(a) - the making available of the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial</p>	<p>Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6</p>
<p><b>Agenda Item No: 5.2</b> Risk Register Updates - Confidential Component</p>	<p>Section 7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>Section 7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</p>	<p>Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7</p>

I also move that *[name of person or persons]* be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of *[specify]*. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because *[specify]*.