

**I give notice that  
a Risk and Assurance Committee Meeting will be held on:**

<b>Date:</b>	<b>Tuesday, 5 March 2024</b>
<b>Time:</b>	<b>10.15am</b>
<b>Location:</b>	<b>Council Chamber 107 Te Heuheu Street Taupō</b>

# **AGENDA**

## **MEMBERSHIP**

**Chairperson** Mr Bruce Robertson  
**Deputy Chairperson** Cr Danny Loughlin

**Members** Mr Anthony Byett  
Cr Anna Park  
Cr Rachel Shepherd  
Cr Kevin Taylor  
Mayor David Trewavas  
Cr John Williamson

**Quorum** 4

**Julie Gardyne  
Chief Executive**

## Order Of Business

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<b>2</b>	<b>Whakapāha   Apologies</b>	
<b>3</b>	<b>Ngā Whakapānga Tukituki   Conflicts of Interest</b>	
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**4.1 RISK AND ASSURANCE COMMITTEE MEETING - 11 DECEMBER 2023**

**Author:** Shainey James, Governance Quality Manager

**Authorised by:** Nigel McAdie, Legal and Governance Manager

**NGĀ TŪTOHUNGA | RECOMMENDATION(S)**

That the minutes of the Risk and Assurance Committee meeting held on Monday 11 December 2023 be approved and adopted as a true and correct record.

**NGĀ TĀPIRIHANGA | ATTACHMENTS**

1. Risk and Assurance Committee Meeting Minutes - 11 December 2023

**5.1 2024/34 LONG-TERM PLAN UPDATE**

**Author:** Kendall Goode, Senior Policy Advisor

**Authorised by:** Sarah Matthews, General Manager Organisation Performance

**TE PŪTAKE | PURPOSE**

The purpose of this report is to provide a quarterly update on the development of Taupō District Council's (TDC) Long-term Plan 2024-34 (LTP) and associated risks. It is provided for information purposes and does not require any decision-making on the part of Committee members.

**NGĀ KŌRERORERO | DISCUSSION****Progress Update**

1. Several workshops were undertaken in February which focused on developing a deliverable and affordable work programme. These workshops have enabled elected members to provide direction and debate the timing and costs of projects.
2. Responses to early engagement feedback has been finalised and ready to circulate to iwi/hapū in March. Hui with iwi entities and hapū collectives have been organised for April, this will provide an opportunity to discuss and ask questions relating to feedback and understand the upcoming consultation process.
3. Finalising policies including Development Contributions, Remission Policies and the Revenue and Finance Policy.
4. Consultation document near completion, elected members have had input into the development during February workshops. Further workshops scheduled in March.
5. Infrastructure Strategy to be circulated to iwi authorities for feedback in March. Infrastructure Strategy to be workshopped with elected members in March.
6. Financial Strategy progressing and to be workshopped with elected members in March.
7. Asset Management Plans currently being finalised and will be reviewed by an internal expert prior to Audit in April.

**Timeframe Reset**

At the last committee meeting on 11 December 2023, staff advised that adoption of the Long-term Plan 2024-34 would likely be delayed past 30 June 2024. This was predominantly due to uncertainty surrounding the future of the three waters reform, but also due to organisational conflicts as the finance team were at a critical stage of developing and delivering the Annual Report and assisting the organisation with the LTP.

Prior to Christmas, Central Government indicated that they intended to repeal three waters legislation and issued immediate stop work notices and advised that assets would be returned to Council ownership. However, given the uncertainty around when legislation would be changed, councils needed to either choose to progress with current legislation (waters out) or a 'waters in' approach on the basis that eventually legislation would change. Both options involved process delays, timing risk and the need for additional work to be undertaken. A 'waters in' approach was chosen by TDC as it was deemed to have lower risks.

Acknowledging councils were seeking certainty around three waters legislation, options were made available to local government prior to Christmas to support LTP processes, specifically timing. To process LTPs within or near current legislative timeframes, the first option was the removal of the requirement to audit the consultation document prior to consultation, the second an extension to adopt LTPs up until 30 September. Audit NZ have raised concerns that not undertaking the required audit of the consultation document will create risks for the final Long-term Plan audit. After discussions with Audit NZ, it has been agreed that our consultation document and supporting information will have audit involvement to check any issues, however an audit opinion will not be issued on the consultation document itself. This approach creates more work for staff but is intended to mitigate the risks of new issues being raised through the final audit process.

Staff have developed a new project plan which has been provided to elected members. The revised LTP adoption date is 30 August 2024, with approval of the consultation document and supporting information for audit at the start of April and adoption of the consultation document and subsequent consultation scheduled for May. A copy of the new Long-term Plan project plan is attached. Achieving the 30 August 2024

timeframe will also ensure that delays to future processes such as the Annual Plan 2025/26 and Annual Report 2023/24 are minimised as much as possible.

The revised timeframes will require Council to set rates differently than prior years with options being a different timing and/or number of instalments, delaying the first instalment, or doing a temporary rates strike based on the 2023/24 year. Council Officers will present a paper to Council which discusses the various options and makes a recommendation for the most appropriate method for collecting the 2024/25 rates, which will also confirm the late adoption of the LTP.

In the February 2024, Implementing Local Water Done Well: Three-stage legislation plan, Central Government have also added an additional option that will enable councils to defer their 2024-34 long-term plan by 12 months and to prepare an 'enhanced' annual plan for the 2024/25 financial year instead. While this option has been given to councils, we are still awaiting further information to be able provide a recommendation to Council either way. Until more information is known, we will continue to progress with the LTP as planned. If Council chooses this option, it will be required to include additional information (about groups of activities and capital expenditure) in the 2024/25 annual plan, and to consult on that plan. A council will be able to exercise this option by resolution by 30 April 2024, or if authorised to do so by an Order in Council, after that date.

### **Additional Risk and Assurance Committee Meetings**

Risk and Assurance Committee meetings had already been scheduled to align with the LTP being adopted on 30 June 2024. With a 30 August adoption date, an extra meeting on 8 April has been scheduled. The purpose of this meeting is to endorse the consultation document and supporting information prior to the Council meeting on 9 April. We will advise the committee of any additional meetings or if further changes to the current schedule are required as soon as possible.

### **Risk Management**

The LTP Risk Register has been kept active by the LTP Project team. The updated risk register is presented in Attachment 2. Changes from the risk register previously reported are denoted with a light green (improvement) and a light red (worsening). While adoption of the LTP has been pushed out two months until 30 August 2024, and there are no longer any 'extreme' risks, there is still a large amount of work to do, particularly to achieve the first milestone of adopting the consultation document and supporting information for Audit in April. Commentary on how risks are being managed is provided below.

### **Key Risks**

#### **LTP24\_001 - Not Achieving Timeframes**

Council has developed a new project plan, with adoption of the LTP now 30 August 2024. Council approval of the consultation document and supporting information is scheduled for 9 April for Audit. While the adoption timeframe has been extended by two months, there is still a lot to cover, and the project plan has minimal flexibility to achieve the 30 August deadline. The new project plan has been shared with staff who are involved with the LTP and senior leaders to understand what will be required of their teams.

Another risk associated with the late adoption of the Long-term Plan are the rating implications as rates cannot legally be set for the 24/25 financial year until the Long-term Plan has been adopted. While there are no specific penalties for Council adopting late, the revised timeframes will require Council to set rates differently than prior years with options being a different timing and/or number of instalments. There is also likely to be some confusion and frustration around this process, for example different rates instalments could be difficult for some ratepayers given the current economic climate. Staff will develop early communications material on this.

#### **LTP24\_009 - High levels of uncertainty in the financial sector – impact on rates**

Earlier workshops signalled to elected members that initial budgeting and key operational drivers would require rate increases that would likely be unacceptable to the community. The executive team and staff have provided options to elected members identifying options to alter project timing, reduce project costs and organisational changes/savings to reduce rates. These have and continue to be discussed and debated until an affordable and deliverable work programme is agreed for consultation.

**LTP024\_021 - Change of Government**

A new government was sworn in on 27 November 2023. Coalition agreements provide high-level direction, advising a stop work notice on three waters reform. Uncertainty in this space continues which has been discussed. A review of the LTP key assumptions is underway to reflect this initial direction.

**LTP024\_023 - Executive Level Resourcing**

General Manager Operations and Delivery, Andrew Moraes will be leaving the organisation on 8 March to take up the CEO position at Rotorua Lakes Council. Andrew's position plays a critical role in the development of the LTP and while the executive team continue conversations about the structure of the permanent Operations and Delivery role, an experienced Executive from within the organisation has been appointed into this position to provide support while the long-term position is filled.

**LTP24\_025 – Fees and Charges**

Staff have indicated to elected members that fees will need to increase in many areas to realistically cover increases in operating costs over the past few years. This is an area which may not be received well by the community, however a balance between the user charges and the impact these services have on rates will need to be worked through. Some fees relating to animal control, food health and gambling are legislatively required to be set by 30 June 2024. This means we will need to run two processes, the first consultation likely to be April, which may be confusing for the public. We will ensure sufficient communications are developed to reduce confusion as much as possible.

**WHAKAKAPINGA | CONCLUSION**

A new project plan has been developed, working towards adopting the LTP on 30 August 2024. Central government have indicated they intend to amend legislation timeframes, providing councils up to 30 September to adopt LTPs. While timeframes have been extended, staff recognise there is still a substantial amount of material to prepare before the end of March and the LTP remains the organisational priority over the coming months.

**NGĀ TŪTOHUNGA | RECOMMENDATION(S)**

That the Risk and Assurance Committee receives the report on the development of the Long-term Plan 2024-34 and the project's key risks.

**NGĀ TĀPIRIHANGA | ATTACHMENTS**

1. Long-term Plan 2024-34 Project Plan
2. Long-term Plan 2024-34 Risk Register

**5.2 2024/34 LONG-TERM PLAN AUDIT PLAN AND FEES STRUCTURE**

**Author:** Kendall Goode, Senior Policy Advisor

**Authorised by:** Sarah Matthews, General Manager Organisation Performance

**TE PŪTAKE | PURPOSE**

Audit New Zealand will present their Audit Plan for the 2024/34 Long-term Plan engagement and the proposed fee structure for the audit.

**NGĀ KŌRERORERO | DISCUSSION**

Prior to the commencement of the audit of Taupō District Council's Long-term Plan, Audit NZ provide a plan of their approach and the matters that they will be focussing on along with their proposed fee structure for consideration. This Committee's role is to approve the plan and the fees for the audit engagement.

**WHAKAKAPINGA | CONCLUSION**

It is recommended that the Committee approves the Audit Plan and delegates authority to the Committee Chairperson to approve the final audit fee.

**NGĀ TŪTOHUNGA | RECOMMENDATION(S)**

That the Risk and Assurance Committee:

1. Approves the Audit Plan for the 2024/34 Long-term Plan Audit; and
2. Delegates authority to Chair of the Risk and Assurance Committee and the Chief Executive Officer to approve the final audit fee.

**ATTACHMENTS**

1. Audit Engagement Letter: Audit of the Long-term Plan 2024-34 for the period commencing 1 July 2024

**5.3 OUTSTANDING AUDIT AND IMPROVEMENT ITEMS****Author:** Louise Chick, Business Excellence Manager**Authorised by:** Sarah Matthews, General Manager Organisation Performance**TE PŪTAKE | PURPOSE**

To update the Risk and Assurance Committee on the status of outstanding recommendation actions identified from external audit, internal audit, and other relevant sources.

**NGĀ KŌRERORERO | DISCUSSION**

Taupō District Council seeks to deliver the best possible service to its communities, using the most efficient means possible. We continuously seek to improve our service offering and adhere to our legislative responsibilities. Audits and other relevant reviews provide valuable learning opportunities.

In December 2023 the Risk and Assurance Committee received its first complete overview of the status of recommendations from a wide variety of audits and reviews and as described in Table 1 below.

**Table 1** – Audit/review sources considered in the development of this report.

<b>Review/Audit</b>	<b>Review Date</b>	<b>Status</b>
Annual Report	November 2023	Outstanding matters – see attachment.
Building Accreditation	March 2023	No outstanding matters.
Council Mark review	April 2022	Outstanding matters – see attachment.
Drinking Water Audits (WaiComply)	November 2023	Outstanding matters – see attachment.
Environmental Health Recognised Agency Reassessment (food health)	May 2022	Outstanding matters – see attachment.
Health and Safety Review (KPMG)	August 2023	Outstanding matters – see attachment.
LTP Audit	March 2021	Outstanding matters – see attachment.
NZTA Investment Audit Report	March 2022	Outstanding matters – see attachment.
Pool Safe	February 2023	No outstanding matters.

For those audits/reviews where there are still open recommendations the number of outstanding items and their priority is summarised in Table 2.

Full details of audit recommendations and their current status is provided in Attachment 1.

Council has yet to receive Audit NZ's report on TDC's 2022/23 Annual Report. Staff are actively following up with Audit NZ.



**Table 2** – Current status of outstanding audit and review recommendations.

		<b>Priority (number staff believe closed, pending approval)</b>				
<b>Audit type</b>	<b>Audit Source</b>	<b>Urgent/ High</b>	<b>Necessary/ Med</b>	<b>Beneficial/ Low/ Recommended</b>	<b>No priority assigned</b>	<b>Total</b>
External	Audit NZ – Annual Report	2 (1)	15 (4)	5 (2)		22 (7)
	Drinking Water Audits				8 (2)	8 (2)
	Environmental Health	- (n/a)	- (n/a)	6 (5)		6 (5)
	LTP Audit	- (n/a)	2 (1)	- (n/a)		2 (1)
	NZTA Investment Audit Report	- (n/a)	2 (-)	8 (7)		10 (7)
Internal	Council Mark				19 (8)	19 (8)
	KPMG H&S Review	7 (1)	15 (-)	20 (8)		42 (9)
<b>TOTAL</b>		<b>9 (2)</b>	<b>34 (5)</b>	<b>39 (22)</b>	<b>27 (10)</b>	<b>109 (39)</b>

TDC has been steadily progressing implementation of audit and review recommendations and of the 132 recommendations TDC believe that 62 require no further action (up from 57 on the previous report), however a number of these await a follow up audit/review to formally remove them.

The newly formed Business Excellence Team is developing an organisational improvement plan the purpose of which is to coordinate oversight of, and facilitate progression of, all audit and review findings. This plan is presented here as Attachment 1 – Open Audit Recommendations.

Progress will continue to be monitored and reported at the next Risk and Assurance Committee meeting.

### **WHAKAKAPINGA | CONCLUSION**

That the Risk and Assurance Committee receives the report on outstanding audit and business improvement items.

### **NGĀ TŪTOHUNGA | RECOMMENDATION(S)**

That the Risk and Assurance Committee receives the report on the status of recent audit and review recommendations.

### **NGĀ TĀPIRIHANGA | ATTACHMENTS**

1. Open Audit Recommendations
2. CLOSED Audit Recommendations

**5.4 TIROHANGA FOREST POWERLINE CORRIDOR UPDATE REPORT**

**Author:** Peter Handcock, Commercial Manager

**Authorised by:** Philip King, Executive Manager Housing & Property Investment

**TE PŪTAKE | PURPOSE**

The purpose of this item is to provide an update on the programme to harvest the Council-owned mature pine trees in close proximity to Transpower transmission lines.

**WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY**

The Council-owned Tirohanga Forest contains an area where some mature pine trees planted in 1986 now pose a risk to a 220 kV Transpower transmission line. Transpower would like to facilitate the forest harvest to remove the risk associated with a line or tower strike, potentially resulting in a power outage.

Transpower have informed Council the only option to harvest these trees is by the creation of a site-specific safe methodology and Electrical Hazard Management Plan (EHMP).

A working group involving Council, Transpower, New Zealand Forest Managers (NZFM) and contractors have prepared a draft EHMP and associated safety management procedures.

The Council will appoint NZFM to take overall responsibility for the harvesting via a Harvesting and Marketing Agreement for the balance of the Tirohanga Forest harvest.

Separately, Transpower and Council will enter into a landowner agreement which provides for Transpower operational assistance with the harvesting near their power lines and for Transpower to make a financial contribution towards the additional costs of harvesting in their power lines corridor.

Once the commercial agreements, the EHMP and associated safety plans are confirmed by the parties, the work is proposed to start in March 2024 and extend through to 30 April 2025.

**NGĀ TŪTOHUNGA | RECOMMENDATION(S)**

That the Risk and Assurance Committee receives the Tirohanga Forest Powerline Corridor Update Report dated 5 March 2024.

**TE WHAKAMAHUKI | BACKGROUND**

The Risk and Assurance Committee received a report on this project at the meeting held on 11 December 2023.

The 371-hectare Tirohanga Forest (Forest) located at 685 Pokuru Road is owned by Council on a freehold title. The property is crossed by spans 133-136 of the Wairakei to Whakamaru-A transmission line, which was established on 1 January 1957 under Section 11 of the Geothermal Energy Act 1953 together with Part XIII of the Public Works Act 1928 (and later amended to Part II of the Energy Act 1968). The Forest was planted after the lines were established.

In 2018, Council entered an agreement with Oji Fibre Solutions (NZ) Limited for the sale of the mature tree crop and harvesting under a "Pay-as-cut sale". Some 191 hectares has been harvested and largely replanted. In 2021, NZFM informed Council that planning for the sale and harvesting of the remaining 56 hectares of mature trees was on hold as this contained the more challenging areas to harvest, principally due to access and proximity to powerlines. NZFM commenced discussions with Transpower on how harvesting could be done safely with minimised risk to transmission lines and towers.

The area within the powerline corridor is known as compartment 4/1 and was planted in 1986. The main affected area within 42 metres of the lines offset comprises of some 5.2 hectares. The trees are now approaching 38 years old and planning for their harvest is now urgent.

A working group involving Transpower, Downer, NZFM, Oji and Council was established to consider:

- The harvest of the block.
- The risks associated with a line or tower strike.

- The costs of mitigating this risk.
- Future replanting of the affected area.

In September 2023 Transpower informed the group that the preferred option identified in 2022 - to take the lines down (make them not-live) for the duration of the most critical tree harvesting near the lines was not feasible due to network resilience limitations.

Transpower informed that the only option remaining for harvesting was by a site-specific Safety and Electrical Hazard Management Plan, having used this approach successfully elsewhere on forests in a similar situation.



## NGĀ KŌRERORERO | DISCUSSION

In late December 2023, Oji informed NZFM that it had decided to withdraw from its harvesting right for the balance of the Tirohanga Forest. However, they were prepared to make available the contractor they had lined up for that work to NZFM. This contractor has completed around 85% of the harvesting in Tirohanga to date and is currently working for NZFM on other properties.

NZFM then submitted a proposal to Council to take responsibility for, the selection of, and management of contractors, cartage and other activities associated with the harvesting along with marketing the logs for Council. This being via a new Harvesting and Marketing Agreement between NZFM and Council. The harvesting and marketing fee that the Council will pay NZFM is based on a set rate per cubic metre (tonne) for all volume harvested and sold for stand 4/1 Tirohanga Forest.

Separately, Transpower and the Council have advanced their 2023 discussions into a draft landowner agreement between the parties which states:

- NZFM will manage the harvest using its nominated logging contractor to fell and extract the trees.
- Transpower will be represented on site by their service provider Downer.
- Transpower will provide an Electrical Safety Induction and supervision through Downer for the duration of any works that pose an electrical safety risk.
- The forestry contractor and Transpower's service provider Downer will safely assess each tree within fall distance of the transmission line. Any trees that Downer don't believe can be felled safely by the forestry contractor due to the hazard to the lines will be felled by Downer.
- The harvest operation is planned to take place between March 2024 and 30 April 2025.

- Any significant delays will be discussed with Transpower as soon as possible.
- The contractors, NZFM and Transpower have completed and agreed an EHMP.

Transpower will contribute to the forest harvest through provision of a per hectare stumpage rate for trees within fall distance but outside of the Growth Limit Zones as defined by Table 2 of the Electricity (Hazards from Trees) Regulations 2003. Calculation of the fall distance will be provided by Transpower's geospatial team based on an average tree height of 42m which is derived from data supplied by NZFM.

### **Harvest Outline Programme**

NZFM are proposing to start in March, then with a winter weather break resume harvesting next summer with a target completion date of 30 April 2025.

After contractor induction, the proposed works they anticipate occurring over the first 2-3 months are:

- An excavator-based harvester and excavator-based grapple log loader will be delivered to fell and clear trees from proposed skid sites (log loading points) and road lines.
- Engineering will start immediately behind tree felling/clearing and work concurrently with harvesting crew to build skids and roads.
- Initial engineering will be bulk earthmoving with a large excavator before geotextile, aggregate, culverts, and water controls (soak holes/drop pits) are installed by trucks and smaller excavators.
- Full complement of harvesting crew and equipment will be onsite after construction of first skid (additional stem processor, grapple loader, skidder).
- Harvesting activity will be initially focussed on road line salvage to ensure engineering can be completed in one large stage. Engineering works are expected to continue into April, which will also include temporary tracking required to provide access to trees within fall distance of the powerlines.
- A start on the high-risk powerlines area is planned for April/May and then expected to take up to 40 days to harvest the trees. However, this is weather dependent and there is a possibility that it may be deferred to next summer.

### **NGĀ KŌWHIRINGA | OPTIONS**

The trees are well into their harvesting age and each year tree growth increases the proximity to the power lines. The only option is that the trees need to be harvested as soon as practically possible.

Transpower have advised the option to take the lines down (make them not-live) for the duration of the most critical tree harvesting near the lines is not feasible due to network resilience limitations.

Therefore, the only option remaining for harvesting is via a site-specific EHMP. The documents which have been drafted and circulated to the parties include:

- EHMP for Forestry Operations. A tripartite agreement between the Network / Asset Owner (Transpower), Tree Owner (Council) and Manager / Contractor (NZFM and their logging contractor).
- Harvesting Environmental Standards Assessment.
- Harvesting Site Risk Assessment.
- Procedure For Working Around Utilities When Harvesting.
- Guidelines For Stopping Work in Adverse Conditions.

Input from the Council's Health, Safety and Wellbeing Manager is being obtained around the proposed process and practice.

### **NGĀ HĪRAUNGA | CONSIDERATIONS**

#### **Ngā Aronga Pūtea | Financial Considerations**

Commercial negotiations which are nearing agreement are:

A new Harvesting and Marketing agreement between Council and NZFM to manage the completion of the Tirohanga Forest Harvesting; and

An agreement between Council and Transpower which provides for Transpower's assistance with harvest operations and to make a financial contribution to the forest harvest through provision of a per hectare stumpage rate for trees within fall distance but outside of the Growth Limit Zones as defined by Table 2 of the Electricity (Hazard from Trees) Regulation 2003.

#### Long-term Plan/Annual Plan

NZFM have provided a revised budget estimate based on 37,698 tonnes. After deductions for the cost of sale activities comprising of roading, logging, log cartage, weighing, health and safety, forest growers levy, environmental and their management cost an indicated net return to Council of \$692,000 is forecast.

NZFM have factored in their estimate of additional costs for harvesting of the powerline corridor, for which part of these costs will be recovered from Council via its agreement with Transpower. The final amount will not be confirmed until the affected hectareage is mapped.

#### **Ngā Aronga Ture | Legal Considerations**

##### Local Government Act 2002

The matter comes within scope of the Council's lawful powers, including satisfying the purpose statement of [Section 10](#) of the Local Government Act 2002. That section of the Act states that the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

It is considered that economic and environmental well-being are of relevance to this matter.

The proposal has been evaluated with regards to legislation, which includes the Resource Management Act 1991, National Environmental Standards for Commercial Forestry, Electricity (Hazards from Trees) Regulations 2003 and the Health and Safety at Work Act 2015.

The Council's legal advisors are assisting with advice around the health and safety, indemnity, and insurance provisions within contractual arrangements.

#### **Ngā Hīraunga Kaupapa Here | Policy Implications**

There are no known policy implications.

#### **Te Kōrero tahi ki te Māori | Māori Engagement**

No engagement with Māori has been undertaken in the preparation of a safety management methodology for harvesting the Transpower area.

Post harvest, the Council will need to consider its obligations under the Emissions Trading Scheme in respect of replanting the area, such as in pine or native trees. This consideration provides an opportunity for Māori engagement.

#### **Ngā Tūraru | Risks**

Transpower confirm that some of the trees now pose a risk to the Wairakei to Whakamaru-C, 220 kV transmission line. The only option is that the trees as harvested as soon as practically possible.

#### **Harvesting the High-Risk Area**

Transpower are taking a lead coordinator role in working with its contractor Downer, Council, NZFM and NZFM's logging contractor to finalise the EHMP to minimise the risks associated with a line or tower strike.

The NZFM forestry contractor and Downer will safety assess each tree within fall distance of the line. Any trees that Downer don't believe can be felled safely by the forestry contractor will be felled by Downer. The Council is seeking assurance from Transpower around the potential liability to the Council for any damage to the Transpower assets that could happen when Downer is felling trees during this operation.

Harvesting this area is expected to take up to 40 days and will occur in 'bursts' as the operation must progress in an orderly fashion across the countryside removing trees both inside and outside of the high-risk

zone. It is expected to start in late April/ May. Depending on progress before winter, it may be deferred to next summer.

### Health and Safety Risks

Contractual arrangements capture relevant duties under the Health and Safety at Work Act 2015 (HSWA) for the Council and NZFM as Persons Conducting a Business or Undertaking (PCBU) with overlapping duties in relation to the harvesting works. The same applies for the Council draft agreement with Transpower. This includes.

- The EHMP jointly prepared by NZFM and Downer.
- The contractor is Safe Tree certified.
- The proposed Council agreement with Transpower provides that Transpower have a representative on site for felling within the high-risk area so that they are party to the decisions taken on site.
- The contractor has previously undertaken the Tirohanga Forest harvesting and is familiar with the typical conditions (terrain, ground conditions etc).
- NZFM are routinely working with Transpower and Downer on harvesting operations in proximity to their lines in other forests, so they are familiar with this work.

### TE HIRANGA O TE WHAKATAU, TE TONO RĀNEI | SIGNIFICANCE OF THE DECISION OR PROPOSAL

Council's Significance and Engagement Policy identifies matters to be taken into account when assessing the degree of significance of proposals and decisions.

Officers have undertaken an assessment of the matters in the [Significance and Engagement Policy \(2022\)](#), and are of the opinion that the proposal under consideration is of a low degree of significance.

### TE KŌRERO TAHI | ENGAGEMENT

Taking into consideration the above assessment, that the decision is of a low degree of significance, officers are of the opinion that no further engagement is required prior to the Committee receiving the report.

### TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA

Direct communication has been/will be carried out with affected parties/key stakeholders but no wider communication is considered necessary.

### WHAKAKAPINGA | CONCLUSION

The Forest trees are well into their harvesting age and each year tree growth increases the proximity to the power lines. The only option is that the trees need to be harvested as soon as practically possible.

A working group involving Council, Transpower, NZFM and contractors have prepared a draft EHMP and supporting safety management procedures.

Once the commercial agreements, the EHMP and supporting safety plans are confirmed by the parties, the work is proposed to start on in March 2024 and extend through to 30 April 2025.

### NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Tirohanga Forest - EHMP Map

**5.5 PURCHASE ORDER SYSTEM CONTROL ISSUE**

**Author:** Jeanette Paenga, Finance Manager

**Authorised by:** Sarah Matthews, General Manager Organisation Performance

**TE PŪTAKE | PURPOSE**

This report is to provide the Risk and Assurance Committee information about an issue with Council's purchase order (PO) system and provide assurance on actions taken to ensure this control is working going forward and appropriate subsequent approvals are completed.

**NGĀ KŌRERORERO | DISCUSSION**

Whilst completing some checking on Council's POs, Council officers found that there was a problem with Council's purchase order system controls and POs had been receipted for more than the approved amount, and in some cases subsequently paid.

This issue meant that where a PO had been raised, for \$10,000 for example, that it could be receipted for more, e.g. \$11,000, and an invoice for this higher receipted amount could be processed and paid against the PO. This has led to some POs being receipted and paid for an amount higher than the approved value.

It is worthwhile highlighting that although there was an issue with the two-person authorisation control in the PO system, there was still a valid invoice for the increased amount and therefore it is unlikely that suppliers have been overpaid, those payments just were not approved as per the intended system control. The system also had warnings set up for users who were receipting the POs for a higher amount, it just did not apply controls to stop it progressing and could be ignored. However, this warning is likely to have been helpful in minimising the number of POs impacted.

Upon investigating this issue, we have now established that the control issue dates back to the implementation of the PO system, as restrictions to limit the receipting up to the maximum amount that the PO was raised for were never set up. The issue was also not caught during any subsequent testing during system upgrades and updates.

We have been able to determine the exact number of POs impacted since the system was implemented in October 2021, being 265, that were invoiced for more than \$50 (GST excl) greater than the approved PO amount. This has led to payments totalling \$678,217.43 (GST excl), above the approved amounts. This figure equates to 0.3% of Council's total expenditure over the period (not including wages, depreciation or interest).

Upon discovering this issue, the finance team immediately took action to rectify the system control and we confirm that this control is now in place and working. The control has been tested appropriately. The finance and digital solutions teams are also undertaking a review of their testing process to ensure this is included as a mandatory test for future scripts, to ensure that this does not happen again.

Although the exact orders can be identified there was no two-person approval for the increased amounts of the receipts (above the PO amount), and this increases Council's risk of fraud for these amounts. Council officers have no reason to suspect that fraud has occurred and believe the risk to be extremely low, given the nature of this issue.

Council's executive team is currently undertaking a review of the POs impacted, to gain information about each order with their teams, to provide assurance to Council that this expenditure is appropriate and validate the additional amount. The executive team will provide this information to the Chief Executive so she can do a subsequent approval of all unapproved amounts, ensuring there is a subsequent two-person segregation and appropriate approvals within Council delegations.

The process and approval by the Chief Executive, and verification of the control and reporting proving when the control wasn't working should provide evidence to Audit that this has now been rectified and subsequent approval has been completed.

Council officers will provide a close-out report back to the committee after the expenditure has been verified and approved.

**WHAKAKAPINGA | CONCLUSION**

It is recommended that the committee receives this information.

**NGĀ TŪTOHUNGA | RECOMMENDATION(S)**

That the Risk and Assurance Committee receives the update on Taupō District Council's Purchase Order System control issue.

**NGĀ TĀPIRIHANGA | ATTACHMENTS**

Nil



**5.6 RISK APPETITE STATEMENT**

**Author:** Louise Chick, Business Excellence Manager

**Authorised by:** Sarah Matthews, General Manager Organisation Performance

**TE PŪTAKE | PURPOSE**

To seek the Risk and Assurance Committee's approval to adopt the attached draft Risk Appetite Statement.

**NGĀ KŌRERORERO | DISCUSSION**

On 11 December 2023 members of Council and the Risk and Assurance Committee met to workshop the level of risk Taupō District Council (TDC) is prepared to take in delivering its operations and pursuing its strategic objectives. A well-defined Risk Appetite helps to ensure elected members and council staff are 'on the same page' as to the level of acceptable risk and can be used to guide day to day decision making.

Workshop participants were asked to review various risk categories, (e.g. Financial, Health and Safety, Environmental), and assess their level of comfort at different levels of risk for each of these categories. The workshop facilitator led a discussion and moderated participants' responses. The workshop discussion and moderated responses were then used to develop a draft Risk Appetite Statement (Attachment 1).

From the Risk Appetite workshop it is evident that TDC sees itself as largely having a 'Moderate' risk appetite. Consequently, the Risk Appetite Statement aligns with the 'Moderate' column of TDC's Risk Consequence table (Attachment 2). Risks that exceed this 'Moderate' consequence must occur only Rarely (<10% chance) or be managed further so that it is either less likely to occur or has lower consequences should it occur. If this is not possible, they will be escalated to Executive level.

Once adopted the Risk Appetite will form an integral part of TDC's Risk Management Framework, where it will help guide staff as to whether risks faced by the organisation are 'acceptable' or whether they sit outside of Council's Risk Appetite.

A simple example to demonstrate how this risk assessment process works is outlined in Appendix A.

**WHAKAKAPINGA | CONCLUSION**

A Risk Appetite Statement has been prepared using the outputs of a workshop conducted with members of Council and the Risk and Assurance Committee in December 2023.

The Risk Appetite Statement will form a fundamental part of TDC's Risk Management Framework and will be used by staff to understand the level of risk that is acceptable to TDC and will be used to guide day to day decision making.

**NGĀ TŪTOHUNGA | RECOMMENDATION(S)**

That the Risk and Assurance Committee adopts the Taupō District Council Risk Appetite Statement presented as Attachment 1 of this report.

**NGĀ TĀPIRIHANGA | ATTACHMENTS**

1. Risk Appetite Statement
2. Risk Consequence Table
3. Risk Likelihood Table

**APPENDIX A - HOW DOES RISK APPETITE GET USED IN PRACTICE?**

To help Committee Members understand how the Risk Appetite will be used in practice, the example will lead you through the process.

Example scenario –

**Step 1 – Establish the context** - The Wastewater Asset Manager has a project to install new wastewater pipes through town to increase capacity. The project is worth \$10M and will last for 2 years.

**Step 2 – Identify the risks** - Some of the pipe is adjacent to old concrete potable water supply pipes which could be damaged during construction of the new pipeline.

**Step 3 – Analyse the risks** – The project manager has a lot of experience in this type of project and has had this situation occur once in his 15 years of managing these sorts of projects. He looks at TDC’s Likelihood Table (Attachment 3) and assesses the likelihood of the risk occurring as Rare (<10% chance of happening).

The project manager estimates that if the pipe were to be damaged, it might take 2-3 days to reinstate and cost around \$20k to repair. He reviews this assessment against TDC’s Consequence Table and determines that the risk against ‘Performance and Service Delivery’ is ‘Moderate’ and the ‘Financial’ risk is ‘Insignificant’.

The risk’s Likelihood assessment is **Rare**.

The risk’s Consequence assessment is **Moderate** (the greater of Moderate and Insignificant).

He reviews these assessments against TDC’s Risk Assessment Matrix as assessed the Risk as **Low**. This which is a core part of TDC’s Risk Management Framework (refer to other papers on this Risk and Assurance Agenda).

**Step 4 – Risk Evaluation** – Because the risk is ‘Low’, and sits within TDC’s Risk Appetite, the risk is acceptable without requiring any further mitigation. If the risk were assessed as High or Extreme, the project manager would need to consider mitigating the risk in order to reduce it to an acceptable level.

Risk Assessment Matrix						
<small>Return to Risk Register</small>						
<b>LIKELIHOOD</b>	Almost Certain	Medium	High	Extreme	Extreme	Extreme
	Likely	Medium	High	High	Extreme	Extreme
	Possible	Low	Medium	High	High	Extreme
	Unlikely	Low	Medium	Medium	High	High
	Rare	Low	Low	Low	Medium	Medium
		Insignificant	Minor	Moderate	Major	Severe
		<b>CONSEQUENCE</b>				

**Figure 1** - TDC’s Risk Assessment Matrix showing how Risk Rating is calculated.

## 5.7 TAUPŌ DISTRICT COUNCIL RISK MANAGEMENT POLICY AND FRAMEWORK

**Author:** Louise Chick, Business Excellence Manager

**Authorised by:** Sarah Matthews, General Manager Organisation Performance

### TE PŪTAKE | PURPOSE

To present the proposed Risk Management Policy and Risk Management Framework for consideration and adoption by the Risk and Assurance Committee.

### NGĀ KŌRERORERO | DISCUSSION

Taupō District Council's risk management expectations are currently described within its Risk Management Charter. The Risk Management Charter was due for review in July 2023.

It is proposed that the Risk Management Charter (Attachment 1) be replaced by a Risk Management Policy (Attachment 2) and Risk Management Framework (Attachment 3) to:

- i) Clearly define risk management objectives, principles and expectations of staff and governance within the **Risk Management Policy**.
- ii) Provide simple guidance to staff on how to implement risk management practices within TDC within the **Risk Management Framework**.

The Risk Management Policy and Risk Management Framework align with best practice as defined by the International Organization for Standardization (ISO)'s *Risk Management – Guidelines (ISO 3100:2018)*.

The Risk Appetite Statements, Risk Management Policy, Risk Management Framework and supporting tools form key elements of TDC's Risk Management System (Figure 1).



**Figure 1** – Key elements of TDC's risk management system.

The Risk Management Framework is structured in two key parts:

- i) Framework – this describes the key elements of a successful risk management system which incorporates integrating, designing, implementing, evaluating, and improving Enterprise Risk Management practices. The TDC Risk Advisor will seek to ensure this continuous improvement cycle is applied to the refinement of TDC's risk management system.
- ii) Process – this describes the steps that TDC staff should apply when managing risks to their project or work objectives.

By applying the Risk Management Policy and Framework throughout TDC we would expect to have risks consistently captured and managed in risk registers throughout the business. The most significant of these

risks, those requiring Executive attention, will be aggregated into an Enterprise Risk Register from subordinate risk registers.

The language throughout both documents is deliberately simple. The intention is to 'demystify' risk management to try and improve uptake and implementation of the processes described.

There is blue highlighted text throughout the document – this text will become hyperlinks to related documents. The intention is that all of the risk management documents will be hosted on a risk management portal, accessible from the new intranet which is being rolled out from the end of February 2024.

Should the Risk and Assurance Committee adopt the proposed policy and framework, the Business Excellence team will roll-out organisational wide training to support uptake of the processes described within these documents.

### **WHAKAKAPINGA | CONCLUSION**

TDC's Risk Management Charter was due for renewal in July 2023. It is proposed the Charter be replaced by a Risk Management Policy and Risk Management Framework which is consistent with international best practice as defined by *Risk Management – Guidelines (ISO 3100:2018)*.

### **NGĀ TŪTOHUNGA | RECOMMENDATION(S)**

That the Risk and Assurance Committee adopts the Risk Management Policy and Risk Management Framework to replace the existing Risk Management Charter.

### **NGĀ TĀPIRIHANGA | ATTACHMENTS**

1. Risk Management Charter 2021 - 2023
2. TDC Risk Management Policy
3. TDC Risk Management Framework
4. 3a - Planning to do risk management
5. 3b - Risk Register Template
6. 3c - Likelihood Table
7. 3d - Consequence Table
8. 3e - Risk ID prompts
9. 3f - Risk meeting check-sheet

**5.8 HEALTH, SAFETY AND WELLBEING STRATEGY**

**Author:** Louise Chick, Business Excellence Manager

**Authorised by:** Sarah Matthews, General Manager Organisation Performance

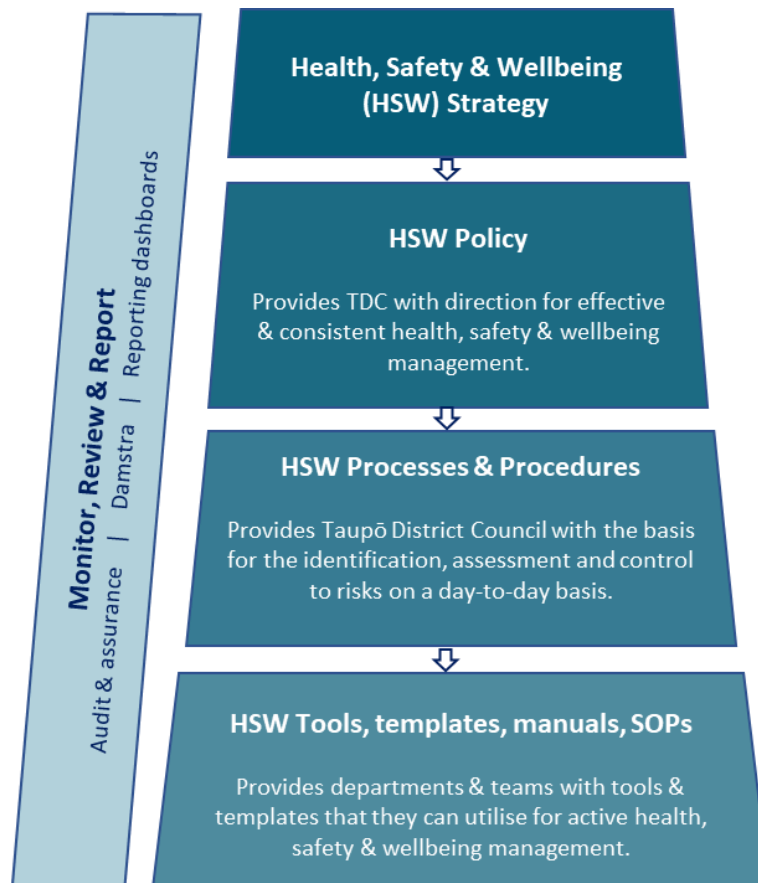
**TE PŪTAKE | PURPOSE**

To present Taupō District Council’s updated Health, Safety and Wellbeing Strategy to the Risk and Assurance Committee.

**TE WHAKAMAHUKI | BACKGROUND**

A new Health, Safety and Wellbeing Policy was adopted by the Risk and Assurance Committee at its December 2023 meeting.

This paper presents an updated Health, Safety and Wellbeing Strategy, which is another key element of TDC’s health, safety and wellbeing system (Figure 1). The updated Strategy was approved in December 2023 by the General Manager Organisation Performance.



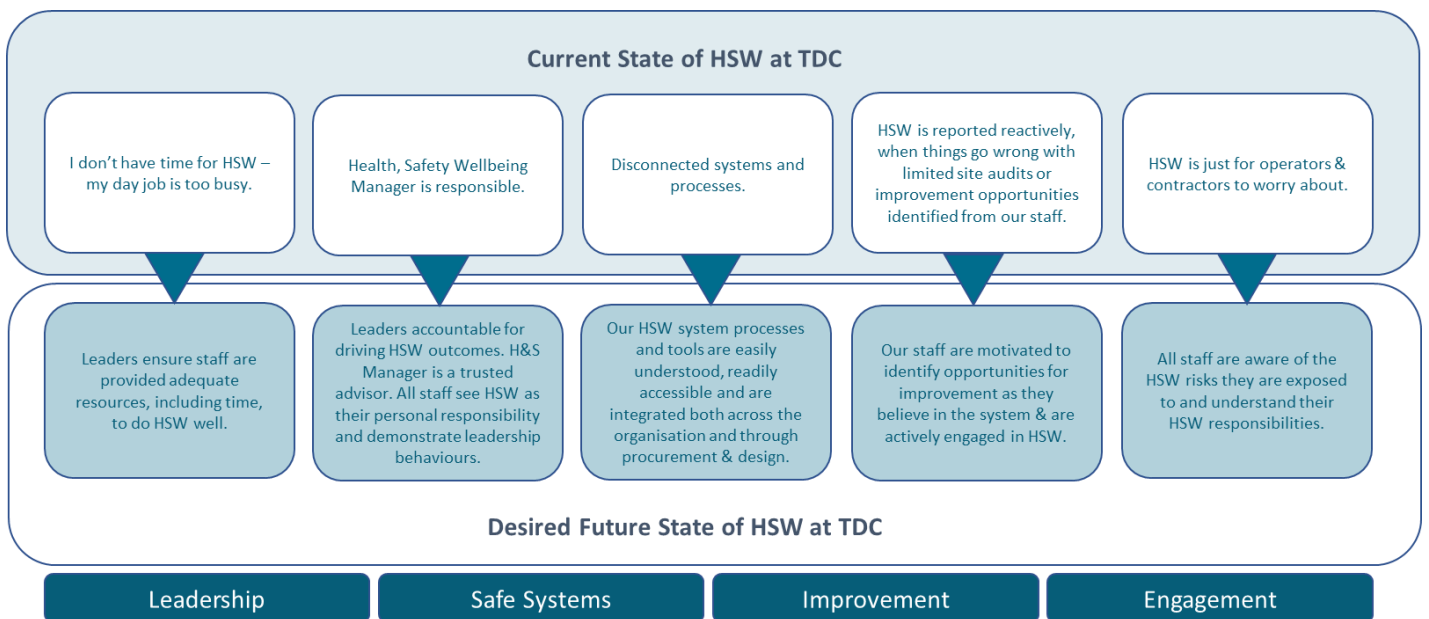
**Figure 1** – Key elements of TDC’s Health, Safety and Wellbeing System.

**NGĀ KŌRERORERO | DISCUSSION**

**Health, Safety and Wellbeing Strategy**

The Health, Safety and Wellbeing Strategy has been developed around four key pillars: Leadership, Engagement, Safe Systems and Improvement. The strategy aims to make the transformation outlined in Figure 2 below.

The Business Excellence Team is developing a dashboard health, safety and wellbeing report focussed around these four pillars. This report will help governors and senior management attain confidence that TDC is moving the right strategic direction with the development of its health, safety and wellbeing system.



**Figure 2** - Outline of the outcomes and behaviours TDC seeks to embed in its HSW culture through implementation of its Health, Safety and Wellbeing Strategy.

TDC is currently developing a health, safety and wellbeing portal on its new intranet to make key health, safety and wellbeing information, processes and templates readily accessible to all TDC staff. The Health, Safety and Wellbeing Strategy will be included on the intranet portal which will be launched at the end of February 2024. Following this the Business Excellence Team plans to promote the portal and its contents across the TDC business.

**WHAKAKAPINGA | CONCLUSION**

TDC has updated its Health, Safety and Wellbeing Policy Strategy and the document is provided for the Committee's receipt.

**NGĀ TŪTOHUNGA | RECOMMENDATION(S)**

That the Risk and Assurance Committee receives the report and the attached Health, Safety and Wellbeing Strategy.

**NGĀ TĀPIRIHANGA | ATTACHMENTS**

- Attachment 1 - TDC Health, Safety and Wellbeing Strategy

**5.9 HEALTH, SAFETY AND WELLBEING - QUARTERLY UPDATE**

**Author:** Michelle McGill, Health, Safety and Well-Being Manager

**Authorised by:** Louise Chick, Business Excellence Manager

**TE PŪTAKE | PURPOSE**

To provide the Risk and Assurance Committee an update on the progress in implementing improvements to Taupō District Council's Health, Safety and Wellbeing system and update the Committee on health and safety incidents incurred for the quarter November 2023 to January 2024.

**NGĀ TŪTOHUNGA | RECOMMENDATION(S)**

That the Risk and Assurance Committee receives the Health, Safety and Wellbeing Report for November 2023 to January 2024.

**NGĀ KŌRERORERO | DISCUSSION****Strategy Implementation**

Taupō District Council's Health, Safety & Wellbeing (HSW) Strategy 2024-27 (the Strategy) was updated at the end of 2023 and provides an overarching strategic approach for TDC to achieve the highest standard of safety and wellbeing for the people we employ, work alongside, and those that use our facilities and services.

Four key pillars are identified in the Strategy - Leadership, Engagement, Safe Systems and Improvement, each with clear objectives and commitments. Table 1 below is an update on progress against these strategic commitments.

**Table 1** – Summary of commitments made in TDC’s Health, Safety and Wellbeing Strategy and progress against their implementation.

	<b>Commitment</b>	<b>Status %</b>	<b>Next Milestone</b>	<b>Comment</b>
Leadership	Develop schedule of Leadership Safety Walks.	0%	Work with Executive to develop Leadership Safety Walk schedule.	
	Development of roles, accountability, and responsibilities framework (RACI) and implement training to ensure staff understand their responsibilities.	50%	Implement management training of the RACI in conjunction with the development of an internal Stakeholder Engagement Plan.	RACI developed. Next step to implement organisational wide training starting with the Tier 3 managers (ELT).
	Management training will include specific content aimed at helping design mentally healthy work as a means of minimising stress in the workplace and improving staff wellbeing.	10%	Bowtie on psychosocial risks to complete gap analysis on design of mentally healthy work - scheduled 26 Feb 2024	TDC have wellness processes in place for managing stress (EAP, flexible working arrangements), however identifying the workplace risk and hazards leading to declining mental health is a priority.
Engagement	Develop an internal H&S Engagement Plan highlighting that HSW affects everyone, not just construction.	0%	Hold kick off workshop to identify creative ways of engaging the wider organisation on health and safety matters.	
	People leaders hold their staff to account for HSW matters.	0%	Roll-out training on TDC’s HSW Policy and health and safety responsibilities as outlined in the RACI.	Staff cannot be held to account until their responsibilities have been clearly communicated.
	Develop internal staff surveys to assess TDC culture.	0%	Develop survey questions.	
Safe Systems	Refresh our HSW management system – roles, tools, policies & processes – to ensure enterprise coverage & easy to use.	40%	Policy Statement, Strategy, RACI and Improvement Plan to structure a review of our processes.	The engagement plan will address the training from March onward
	Integrate HSW outcomes within TDC’s procurement processes & supply chain management.	60%	A procedure – H&S in Procurement Procedure is in draft for final review by end of February.	
	Develop a contractor Health & Safety Management Framework.	50%	A framework to encompass contractor requirements and the H&S expectations for internal project and contract managers	
	Develop a new Intranet portal that becomes the source of all HSW ‘truth’.	85%	This becomes live at the end of February 2024.	
	Response to incidents are proactively managed.	0%	Implement cross organisational training on TDC’s incident management system (DAMSTRA) and roles and responsibilities.	Seek to increase the timeliness of investigation and appropriate closure of incidents through increased training.
Improve ment	Identify what is important to TDC in the HSW space, develop measures & benchmarked targets & report on these.	10%	Surveys and involvement with representatives from the Health, Safety & Wellbeing Committees are scheduled in March.	



	Commitment	Status %	Next Milestone	Comment
	Develop/rollout Safety Leadership Training for all managers & team leaders	0%	Progressing as the frameworks, policies and procedures are finalised.	Training will be rolled out following launch of the new intranet site (launching at end of February; training from March onwards).
	Develop a HSW Assurance Programme	0%	Map all of the existing health, safety and wellbeing controls currently existing across the business.	An assurance programme cannot be developed it is clear what are the key controls are. Compilation of this material has commenced.

### Update on implementation of KPMG Health and Safety Review Report recommendations

In 2023 TDC commissioned KPMG to conduct a review of TDC's health and safety system. The report summarising the findings of this review was presented at the December 2023 Risk and Assurance Committee meeting. A key health and safety focus is to implement the recommendations made within the report.

The KPMG Report summarised KPMG's findings into 15 categories with 7 of the findings considered high and medium.

	High	Medium	Low	Total
Total internal audit findings	2	5	8	15

There were 42 recommendations to support the 15 audit findings.

	High	Medium	Low	Total
Number of recommendations	7	15	20	42
Closed recommendations	1	0	8	9
Open recommendations	6	15	12	33

For each audit finding rated High or Medium, progress updates are provided below.

The Outstanding Audit Recommendations report elsewhere on this agenda specifies forecast completion dates for all recommendations (High, Medium, and Low).

#### 1. Critical Risks not established (High)

TDC has defined Critical Risks as: *Risk arising from activities regularly undertaken by a PCBU that if not adequately controlled could result in a significant injury or fatality.*

TDC has identified 22 risks with the potential to cause significant injury or a fatality, and these are listed below. Staff have prioritised these risks into three tiers to enable attention to be focused on those critical risks that arise from work: i) frequently undertaken, and ii) for which TDC has the greatest control and influence.

Tier 1 *Critical risks exposed to TDC workers on a daily basis or have a history of contractor incidents.*

1. Driving for work
2. Workplace psychosocial risks
3. Working on or near roads
4. Violence and aggression

5. Hazardous substances
6. Working at heights
7. Working with animals
8. Overlapping duties in the contracting chain
9. Underground or buried services

Tier 2 *Critical risks work by TDC workers on an infrequent basis and are pre-planned operations.*

10. Confined space entry
11. Working alone / in isolation
12. Electrical / mechanical / pressure isolations
13. Electrical work
14. Unguarded machinery (maintenance work)
15. Working over or near water

Tier 3 *Critical risk completed generally by contractors.*

16. Exposure to asbestos containing material (ACM)
17. Silica dust
18. Crane work
19. Excavations
20. Working beneath overhead powerlines
21. Working with bitumen
22. Working with trees.

The KPMG review identified the need to complete identification and assessment of TDC's critical risks. This is being progressed through Bowtie Risk Analysis. Four of the nine Tier 1 critical risks have been workshopped to understand the root causes, potential impacts, current risk controls, and potential additional opportunities to mitigate these risks. Workshops are booked for 'Workplace psychosocial risks' in February.

40% - underway

## **2. Risk Registers not in place and controls not evaluated to establish if working as intended (High)**

The review recommended that TDC utilise risk registers across the business to provide a structured and consistent approach to managing risk to as low as reasonably practicable. It also recommended that formal processes be established to ensure risks are controlled.

The Business Excellence Team has recently prepared a Risk Management Framework (elsewhere on this agenda for Risk and Assurance Committee consideration and adoption). This provides structured processes to identify and manage risks. Upon adoption, business-wide training on the Framework will be implemented, and different business units encouraged to utilise standardised practices and risk register templates.

10% - underway

## **3. Inconsistent Risk Matrix and Ranking (Medium)**

The proposed Risk Management Framework includes a standardised Risk Matrix and system for ranking risks. Subject to adoption by the Risk and Assurance Committee, the Risk Management Framework will be implemented as described above.

50% - underway

## **4. Limited formal assurance practices in place (Medium)**

Assurance tools through Vault Check software have already been put in place for monitoring safety performance in areas of the business where high-risk work is undertaken. E.g. site audits.

Further work is required to validate whether other risks controls are being implemented and working as intended. The first step is to map what all the existing controls are to develop a fuller understanding of all the processes and procedures that are in place across the business.

60% -underway

## 5. Understanding health and safety risk and auditing of contractor safety systems (Medium)

The website “Contracting to Council” is under review. There will be an increased emphasis on ensuring new contractors are aware of their health and safety responsibilities and the requirement to obtain a health and safety prequalification prior to being engaged by Council.

To help ensure TDC is engaging contractors with solid health and safety systems, staff are preparing a *H&S in Procurement Procedure* which will give our internal contract and project managers guidance on the H&S expectations from our contractors through the procurement cycle.

75% underway

## 6. Emergency drills do not include all scenarios (Medium)

Fire and evacuation drills are in place across TDC venues and halls, with reports submitted to FENZ to ensure compliance to the registered Fire Evacuation Schemes.

There is further work to do to: i) determine other plausible emergency situations, e.g. chemical spills or bomb threats, ii) design appropriate responses to these situations, and iii) test these using emergency drills.

Other scenarios are best tested through Civil Defence Emergency Management exercises, e.g. responding to a volcanic eruption.

30% underway

## 7. Limited security practices expose workers (Medium)

Work is progressing in identifying triggers for a lock down scenario and this will involve individual security risk assessments of each venue.

0% on security risk assessments across venues.

### Low Risk findings identified by KPMG audit

There are 12 open recommendations to be addressed as the Engagement Plan is implemented and supported with the H&S portal on the intranet becoming live at the end of February.

### Update on Other Key Activities

#### INCIDENT MANAGEMENT

For the three-month period covered by this report, 70 events were reported into Council’s Health and Safety Incident Management database (Damstra) of which the majority were non-injury incidents (40) and near misses (3). For the remaining injury related incidents (22) and illness (5) the type of injury is reported in Figure 1 below.

Serious harm injuries remain very low with most injuries requiring either simple first aid or no treatment.

Events - 1st Nov 2023 to 31st Jan 2024



No. of Events	Type of Event				
Event Status	Illness	Incident	Injury	Near Miss	Total
Completed	4	35	19	3	61
Not Started	0	1	0	0	1
Underway	1	4	3	0	8

**Figure 1** – Summary of events reported in Damstra over the three-month reporting period.

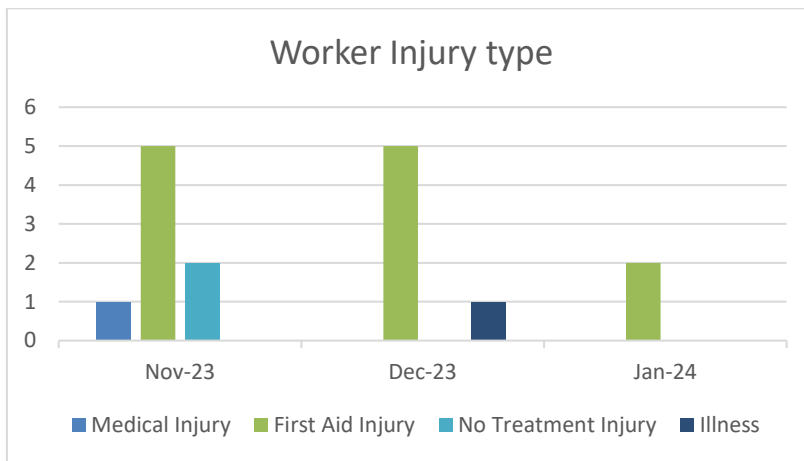


Figure 2 - Worker Injury type

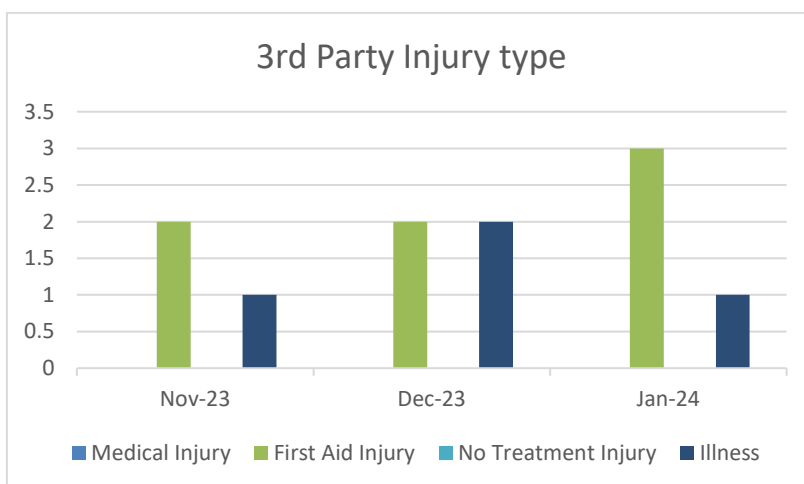


Figure 3 - 3rd party Injury type

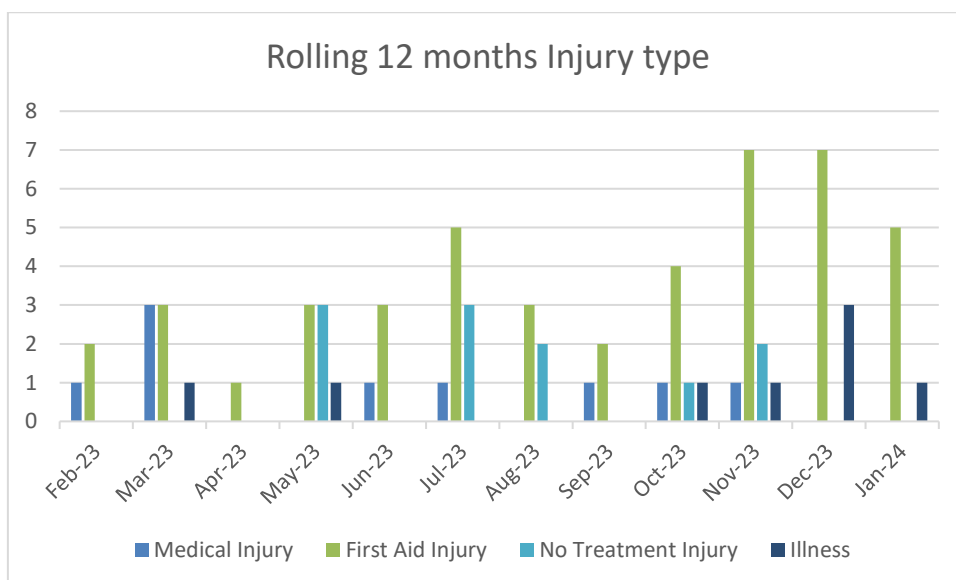


Figure 4 – Graph indicating illnesses and whether injuries reported required medical intervention, first aid, or no treatment.

Injuries for the last three months have increased, with most injuries representing no treatment (2) or first aid treatment (19) with one medical treatment injury. The frequency of medical treatment injuries remains consistently low.

There were five illnesses with patrons experiencing illness related events at our venues. Three occurred at the AC Baths and lifeguards provided medical assistance until emergency services arrived or the patient/care giver was comfortable that the medical episode had passed. One occurred at the library and escalated to emergency services.

Note\*- One non-work related medical event (illness) resulted in a fatality discussed in the Notifiable Events section of this report.

During the reporting period there was one worker medical treatment injury –Water Treatment Plants (WTP). This was a rolled ankle on uneven surfaces, with x-rays confirming a broken ankle. As the patient was treated as an out-patient it was not notifiable to WorkSafe.

Investigations have been completed with corrective actions assigned to mitigate the likelihood of a similar event reoccurring.

**Table 1** – Summary of the number of injuries & medical conditions affecting employees, non-workers, and contractors over the three-month reporting period.

INJURIES	Injury – Medical treatment	Injury - First Aid	Injury – No treatment	Total injuries	Illness – Medical Condition
Employee	1	12	2	15	1
Non-worker	0	7	0	7	4
Contractor	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>19</b>	<b>2</b>	<b>22</b>	<b>5</b>

Contractors do not report on minor injuries unless associated with a serious near miss (that are reported on).

There were no contractor incident or injuries reported in this period.

## NOTIFIABLE EVENTS TO WORKSAFE NZ (3 MONTHS)

### Fatality

On 16 December an unconscious person was pulled from the Leisure pool at the AC Baths Complex following a medical event. Lifeguards responded with life preserving first aid and emergency services attended. The patient was transferred by ambulance through to Taupō hospital and later passed away.

As per procedures the pools were evacuated and closed to the public. Management and the Executive General Manager provided support to the lifeguards over the following hours with an independent counsellor present on site.

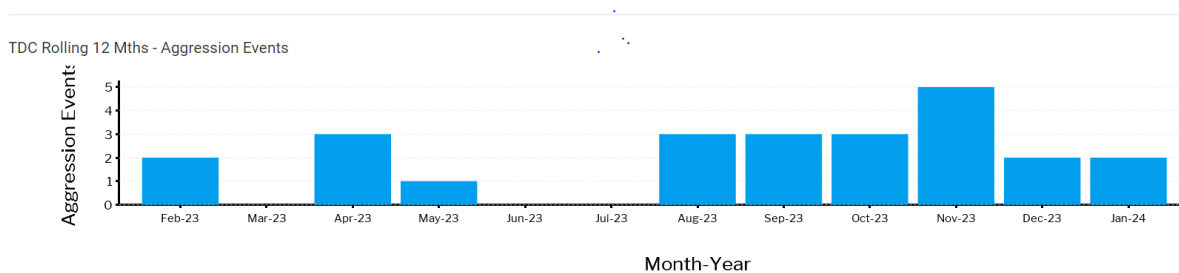
The coroner is preparing a report. TDC has issued a preliminary notification to WorkSafe.

## AGGRESSION INCIDENTS

Aggressive behaviours have in the last two-month period shown a decline in the data reported from August – November 2023. The increase in anti-council sentiment in the last quarter was potentially a consequence of national elections and the economic status of NZ at the time.

A more risk-based approach has been applied where the aggressive behaviours are risk assessed in a traffic light grading and this data will provide Council with insights into more focused controls as trends emerge.

Aggressive behaviours towards our employees does impact on declining mental wellbeing and continues to be a concern and a focus area for improvements in controls to reduce the events and the impacts.



**Figure 3** – Aggression events reported over the previous 12 months.

## CONFERENCES

On 22 November 2023 the Health, Safety and Wellness Manager attended the Mentally-Healthy Work Conference hosted by Safeguard. The key messaging from the conference:

- There is a duty under the HSWA for Officers and CEOs to manage workplace risks that impact on mental harm:

*A PCBU must eliminate or minimise risks to health and safety, so far as is reasonably practicable [HSWA, s30] ... where health means physical and mental health[HSWA, s16]*

- Psychosocial risks in the workplace can be managed by designing ‘Mentally Healthy Work’ through a risk management approach.
- In the design of mentally healthy work, the focus is on the work and the workplace (i.e., eliminate or minimise harmful work factors and maintain or strengthen protective work factors).

The factors can relate to four areas:

**Task:** The nature and demands of the work and how it is organised.

**Individual:** The impact of work on a person and its meaning to them.

**Social:** The relationships and personal connections at work.

**Organisational:** The culture, systems and employment processes at work.

TDC has identified psychosocial risks as a “critical risk”. Analysis of causes and effects of this risk (Bowtie risk analysis) is scheduled for February.

## WHAKAKAPINGA | CONCLUSION

TDC continues to proactively implement the opportunities for improvement to its health and safety system recommended in the KPMG Health and Safety Review Report.

The Health, Safety & Wellbeing Strategy with its four elements, Leadership, Engagement, Safe Systems and Improvement provides a robust structure to rebuild an enterprise H&S system and address the recommendations in the KPMG audit.

Critical risk management will continue to be a focus for 2024 with consultation and engagement with workers across the business to evaluate effectiveness of the controls implemented.

There has been a slight decrease in the number of injuries and aggressive behaviours reported. TDC has issued a preliminary notification to WorkSafe following a fatality at AC Baths where a customer suffered a medical event whilst swimming.

## NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

**5.10 TAUPŌ DISTRICT COUNCIL MONTHLY PERFORMANCE REPORT - JANUARY 2024**

**Author:** Julie Gardyne, Chief Executive Officer

**Authorised by:** Julie Gardyne, Chief Executive Officer

**TE PŪTAKE | PURPOSE**

This report provides the Risk and Assurance Committee with an overview of the performance of the organisation.

**NGĀ TŪTOHUNGA | RECOMMENDATION(S)**

That the Risk and Assurance Committee notes the information contained in the Performance Report for the month of January 2024.

**NGĀ TĀPIRIHANGA | ATTACHMENTS**

1. Performance Report - January 2024

**5.11 RISK AND ASSURANCE COMMITTEE WORKPLAN UPDATE**

**Author:** Louise Chick, Business Excellence Manager

**Authorised by:** Sarah Matthews, General Manager Organisation Performance

**TE PŪTAKE | PURPOSE**

To present the Risk and Assurance Committee with an updated reporting programme for the 2024 calendar year.

**NGĀ KŌRERORERO | DISCUSSION**

In December 2023 the Risk and Assurance Committee (the Committee) received a workplan for the 2024 calendar year. The attached *Risk and Assurance Workplan 2024 (March 24 version)* proposes a number of changes to this and the reasons for these proposed changes are discussed below.

Changes to the workplan are denoted on the attachment by red dots (meeting that report was originally scheduled for) and green dots (new proposed reporting time).

**Risk Management**

The Committee was due to receive an update on Strategic Risks. However, as TDC's Risk Advisor role has been vacant since 21 November 2023 there has been insufficient resource to progress this work. Recruitment has been underway since before Christmas but it can take some time to recruit specialised positions, especially in smaller centres. In the meantime, TDC is now in a financial position to bring on a consultant to progress this work.

**Taupō Urban Lands Development Risks Update**

The Taupō Urban Lands Development project team has recommended that this report be deferred until a preferred option is agreed by Council (aiming for March meeting). It is proposed that the Committee receive a report on the Taupō Urban Lands Development at an extra-ordinary Risk and Assurance Committee Meeting planned for 8 April 2024.

**Risk Discussion Catchup with General Managers**

The Risk and Assurance Committee Chair has recommended that updates from general managers and risk holders should occur within meetings, rather than as separate informal catch-ups. Therefore, this item can be removed.

**Sensitive Expenditure Review**

TDC's Sensitive Expenditure Policy is currently being reviewed. A report updating the Committee on Sensitive Expenditure incurred will be prepared in accordance with the updated policy and presented at the June 2024 meeting.

**Business Continuity Policy & Framework**

The Committee was due to receive an update on TDC's Business Continuity Policy and Framework. However, TDC's Risk Advisor role has been vacant since 21 November 2023, and there has been insufficient resource to progress this work. TDC is currently looking at obtaining consultant support to progress this work.

**Insurance Update**

The Committee agreed at its December 2023 meeting that it was best to receive an update on insurance in the lead up to the next insurance placement which occurs in November. Therefore, the report will be deferred until the September 2024 meeting.

**Insurance Strategy**

The Committee was due to receive a report on TDC's Insurance Strategy. The purpose of the Strategy is to 'define the principles, strategic objectives and set clear direction [for insurance] for the next 3 years'. Having reviewed a draft Insurance Strategy, TDC is of the opinion there is considerable work yet to be done to



complete the Insurance Strategy. This feedback has been presented to the consultant and at the time of writing, TDC was waiting to receive a response.

### **Audit Arrangements Letter**

The Committee will receive an Audit Arrangements letter for the Long-term Plan at this meeting (refer to earlier agenda item). An Audit Arrangements letter for the Annual Report will be presented at the June 2024 meeting.

### **Annual Report and Audit Opinion**

Due to changing government three waters policy, subsequent extensions to Long-term Plan delivery timescales and the impact of this on Audit NZ availability, the Committee will not receive the Audit NZ opinion on the Annual Report 2023-24 and the Annual Report document until its 9 December meeting.

### **WHAKAKAPINGA | CONCLUSION**

There have been a number of changes to the Risk and Assurance Committee workplan for 2024. An updated workplan is attached.

### **NGĀ TŪTOHUNGA | RECOMMENDATION(S)**

That the Risk and Assurance Committee receive the updated workplan for 2024.

### **NGĀ TĀPIRIHANGA | ATTACHMENTS**

1. Risk and Assurance Committee Workplan 2024 (March 24 version)

**5.12 CHIEF EXECUTIVE UPDATE TO RISK & ASSURANCE COMMITTEE - CURRENT RISKS**

**Author:** Julie Gardyne, Chief Executive Officer

**Authorised by:**

**TE PŪTAKE | PURPOSE**

To enable the Chief Executive to update members of Taupō District Council's Risk & Assurance Committee on any matters she considers appropriate to bring to members' attention.

**NGĀ KŌRERORERO | DISCUSSION**

This item provides an opportunity for the Chief Executive to brief Risk & Assurance Committee members on any matters posing risks to Taupō District Council as at the date of the meeting, and for members to ask any questions in relation to current risks.

If the Committee wishes to make resolutions beyond the resolution to receive the information, then it would need to follow the procedures set out in the Local Government Official Information and Meetings Act 1987 (LGOIMA) and Standing Orders, to add particular items to the agenda by resolution to be dealt with at the meeting, because they cannot be delayed to a subsequent meeting. The relevant extract from Standing Orders (clause 9.1) is **attached**.

If a matter raised as part of this agenda item is proposed to be discussed with the public excluded, then the requirements of s 48 of LGOIMA must be met. In particular, the Committee must, at a time when the meeting is open to the public, by resolution specify the general subject of each matter to be considered while the public is excluded; explain the reason for the passing of that resolution in relation to that matter (including the particular interest(s) protected by ss 6 and / or 7 of LGOIMA); and the grounds on which the resolution is based. The relevant extracts from Standing Orders (clauses 18.1 and 18.3) are **attached**.

**WHAKAKAPINGA | CONCLUSION**

It is recommended that the Committee receives the information presented by the Chief Executive.

**NGĀ TŪTOHUNGA | RECOMMENDATION(S)**

That the Risk and Assurance Committee receives the update provided by the Chief Executive in relation to current risks.

**NGĀ TĀPIRIHANGA | ATTACHMENTS**

1. Extract from Taupō District Council Standing Orders 2022-2025 - Clause 9.1 Items of business not on the agenda which cannot be delayed
2. Extracts from Taupō District Council Standing Orders 2022-2025 - Clause 18 Exclusion of public

## 6 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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
<p><b>Agenda Item No: 6.1</b> Confirmation of Confidential Portion of Risk and Assurance Committee Minutes - 11 December 2023</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)(c)(i) - the withholding of the information is necessary 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 enactment, where the 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>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>
<p><b>Agenda Item No: 6.2</b> Sensitive Expenditure - Confidential</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 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>
<p><b>Agenda Item No: 6.3</b> Litigation Update</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]*.