

# **ATTACHMENTS**

**Risk and Assurance Committee Meeting**

**5 March 2024**

## Table of Contents

---

4.1	Risk and Assurance Committee Meeting - 11 December 2023	
	Attachment 1 Risk and Assurance Committee Meeting Minutes - 11 December 2023.....	3
5.1	2024/34 Long-term Plan update	
	Attachment 1 Long-term Plan 2024-34 Project Plan .....	13
	Attachment 2 Long-term Plan 2024-34 Risk Register .....	14
5.2	2024/34 Long-term Plan Audit Plan and Fees Structure	
	Attachment 1 Audit Engagement Letter: Audit of the Long-term Plan 2024-34 for the period commencing 1 July 2024.....	17
5.3	Outstanding Audit and Improvement Items	
	Attachment 1 Open Audit Recommendations.....	32
	Attachment 2 CLOSED Audit Recommendations.....	43
5.4	Tirohanga Forest Powerline Corridor Update Report	
	Attachment 1 Tirohanga Forest - EHMP Map.....	50
5.6	Risk Appetite Statement	
	Attachment 1 Risk Appetite Statement .....	51
	Attachment 2 Risk Consequence Table .....	55
	Attachment 3 Risk Likelihood Table .....	57
5.7	Taupō District Council Risk Management Policy and Framework	
	Attachment 1 Risk Management Charter 2021 - 2023 .....	58
	Attachment 2 TDC Risk Management Policy.....	64
	Attachment 3 TDC Risk Management Framework .....	72
	Attachment 4 3a - Planning to do risk management.....	89
	Attachment 5 3b - Risk Register Template .....	90
	Attachment 6 3c - Likelihood Table .....	91
	Attachment 7 3d - Consequence Table .....	92
	Attachment 8 3e - Risk ID prompts.....	94
	Attachment 9 3f - Risk meeting check-sheet .....	99
5.8	Health, Safety and Wellbeing Strategy	
	Attachment 1 Attachment 1 - TDC Health, Safety and Wellbeing Strategy.....	101
5.10	Taupō District Council Monthly Performance Report - January 2024	
	Attachment 1 Performance Report - January 2024 .....	113
5.11	Risk and Assurance Committee Workplan Update	
	Attachment 1 Risk and Assurance Committee Workplan 2024 (March 24 version).....	139
5.12	Chief Executive Update to Risk & Assurance Committee - Current Risks	
	Attachment 1 Extract from Taupō District Council Standing Orders 2022-2025 - Clause 9.1 Items of business not on the agenda which cannot be delayed.....	141
	Attachment 2 Extracts from Taupō District Council Standing Orders 2022-2025 - Clause 18 Exclusion of public.....	142

**TAUPŌ DISTRICT COUNCIL  
MINUTES OF THE RISK & ASSURANCE COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBER, 107 TE HEUHEU STREET, TAUPŌ  
ON MONDAY, 11 DECEMBER 2023 AT 12.30PM**

- PRESENT:** Mr Bruce Robertson (in the Chair), Cr Danny Loughlin, Mr Anthony Byett, Cr Anna Park, Cr Rachel Shepherd, Cr John Williamson
- IN ATTENDANCE:** Chief Executive (J Gardyne), General Manager Organisation Performance (S Matthews), General Manager People and Community Partnerships (L O'Brien), General Manager Strategy and Environment (W Zander), Legal and Governance Manager (N McAdie), Finance Manager (J Paenga), Executive Manager Housing and Property Investment (P King), Business Excellence Manager (L Chick), Health, Safety and Wellbeing Manager (M McGill), Commercial Manager (P Handcock), Property Advisor (T Maulder), Senior Solicitor (K Hollman), Senior Policy Advisor (K Goode), Programme Manager (J Walton), Committee Advisor (D Periam), Governance Quality Manager (S James)
- MEDIA AND PUBLIC:** Audit New Zealand representatives, Messrs Wikus Jansen van Rensburg and Kayode Oloro (MS Teams, for items 1-5.4)  
New Zealand Forest Manager representatives, Mr Chas Hutton and Ms Jackie Egan (for items 1-5.3)

- Notes: (i) Items were considered in the following order: 1-5.13, confidential items C01-02, item 5.14  
(ii) Cr Anna Park left the meeting at 2.42pm and re-entered the meeting at 2.44pm. She was not present for voting on resolution RACC202312/12.

**1 KARAKIA**

Chairperson Mr Bruce Robertson recited Taupō District Council's opening karakia.

**2 WHAKAPĀHA | APOLOGIES**

**RACC202312/01 RESOLUTION**

Moved: Cr Anna Park  
Seconded: Cr Rachel Shepherd

That the apologies received from His Worship the Mayor, David Trewavas and Cr Kevin Taylor be accepted.

**CARRIED**

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202312/01 above.

**3 NGĀ WHAKAPĀNGA TUKITUKI | CONFLICTS OF INTEREST**

Nil

#### 4 WHAKAMANATANGA O NGĀ MENETI | CONFIRMATION OF MINUTES

##### 4.1 RISK & ASSURANCE COMMITTEE MEETING - 13 SEPTEMBER 2023

###### RACC202312/02 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Danny Loughlin

That the minutes of the Risk & Assurance Committee meeting held on Wednesday 13 September 2023 be confirmed as a true and correct record.

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202312/02 above.*

#### 5 NGĀ RIPOATA | REPORTS

##### 5.1 EXCLUSION OF PUBLIC - ANNUAL REPORT 2022/23

Chairperson Mr Bruce Robertson explained that there was a need to exclude the public to enable Audit New Zealand representatives to update members on the progress of the audit of Taupō District Council's Annual Report 2022/23. The Annual Report, audit opinion and letter of representation documents were all still in draft. Mr Robertson added that the Council would be considering the Annual Report documents at a meeting scheduled to be held the following day (12 December 2023).

Member Mr Anthony Byett advised that he had difficulty accepting the reasons for excluding the public for this item.

###### RACC202312/03 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Danny Loughlin

That the Risk & Assurance Committee excludes the public to enable a confidential discussion to be had with Audit New Zealand representatives, for the reasons set out below:

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
<b>Agenda Item No: 5.2</b> Exclusion of Public - Annual Report 2022/23	Section 7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons  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	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

Risk &amp; Assurance Committee Meeting Minutes

11 December 2023

	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	
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I also move that Audit New Zealand representatives, Messrs Wikus Jansen van Rensburg and Kayode Oloro, be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of the audit of the Taupō District Council Annual Report 2022/23.

**CARRIED**

Note: Chairperson Mr Bruce Robertson and Crs Danny Loughlin, Anna Park, Rachel Shepherd and John Williamson voted in favour of resolution RACC202312/03 above; and  
Member Mr Anthony Byett voted against resolution RACC202312/03.

#### **ITEM 5.2 ANNUAL REPORT RECOMMENDATION TO ADOPT 2022/23 – IN CONFIDENCE**

### **5.3 TIROHANGA FOREST POWERLINE CORRIDOR REPORT**

The Commercial Manager introduced Mr Chas Hutton and Ms Jackie Egan, from New Zealand Forest Managers. Mr Hutton made a PowerPoint presentation (A3476599). Topics covered included Tirohanga Forest sales history; details of the proposed harvest of 56.3ha including challenges involved; maps of the area; and previous harvest details.

Mr Hutton explained that mitigation measures had been considered to address challenges with the proposed harvest. The Transpower lines would not be removed, so the harvest would have to be undertaken with the lines in situ. The harvest would carry with it elevated risks of slipping, erosion and run-off into waterways (including Lake Whakamaru). There were a number of interested stakeholders, including Waipamu Station, a body corporate farming on the shores of Lake Whakamaru. The trees were on average 42m tall and in some places on slopes of more than 35°. Not harvesting the trees would also carry risk.

A member asked what the next steps would be following harvest. Mr Hutton advised that options following harvest would depend on Council's appetite for risk and whether or not Transpower would undertake an upgrade of the lines. It would be possible to reforest in another species, including native species, not necessarily *radiata*.

In answer to another question, the Commercial Manager advised that Council and New Zealand Forest Managers had entered into a contract some time ago. He added that forestry contracts, including the New Zealand Forest Managers contract, were due to be reviewed and updated prior to harvest.

The New Zealand Forest Managers representatives continued to answer questions, with key points noted below:

- The return to Council would be reduced due to the increased costs of harvesting trees so close to power lines and in such difficult terrain. However, there would still be a positive return to Council.
- Mitigations to protect the waterway within the harvest area would include slash controls and reducing water flows.

In answer to another question, the General Manager Organisation Performance advised that commencing the harvest was within the Chief Executive's current delegations.

Page 3

Independent Chairperson Mr Bruce Robertson asked for the Committee to be kept informed, in particular in relation to progress of legal protections for Council via contracts.

**RACC202312/04 RESOLUTION**

Moved: Mr Anthony Byett  
Seconded: Cr John Williamson

That the Risk & Assurance Committee receives the Tirohanga Forest Powerline Corridor Report dated 11 December 2023.

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202312/04 above.*

**5.4 LONG-TERM PLAN RISK AND ASSURANCE UPDATE**

The Senior Policy Advisor summarised the report and provided further updates about the Long-term Plan 2024-34 (LTP) process. The following points were noted:

- The Development Contributions workshop would be postponed to January or February 2024.
- The Consultation Document would not be adopted by 30 January 2024. A new timetable was being worked on.
- Councils were awaiting updates from government about the Long-term Plan process. In the meantime, Taupō District Council was continuing to assume three waters would remain 'in'.
- Parts of the LTP process were going well, for example engagement with iwi/hapū.

The General Manager Organisation Performance answered questions of clarification.

**RACC202312/05 RESOLUTION**

Moved: Cr Danny Loughlin  
Seconded: Cr Anna Park

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

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202312/05 above.*

**5.5 CHIEF OMBUDSMAN'S INVESTIGATION INTO MEETING AND WORKSHOP PRACTICES AT TAUPŌ DISTRICT COUNCIL**

In answer to questions, the Governance Quality Manager advised that:

- Action point 5 (recording members' votes) had been implemented.
- An additional column would be added to the 'resolution to exclude the public' table included on agendas and minutes, for Council to specify the plain English reasons for its decisions to exclude the public.
- The Chief Ombudsman's reports had been made available to all councillors.

Members endorsed continuation of the work underway to address the 14 action points raised by the Chief Ombudsman.

**RACC202312/06 RESOLUTION**

Moved: Cr Danny Loughlin  
Seconded: Cr Rachel Shepherd

That the Risk & Assurance Committee receives the final opinion of the Chief Ombudsman – *Meeting and Workshop Practices at Taupō District Council*, along with the thematic report *Open for business*, dated October 2023.

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202312/06 above.*

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

The Health, Safety and Wellbeing Manager summarised the report. In answer to questions, she advised that:

- She was working with the relevant managers and teams who were the 'owners' of the various risks identified, for example the 'Driving for Work' critical risk 'deep dive' had involved liaison with the Risk Manager and the Fleet Manager.
- Staff tended to be better at reporting incidences, than near-misses. Further education of staff, including via the health and safety committees, was required to support better reporting of near-misses.
- The 'illness' injury type related to a medical event at a Council venue.

**RACC202312/07 RESOLUTION**

Moved: Cr Anna Park  
Seconded: Cr Danny Loughlin

That the Risk & Assurance Committee receives the Health, Safety and Wellbeing Report for August to October 2023.

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202312/07 above.*

**5.7 HEALTH AND SAFETY REVIEW BY KPMG - FINAL REPORT**

The Business Excellence Manager addressed the Committee and answered questions. The following points were noted:

- The KPMG recommendations had been considered carefully and taken forward into an improvement plan, which was a work in progress.
- The initial focus was getting the system right. Education and training would then follow.
- A plan for engagement had also been devised, to ensure people knew what was required of them. That would in turn support better communication and presentation of information in a more formalised way.
- A roadmap would be used for risk processes.

The General Manager Organisation Performance advised that the internal audit plan would be presented to the Risk and Assurance Committee in the first half of the 2024 calendar year.

**RACC202312/08 RESOLUTION**

Moved: Mr Anthony Byett  
Seconded: Cr Rachel Shepherd

That the Risk & Assurance Committee receives the Health and Safety Review report from KPMG dated 15 November 2023.

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202312/08 above.*

**5.8 HEALTH, SAFETY AND WELLBEING POLICY AND STRATEGY UPDATE**

The Business Excellence Manager presented the Health, Safety and Wellbeing Policy and made the following points:

- The policy had been drafted in the form of a poster, using plain English to make it relatable to the audience, i.e. staff and contractors.
- Council's commitment and expectations were set out on the poster, all with the aim of supporting a safe and healthy working environment.
- A QR code had been included to enable people to access further information.
- The policy supported a desired cultural shift, to encourage staff and contractors to think and talk about health, safety and wellbeing as part of their everyday business with Council.
- The policy's review period was three-yearly and the next review date was included in fine print on the right hand side of the poster.

In relation to the Health, Safety and Wellbeing Strategy, the Business Excellence Manager explained that the strategy had been developed around four key pillars: Leadership; Safe Systems; Improvement; and Engagement. This was currently being considered by the Executive Team, and due to be finalised by the end of the year.

A member asked how incidents outside of Council office spaces (for example at facilities, or on reserves) were monitored. The Health, Safety and Wellbeing Manager advised that Council's control and ability to influence varied depending on the location. The Business Excellence Manager added that Council needed to be mindful of overlapping duties, checking to ensure contractors have everything in place to manage risks where appropriate, for example.

**RACC202312/09 RESOLUTION**

Moved: Cr Danny Loughlin  
Seconded: Cr John Williamson

That the Risk & Assurance Committee adopts TDC's Health, Safety and Wellbeing Policy.

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202312/09 above.*

**5.9 OUTSTANDING AUDIT AND IMPROVEMENT ITEMS**

The Business Excellence Manager presented the report and attachments and noted that there was sometimes a significant time lag between completion and formal close out of items. The Chairperson suggested that the completed/closed actions should be separated out for future reporting purposes.

Risk &amp; Assurance Committee Meeting Minutes

11 December 2023

**RACC202312/10 RESOLUTION**

Moved: Mr Anthony Byett  
Seconded: Cr Rachel Shepherd

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

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202312/10 above.*

**5.10 INSURANCE PLACEMENT UPDATE**

The Business Excellence Manager summarised the report. In answer to a question, she confirmed that insurance was placed in time for the 1 November 2023 deadline, but that Council was notified of placement after the fact.

*Cr Anna Park left the meeting at this point (2.42pm).*

In answer to further questions, the General Manager Organisation Performance advised that:

- Cyber insurance was increasingly challenging to secure, however Council did have it in place currently.
- Council continued to self-insure for underground assets by holding its TEL fund.

**RACC202312/11 RESOLUTION**

Moved: Cr John Williamson  
Seconded: Cr Danny Loughlin

That the Risk & Assurance Committee receives this report.

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202312/11 above.*

**5.11 RISK MANAGEMENT SYSTEM IMPROVEMENT ROADMAP**

*Cr Anna Park re-entered the meeting at this point (2.44pm).*

The Business Excellence Manager presented the item, noting that it contained an overview of plans to develop the organisation's risk management maturity over the next nine to 12 months.

The General Manager Organisation Performance thanked the Business Excellence Manager for continuing to make progress on improving Council's risk management system, noting the Risk Manager role was currently vacant.

**RACC202312/12 RESOLUTION**

Moved: Cr Danny Loughlin  
Seconded: Cr Anna Park

That the Risk & Assurance Committee receives this risk management systems improvement update.

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202312/12 above.*

Page 7

**5.12 RISK AND ASSURANCE COMMITTEE WORKPLAN 2024**

Committee Chairperson Mr Bruce Robertson added the following on to the workplan for 2024:

- Strategic risks and risk appetite (checking-in and mapping against strategic objectives contained in the Long-term Plan 2024-34) – June if possible, otherwise September.
- Insurance (update on strategy going forward) – March
- Insurance (update on placement) - September

He added that the Committee would need to maintain its focus on the Long-term Plan 2024-34 project risks and audit relationship.

**RACC202312/13 RESOLUTION**

Moved: Mr Bruce Robertson

Seconded: Cr Danny Loughlin

That the Risk & Assurance Committee receives the workplan for the 2024 calendar year.

**CARRIED**

*Note: All members present at the Risk & Assurance Committee meeting voted in favour of resolution RACC202312/13 above.*

**5.13 PERFORMANCE REVIEW AND EFFECTIVENESS OF THE RISK AND ASSURANCE COMMITTEE**

The Business Excellence Manager presented the results of the recent Risk and Assurance survey via PowerPoint slides (A3467721). The survey had been circulated to all elected members and the executive team, with the intention of forming a foundation for improvement going forward.

Members discussed the survey results and the following points were noted:

- A short presentation from AON about insurance strategy would be beneficial for members.
- It would have been good to include more about risk and assurance in Council's post-election induction programme.
- The relationship between the Risk and Assurance Committee and full Council was unclear. Better communication between the Committee and Council would help improve members' understanding of this relationship.
- The survey results would be shared with full Council.

**RACC202312/14 RESOLUTION**

Moved: Mr Bruce Robertson

Seconded: Cr Danny Loughlin

That the Risk & Assurance Committee receives the survey report into the effectiveness of the Risk and Assurance Committee during the 2023 calendar year.

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting of the 11 December 2023 voted in favour of resolution RACC202312/14 above.*

**5.14 CHIEF EXECUTIVE UPDATE TO RISK AND ASSURANCE COMMITTEE - CURRENT RISKS**

The Chief Executive addressed the Committee and the following points were noted:

- The Executive Team was now complete, with the recent arrival of the General Manager Strategy and Environment, Mr Warrick Zander.
- Council had received several awards and accolades in recent months, which was a credit to everyone who works for the organisation.
- There was a strong focus on organisational performance, with processes being put in place with the support of the Business Excellence Team, to ensure the Executive Team and in turn, the elected and appointed members, were receiving the information they required.
- Long-term Plan project risks were of concern. The team was operating in an uncertain environment and this was affecting budget holders generally, and the Finance and Policy teams in particular.
- People risks were sitting behind project risks, with attraction and retention of staff an ongoing issue.

In summary, the Chief Executive advised that she was proud of the team for their achievements, with Council's continued focus on delivery within budget in the current environment.

The Chairperson thanked the Chief Executive for her report. He also expressed his appreciation for the support of the Business Excellence Manager during the morning workshop and the meeting. Finally, he encouraged the Chief Executive to seek support from the Risk and Assurance Committee if required. Members were certainly mindful of the impacts on people of challenges arising from not meeting legislative deadlines, and having to continually reprioritise work.

**RACC202312/15 RESOLUTION**

Moved: Mr Bruce Robertson  
Seconded: Cr Rachel Shepherd

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

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting of the 11 December 2023 voted in favour of resolution RACC202312/15 above.*

Risk &amp; Assurance Committee Meeting Minutes

11 December 2023

**6 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS****RACC202312/16 RESOLUTION**

Moved: Cr Anna Park

Seconded: Cr John Williamson

**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 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
<b>Agenda Item No: 6.1</b> Confirmation of Confidential Portion of Risk & Assurance Committee Minutes - 13 September 2023	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	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
<b>Agenda Item No: 6.2</b> Litigation Update	Section 7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	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

**CARRIED**

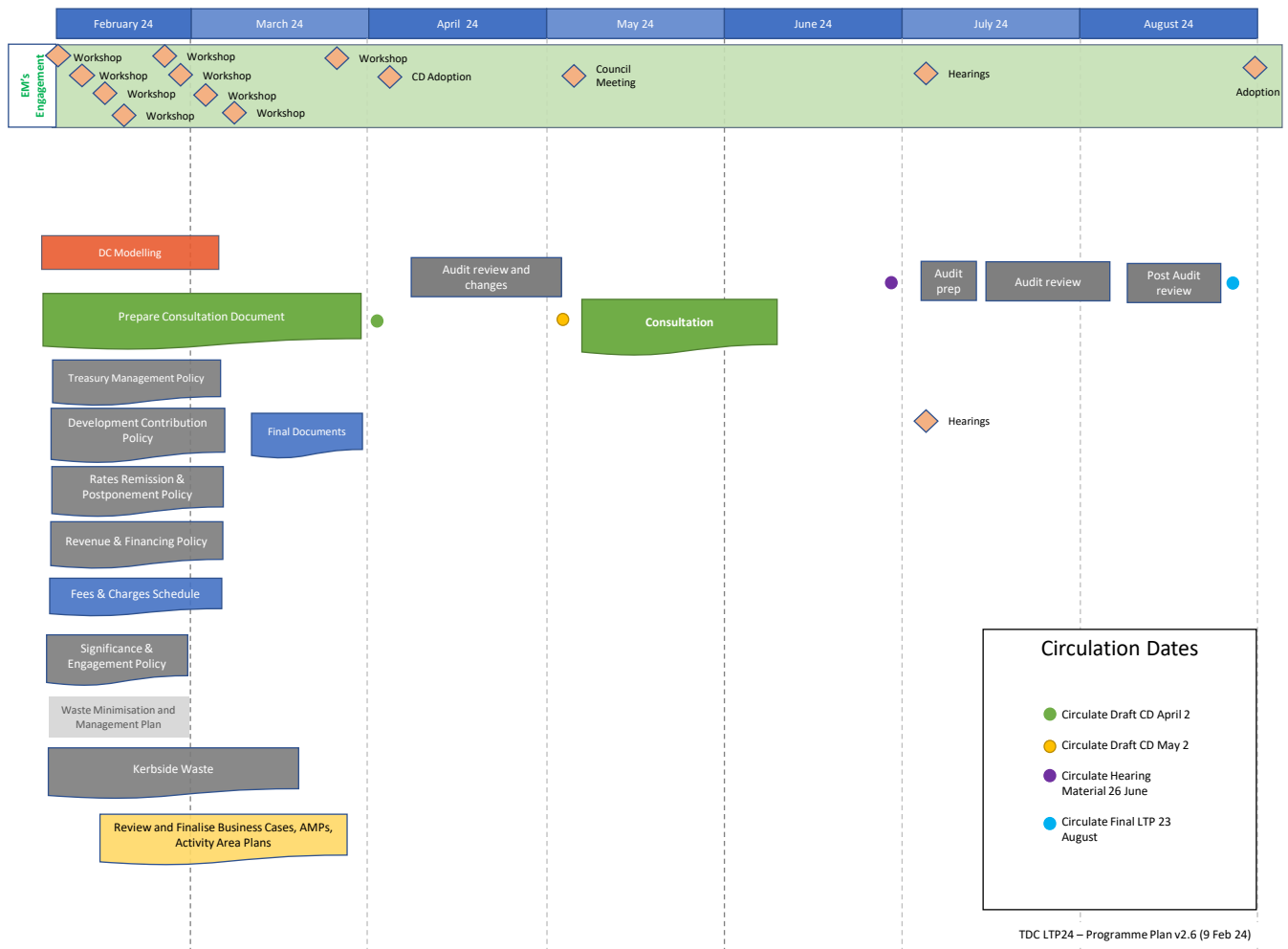
*Note: All members present at the Risk and Assurance Committee meeting of the 11 December 2023 voted in favour of resolution RACC202312/17 above.*

The meeting closed at 3.32pm with a karakia recited by Chairperson Mr Bruce Robertson.

The minutes of this meeting were confirmed at the Risk and Assurance Committee meeting held on 5 March 2024.

.....  
CHAIRPERSON

Page 10



LTP24												
Updated by:				Date Last Updated:				23 August 2023				
Unique ID	Direct Causes	Caused by & Consequences	Risk Owner (s)	Inherent Risk (without controls)			Control(s)	Control Owner(s)	Residual Risk (with controls)			
				Likelihood	Consequence	Risk Rating			Residual Likelihood	Residual Consequence	Residual Risk Rating	Open
Assign a unique identifier	Identify the direct events that trigger the risk	Describe the potential triggers of the cause and the consequences or impacts.	Name of risk owner (where the buck stops)	Select from drop down box	Select from drop down box	Calculates automatically	Identify what controls are used to modify the risk. Click on controls to view control options	Who will develop or implement the controls	Select from drop down box	Select from drop down box	Calculates automatically	
LTP24_001	<b>Not achieving timeframes</b> - There are tight timeframes to progress development of the LTP and we are awaiting information in relation to the Affordable Water Reforms which has widespread impact on LTP deliverables. If there is slippage in meeting timeframes for one deliverable or deliverables requiring rework on receipt of new information, this may impact subsequent phases of the project/deliverables and risk the final deadline.	Sufficient time and attention is not given to deliverables e.g. preparing draft long term plan / supporting documents / engagement materials and timeframes are not met. We are non-compliant with LGA, or the LTP is based on poor information, or we may fail to strike a rate. There is a subsequential risk that we miss our booked in Audit timescales, which may delay issue of the Consultation Document.  <i>NOTE: New IT systems creating delays in budget inputs and high level of uncertainty about the Council's ability to generate appropriate information on rating impacts when needed. Difficulty in meeting with executive members when required</i>	Kendall Goode	Almost Certain	Severe	High	- Develop MS Project Plan that clearly defines inter-dependencies, responsibilities, and timescales for delivery. - Keep up to date with reform / sector updates - Communicate directly to the organisation to keep staff informed of deadlines. - Escalate issues to the LTP24 Steering Group as needed to resolve any issues.	Louise Chick	Almost Certain	Major	High	Open
LTP24_002	<b>Reliance on key staff</b> - high level of organisational reliance on key staff in Finance & Policy teams. The LTP is also dependant on other teams such as infrastructure to deliver AMPS.	Decision making may be sub-optimal due to knowledge gaps. Completion of key steps could be delayed or missed altogether adding pressure on resourcing and timeframes. This could result in failure to meet LGA requirements or strike a rate. The Programme Management role will be filled from existing LTP project team members, creating pressure on those staff and the other deliverables they are responsible for.  <i>NOTE: The finance team's ability to deliver the support required for the LTP is being negatively affected by resourcing issues and is causing greater reliance on the remaining staff.</i>	Sarah Matthews	Almost Certain	Major	High	- Managers of key staff need to be aware of critical times in the project and have contingencies in place to cover staff leave. - Raise risk with SG and identify possible incentives for staff retention. - Effect robust handover between current Programme Manager and new. - Secure additional short-term Finance resource to support QA of capex and entering into financial system.	ELT & Exec	Almost Certain	Major	High	Open
LTP24_003	<b>Conflicting Organisational Priorities</b> - TDC is embarking on major work simultaneously e.g. Annual Report & Annual Report Audit drawing on key finance resource; finalising Project Quantum is requiring input from a number of people across the business.	Staff are unable to successfully deliver all organisational priorities to the standard needed, or within the timescales required. This may lead to poor quality deliverables, missed deadlines, and staff burnout and frustration.	Sarah Matthews	Almost Certain	Major	Low	- GMs to be clear on organisational priorities, and clearly & proactively articulate these to ELT. - Managers actively listen when staff identify conflicting priorities and resource constraints & work with team to agree manageable workloads.	Executive  ELT & Executive	Likely	Moderate	Low	Open
LTP24_004	<b>Insufficient engagement</b> - risk of lack of sufficient engagement with the community if we choose a level of engagement out of step with; - Council's Significance & Engagement Policy - the expectations of our communities - Mana whakahono ā rohe agreement - time constraints	The LTP is being developed within tight time constraints. It may be that there is insufficient time to engage with some parts of the community to the extent they would like. This may lead to a misunderstanding of what is important to the community and impacts the decisions Council makes. This creates a reputational risk and also potential failure to comply with the LGA. Without sufficient LTP engagement and partnership decision making with Ngāti Tūrangitukua TDC risks undermining this relationship and the Mana Whakahono agreement.	Hadley Tattle	Likely	Major	High	A communication / engagement plan has been developed and is being successfully implemented.	Hadley Tattle Louise Chick	Unlikely	Major	Medium	Open
LTP24_005	<b>LTP Quality</b> - A number of staff involved in delivering the LTP have limited LTP experience. Staff don't know what they don't know. If relevant staff lack clarity/understanding of processes and quality expectations throughout preparation of LTP then the quality of the LTP and project timeframes are at risk.	Key deliverables are not prepared on time or to sufficient quality and we fail to meet legislative requirements. Activity plans prepared by enterprise leaders not meeting the required standards and the information does not meet the required levels of due diligence.	Louise Chick	Likely	Moderate	High	i) Project Sponsor is very experienced in the development of LTPs. ii) Quality Assurance Check list: have an independent person experienced in LTPs develop a requirements specification for each key deliverable, and have this signed off by Sponsor before work commences. iii) Develop project plan collaboratively with experienced staff. Check in on project progress at weekly project meetings. Regular project updates will be provided to key staff throughout the process. iv) Early peer reviews by inhouse subject matter experts e.g. finance team.	Sarah Matthews Louise Chick  Louise Chick Louise Chick	Possible	Moderate	Medium	Closed - resolved
LTP24_006	<b>Finance Systems</b> - if there are issues with the finance systems (IBIS and CI Anywhere ) that can not be quickly resolved it will make it difficult to prepare required budgets on time. This is a risk for quality and timeframes. <i>In particular there is some uncertainty that the CI Anywhere system will be able to generate the required level of rating analysis when required.</i>	Key processes are disrupted and are sub-optimal, leading to time delays and greater demand on resources. Completion of key steps are delayed. Delays add pressure on resourcing and timeframes for subsequent steps. Fail to meet LGA requirements.	Sarah Matthews	Possible	Moderate	Medium	IBIS is a well established product and TDC working closely with consultant to ensure that they have the right info available to support implementation. Weekly progress meetings. <i>Rigorous testing of system to ensure its suitability and contingency planning by maintain existing rating system as a backup in the event CI Anywhere does not perform as required.</i>	Sarah Matthews	Possible	Major	High	Open
LTP24_007	<b>Inaccurate forecasting assumptions</b> - The underlying assumptions are critical to the robustness of the Plan and it is essential that we work with the best information available. If forecasting assumptions are significantly inaccurate it could result in misallocation of resources to plan for the development of our district. These assumptions include economic environment, interest rates, inflation, increase in rateable units etc. NOTE: Three Waters Reform captured seperately.	Financials are delayed or have to be redone completely. Delays/additional work adds pressure on resourcing and timeframes for subsequent steps. Changes required to financial assumptions (interest rates, inflation etc) which impacts our financial position and therefore ability to fund projects. Failure to meet LGA requirements.	Sarah Matthews	Possible	Major	High	Financial and economic advice will continue to be received throughout the project. Growth Model has been independently reviewed by external expert.	Sarah Matthews	Likely	Major	High	Open

LTP24												
Updated by:				Date Last Updated:				23 August 2023				
Unique ID	Direct Causes	Caused by & Consequences	Risk Owner (s)	Inherent Risk (without controls)			Control(s)	Control Owner(s)	Residual Risk (with controls)			
				Likelihood	Consequence	Risk Rating			Residual Likelihood	Residual Consequence	Residual Risk Rating	Open
LTP24_008	<b>Lack of elected member engagement</b> - The LTP is 'owned' by elected members and should accurately represent their decisions. A lack of ownership could arise if Elected Members are unclear on the key issues faced by the district, decision making processes & their role in LTP development, or if information is presented to them in a way that makes decision making difficult. E.g. to much info, or at the wrong time.	A lack of engagement with elected members could lead to a misrepresentation of what they collectively see as the right decisions for the district. A lack of ownership of LTP challenges & outcomes, may risk final approval of the Plan and could result in last minute changes to levels of support for projects and rates.	Sarah Matthews	Possible	Major	High	Develop a Decision Making Plan which identifies key touchpoints with Elected Members. Engage with EMs on the Plan to ensure it meets their satisfaction. Conduct regular workshops with Elected Members throughout the development of the plan, seeking their input and involvement throughout (rather than waiting to present a fait accompli Consultation Document).	Louise Chick  Sarah Matthews	Unlikely	Major	Medium	Open
LTP24_009	<b>High levels of uncertainty in the financial sector - impact on rates</b> - Given the economic volatility there is potential that households and businesses may struggle financially. If this eventuates then there is a risk that Elected Members may no longer support rate increases and associated work programmes.	LTP budgets will have to be redone. This risks project timeframes. Failure to get approved LTP within project timeframes.	Sarah Matthews	Almost Certain	Major	High	i) Brief EMs early about the 'hard choices' that are coming their way. ii) Continue economic updates and have ongoing conversations with EMs. Have a monthly focus at relevant meetings. iii) Brief TDC that Activity Area Plans are to be developed with no or little budget increases.	Julie Gardyne  Sarah Matthews  Louise Chick	Almost Certain	Major	High	Open
LTP24_010	<b>Central Government Reforms</b> - If key staff are pulled into responding to the reforms there may be impacts on resourcing and capacity to input to the LTP preparation. This risks quality and project timeframes.	Failure to get approved LTP within project timeframes.	Sarah Matthews	Possible	Major	medium	Ensure that engagement on reforms is considered secondary to LTP. Keep watching brief of reform agenda and impact on project team member capacity.	Executive  Andrew Moraes Nick Carroll	Unlikely	Major	Medium	Open
LTP24_011	<b>Three Waters Reform Assumptions</b> - there has been no sector-wide policy on how to manage three water reforms within LTPs. TDC has taken a position to include three waters within the entirety of its 10 year plan. There is a risk that a sector wide position is established late which conflicts with TDC's approach.	TDC forced into changing its approach to including three waters within its long term plan, but later in the piece, resulting in rework.  <i>New government post general election increased levels of uncertainty as new government has indicated its opposition to 3 waters reform and its intention to scrap it.</i>  <i>New: Government has advised the first bill to repeal the affordable waters reform will be 23 February.</i>	Andrew Moraes	Almost Certain	Moderate	Medium	Keep abreast of sector position and advice.	Julie Gardyne	Almost Certain	Moderate	Medium	Open
LTP24_012	<b>Future for Local Government Reform</b> - there is a lack of clarity around implementation timescales & impacts for TDC. As time progresses, indications are that Future for Local Government Reform will be less likely to impact within the first three years of this LTP.	Lack of clarity, which could result in the LTP not adequately planning for future requirements on local government.	Nick Carroll	Possible	Moderate	Medium	Keep abreast of sector position and advice.	Nick Carroll	Possible	Moderate	Medium	Open
LTP24_013	<b>Resource Management Reform</b> - there is a lack of clarity around implementation timescales & impacts for TDC.	Lack of clarity, which could result in the LTP not adequately planning for future requirements on local government.  <i>New: New government repealed NBEA and SPA legislation prior to christmas 2023. New reform is likley but unsure of timing</i>	Nick Carroll	Almost Certain	Moderate	Low	Keep abreast of sector position and advice.	Nick Carroll	Possible	Moderate	Low	Open
LTP24_014	<del><b>Strategic Direction is unclear</b> - Business needing to commence development of Activity Area Plans without Council vision, community outcomes, and strategic focus areas being clearly defined.</del>	<del>Two workshops with elected members have been cancelled due to COVID and then a tangi, which has meant Council has yet to set its strategic focus areas for this LTP. This may lead to a misunderstanding of what is important / priority. Activity Managers will need this information to enable them to accurately plan and complete their business plans. If these are completed and the Strategic Direction changes, the business plans will need to be updated. This will require more time and effort and may impact ability to complete the business plans within the required timeframe.</del>	<del>Nick Carroll</del>	<del>Almost Certain</del>	<del>Major</del>	<del>Extreme</del>	<del>Brief business on current understanding of strategic direction. CLOSED: Strategic Direction developed and being used in LTP development.</del>	<del>Nick Carroll</del>	<del>Rare</del>	<del>Moderate</del>	<del>Low</del>	<del>Closed - resolved</del>
LTP24_015	<b>Iwi engagement</b> - It has been agreed that there needs to be sufficient iwi engagement in the LTP. There may also be different expectations on the level of iwi involvement in LTP decision making. i.e. TDC have made a commitment under the Mana whakahono agreement around partnering in decision making and TDC needs to determine how to give effect to this, and expectations from other hapū groups.	Given the tight timeframes it may be difficult to include a level of engagement and joint decision making that iwi consider acceptable. For example, some members of Te Kotahitanga o Ngati Tuwharetoa expect hapū level engagement, and it is unclear how well TDC can resource this level of engagement in the time available	Julie Gardyne	Likely	Major	High	i) Executive agreement obtained as to how and when iwi may partner with TDC developing the LTP. ii) Share LTP process to iwi and ask them at what points they would like to engage. iii) Going and active iwi and hapū involvement through hui. vi) Register of feedback developed to ensure this is incorporated into TDC planning going forwards.	Sarah Matthews  Julie Gardyne	Unlikely	Major	Medium	Open
LTP24_016	<b>Section 17 (A)</b> - TDC has recently completed reviews of the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services, and performance of regulatory functions (Section 17 (A)). The LTP is the ideal time to consider the implications of these.	It is unclear whether Activity Managers should be accounting for this in their Activity Area Plans. E.g. Particularly relevant for Housing for the Elderly.	Julie Gardyne	Possible	Minor	Medium	Seek clarity as to how findings of Section 17 (A) reviews should be accounted for.	Activity Owners with S 17 (A) reviews recently undertaken. Scott Attenborough.	Possible	Minor	Medium	Open
LTP24_017	<b>Landfill Assumption</b> - TDC's consent at the Broadlands landfill is up for renewal in 2027, but this consent renewal will require consultation, including with iwi/hapu. The alternative is that TDC will have to truck waste at high cost. TDC will need to make an assumption in its LTP as to what is required in this space.	Assuming that the consent will be renewed will disenfranchise iwi. Assuming that waste will be trucked will have significant ongoing operational costs and impacts on rates. Neither assumption is desirable and will likely receive negative feedback from the community.	Andrew Moraes	Almost Certain	Major	Extreme	Engage early with the community and iwi on this issue.	Andrew Moraes	Possible	Major	High	Open
LTP24_018	<del><b>New LTP Approach</b> - A TDC is adopting several new ways of building the LTP, e.g. PWC model, IBIS etc.</del>	<del>There is a risk that the business may be confused or uncomfortable doing something differently. This may cause issues with meeting timeframes as we have to bring the business up to speed with the new way of doing things. Some parts of the business have found the new approach confusing, and other helpful for stimulating strategic thinking.</del>	<del>Louise Chick</del>	<del>Almost Certain</del>	<del>Moderate</del>	<del>High</del>	<del>Guidance documentation developed and circulated. Training and drop in sessions held for budget owners. Policy team support offered in drafting of Activity Area Plans and Business Cases (holding the pen).</del>	<del>Louise Chick</del>	<del>Unlikely</del>	<del>Moderate</del>	<del>Medium</del>	<del>Closed - resolved</del>

LTP24				Updated by: Louise Chick			Date Last Updated: 23 August 2023					
Unique ID	Direct Causes	Caused by & Consequences	Risk Owner (s)	Inherent Risk (without controls)			Control(s)	Control Owner(s)	Residual Risk (with controls)			
				Likelihood	Consequence	Risk Rating			Residual Likelihood	Residual Consequence	Residual Risk Rating	Open
LTP24_019	<b>Force Majeure</b> - External factors impact staff ability to deliver LTP - e.g. another pandemic, or major natural hazard event impacts on organisations' ability to deliver LTP.	Delays to the LTP.	Sarah Matthews	Unlikely	Major	Medium	Accept. Little TDC can do to manage this.		Unlikely	Major	Medium	Open
LTP24_020	<b>Staff Burnout &amp; Morale</b> - There is a high level of reliance on a number of key staff in Finance, Policy, Communications, Engagement as well as those who prepare business cases. This is on top of other day to day operational roles and project priorities. The tight timescales for developing the LTP on top of other existing commitments may lead to staff burn-out and low morale.	This may impact on staff ability to deliver, putting them under pressure, and potentially staff burnout and reduced morale.	Julie Gardyne	Likely	Major	High	Clear communication by the Executive, across the business, around what the organisational priorities are. i.e. is the LTP the most important thing?	Executive	Possible	Major	High	Open
LTP24_021	<b>Change of Government</b> - a change of government may impact on some of our key assumptions. E.g. change in plan of Waka Kotahi subsidy change, Three Waters reform.	LTP may not be well set up to address future challenges.	Sarah Matthews	Likely	Moderate	High	Accept. Little TDC can do to manage this.		Almost Certain	Moderate	High	Open
LTP24_022	<b>New CEO or change at Executive Level</b> - A new CEO may come in with a new focus or different emphasis which may impact on LTP priorities. This could also be true of the Executive Team.	This could result in last minute changes and redoing of budgets, and unsettling of staff.	Julie Gardyne	Possible	Moderate	Medium	Accept. Little that staff can do to manage this. CLOSED: New CEO settled in positively.		Rare	Moderate	Low	Closed - resolved
LTP24_023	<b>Executive Level Resourcing</b> - Executive highly stretched with covering the CEO position. This is likely to continue until at least the end of 2023 while new Executive position back-filled.	Reduced time available to support LTP.	Julie Gardyne	Likely	Moderate	High	Carefully consider what information is presented to Executive for review & input. Work to ensure deliverables are of a high quality before sharing.	Louise Chick Louise Chick	Possible	Moderate	Medium	Open
LTP24_024	<b>Asset Management Plans - Three Waters</b> - The Three Waters team had not been required to produce Asset Management Plans due to three waters reform, however, they are now required to do so.	May not have sufficient time to develop robust AMPs for three waters.	Andrew Moraes	Possible	Moderate	Medium	Seek advice from Audit regarding their expectations. Work with Asset Managers to understand the key elements of AMPs and develop 'just enough'.	Louise Chick Aiden Smith	Possible	Moderate	Medium	Open
LTP24_025	<b>Fees &amp; Charges</b> - TDC's assumed level of income coming from fees & charges do not reflect reality, e.g. Great Lakes Centre - assumed 30% of running costs from fees, reality it is more like 8%.	TDC may need to be more realistic about increasing fees and charges or increasing rates. Something has to give. This may not be well received by the Community and Elected Members.	Jeanette Paenga	Likely	Major	High	Discuss the fiscal challenges early with EMs. Assessment of actual revenue from fees and charges underway.	Sarah Matthews	Possible	Moderate	High	Open
LTP24_026	<b>Legal Challenge</b> - TDC may be legally challenged on its potential change to rating differentials.	TDC is relying on the LTP as the consultation & engagement tool to drive through key policy changes, e.g. Rating Policy, Revenue & Financing Policy. If the legislative consultation processes are not adequately adopted, then TDC may be found non-compliant with the LGA and potentially legally challenged.	Sarah Matthews	Possible	Major	High	Ensure that engagement plan fully accounts for legislative requirements and that Policy team is involved in its development.	Hadley Tattle Louise Chick Kendall Goode	Unlikely	Major	Medium	Open



AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

26 February 2024

Level 14, Shortland & Fort  
88 Shortland Street, Auckland 1010  
PO Box 1165, Auckland 1140

David Trewavas  
Taupō District Council  
Private Bag 2005  
Taupō 3352

Dear David

**Audit Engagement Letter: audit of the long-term plan for the period commencing 1 July 2024**

This audit engagement letter is sent to you on behalf of the Auditor-General, who is the auditor of all “public entities”, including Taupō District Council (the Council), under section 14 of the Public Audit Act 2001. The Auditor-General has appointed me, Wikus Jansen van Rensburg, using the staff and resources of Audit New Zealand, under sections 32 and 33 of the Public Audit Act 2001, to carry out the audit of the Council’s long-term plan (LTP).

This letter outlines:

- the terms of the audit engagement and the respective responsibilities of the Council and me as the Appointed Auditor;
- the audit scope and objectives;
- the approach taken to complete the audit;
- the areas of audit emphasis;
- the audit logistics; and
- the professional fees.

## 1 Specific responsibilities of the Council for preparing the consultation document and the long-term plan

Our audit will be carried out on the basis that the Council acknowledges that it has responsibility for preparing the consultation document and LTP, by applying the Council's own assumptions, in accordance with the Local Government Act 2002 (the Act) (in particular, the requirements of Part 6 and Schedule 10) and in accordance with generally accepted accounting practice in New Zealand. We assume that elected members are familiar with those responsibilities and, where necessary, have obtained advice about them.

The Council has chosen not to have its 2024 consultation document audited.<sup>1</sup> For clarity, we note the following statutory responsibilities as set out in the Act:

- section 93 of the Act requires the Council to have an LTP at all times, and Part 1 of Schedule 10 prescribes the information that must be included in the LTP;
- section 111 requires all information that is required to be included in the LTP to be prepared in accordance with applicable generally accepted accounting practice standards;
- section 83 (with reference to section 93A) sets out the special consultative procedure that the Council is required to follow to adopt the consultation document and LTP; and
- section 94 requires an audit report on the LTP.

Please note that the audit of the LTP does not relieve the Council of any of its responsibilities.

Other general terms are set out in the relevant sections of this letter and Appendix 1.

## 2 Our audit scope

The Act requires us to provide a report on:

- whether the LTP gives effect to the purpose in section 93(6); and
- the quality of the information and assumptions underlying the forecast information provided in the LTP.

We expect our work to assess the quality of underlying information and assumptions to be a single, continuous process during the entire LTP preparation period including the consultation document stage.

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<sup>1</sup> Section 93C(4) of the Act requires an auditor's report on the consultation document. However, clause 45 of Schedule 1AA of the Act (inserted by the Water Services Acts Repeal Act 2024) provides that, despite section 93C(4), the consultation document for the 2024-2034 LTP of a territorial authority (except the Chatham Islands Council) or the Wellington Regional Council need not contain an auditor's report.

Our focus for the first limb of the LTP audit report will be to assess whether the LTP meets its statutory purposes.

Our focus for the second limb will be to obtain evidence about the quality of the information and assumptions underlying the information contained in the LTP. How we obtain this information depends on our judgement, including our assessment of the risks of material misstatement of the information and assumptions underlying the information contained in the LTP, whether because of fraud or error.

Our audit report does not:

- provide a guarantee of absolute accuracy of the information in the LTP;
- provide a guarantee that the Council has complied with all relevant legal obligations;
- express an opinion on the merits of any policy content; or
- include an opinion on whether the forecasts will be achieved.

### **3 Our approach to this audit**

#### **3.1 The content of the consultation document**

The Council has elected not to have its Consultation Document audited - in accordance with the option provided to you by the Water Services Repeal Act 2024.

While we will not be issuing an audit opinion on the Consultation Document, we will still need to form a view as to what are the major matters that Council intends to consult on in their Consultation Document - as this will directly inform our audit opinion on whether the LTP meets its purpose in accordance with Section 93(6) of the Local Government Act 2002. Further, the audit of the assumptions, underlying information, financial model, performance framework, infrastructure strategy, and financial strategy still needs to take place at the time the Council is producing its Consultation Document. Delaying this work increases the risk of audit issues arising that are unable to be resolved before Council adopts its LTP.

We will work with you to ensure sufficient assurance is provided over these fundamental aspects of the LTP in a timely fashion.

#### **3.2 Adopting and auditing the underlying information**

Before adopting the consultation document, section 93G of the Act requires the Council to prepare and adopt the information that:

- is relied on by the content of the consultation document;

- is necessary to enable the Auditor-General to issue an audit report under section 93C(4); and
- provides the basis for the preparation of the LTP.

We note that the requirements in the first and third bullet points above continue to apply despite the consultation document not being audited.

We consider that local authorities will need to have thought comprehensively about how best to meet the requirements of the Act. Consistent with the guidance of Taituarā, Local Government Professionals Aotearoa, our view is that core building blocks of an LTP will be needed to support an effective consultation document. This will include, but not be limited to, draft financial and infrastructure strategies and the information that underlies them, including asset management information, assumptions, defined levels of service, funding and financial policies, and a complete set of financial forecasts.

From a practical perspective, it will be important that the Council is well advanced with the preparation of the full LTP when it issues the consultation document. Otherwise, you may find it difficult to complete the work and adopt the full LTP before the statutory deadline. The same is true for the audit work. The more audit work that can be completed at the first stage of the process, the less pressure there will be on you and the audit team at the end of the process.

### 3.3 Control environment

The Council is responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of the Council), supported by written policies and procedures, designed to prepare the consultation document and LTP, and to provide reasonable quality information and assumptions underlying the information contained in these documents.

Our approach to the audit will be to identify, confirm, and assess the Council's key processes and controls over the underlying information and the production of the LTP. The purpose of this assessment is to enable us to plan the most effective and efficient approach to the work needed to provide our audit report. Our assessment is not for the purpose of expressing an opinion on the effectiveness of the Council's internal controls.

We will carry out a review of the control environment to help us understand the approach taken to develop the LTP, develop expectations of what should be included in the LTP, and identify areas of potential audit risk. This will involve discussions with elected representatives and selected staff throughout the Council, review of publicly available information about the Council, updating our knowledge of Council issues developed during recent years, and a review of Council minutes since the last audit review.

Our review of your self-assessment response (see below) and key controls relating to the underlying information and development of the LTP is useful to our initial assessment of audit risk and so the nature and extent of our overall audit work.

### **3.4 Project management, reporting deadlines, and audit progress**

The development of the consultation document and LTP is a significant and complex project, and a comprehensive project plan is required for a successful LTP process. It is also essential that there is commitment throughout the organisation for the project, starting with the elected representatives. The involvement of senior management and elected representatives is important in deciding what to include in the consultation document.

The LTP has complex and inter-related information needs and draws together plans, policies, decisions, and information from throughout the Council and its community. We recognise that the Council will be doing its LTP preparation over an extended period. A more efficient and cost-effective audit can be achieved when audit work and feedback is provided in “real time” or on an “auditing as you go” basis as the underlying information is developed.

Consequently, we will discuss with you and your staff the Council’s approach to preparing and completing the LTP. We expect that the Council is approaching its preparation on a project basis and recognise that our audit work should “shadow” that project timetable. The success of this “auditing as you go” approach will depend on the Council’s project management of the overall LTP process, which should include time for audit work at appropriate points in the process.

### **3.5 Self-assessment**

To assist our audit planning, we intend to use a self-assessment process to assist with our risk assessment process. The self-assessment requires you to reflect on your most significant issues and risks, governance of the LTP project, and the systems and processes you have in place (particularly to meet the purposes in the Act for the consultation document and the LTP), asset management, performance management and reporting, and financial management.

We provided the self-assessment to you on 30 November 2023 and we received a completed self-assessment on 14 December 2023.

The self-assessment is like those used with our audit of previous LTPs. The information provided through the self-assessment will be confirmed with you through discussion at our next meeting.

## **4 Our particular areas of audit emphasis**

### **4.1 Financial strategy and infrastructure strategy**

The Act requires a local authority to prepare two key strategies as part of the LTP: the financial strategy and the infrastructure strategy.

The purpose of the financial strategy is to:

- facilitate prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure against; and
- provide a context for consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.

The purpose of the infrastructure strategy is to:

- identify significant infrastructure issues for the local authority during the period covered by the strategy; and
- identify the principal options for managing those issues and the implications of those options.

For the two strategies to be effective, they must be closely aligned. Section 101B(5) allows for them to be combined into a single document.

Although the Act clearly sets the minimum requirements for these strategies, it does not define the only things that can be in a strategy. A good strategy should include what is needed to be a good quality strategic planning document. In the case of the infrastructure strategy, the principles of ISO 55000 should be considered, particularly where the Council is seeking to prepare a best practice strategy.

Our focus when reviewing both strategies is to assess whether the Council has met the purpose outlined in the Act and presented the strategies in a coherent and easily readable manner. Specifically, we will:

- confirm that the two strategies are appropriately aligned;
- understand the effect of the financial forecasts included in the infrastructure strategy on the prudence of the financial strategy; and
- assess the reasonableness of the prepared forecasts by:
  - understanding how the Council has applied the effect of its assumptions (for example, allowing for changing demographics, how growth has been considered, the implications of the changing climate, the condition and performance of critical assets) and levels of service on expenditure decisions and outlined the implications of these decisions in the strategies;
  - reviewing the Council's relationship between its renewal capital expenditure and depreciation expenditure forecasts; and
  - checking that the infrastructure strategy is appropriately inflated.

The Council's financial modelling is a significant component of the underlying information that supports both the financial strategy and infrastructure strategy. We will place particular emphasis on the integrity and effectiveness of the financial modelling of all local authorities.

An additional role played by these strategies is to facilitate accountability to the community. It is critical that these strategies are presented in such a way that they are engaging and informative, and support the presentation of issues, options, and implications presented in the consultation document.

## 4.2 Assumptions

The quality of the Council's financial forecasts is significantly affected by whether the assumptions on which they are based are defined and reasonable. The Act recognises this by requiring all local authorities to clearly outline all significant forecasting assumptions and risks underlying the financial estimates in the LTP (Schedule 10, clause 17). *Prospective Financial Statements* (PBE FRS 42) also requires the disclosure of significant assumptions.

We will review the Council's list of significant forecasting assumptions and confirm that they are materially complete. We will also test the application of selected assumptions in the financial forecasts to check they have been reasonably applied. Finally, we will confirm that:

- all significant forecasting assumptions disclose the level of uncertainty associated with the assumption (for example the assumptions and level of uncertainty as it relates to the extent of funding from NZ Transport Agency for roading); and
- for all significant forecasting assumptions that involve a high level of uncertainty, the uncertainty and an estimate of the potential effects of the uncertainty on the financial forecasts are appropriately disclosed in the LTP.

### Climate change assumption

We will continue to focus on the assumptions that the Council has made about climate change and the adequacy of other information and disclosures relating to climate change.

We will review the Council's climate change assumptions to determine whether they are reasonable and supportable. We will assess the quality of the supporting information the Council is using in developing its assumptions and disclosures included in the LTP, and the adopted underlying information.

We do expect the Council to reflect information on the impacts of climate change identified in the last three years in its climate change assumptions and work plans outlined in the LTP.

### Delivery of the Council's capital programme

The Auditor's report on Taupō District Council's 2021-31 LTP emphasised the uncertainties over the District Council's ability to deliver the planned capital programme due to significant constraints in the construction market.

In addition, the District Council's achievement in relation to delivery on their capital programme has been low historically (the historical average actual capital expenditure against budget when we audited the 2021-31 LTP reflects that). Although the Council is taking steps to deliver its planned capital programme, if the Council is unable to deliver on a planned project, it could affect the intended level of service.

We will perform an analysis on the historical average capital expenditure against LTP budget and consider if:

- any delivery assumptions have been included in the underlying information and LTP;
- if these capital delivery assumptions are reasonable;
- understand if the level of uncertainty is high, moderate or low; and
- confirm that the potential effect of any uncertainty on the financial estimates is clearly provided in the LTP.

#### **4.3 Quality of asset-related forecasting information**

A significant portion of the Council's operations relates to the management of its infrastructure. The roading network and the three waters (water supply, sewerage and stormwater). These activities typically make up about 36% of operational expenditure and 70% of capital expenditure.

To prepare reasonable quality asset information, the Council needs to have a comprehensive understanding of its critical assets and the cost of adequately maintaining and renewing them. An important consideration is how well the Council understands the condition of its assets and how the assets are performing.

In reviewing the reasonableness of the Council's asset-related forecasting information, we will:

- assess the Council's type asset management planning systems and processes;
- understand what changes the Council proposes to its forecast levels of service;
- understand the Council's assessment of the reliability of the asset-related information;
- consider how accurate recently prepared budgets have been;
- consider any external funding commitments for specific assets and the related evidence to support it; and
- assess how matters such as affordability have been incorporated into the asset-related forecasts prepared.

Depending on what we identify in completing the above, we may have to complete further detailed testing on the Council's asset-related information.

## 5 Other matters

### 5.1 Our independence

It is essential that the audit team and Audit New Zealand remain both economically and attitudinally independent of the Council (including being independent of management personnel and the Council). This involves being, and appearing to be, free of any interest that might be regarded, whatever its actual effect, as being incompatible with integrity, objectivity, and independence.

### 5.2 Publication of the consultation document and adopted long-term plan on the Council's website

The Council is responsible for the electronic presentation of the consultation document and LTP on its website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the presented data. Please ensure that your project plan allows time for us to examine the final electronic file version of the respective documents, including our audit report on the LTP, before its inclusion on the website.

We need to do this to ensure consistency with the paper-based document that has been subject to audit.

## 6 Audit logistics

### 6.1 Audit timing

The key dates in the audit timetable are as follows:

Self-assessment provided to Council	Done
Self-assessment returned to audit team for consideration	Done
Interim visit to perform audit work on the underlying information as noted in section 3: This will include, but not be limited to, draft financial and infrastructure strategies and the information that underlies them, including asset management information, assumptions, defined levels of service, funding and financial policies, and a complete set of financial forecasts.	2 April 2024
Proposed consultation document available	9 April 2024
Proposed LTP for adoption available	15 July 2024
Audit report on adopted LTP required	30 August 2024
Draft report to governors on LTP engagement	30 August 2024
Finalised report to governors on LTP engagement	30 September 2024

Should we encounter any significant problems or delays during the audit, we will inform you immediately.

We have an electronic audit management system. This means that our auditors will complete most of their work on their laptops. Therefore, we would appreciate it if the following could be made available during our audit:

- a suitable workspace for computer use (in keeping with the health and safety requirements discussed in Appendix 1); and
- electronic copies of key documents.

As noted in section 3.4, our audit work needs to be done as you develop your underlying information and prepare your consultation document and LTP, to ensure the timely completion of our audit.

To ensure that we meet agreed deadlines, it is essential that the dates agreed are adhered to.

## **7 Professional fees**

Our audit fee, covering only the LTP for the period commencing 1 July 2024, is \$123,900 (excluding GST and disbursements).

In the unlikely event the actual hours to carry out the audit of the LTP results in the above audit fee being more than \$210 per hour, the fee will be reduced to a maximum \$210 per hour.

For the 2021 LTP, our actual hours were 705. These hours are likely to include some inefficiencies on our part, as well as inefficiencies caused by the council. The audit fee, we charged was \$116,900, which was an effective hourly rate of \$166. For context, in 2021 the average effective charge out rate for an audit of this complexity should have been \$180 - \$233 per hour.

We cannot continue to spend significant amounts of time on the audit that is not compensated. Over time, we need to increase our audit fees to fairly reflect the costs of performing an efficient audit. The proposed 2024 fee is an increase of 21% compared to the 2021 agreed fee.

The proposed fee is based on the following assumptions:

- Information required to conduct the audit is complete and provided in accordance with the agreed timelines. This includes the full draft financial strategy, draft infrastructure strategy and key underlying assumptions and information that supports the LTP.
- There will be an appropriate level of assistance from your staff.
- All documentation provided will be subject to appropriate levels of quality review before submission for audit.

- The LTP will include all relevant disclosures.
- We will review, at most, two drafts of the LTP during our audit.
- We will also review one printer's proof copy of the LTP and one copy of the electronic version of the LTP (for publication on your website).
- There are no significant changes in the structure or level of operations of the Council impacting on the audit, such as the establishment of a CCO to deliver core functions or a major restructuring of groups of activities.
- The local authority is preparing forecast financial statements for the "Council parent" only, rather than including consolidated forecast financial statements for the Council and any controlled entities in the adopted LTP.

If information is not available for the visits as agreed, or the systems and controls the Council use to prepare the underlying information and assumptions cannot be relied on, we will seek to recover additional costs incurred as a result. We will endeavour to inform you as soon as possible should such a situation arise.

We wish to interim bill as work progresses. We propose the following billing arrangements:

Month	\$
March 2024	30,000
April 2024	40,000
July 2024	30,000
August 2024	23,900
<b>Total</b>	<b>123,900</b>

We need to begin our LTP audit work in a timely fashion to ensure that the LTP can be adopted before the statutory deadline. We have already spent some time on audit planning and engagements with management.

## 8 Personnel

Our personnel involved in the management of the audit are:

Wikus Jansen van Rensburg	Audit Director
Scott Tobin	Engagement Quality Review Director
Rebecca Murphy	Manager, SAAS
Kay Oloro	Audit Manager
Carter Horsup	Audit Supervisor

We have endeavoured to maintain staff continuity as far as possible.

## 9 Agreement

Please sign and return the attached copy of this letter to indicate that:

- it is in accordance with your understanding of the arrangements for this audit of the LTP for the period commencing 1 July 2024; and
- you accept the terms of the engagement set out in this letter that apply specifically to the audit of the LTP and supplement the existing audit engagement letter dated 7 August 2023.

If there are any matters requiring further clarification, please do not hesitate to contact me.

Yours sincerely



Wikus Jansen van Rensburg  
Director

cc Julie Gardyne, Chief Executive  
Kendall Goode, LTP project co-ordinator/manager

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*I acknowledge that this letter is in accordance with my understanding of the arrangements of the audit engagement. I also acknowledge the terms of the engagement that apply specifically to the audit of the LTP, and that supplement the existing audit engagement letter dated 7 August 2023.*

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

David Trewavas  
Mayor

## Appendix 1: Terms of the engagement that apply specifically to the audit of the LTP

### Objectives

The objectives of the audit of the LTP are:

- to provide an independent report on the LTP (under section 94(1) of the Act) about:
  - whether the LTP gives effect to the statutory purpose; and
  - the quality of the information and assumptions underlying the information included in the LTP; and
- to report on matters relevant to the Council's planning systems that come to our attention.

Our audit involves performing procedures that examine, on a test basis, evidence supporting assumptions, amounts, and other disclosures in the LTP, and evaluating the overall adequacy of the presentation of information.

We also review other information associated with the LTP to identify whether there are material inconsistencies with the audited LTP.

### Provision of a report to the governors of the Council

At a minimum, we will report to the governors of the Council at the conclusion of the engagement. The report communicates matters that come to our attention during the engagement and that we think are relevant to the Council. For example, we will report:

- any weaknesses in the Council's systems; and
- uncorrected misstatements noted during the audit.

Please note that the Auditor-General may refer to matters that are identified in the audit of consultation documents and LTPs in a report to Parliament if it is in the public interest, in keeping with section 20 of the Public Audit Act 2001.

### Materiality

Consistent with the annual audit, the audit engagement for the LTP adheres to the principles and concepts of materiality during the 10-year period of the LTP and beyond (where relevant).

Materiality is one of the main factors affecting our judgement on the areas to be tested and the nature and extent of our tests and procedures performed during the audit. In planning and performing the audit, we aim to obtain assurance that the LTP, and the information and assumptions underlying the information contained in these documents, do not have material misstatements caused by either fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence a reader's overall understanding of the LTP.

Consequently, if we find material misstatements that are not corrected, we will refer to them in the audit report. Our preference is for any material misstatement to be corrected, avoiding the need to refer to misstatements.

### **The standards applied when conducting the audit of the adopted long-term plan**

Our audit is carried out in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we consider particular elements of the Auditor-General's Auditing Standards and International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information* that are consistent with those requirements.

### **Responsibilities**

#### **General responsibilities**

The general responsibilities of the Council for preparing and completing the LTP are consistent with those for the annual report, as set out in the audit engagement letter dated 7 August 2023 - but noting that the LTP includes forecast information.

These responsibilities include those set out in Appendix 1 of that audit engagement letter as detailed below:

- Appendix 1: Respective specific responsibilities of the Council and the Appointed Auditor:
  - responsibilities for compliance with laws and regulations; and
  - responsibilities to establish and maintain appropriate standards of conduct and personal integrity.

#### **Specific responsibilities**

The Council is responsible for:

- maintaining accounting and other records that:
  - correctly record and explain the forecast transactions of the Council;
  - enable the Council to monitor the resources, activities, and entities under its control;
  - enable the Council's forecast financial position to be determined with reasonable accuracy at any time; and
  - enable the Council to prepare forecast financial statements and performance information that comply with legislation; and

- providing us with:
  - access to all information and assumptions relevant to preparing the LTP, such as records, documentation, and other matters;
  - additional information that we may request from the Council for the purpose of the audit;
  - unrestricted access to Council members and employees that we consider necessary; and
  - written confirmation of representations made to us in connection with the audit.

**Health and safety of audit staff**

The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff. Under the Health and Safety at Work Act 2015, we need to make arrangements with you to keep our audit staff safe while they are working at your premises.

We expect you to provide a safe work environment for our audit staff that is without risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment, where required. We also expect you to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

Taupō District Council Audit Improvement Summary

Audit Source	TDC Responsible Party	Audit Period	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	DEC 2023 Management Status update	Target Completion Date
Annual Report	Pernille Fletcher		2014/15	<b>Project Management</b> We recommend improvements are made with regards to: <ul style="list-style-type: none"><li>• Further refinement to the Strategic Plan.</li><li>• Refinement of strategic mapping matching projects to benefits, outcome, and strategy.</li><li>• The use of business cases is currently a work in progress.</li></ul> Currently, business cases are typically only used for large projects, however the expectation would be that there are business cases for all projects.	District Council in the process of recruiting staff to support the development of this process. <b>Matter progressing.</b>	Necessary	Business cases were introduced for all projects as part of the 2021 LTP cycle, with each Asset Manager presenting their cases to GM and subsequently Executive and Council to form part of the finalised Long Term Plan. This process was refined for the 2024 LTP as different sized projects were provided with more or less complex business case templates. The business case template links to the strategic direction of the Council, instructing users to provide details on how their project(s) meet the overall strategic direction of Council, along with clearly documenting expected project benefits and project community outcomes. Through the introduction of the Portfolio Control Team, business cases for projects moving from LTP to Initiate and Plan phase must have a refreshed business case as it is understood that as time passes, components of the case (specifically financials) may change and must be refreshed. There is now a Snr BA in the PMO team to assist with the quality and standardisation of these cases.	Jun-24
	Pernille Fletcher						The development of a full scale software solution for project management is planned for 24/25 as full investigation into the incumbent TechOne system needed to be complete (standalone systems for Project management often pose financial and IT risks) along with a full understanding of the PCT role and ambit. A set of functional requirements have been developed and are being tested internally. A robust project management methodology has been in place since 2017. The Project Management Office has been in place since 2021 and has grown from 5 to 13 staff, largely through centralisation of existing project management staff through the business. Over 2022 there has been an external review of the project management methodology and related artefacts, this has endorsed the implementation of a Portfolio Control Team (overseeing the Capital Portfolio significant projects) which was commenced in September 2023 and comprises a core group of senior council staff members tasked with reviewing critical project information before projects are supported to move to the next stage of the project management methodology. Currently, a monthly report using PowerBI is in place, this is also used for the monthly Council Report. <b>Recommend this matter be closed.</b>	
Annual Report	Louise Chick		2014/15	<b>Procurement &amp; Contract Management</b> The procurement guidelines and practices are updated to include the following points: <ul style="list-style-type: none"><li>• include guidance on the use of Contract Management Plans, what to do when contract performance obligations and expectations are not being met; and</li><li>• a programme of review of procurement contracts -currently this is limited to an ad-hoc approach to reviewing individual procurements. Clear guidance on what action is to be taken in response to findings.</li></ul>	We note that Council has implemented a new contract management module within Ci Anywhere, however management are still embedding the processes and controls to ensure consistent usage of the tool. <b>Matter progressing.</b>	Beneficial	TDC has reviewed its Procurement Policy and supporting procedures and will be presented to tier 3 managers (ELT) on the 26 February. This will include guidance on how to manage contracts, including when performance is failing. TDC's Contract Management module in CI Anywhere is now embedded and being actively managed and includes key contract dates. TDC is also looking to develop a procurement assurance programme scheduled to be complete by the end of February 2024 in accordance with the Business Excellence Procurement Plan. This will include a programme of review of procurement contracts. <b>Matter progressing.</b>	Feb-24

## Taupō District Council Audit Improvement Summary

Audit Source	TDC Responsible Party	Audit Period	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	DEC 2023 Management Status update	Target Completion Date
Annual Report	Tracey May		2016/17	<b>Service Request/Work Order System</b> The District Council improves its service request system to ensure that data is valid and complete.	The District Council has not transitioned to the new performance development system within the new Ci Anywhere module <b>Matter progressing.</b>	Necessary	Process changes have been made and Customer Relations team are actively managing the culture and customer outcomes of service requests in preparation for the new system. <b>Matter progressing expected delivery July 2024.</b> <i>Forecast completion brought forward from Dec 24 to July 24.</i>	Jul-24
Annual Report	Tony Hale		2017/18	<b>Water supply and wastewater median resolution times</b> Enhance controls and review processes to ensure that attendance and resolution times are recorded accurately in their customer service request system.	Council is still working to resolve this issue. We note progress has been made to mitigate this issue  Despite this, in the current year we continued to identify similar issues such as zero- minute response & resolution times. This matter was still outstanding for the financial period and was a contributing factor to issuing a modified opinion.  We will follow up any progress made during our 2023 audit. <b>Matter outstanding.</b>	Urgent	TDC's Three Waters Team is currently mapping existing processes for lodging and recording customer service requests and response times. Once the current processes are thoroughly understood the team will use this information to identify the root cause of issues relating to the capture of resolution times. The root cause analysis will inform process improvements to enable capture of real time information. TDC is hopeful the current upgrade to AssetFinda 4 (due end of Dec 2024) will provide the technology improvements needed to support this, however if not, other technology solutions will need to be investigated. <b>Matter progressing.</b> <b>Delayed from March 24 until Dec 2024.</b>	Dec-24
Annual Report	Louise Chick		2018/19	<b>Develop and test organisational business continuity (BCP )</b> Develop and test organisational business continuity plans with each of its departments to ensure that services continue to be provided after an event.	Due to resource constraints and the impacts of COVID-19 the development and testing of the BCP plan has been delayed <b>Matter outstanding.</b>	Necessary	<b>Business Continuity Policy and Framework is currently on hold due to staff vacancies. Consultancy support is being investigated.</b> <b>Matter progressing.</b>	30/09/2024
Annual Report	Claire Sharland		2019/20	<b>Valuer's recommended improvements – roading assets</b> Review WSPs' recommendations and consider implementing these improvements to the overall completeness and accuracy of data used for valuations. <ul style="list-style-type: none"> <li>consider running future valuations within the RAMM asset register using the RAMM Valuation Module;</li> <li>where culvert components are partly wooden, identify these components separately from other materials to give more accuracy to culvert remaining lives;</li> <li>continue to maintain and develop the asset component register, obtain and utilise information on construction and renewal dates where available to improve the reliability of the valuation;</li> <li>assessment of the condition information to be provided when it is available to improve expected and remaining lives of assets, as well as the accuracy of valuation; and</li> <li>continue to update construction costs to provide up to date information for future valuation updates.</li> </ul>	The matter remains open until such time as an updated roading valuation is performed. <b>Matter outstanding.</b>	Necessary	Roading revaluation has been completed (Aug 23) and is currently being incorporated into RAMM. <b>Matter progressing.</b> <ul style="list-style-type: none"> <li>consider running future valuations within the RAMM asset register using the RAMM Valuation Module; <b>matter progressing.</b></li> <li>where culvert components are partly wooden, identify these components separately from other materials to give more accuracy to culvert remaining lives; <b>matter progressing.</b></li> <li>continue to maintain and develop the asset component register, obtain and utilise information on construction and renewal dates where available to improve the reliability of the valuation; <b>staff consider matter complete.</b></li> <li>assessment of the condition information to be provided when it is available to improve expected and remaining lives of assets, as well as the accuracy of valuation;</li> </ul> Retaining wall/bridge asset condition data <b>complete</b> ; drainage assets condition <b>matter progressing.</b> <ul style="list-style-type: none"> <li>continue to update construction costs to provide up to date information for future valuation updates. <b>staff consider matter complete.</b></li> </ul>	30/06/2024

## Taupō District Council Audit Improvement Summary

Audit Source	TDC Responsible Party	Audit Period	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	DEC 2023 Management Status update	Target Completion Date
Annual Report	Jeanette Paenga		2019/20	<b>Long service leave calculation (actuarial)</b> Implement a reporting function within the payroll system to generate data to be able to confirm the long service leave calculation.	A reporting function within the payroll system has not been implemented to generate the data to enable confirmation of the actuarial long service leave calculation. <b>Matter outstanding.</b>	Beneficial	The calculation is run outside payroll by a predefined system calculation process. We will investigate if there is a system logfile we can access which shows the calculation. <b>Matter progressing</b>	30/06/2024
Annual Report	Jeanette Paenga		2020/21	<b>Implement a policy regarding capitalisation of internally generated cost</b> We recommend the District Council incorporates a formal capitalisation policy to provide clear guidance on the circumstances where internally generated employee costs can be capitalised.	We understand the District Council has not yet implemented a policy; management is in the process of drafting a policy for financial year 2023. <b>Matter progressing</b>	Necessary	Staff need to prepare a draft management policy in respect of capitalised staff time before the end of the 2023/24 financial year. <b>Matter progressing</b>	30/06/2024
Annual Report	Jeanette Paenga Pernille Fletcher		2020/21	<b>Asset capitalisation process</b> The District Council does not have a formalised process in place for the communication between the asset engineers and the finance team for the capitalisation of significant capital projects from work in progress to commissioned assets. We also recommend assets are capitalised timely, based on when the asset is entered into service.	We continue to note that District Council has not implemented a formalised process around asset capitalisations. <b>Matter outstanding.</b>	Necessary	Asset purchase forms are submitted when assets are purchased, e.g. for assets. When assets are built, projects run by the PMO prepare Project Close out reports which include a trigger for capitalisation of the asset. This is reinforced by the newly established Portfolio Control Group which is a project management QA forum which checks, for critical projects, that all key document, e.g. Close out reports, are in place prior to the project moving to the next stage gate. The process is still being bedded down so the matter is considered to be progressing. The PMO is considering adding a distribution list to the Close Out report template which includes Finance. Distribution of this report to Finance would then trigger a process where Finance and Asset Information teams review the project costs to ensure all costs are captured and then initiates componentisation of costs against assets, as the first step of capitalisation. <b>Matter progressing.</b>	31/12/2024
Annual Report	Lindsay Nienhuser		2020/21	<b>High annual leave balances</b> We recommend the District Council to encourage employees to use their annual leave and maintain individual leave balances of less than six weeks.	We continue to observe employees with annual leave in excess of 30 days, we continue to note that high annual leave balances create a liability risk for the District Council. <b>Matter outstanding.</b>	Necessary	TDC is proposing changes to its Annual Leave Policy which will limit the amount of annual leave an employee can leave in their 'bank'. Proposed changes are currently out to consultation with employees, and are proposed to go to TDC Executive in Dec 2023. <b>Matter progressing.</b> <b>Forecast completion delayed from Feb 24 to April 24.</b>	Feb-24
Annual Report	Jeanette Paenga		2020/21	<b>Depreciation not in line with policy</b> Complete a review to ensure all depreciation rates are in line with Council's policy, or that the policy is updated to reflect appropriate depreciation rates.	We continue to note instances where depreciation rates utilised on assets are not in line with Council's accounting policy. We note Council plans to re-align depreciation rates as part of the 2024/34 Long-term Plan <b>Matter progressing.</b>	Necessary	The accounting policy for depreciation rates will be reviewed as part of the Long-term Plan process. <b>Matter progressing</b>	30/06/2024

## Taupō District Council Audit Improvement Summary

Audit Source	TDC Responsible Party	Audit Period	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	DEC 2023 Management Status update	Target Completion Date
Annual Report	Jeanette Paenga		2020/21	<b>Sensitive Expenditure: independence of approver</b> We recommend there is one-up approval on all expenditure. If the approver is receiving a perceived or actual benefit from the transaction then it should be approved by that person's Manager on a one-up basis (or in the CEO's case, the mayor) or by an alternative member of those charged with governance (preferably the RAC Chair) to ensure there is the independence and transparency. This is also in keeping with Taupō District Council's Sensitive Expenditure Policy.	We continue to note instances where approvers of sensitive expenditure have also benefitted from the expenditure they have approved. <b>Matter outstanding.</b>	Necessary	It is already our practice to attain one-up approval for such transactions. It is disappointing that another item has occurred. The new travel approval system (Orbit) will help to manage this as one-up approval required, however, still requiring process refinements for credit card expenditure. We are looking at the systems configuration and business processes over the next few months to try and eliminate this from occurring. <b>Matter progressing</b>	30/06/2024
Annual Report	Louise Chick		2020/21	<b>Sensitive Expenditure Policy improvement</b> From our review of the Sensitive Expenditure Policy, we have identified opportunities to further strengthen the Policy and to ensure the Policy is in line with the updated good practice guideline from the Office of the Auditor General.	From our review of the updated sensitive expenditure policy, we have identified recommendations to further strengthen the Policy and to ensure the policy is in line with good practice. We recommend Council further update their policy with the following points: •Policies specify the monitoring and reporting regime and, where applicable, any internal audit checks that may be applied. •Credit card policies and procedures need to set out the process for cancelling and destroying cards •Credit card policies and procedures need to set out the consequences of unauthorised use, and who is responsible in the case of misuse of the card. <b>Matter progressing.</b>	Beneficial	The Sensitive Expenditure Policy is due for review by February 2024 and the audit recommendations will be considered as part of the review. <b>Matter progressing.</b>	Feb-24
Annual Report	Tracey May		2021/22	<b>Use of generic accounts</b> We recommend the District Council develop a process to document the current generic and powerful accounts within their network domain and various applications. This should include an assessment to determine the extent of their access and whether they are still required.	N/A - New matter	Necessary	Generic accounts being reviewed. Where generic accounts are still required (mainly for use in MagiQ front counter) an exception has been added to the Privileged Access Management policy. <i>8. Exception:</i> <i>8.1. Until July 2024, an exception is granted for customer service agents to use generic accounts for cash receipting purposes. During this period, the use of generic accounts is permitted to facilitate cash transactions. Starting from July 2024, all cash receipting activities must adhere to the standard access management protocols to identify the individual user performing the transaction. Any extension beyond this date requires explicit approval from the Digital Solutions Manager.</i> <b>Matter progressing</b> <i>Forecast Completion delayed from March 24 to May 24.</i>	May-24
Annual Report	Jeanette Paenga		2021/22	<b>Capitalisation date of vested assets</b> We recommend that Council aligns their capitalisation dates for vested assets to the date the relevant 224c Certificates are signed.	N/A - New matter	Necessary	Councils across NZ are grappling with this issue and this issue has reoccurred in TDC this financial year and Finance has analysed the impact of this, which staff consider immaterial. Finance, in collaboration with other relevant parts of TDC, will develop a plan to ensure assets are capitalised in the correct financial year. <b>Matter progressing.</b>	30/06/2024
KPMG	Michelle McGill		Aug-23	R1.2 In consultation with key stakeholder and workers, use the risk identification and assessment process to revalidate what are the critical risks to Taupō District Council.	N/A - New matter	High	Critical risk assessments progressing in line with industry standard through the application of bow tie analysis. Workshops held on three critical risks - Driving, Violence & Aggression, Working from heights. <b>Matter progressing.</b> <i>Delayed from February to May 2024.</i>	31/05/2024

## Taupō District Council Audit Improvement Summary

Audit Source	TDC Responsible Party	Audit Period	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	DEC 2023 Management Status update	Target Completion Date
KPMG	Michelle McGill		Aug-23	R1.3 Based on the revalidation, identify the controls and mitigations to manage the identified critical risks.	N/A - New matter	High	Opportunities for improving controls being identified through bow tie analysis. <b>Matter progressing.</b> <b>Delayed from February to June 2024.</b>	30/06/2024
KPMG	Louise Chick		Aug-23	R1.4 Implement a plan to evaluate that controls that manage critical risks are in place and working as intended.	N/A - New matter	High	Due to commence January 2024 in accordance with H&S Improvement Plan. <b>Matter progressing.</b> <b>Delayed from Feb 24 until Apr 24 as controls to be audited not yet identified as bow-tie analysis behind schedule.</b>	28/04/2024
KPMG	Michelle McGill		Aug-23	R2.1 Conduct job specific or departmental risk assessments in all areas of Council.	N/A - New matter	High	Due to commence Dec 2023 in accordance with H&S Improvement Plan. <b>Matter progressing.</b> <b>Delayed from March until June 2024.</b>	30/06/2024
KPMG	Michelle McGill		Aug-23	R2.2 Increase awareness at the management level of the importance in managing health and safety risks to prevent harm to workers and how practical solutions and processes can support work being done safely.	N/A - New matter	High	H&S awareness being actively discussed at Executive and ELT. Management training planned for People leaders in early 2024 once system updates complete. Due to commence in February 2024 in accordance with H&S Improvement Plan. <b>Matter progressing.</b>	30/04/2024
KPMG	Michelle McGill		Aug-23	R2.3 Review how work is done and what controls are in place to reduce risk as low as reasonably practicable. As per the examples in the findings, take into consideration (without limitation): – Review the level of control needed to manage the risk, such as testing and tagging, – Define what are the minimum requirements or expectations set by Council, such as SDS required for domestic quantities of chemicals, and – Understand how work is done and identify where to make changes to reduce risk, such as changes to managing upset customers on call.	N/A - New matter	High	Bow tie analysis underway for critical risks. This will include identification of any other potential risk controls for critical risks. Review and validation of risk controls due 31 March 2024 in accordance with H&S Improvement Plan. <b>Matter progressing.</b> <b>Delayed from March to May 2024.</b>	31/05/2024
KPMG	Michelle McGill		Aug-23	R3.1 Standardise the 5x5 risk matrix within health and safety processes to align with Councils enterprise risk management framework.	N/A - New matter	Medium	Will be progressed following the adoption of the Risk Management Framework (expected at March 2024 meeting). <b>Matter progressing.</b> <b>Delayed from Dec 23 to May 24.</b>	31/05/2024
KPMG	Michelle McGill		Aug-23	R3.2 Review the ranking within the 5x5 risk matrix to ensure that it accurately reflects the level of risk ranking for the severity of the events.	N/A - New matter	Medium	This relates to risk appetite and will be progressed with the development of TDC's Enterprise-wide risk appetite - workshop planned for the 11 December, the results of which will be incorporated into TDC's Risk Management system. The Risk Appetite Statements will be presented to Risk and Assurance in March 2024 for its endorsement. <b>Matter progressing.</b> <b>Delayed from Dec 2023 until April 2024.</b>	30/04/2024
KPMG	Louise Chick		Aug-23	R4.1 Develop and implement an internal inspection and audit plan based on risk. Consult and communicate the roles and responsibilities to those who are responsible for first- and second-line assurance tasks.	N/A - New matter	Medium	Will be undertaken following bow-tie analysis and associated understanding of controls to be audited it (i.e. need to know what is being audited/assured before developing plan to assure). <b>Matter progressing.</b> <b>Delayed from February until June 2024.</b>	30/06/2024
KPMG	Louise Chick		Aug-23	R4.2 Establish independent assurance processes.	N/A - New matter	Medium	Will be undertaken following bow-tie analysis and associated understanding of controls to be audited it (i.e. need to know what is being audited/assured before developing plan to assure). <b>Matter progressing.</b> <b>Delayed from February until June 2024.</b>	28/02/2024

## Taupō District Council Audit Improvement Summary

Audit Source	TDC Responsible Party	Audit Period	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	DEC 2023 Management Status update	Target Completion Date
KPMG	Michelle McGill		Aug-23	5.1 Define how health and safety risks are to be considered in the procurement process outlined in the Procurement Operational Guidelines.	N/A - New matter	Medium	Procurement Guidelines currently being redrafted and due to be completed by Jan 24 in accordance with the Business Excellence Improvement Plan. <b>Matter progressing.</b> <b>Delayed from Jan 24 to Feb 24.</b>	29/02/2024
KPMG	Michelle McGill		Aug-23	5.2 Train contract managers on their responsibility to understand how the work will be done safely and complete due diligence on contractor safety plans. Where required, train contract managers on how to inspect sites and audit process.	N/A - New matter	Medium	Training planned to commence in Feb 2024 in accordance with the H&S Improvement Plan. Vault Check (Damstra) site audit templates being developed (16 developed to date). <b>Matter progressing.</b>	30/04/2024
KPMG	Michelle McGill		Aug-23	5.3 Give clear guidance on when inspections and audits are required to be completed on contractors by establishing triggers for when inspections and audits are due and the frequency. Base the triggers on risk. Some considerations may be length of work, incident data trending, type of work being done and/or maturity of the contracted organisation.	N/A - New matter	Medium	Due to commence in February 2024 in accordance with H&S Improvement Plan. <b>Matter progressing</b> <b>Delayed from April 24 to May 24.</b>	30/05/2024
KPMG	Michelle McGill		Aug-23	5.4 Monitor and report on the number and type of site inspection and audits being completed by Taupō District Council on contractors. Hold departmental managers to account when inspections and audits are not completed as required.	N/A - New matter	Medium	<b>Matter progressing.</b> <b>Delayed from Jan 24 until April 24.</b>	30/04/2024
KPMG	Michelle McGill		Aug-23	5.5 Finalise the draft Contractor Health and Safety Handbook and communicate the requirements to stakeholders.	N/A - New matter	Medium	Currently refining manual with input from PMO and Procurement. <b>Matter progressing.</b> <b>Delayed from Dec 24 until Mar 24.</b>	31/03/2024
KPMG	Michelle McGill		Aug-23	6.1 Establish an emergency plan for all plausible scenarios that the Council may face. Include Taupō District Council expectations for the emergency management of workers and workplaces that are not involved in civil defence activities in the emergency plans.	N/A - New matter	Medium	Bomb threat, aggressive behaviours/protestors have been identified as viable scenarios and joint workshops with the Property and Customer Services teams to identify high security risk locations were conducted in September. The next step is to prioritise locations and focus on identifying controls for high-risk locations. Once these have been developed, a security awareness education programme will be rolled out across TDC. <b>Matter progressing.</b> <b>Delayed from Jan 24 until June 24.</b>	30/06/2024
KPMG	Michelle McGill		Aug-23	6.2 Train workers in what to do in an event of each emergency scenario relevant to their location and work.	N/A - New matter	Medium	<b>Matter progressing.</b> <b>Delayed from Feb 24 until July 24.</b>	28/07/2024
KPMG	Michelle McGill		Aug-23	6.3 Create a schedule to test and review emergency procedures based on risk or legal and other requirements to ensure emergency plans are effective and workers know what to do.	N/A - New matter	Medium	<b>Matter progressing.</b> <b>Delayed from Feb 24 until July 24.</b>	28/07/2024
KPMG	Louise Chick		Aug-23	7.1 Implement mechanisms that allow the Council to know which visitors and contractors are in the offices at any given time. Consider requiring visitors or contractors to have some form of visible identification for the duration of their visit.	N/A - New matter	Medium	New visitor sign-in processes will be implemented as part of TDC's new Civic Administration Building (expected to be operational in Q1 2025). Depending on the technology and processes adopted for the new building, TDC may roll these out for other office locations. <b>Matter progressing.</b>	31/01/2025
KPMG	Michelle McGill		Aug-23	7.2 Implement physical security protocols that align to the New Zealand Government Protective Security Requirements.	N/A - New matter	Medium	Initial workshops have identified opportunities for improvement. Further collaboration is required between customer service, facilities, venue management and health and safety to implement appropriate solutions. <b>Matter progressing.</b> <b>Delayed from Dec 23 until June 24.</b>	30/06/2024
KPMG	Michelle McGill		Aug-23	7.3 Conduct physical security training and scheduled refresher training about security protocols within the Council. Additional reminders to workers to ensure they close the door behind them may be required until the culture changes.	N/A - New matter	Medium	TDC planning to develop and run an education campaign on security protocols throughout the organisation. This was originally planned to be complete by 31 Dec 2023 but will most likely be mid-2024. <b>Matter progressing.</b>	30/06/2024

## Taupō District Council Audit Improvement Summary

Audit Source	TDC Responsible Party	Audit Period	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	DEC 2023 Management Status update	Target Completion Date
KPMG	Michelle McGill		Aug-23	8.2 Audit and establish who has and has not been inducted, in order to conduct the induction process for people that have missed it.	N/A - New matter	Low	Audit of TDC employees that have been inducted has been undertaken and management informed of outstanding inductions. 49 outstanding of which 8 are new hires. <b>Matter progressing.</b> <b>Delayed from Dec 23 - March 24.</b>	31/03/2024
KPMG	Louise Chick		Aug-23	9.1 Include progress reporting on the Health and Safety Action Plan in the Ordinary Council Meeting reports.	N/A - New matter	Low	New dashboard reporting template under development will include progress on action plan. Due in Jan 2024 in accordance with H&S Improvement Plan. <b>Matter progressing.</b> <b>Delayed from Jan until March 2024.</b>	31/03/2024
KPMG	Louise Chick		Aug-23	10.1 In consultation, update reporting metrics to include progress on meeting the strategic objectives and action tracking.	N/A - New matter	Low	New dashboard reporting template under development will include progress on meeting strategic objectives and action plan. Due in Jan 2024 in accordance with H&S Improvement Plan. <b>Matter progressing.</b> <b>Delayed from Jan until March 2024.</b>	31/03/2024
KPMG	Michelle McGill		Aug-23	10.2 Implement mechanisms, such as a dashboard, where managers can access departmental information and be held accountable for meeting health and safety outcomes.	N/A - New matter	Low	Due Dec 2023 in accordance with H&S Improvement Plan. <b>Matter progressing.</b> <b>Delayed from Dec 23 until March 2024.</b>	31/03/2024
KPMG	Louise Chick		Aug-23	11.1 Improve the mana associated with being a HSR, by celebrating the success of the Health and Safety Committee by communicating across the organisation how they have made improvements.	N/A - New matter	Low	Proposed to develop an internal H&S Engagement Plan to roll out simultaneously with launch of H&S Portal. This will form part of that engagement plan. Due 28 Feb 2024 in accordance with H&S Improvement Plan. <b>Matter progressing.</b>	28/02/2024
KPMG	Michelle McGill		Aug-23	11.2 Standardise what duties a HSRs is expected to complete within Taupō District Council operational systems. Engage with the HSRs and relevant managers to establish what needs to be done to support the health and safety of workers and what are nice to haves.	N/A - New matter	Low	HSR roles and responsibilities detailed and included in new HSR Handbook. Handbook drafted, expecting feedback from GM Operations and Delivery in mid-Feb after which it will be presented to ELT. <b>Matter progressing.</b> <b>Delayed from Dec 2023 to March 2024.</b>	31/03/2024
KPMG	Michelle McGill		Aug-23	11.3 Communicate to management the importance of HSRs in the workplace, what their role is, how it benefits the Councils and the amount of dedicated work time that is required to fulfil HSR duties. Ensure that time is allocated in work hours to complete these.	N/A - New matter	Low	HSR roles and responsibilities detailed and included in new HSR Handbook. Handbook includes template for HSR and manager to plan and agree how HSR will deliver on commitments. Handbook drafted, expecting feedback from GM Operations and Delivery in mid-Feb after which it will be presented to ELT. <b>Matter progressing.</b> <b>Delayed from Dec 2023 to March 2024.</b>	31/03/2024
KPMG	Michelle McGill		Aug-23	11.4 Empower the health and safety committee to take on a more proactive role by giving the Committee key objectives to achieve throughout the year.	N/A - New matter	Low	To be undertaken at next HSC meeting. <b>Matter progressing.</b> <b>Delayed from Dec 2023 to March 2024.</b>	31/03/2024
KPMG	Michelle McGill		Aug-23	11.6 Recommunicate the HSR election process within the document Taupō District Council Worker engagement, Participation, and Representation Agreement 2022/23	N/A - New matter	Low	Communication of HSR election process will be communicated through H&S Engagement Plan which will be implemented through the first half of this 2024. <b>Matter progressing.</b> <b>Delayed from Dec 2023 to March 2024.</b>	30/06/2024
KPMG	Louise Chick		Aug-23	13.1 Encourage reporting of incidents across the organisation. Consider the use of positive feedback mechanisms such as how an incident reported has been actioned or using key performance indicators.	N/A - New matter	Low	Increased focus on H&S from the CEO down. ELT actively encouraged to raise H&S as a day to day matter and for staff to record on Vault. Promoting recording of incidents will form a part of an internal engagement plan to be rolled out following the launch of the intranet portal (March 2024). <b>Matter progressing.</b>	31/03/2024
KPMG	Michelle McGill		Aug-23	13.2 Roll out refresher training to departments that may not see the benefits of reporting incident and near misses. Define what should be reported and the expected timelines that reports are to be entered into the system.	N/A - New matter	Low	Refresher training planned to commence Jan 24 in accordance with H&S Improvement Plan. <b>Matter progressing.</b> <b>Delayed from Jan 2024 to March 2024.</b>	31/03/2024

Taupō District Council Audit Improvement Summary

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KPMG	Louise Chick		Aug-23	15.1 Establish and commence the plan for regular review of all procedures across the Council. The review process should also be consistent across all teams to create standardised procedures.	N/A - New matter	Low	TDC will be establishing a H&S Portal, which will included updated policy and links to all relevant procedures. Planned to coincide with introduction of new intranet (new Tui), in early 2024. <b>Matter progressing.</b>	28/02/2024
Audit NZ	Roger Stokes		Mar-21	To explain that a backlog/deferrals in infrastructure renewals exist and explain how these will be addressed.	N/A - New matter	N/A	Continues to be challenging to invest in asset renewals due to financial constraints. Growth continues to generate increased renewal requirements. Roothing deterioration modelling shows an decline in condition of roading assets, and consequently have requested increased level of funding for the next long-term plan. <b>Matter progressing.</b>	30/06/2024
WaiComply	Tom Swindells	1 July 2022 - 30 June 2023	Nov-23	Reduce protozoal failures by installing at protozoal barrier or treatments at the following schemes: - Ātiamuri Village - Bonshaw Park - Centennial Drive - Hatepe Village - Kinloch - Motuoapa - Motutere - Omori - Tirohanga - Waihaha - Whakamoenga - Whareroa	N/A - new matter	N/A	Programme of protozoal treatment planned: Ātiamuri Village - New UV Treatment Plant - Contract Awarded. Completion expected Sept 2024. Bonshaw Park - Connect to Taupō scheme - Contract out for tender and estimated completion June 2024. Centennial Drive - Connect to Taupō scheme - at preliminary design - completion due June 2026. <b>Temporary protozoa barrier to be installed by Dec 24.</b> Hatepe Village - new membrane treatment plant - contract awarded, awaiting land acquisition - estimated completion <b>TBC (previously estimated June 2026).</b> <b>Temporary protozoa barrier to be installed by Dec 24.</b> Kinloch - New membrane treatment plant - contract awarded - estimated completion June 2025. Motuoapa - New membrane treatment plant - contract awarded - estimated completion June 2026. Motutere - <b>temporary protozoa barrier to be installed by Dec 24</b> – awaiting funding through LTP for long-term solution - estimated completion June 2027. Omori - New membrane treatment plant - contract awarded - estimated completion June 2025. Tirohanga - New UV treatment plant - design and procurement underway, highly complex build and at this stage timeline <b>TBC (previously June 2026).</b> Waihaha - New UV treatment plant - contract awarded - estimated completion Oct 2024. Whakamoenga - Connect to Taupō scheme by Dec 2024. Currently in detailed design. Whareroa - New UV treatment plant - design and procurement underway, <b>estimated completion Dec 25 (previously June 2026).</b> <b>Matter progressing.</b>	Various
WaiComply	Tom Swindells	1 July 2022 - 30 June 2023	Nov-23	UV dose - meter failure	N/A - new matter	N/A	Ongoing maintenance and continuously monitoring data to identify issues early. Implementing improved incident response and reporting of issues. <b>Matter progressing.</b>	31-Dec-24
WaiComply	Tom Swindells	1 July 2022 - 30 June 2023	Nov-23	Implement membrane filtration system or automated shutdown to manage turbidity events.	N/A - new matter	N/A	The pending protozoal treatment upgrades will also eliminate turbidity issues. <b>Matter progressing.</b>	As above.
WaiComply	Tom Swindells	1 July 2022 - 30 June 2023	Nov-23	Ensure new treatment plant process allows adequate retention times.	N/A - new matter	N/A	Being addressed through treatment plant upgrades. <b>Matter progressing.</b>	As above.
WaiComply	Tony Hale	1 July 2022 - 30 June 2023	Nov-23	Ensure continuous monitoring and data quality is protected during maintenance work.	N/A - new matter	N/A	SCADA improvement (FactoryTalk View) is addressing data quality and security. All water treatment sites to have Factory Talk View installed and operating by August 2024. <b>Matter progressing.</b>	30/08/2024

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WaiComply	Tom Swindells	1 July 2022 - 30 June 2023	Nov-23	Implement schedule of membrane filter testing and cleaning/replacement.	N/A - new matter	N/A	Have had proposal from Marshall Projects to upgrade the Membrane controls and monitoring to comply with new Taumata Arowai Quality Assurance rules ie. Automatic Integrity Testing after a period of 6 hours out of service, automatic flush to waste after turbidity events etc. Also adding a state of filter operation tag to identify when the filter is supplying or in a maintenance cycle. Work schedule to be confirmed. <b>Matter progressing.</b> Forecast completion brought forward from Dec 24 to Mar 24.	31-Dec-24
NZTA	Claire Sharland		Jun-18	a) Provide assurance to the Agency that unsealed road maintenance practice complies with the contract and that the unsealed network meets agreed levels of service and is safe for the travelling public. b) Review data quality in light of the audit findings (maintenance cost) and recent reports from dTIMS and REG. Identified improvements are incorporated in the 18-21 AMP Improvement plan and delivered in a timeframe agreed with NZTA System Design and Delivery, Hamilton.		Some improvement needed	a) Existing maintenance contract is up for renewal and Operations Manager will package (bundle) work to entice a larger contractor (economy of scale) to commit to the district's work. <b>Matter progressing.</b> b) Data quality continues to improve and recognised improvements are incorporated into the AMP. Work still be done to improve maintenance contractor performance. Including KPIs as part of retendering for 1 July 2024. <b>Staff consider item b) to be closed.</b>	30/06/2024
NZTA	Jeanette Paenga		Mar-22	R2.1 Implements a process for ensuring the Job Ledger and General Ledger are reconciled on a regular basis.	Original completion date was 1/07/2022	Significant improvement needed	Matter will be progressed by Finance. <b>Matter progressing.</b>	30/06/2024
NZTA	Jeanette Paenga		Mar-22	R2.2 Provides Waka Kotahi with reconciliation documentation to support its final claim for 2021/22.	Original completion date was 30/07/2023	Significant improvement needed	Matter will be progressed by Finance. <b>Matter progressing.</b>	30/06/2024
Council MARK	Louise Chick		Apr-22	Develop stronger ownership of strategic and operational risk by elected members and executive management respectively. A whole-of-organisation risk register is needed, using appropriate risk management tools that allow for constant evaluation, rating and mitigation of risks.	N/A - New matter	N/A	Strategic risk workshop with Elected Members and Executive in July 2023. These risks are currently being validated across the business. Currently revising Risk Management Charter into Policy and Framework, to be rolled out across the business in early 2024 in accordance with Improvement Plan tabled at previous Risk and Assurance meeting. <b>Matter progressing.</b>	30/06/2024
Council MARK	Louise Chick		Apr-22	Timelier Health, Safety and Wellbeing reports (monthly) to Elected Members would act as a valuable check on Council operations.	N/A - New matter	N/A	H&S reports go monthly to Executive and quarterly to the Risk and Assurance Committee. A new H&S Dashboard is under development to facilitate tracking of strategic H&S improvements and will be implemented from Mar 24 onwards in accordance with the H&S Improvement Plan. <b>Matter progressing.</b> Delayed from Jan 24 until Mar 24.	31/03/2024
Council MARK	Nick Carroll		Apr-22	Core documentation on Council strategies and processes needs updating and alignment (relates to how the Council vision will be achieved where Council MARK note: <i>effort is needed to articulate the means and details of what it looks like and how it will be achieved</i> .	N/A - New matter	N/A	As part of its 24-34 LTP has established a new Vision and set of Community Outcomes. These will be incorporated into the Long-term Plan 2024-34 along with an articulation of how the proposed work programme will help achieve the vision and outcomes. <b>Matter progressing.</b>	30/06/2024

Taupō District Council Audit Improvement Summary

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Council MARK	Louise Chick		Apr-22	Improved documentation of decisions relating to major procurement, particularly in providing greater detail and explanations as to evaluation scorings and how decisions are reached.	N/A - New matter	N/A	TDC is currently reviewing its Procurement Policy and supporting procedures which is forecast to be complete by end of February 2024. The Procurement Procedure will the requirement to include documentation of evaluation meetings to select the supplier. We have also reviewed our document control requirements, so all procurement documents relating to one contract will be stored together, referenced by the Contract Number. <b>Matter progressing.</b> Delayed from Jan to Feb 2024.	29/02/2024
Council MARK	Jeanette Paenga		Apr-22	Improved financial reporting by providing clear explanations as to the reasons for financial variances to budget.	N/A - New matter	N/A	This is recognised as a key area of opportunity and as such has been included in the Executive 2023/24 Business Plan. <b>Matter progressing.</b>	30/06/2024
Council MARK	Jessica Sparks		Apr-22	Establishing a Regulatory Strategy that better prioritises compliance work in a manner that considers public safety and cost-effectiveness.	N/A - New matter	N/A	Recommendation being considered by incoming General Manager of Strategy and Environment. <b>Matter progressing.</b>	30/06/2024
Council MARK	Tony Hale		Apr-22	Further progressing capital investment in stormwater management to protect district waterways.	N/A - New matter	N/A	TDC has identified a number of opportunities for improving stormwater management: ·Reticulation upgrades ·Treatment and reticulation renewals ·Installation of treatment devices ·Flood prevention Projects to progress these are being considered as part of TDC's LTP process. <b>Matter progressing.</b>	2025
Council MARK	Jeanette Paenga		Apr-22	Undertaking better operational analysis of Council's community facilities – patronage, cost of operations etc	N/A - New matter	N/A	TDC is currently analysing actual utilisation and revenue obtained from council facilities over recent years. This analysis will be used to inform the fees and charges bands that sit behind council's Revenue and Finance Policy. This work is expected to be complete upon finalisation of the LTP. <b>Matter progressing.</b>	30/06/2024
Council MARK	Hadley Tattle		Apr-22	Expanding the details provided on how grants are allocated and provide more visibility on what was granted, or why, particularly in the Annual Report.	N/A - New matter	N/A	There are clear criteria that applicants have to meet in order to be considered to receive a grant. The Funding and Partnership Advisor prepares an annual report summarising grant allocations that is distributed to Elected Members. Staff consider this information too detailed for inclusion within the Annual Report, however could be potentially uploaded to the TDC website to make it publicly available. <b>Matter progressing.</b>	30/06/2024
Council MARK	Louise Chick		Apr-22	Improving performance accountability reporting. <i>Positive anecdotal feedback needs to be transformed into a more structured process for measuring performance.</i>	N/A - New matter	N/A	TDC has restructured to create the Business Excellence Team who will be driving accountability for performance across TDC. <b>Matter progressing.</b>	30/06/2024
Council MARK	Nick Carroll		Apr-22	Business concerns about the future commercial planning of Taupō needs to be directly addressed to achieve a commonly agreed outcome.	N/A - New matter	N/A	Council has initiated a review of the existing spatial planning. Taupo District 2050 and the associated structure planning, including for commercial and industrial areas, will be consolidated and refreshed within a new Future Development Strategy that aligns with the National Policy Statement on Urban Development. This will involve engagement with the Taupo District business community. Scheduled to adopt a new Future Development Strategy in October 2024. <b>Matter progressing.</b>	31/10/2024
Agency Reassessment (food health)								

Taupō District Council Audit Improvement Summary

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IANZ	Jess Sparks		May-22	R1. It is recommended that TDC continue to consider and develop the food sector sign off process. This should include consideration of the following: - Making sure there is evidence to confirm fulfilment of sector specific processes, codes, standards, training courses, resources etc. - If some sectors might require a verifier to complete a specific shadow or peer review. - Not signing off contractors for sectors the agency does not need the contactor for, especially if the competency for that sector is not within the agency.	N/A - New matter	Recommendation	Another verifier employed and TDC is progressing this recommendation. <b>Matter progressing.</b>	30/06/2024

Taupō District Council Audit Improvement Summary - CLOSED ITEMS

Audit Source	TDC Responsible Party	Audit Period	Audit Date	Audit/review recommendation - CLOSED ITEMS	Most Recent Audit Status	Priority given by auditor	DEC 2023 Management Status update	Target Completion Date
Annual Report	Louise Chick		2016/17	<b>Centralised Contracts Register</b> A centralised contract register is implemented that includes the total contract value let, start date, expiry date and any additional information that may assist with contract renewal decisions.	No centralised contracts A Centralised contracts register implemented however Council continues to develop its usage and ensure consistency across all contracts in the register. <b>Matter progressing.</b>	Beneficial	TDC has established a centralised contract register as a module within CIA. This was recently completed updated and is now being actively being maintained. <b>Staff consider matter closed.</b>	Complete pending audit approval 30/06/2023
Annual Report	Tony Hale		2019/20	<b>Water supply and wastewater median resolution times</b> Enhance controls and review processes to ensure that attendance and resolution times are recorded accurately in their customer service request system.	Merged with similar item in 2017/18	Urgent	Merged. <b>Matter closed.</b>	Complete
Annual Report	Lindsay Nienhuser		2019/20	<b>Review of payroll masterfile changes</b> Payroll masterfile maintenance reports are independently reviewed by individuals who are unable to make changes in the payroll system.	Payroll masterfile maintenance reports are reviewed by individuals who are able to make changes in the payroll system. <b>Matter outstanding.</b>	Necessary	At the time the audit was conducted, one person from P&C was both: i) maintaining the payroll master file, and also ii) running payroll processing, leaving an opportunity for fraudulent behaviour. Since audit identified this issue, P&C have implemented new processes whereby different people from the P&C team undertake these functions. P&C have also implemented further improvements - changes to bank account details or pay rate changes require two people to be involved - one to make the change and another to check the change (prior to the next payrun). Records are kept of the change and the checking. Audit's suggestion to have an independent person, who cannot undertake changes, check any changes is not possible as there is no 'read-only' access to the payroll system on CIA. Any further improvements would require changes to the CIA system. <b>Staff consider matter closed pending Audit approval.</b>	Closed pending audit approval
Annual Report	Jeanette Paenga		2020/21	<b>Incomplete Interest Register</b> We recommend additional training is provided to management and Councillors around interest declarations, and a process is implemented to ensure all Councillors and key management personnel declare all interests (including entities that Council does not engage with).	We noted instances during the audit where declarations were incomplete when compared to the companies or charities register, we do note that in financial year 2022, the District Council has reduced the number of undisclosed interests. <b>Matter progressing.</b>	Necessary	TDC Governance team requests all elected members declare interests as part of induction process. At appointment of any new Executive and at the end of each financial year, Finance ask key management personnel and elected members to declare or interests and any recent divestments, irrespective of whether those interests are related to Council. Finance then verify these declarations by checking Companies Register and Directors Register. <b>Staff consider the matter closed.</b>	Complete pending audit approval 30/06/2023
Annual Report	Lindsay Nienhuser		2021/22	<b>Lack of formal approval for all salary increases</b> We recommend the District Council retains formal and proper evidenced approval documents for all salary increases before the salary increases are affected in the Council's accounting system	N/A - New matter	Necessary	Final approval for 2023 increases was completed through email by Julie Gardyne on 11/7/2023 - filed in the HR confidential files. <b>Staff consider matter complete.</b>	Complete 11/07/2023
Annual Report	Jeanette Paenga		2021/22	<b>Journal segregation of duties</b> We recommend a one-up approval process for journals posted.	N/A - New matter	Necessary	From the point of Audit bringing this to our attention we have corrected the process. <b>Staff consider matter complete.</b>	Complete 30-06-24

## Taupō District Council Audit Improvement Summary - CLOSED ITEMS

Audit Source	TDC Responsible Party	Audit Period	Audit Date	Audit/review recommendation - CLOSED ITEMS	Most Recent Audit Status	Priority given by auditor	DEC 2023 Management Status update	Target Completion Date
Annual Report	Jeanette Paenga		2021/22	<b>Assessment of recoverability of general debtors</b> We recommend that the District Council performs assessment of the recoverability of outstanding general debtor balances and that adequate impairment allowance should be made as a result of any doubtful balances identified.	N/A - New matter	Beneficial	The Finance team have worked with the various departments to identify and take the appropriate action for any debt that: •Is not due for payment due to its nature for example regulatory charges, •needs to be followed up with the customer, or •are charges that can either be credited or written off. <b>Matter complete, pending audit approval.</b>	Complete pending audit approval 30/06/2023
KPMG	Louise Chick		Aug-23	R1.1 Define what is a critical risk.	N/A - New matter	High	TDC has defined a critical risk as: <b>Risk arising from activities regularly undertaken by a PCBU that if not adequately controlled could result in a significant injury or fatality.</b>	Complete
KPMG	Louise Chick		Aug-23	8.1 Continue with the development and implementation of the standardised induction process. Ensure that key health and safety requirements are communicated.	N/A - New matter	Low	Induction process improvements made in September 2023, including clarification of managers' induction responsibilities. <b>Matter complete.</b>	Complete
KPMG	Louise Chick		Aug-23	8.3 Implement a program to record who has been inducted. Make this information available to managers to monitor their team's induction training.	N/A - New matter	Low	People and Culture have established a CIA workflow where managers required to confirm inductions complete before closing their 'induction task'. <b>Matter complete.</b>	Complete
KPMG	Michelle McGill		Aug-23	11.5 Update the Taupō District Council Worker Engagement, Participation, and Representation Agreement 2022/23, so that it includes how Council has applied the legal requirements into operations, making it more relevant to the intended audience.	N/A - New matter	Low	Worker Engagement, participation Agreement replaced with HSW Committee TOR's and HSR's Handbook. <b>Matter Complete</b>	Closed
KPMG	Louise Chick		Aug-23	12.1 Create an appropriate information sheet that advises workers of the requirements as required by the Regulations.	N/A - New matter	Low	Information sheets created for each individual high risk role that requires health monitoring <b>Matter complete.</b>	Complete
KPMG	Louise Chick		Aug-23	12.2 Include this information in future onboarding processes.	N/A - New matter	Low	Information sheet provided to People and Culture for inclusion in their recruitment process. <b>Matter complete</b>	Complete
KPMG	Louise Chick		Aug-23	12.3 Establish with the relevant third-party provider how records are managed.	N/A - New matter	Low	TDC's health monitoring is managed by Proactive who store records on Enigma Predict, and vaccination also stored on the Aotearoa Immunisation Register. Records are managed in accordance with the Privacy Act 2020 and the Health Regulations (1996). <b>Matter complete.</b>	Complete
KPMG	Louise Chick		Aug-23	12.4 Develop a process to ensure records are managed for the required time should there be any changes in the current provider.	N/A - New matter	Low	Proactive retain workplace health records for 30 years as per Part 42 1(b) of the Health and Safety at Work Act (2015). Confirmed via receipt of Proactive Data Collection and Storage Policy. <b>Matter complete.</b>	Complete
KPMG	Michelle McGill		Aug-23	14.1 The issue of any PPE needs to include information on how to wear it, maintain it and store it. It is recommended that PPE is issued to individuals and not shared. Should an evaluation deem that Taupō District Council would prefer to continue to share PPE, then appropriate processes to manage shared PPE needs to be implemented.	N/A - New matter	Low	Health and Safety Team to discuss with business operations to agree best approach for PPE management within different teams. <b>Matter closed</b>	Complete

Taupō District Council Audit Improvement Summary - CLOSED ITEMS

Audit Source	TDC Responsible Party	Audit Period	Audit Date	Audit/review recommendation - CLOSED ITEMS	Most Recent Audit Status	Priority given by auditor	DEC 2023 Management Status update	Target Completion Date
Audit NZ	Andrew Moraes		Mar-21	Council needs to consider deliverability in its capital works programme in its infrastructure strategy.	N/A - New matter	N/A	Capital delivery has been challenging over recent years with short term injections of additional funds from central government (e.g. shovel ready, three waters stimulus) and the need to redirect resources to respond to new drinking water standards. For 2023/24 TDC rigorously reviewed its Annual Plan with a do-ability lens led by the GM Operations and Delivery, classifying projects into 'must', 'should', 'will' do. Management consider it now has sufficient resources to deliver 'must do' projects, and considers the matter closed. <b>Matter closed.</b>	Complete
WaiComply	Tony Hale	1 July 2022 - 30 June 2023	Nov-23	Resolve multiple sampling gaps by preparing a DWQAR monitoring schedule for all Water Supplies, Treatment Plants and Distribution Zones.	N/A - new matter	N/A	New sampling schedule to accommodate new rules implemented in April 2023. <b>Matter closed.</b>	Completed April 2023.
WaiComply	Tony Hale	1 July 2022 - 30 June 2023	Nov-23	Implement schedule of membrane integrity tests.	N/A - new matter	N/A	Additional operational checks implemented (increased from once daily to twice daily). <b>Matter complete.</b>	Completed Q3 2022.
NZTA	Claire Sharland		Jun-18	Confirms road safety audit exemption declarations will be completed and kept on contract files.		Some improvement needed	Exemption documents now always completed where necessary and stored on the relevant contract file. <b>Staff recommend matter be closed.</b>	Complete
NZTA	Claire Sharland		Jun-18	Provide evidence to the Transport Agency that the 18–21 Activity Management Plan improvement plan actions are completed to plan and on time.		Some improvement needed	The 2019-21 Activity Management Plan was updated in accordance with audit recommendations and these recommendations have been taken into account for 24-27 Activity Management Plan. <b>Staff recommend matter be closed.</b>	Complete
NZTA	Claire Sharland		Jun-18	Review the REG Data quality report and identify and resolve data gaps in RAMM to improve quality.		Some improvement needed	REG reports are reviewed on an annual basis. Still some work to do on the treatment lengths and are working with the Asset Information team on this. Data Quality score has improved from 69 during audit to 91. <b>Staff recommend matter be closed.</b>	Complete
NZTA	Claire Sharland		Mar-22	R3.1 Advertises its tenders through GETS as defined in section 10.6A of the Procurement Manual and Government Rule 56.	N/A - New matter	Some improvement needed	Completed, all contracts are now advertised on GETS. <b>Staff recommend matter be closed.</b>	Complete 1/07/2022
NZTA	Claire Sharland		Mar-22	R4.1 Ensures all required documentation is filed for contracts including road safety audits and exemption declarations.	N/A - New matter	Some improvement needed	Road Safety Audits and Exemption documents now always completed where necessary and stored on the relevant contract file. <b>Staff recommend matter be closed.</b>	Completed - 1/07/2022
NZTA	Claire Sharland		Mar-22	R4.2 Implements a process for ensuring all procurement and contract management documentation is retained on the Council's files.	N/A - New matter	Some improvement needed	TDC has reviewed its Procurement document control requirements, so all procurement documents relating to one contract will be stored together, referenced by the Contract Number, and overseen by the Procurement Manager. <b>Staff recommend matter be closed.</b>	Completed - 30/08/2022
NZTA	Claire Sharland		Mar-22	Council includes the overhead allocation methodology to their Business unit agreement and reviews the cost of in house professional services to ensure these services are claimed at the correct rates.	N/A - New matter	Recommendation	Team provides timesheets to NZTA for time spent on different projects, and have used this to calculate capitalisation of staff overhead costs. 3-4% allowance for staff overheads always included in project budgets. <b>Staff recommend matter be closed.</b>	Complete
Council MARK	Andrew Moraes		Apr-22	Greater discipline in setting realistic budgets to reduce ongoing capital and operational underspends. More rigorous budgeting processes to reduce underspends – particularly on capital projects but also in some operational areas. More realistic assessments of project delivery capacity, relative to allocated capex budgets.	N/A - New matter	N/A	Capital delivery has been challenging over recent years with short term injections of additional funds from central government (e.g. shovel ready, three waters stimulus) and the need to redirect resources to respond to new drinking water standards. For 2023/24 TDC rigorously reviewed its Annual Plan with a do-ability lens led by the GM Operations and Delivery, classifying projects into 'must', 'should', 'will' do. Management consider it now has sufficient resources to deliver 'must do' projects, and considers the matter closed. <b>Matter closed.</b>	Complete

Taupō District Council Audit Improvement Summary - CLOSED ITEMS

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Council MARK	Nick Carroll		Apr-22	Developing more robust business cases for major capital investments, coupled with stronger capital project reporting. <i>Adopting the Better Business Case, or equivalent methodology, for major capital investment proposals.</i>	N/A - New matter	N/A	New Business Case template developed for larger capital spend, more akin to best practice as represented by Treasury's Single Stage Better Business Case. Where needed, external support obtained to support in development of business cases. <b>Staff consider matter complete.</b>	Complete May 2023
Council MARK	Laurliee McMichael		Apr-22	Refreshing and implementing communication plans and strategies to more effectively inform and engage with business and community interests. <i>Communication plans and strategies need to be updated and refreshed to take account of changing expectations and practices, particularly in social media.</i>	N/A - New matter	N/A	Communications Strategy has been redeveloped to set four clear objectives with related actions and measures for each, including using community channels for targeted communications. <b>Staff consider matter complete.</b>	Complete Aug 2023
Council MARK	Nick Carroll		Apr-22	Engaging relevant external expertise to assist with major investment and development matters, especially the TEL and property portfolios.	N/A - New matter	N/A	The TEL fund is being managed by an external Forsythe Barr Investment Services. To assist with Council's Housing for the Elderly Estate, Habilis were engaged to develop a s17A review, and TwentyTwo Independent Property Advisors supported us through a procurement process to seek an external party/entity to take ownership. The process resulted in Council electing to continue to manage the elderly housing portfolio as it currently does and continue to explore an alternative Elderly Housing Future State Strategy.  To assist with the EUL development, external property development advice comes from TwentyTwo Independent Property Advisors, Bell Gully, Simpson Grierson, Veros, Todd Land Development Consultants, Context Architecture, Studio Blewett, Cheal Consultants and McKenzie and Co. <b>Staff consider matter complete.</b>	Complete
Council MARK	Andrew Moraes		Apr-22	Increased and appropriate level of resources with the capacity and skills required for managing contracts.	N/A - New matter	N/A	In October 2022 TDC provided 3910 contract management training to approximately 28 of its staff across the Three Waters, Roading and Project Management teams, and key consultants that provide contract management services. There has been increased visibility on the contracts mgmt module (in Ci Anywhere) through running a complete data cleansing and re-training of key staff in this system ready for the 22/23 Financial Year end. The changes over the last 18 months within the Project Management Office whereby project management training has been rolled out across the organisation, increased numbers of project managers in the group (with a significant focus on infrastructure and three waters our biggest areas) and robust processes around project governance such as the development of our Portfolio Control Team. Large or high value projects tend to be managed by the PMO and standardised, repeatable programmes such as seal extension/resealing are run by internal team members who are deeply experienced in this space. The Procurement Manager role has moved from the PMO to the Business Improvement team to ensure a broader view across all contracts in the organisation. On the ground examples of improvement include traffic management plan approval and corridor access requests with a specialist qualified representative and an active auditing programme. The renewal of the 3W maintenance contract and subsequent management and governance teams along with refinement of the claim review process is underway. <b>Staff consider matter complete.</b>	Complete
Council MARK	Jessica Sparks		Apr-22	Considering additional technical expertise to support the Compliance team.	N/A - New matter	N/A	Compliance and Monitoring role developed and filled. <b>Staff consider matter complete.</b>	Complete

Taupō District Council Audit Improvement Summary - CLOSED ITEMS

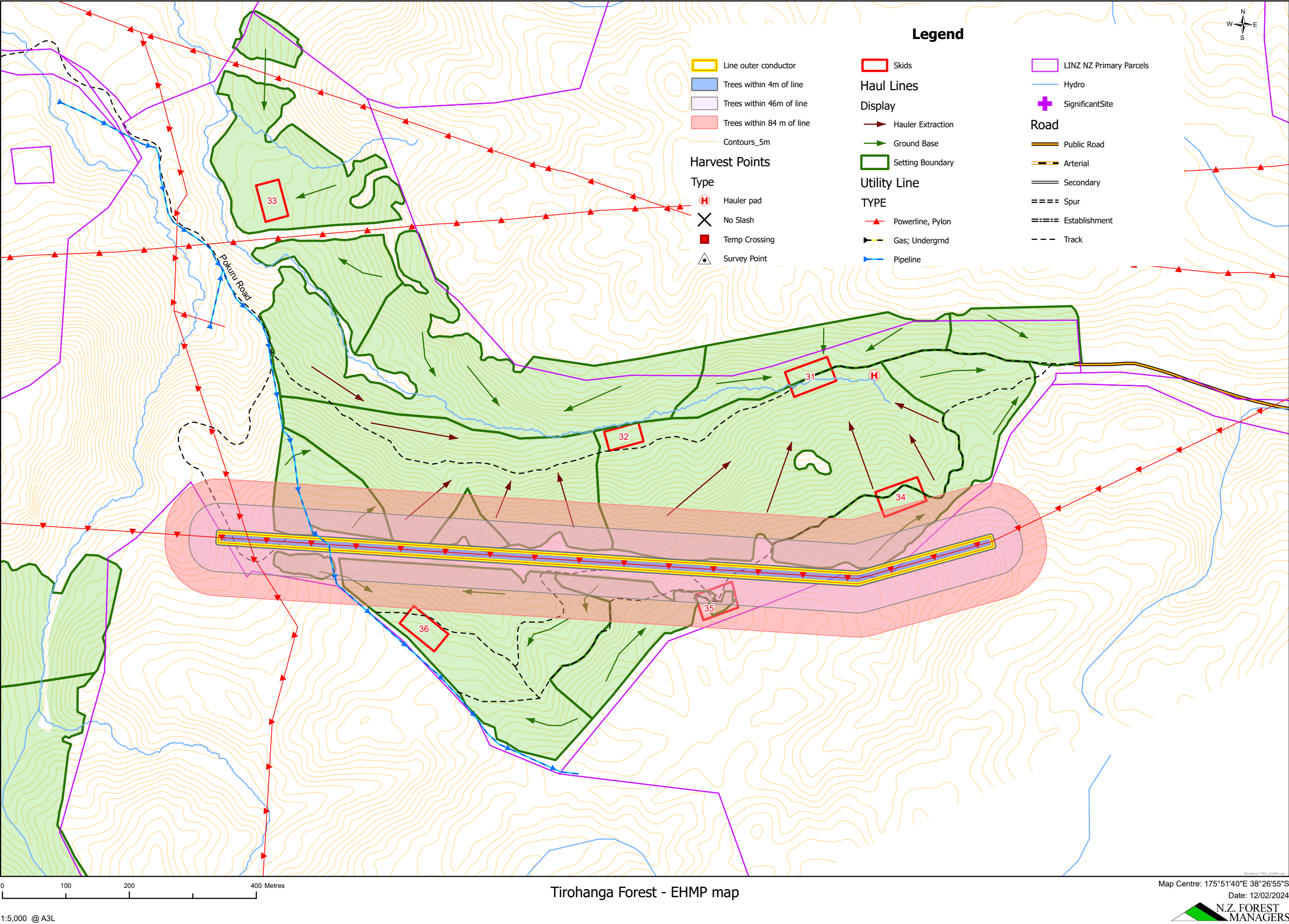
Audit Source	TDC Responsible Party	Audit Period	Audit Date	Audit/review recommendation - CLOSED ITEMS	Most Recent Audit Status	Priority given by auditor	DEC 2023 Management Status update	Target Completion Date
Council MARK	Nick Carroll		Apr-22	Simplification and more action orientation in the Recreation Strategy.	N/A - New matter	N/A	A new & simplified Recreation and Sports Strategy was adopted by Council in April 2023. <b>Staff consider matter complete.</b>	Complete
Council MARK	Hadley Tattle		Apr-22	Small, but growing, sections of the of the community are looking for additional Council engagement to help address housing and other social issues.	N/A - New matter	N/A	Subsequent to the CouncilMARK review TDC has established its Community Engagement and Development Team, who are avialable to guide and assist them in achieving their aspirations in collaboration with, or independently of Council. Specifically in relation to housing, Council adopted its Housing Strategy, developed with engagement from the community. The Strategy provides a framework for Council to address Taupō's housing needs. <b>Staff consider matter complete.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>GNC 1</b> - The BCA provided consumer information regarding how to apply for a consent, and how an application was processed, inspected, and certified, however, the BCA had not provided appropriate consumer information in relation to CCC applications, in that it had indicated that CCC applications were required to be supported with additional documentation in excess of that described in section 92 of the Building Act 2004, in order for it to be a complete application.	N/A - new matter	General Non-Compliance	TDC provided 4 x Form 5s as required. TDC provided 2 x examples of “draft” compliance schedules that are issued with the form 5 which now demonstrate relevant referencing in relation to Altered or New SS and if they are existing systems, the information within the CS is unaltered. <b>Auditor noted GNC is now closed.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>GNC 2A</b> - BCA had not appropriately defined the requirements for conditions on Form 5 Building Consents, in that it had incorrectly indicated that section 37 of the Building Act 2004 was a condition that was to be placed on the Form 5. This was <b>raised as part of GNC 2A and this part was resolved on-site</b> during the assessment with a revised procedure.	N/A - new matter	General Non-Compliance	TDC developed an action plan which included provision of evidence of an updated procedure. <b>Auditor noted GNC is now closed.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>GNC 2B</b> - The BCA’s procedure had not adequately described the process for granting an extension of time for building consents before lapsing. The BCA had not always appropriately implemented its process for 12-month lapsing in that a lapsed consent was granted an extension of time post the lapsed date of the Building Consent.	N/A - new matter	General Non-Compliance	TDC developed an action plan which included provision of evidence of an updated procedure. <b>Auditor noted GNC is now closed.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>GNC 3</b> -The BCA had not always implemented its documented procedure in relation to inspection records and the number of inspection photos to be recorded and held on file.	N/A - new matter	General Non-Compliance	This was raised as GNC 3, and was resolved during the assessment with a revised procedure. <b>Auditor noted GNC is now closed.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>GNC 4A</b> - Implementation was not always adequate, where the BCA was not identifying all amendments on CCCs and the status within the BCA’s MagiQ system records had not been updated to indicate a CCC had been issued for the amendment.	N/A - new matter	General Non-Compliance	TDC demonstrated it now correctly references the relevant amendments within the CCC and the status within the BCA system <b>Auditor noted GNC is now closed.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>GNC 4B</b> The BCA had not defined appropriate criteria against which a CCC was to be refused, in that the CCC refusal letter indicated that a CCC could be refused if an application had not been received or if all required inspections had not been undertaken.	N/A - new matter	General Non-Compliance	TDC demonstrated it now correctly references the relevant amendments within the CCC and the status within the BCA system <b>Auditor noted GNC is now closed.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>GNC 4C</b> - The BCA had documented its procedure for making a 24-month decision on whether to issue a Code Compliance Certificate where no application for Code Compliance Certificate had been received.	N/A - new matter	General Non-Compliance	TDC updated CCC refusal letter template which now includes appropriate reasons for CCC refusal. <b>Auditor noted GNC is now closed.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>GNC 4D</b> - Some issued Compliance Schedules had Specified Systems and Performance Standards listed which did not align with the Draft Compliance Schedules attached to the Form 5s however, no amendment or minor variation had been recorded within the Building Consent.	N/A - new matter	General Non-Compliance	TDC revised and implemented Compliance Schedule. <b>Auditor noted GNC is now closed.</b>	Complete

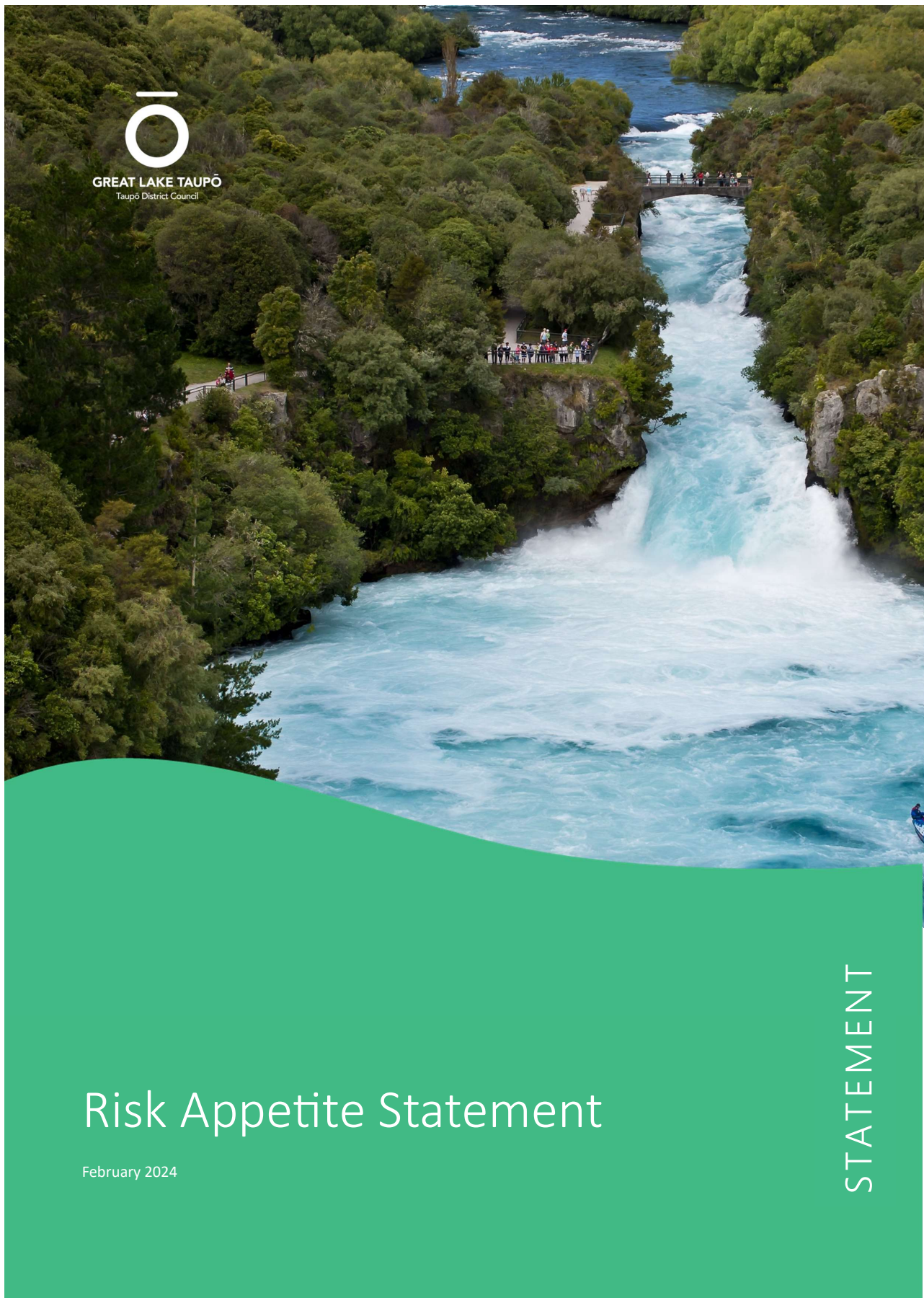
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IANZ	Jess Sparks		Mar-23	<b>GNC 5</b> - The BCA had documented its procedure to allocate work, however, the BCA's documented systems were not always appropriate, as per the following: •The contractors providing processing functions were not captured within the BCA's skills matrix used for the allocation of Building Consent applications •Technical Leadership tables appeared to be out of date – organisations were listed that were no longer contracted under Regulation 12 to provide technical leadership	N/A - new matter	General Non-Compliance	This was resolved during the assessment with a revision to TDCs Skills Matrix. <b>Auditor noted GNC is now closed.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>GNC 6</b> - The BCA's procedure indicated that a BCO could perform building control functions (without supervision) for a 1 month period over the 12 month assessment requirement. The BCA's procedure was not clear that a targeted assessment still required the consideration and measure of regulation 10[3]a-f	N/A - new matter	General Non-Compliance	This was resolved during the assessment with a revised procedure. <b>Auditor noted GNC is now closed.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>GNC 7</b> - The BCA's implementation was not appropriately carried out, in that it had not appropriately documented in contract agreements the requirement to adhere to the BCA's policies, procedures and systems.	N/A - new matter	General Non-Compliance	This was resolved during the assessment with a revised contract agreement. <b>Auditor noted GNC is now closed.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>GNC 8</b> - The BCA had appropriately documented its procedure for identifying employees and contractors who were competent to provide technical leadership in accordance with Regulation 13(a). The competency assessment for the Technical Leader did not consider technical leadership within the assessment as required by the procedure.	N/A - new matter	General Non-Compliance	This was resolved during the assessment with a revised procedure. <b>Auditor noted GNC is now closed.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>GNC 9</b> - The BCA had documented its procedure for giving the employees and contractors the powers and authorities to enable them to provide the leadership. One BCO was listed as a Technical Leader for inspections within the BCA's procedure "Ensuring Technical Leadership" but was not on the skills matrix.	N/A - new matter	General Non-Compliance	This was resolved during the assessment with a revised procedure. <b>Auditor noted GNC is now closed.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>R1</b> Regulation 7(2)(e) - It is recommended that the BCA review its procedure for the handling of minor variations to ensure that the BCA's Building Inspectors implement a consistent approach and outcome.	N/A - new matter	Recommendation	Staff implemented and consider matter closed. <b>Matter progressing.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>A1</b> Regulation 7(2)(a) - The BCA is advised to consider revising its consumer information wording in relation to the purpose of BCA building inspections.	N/A - new matter	Advisory note	Staff implemented and consider matter closed. <b>Matter progressing.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>A2</b> Regulation 7(2)(e) - The BCA is advised to consider labelling its inspection photos in order to provide context to what the photo is demonstrating in relation to compliance or non-compliance.	N/A - new matter	Advisory note	Staff implemented and consider matter closed. <b>Matter progressing.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>A3</b> Regulation 7(2)(f) - The BCA is advised to review and amend its CCC refusal letter to include some more explanatory wording in relation to the owner being able to apply for a CCC at any time once the work is complete.	N/A - new matter	Advisory note	Staff implemented and consider matter closed. <b>Matter progressing.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>A4</b> Regulation 7(2)(f) - The BCA is advised to consider using assertive language in its Compliance Schedules such as using "must", rather than "should".	N/A - new matter	Advisory note	Staff implemented and consider matter closed. <b>Matter progressing.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>A5</b> Regulation 7(2)(f) - The BCA is advised to amend the content of the amendment history record of Compliance Schedules to restrict it solely to amendments made to the Compliance Schedule.	N/A - new matter	Advisory note	Staff implemented and consider matter closed. <b>Matter progressing.</b>	Complete

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IANZ	Jess Sparks		Mar-23	<b>A6</b> Regulation 7(2)(h) - The BCA is advised to consider reviewing and amending its Complaint Register so that it includes reference to the Building Consent number. The BCA is also advised to consider recording a greater level of detail about the nature of the complaint.	N/A - new matter	Advisory note	Staff implemented and consider matter closed. <b>Matter progressing.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>A7</b> Regulation 14 - The BCA is advised to consider reviewing and amending its Technical Library register so that references to standards indicates the year of the standard held. This would help facilitate easy checks to be done on the currency of the standard versions held.	N/A - new matter	Advisory note	Staff implemented and consider matter closed. <b>Matter progressing.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>A8</b> Regulation 14 - The BCA is advised to consider amending its documented procedure for calibration so that calibration checks of their thermometers are made at set temperatures of interest, such as 45 and 55 degrees Celsius.	N/A - new matter	Advisory note	Staff implemented and consider matter closed. <b>Matter progressing.</b>	Complete
IANZ	Jess Sparks		Mar-23	<b>A9</b> Regulation 15(1) - The BCA is advised to consider including reference to IANZ in its external relationships records.	N/A - new matter	Advisory note	Staff implemented and consider matter closed. <b>Matter progressing.</b>	Complete
IANZ	Jess Sparks		May-22	R2. It is recommended that TDC consider and document its decisions on what type of calibration is required for its thermometers. There may be opportunities to legitimately extend external calibration frequencies in combination with internal checks. This could have cost benefits and also demonstrate good control of calibration requirements.	N/A - New matter	Recommendation	TDC has purchased a reference thermometer to calibrate against. However it staff consider its still appropriate for businesses' thermometers to be calibrated annually. <b>Staff consider matter closed.</b>	Complete
IANZ	Jess Sparks		May-22	R3. The recent verification report for RBM TPD000161 had two non-complying topics that did not appear to be correctly represented. TDC should review this. As part of this, the grouping of topics together as one CAR should also be reviewed.	N/A - New matter	Recommendation	Staff are aware of the potential for this to occur an dwill monitor. <b>Staff consider matter closed.</b>	Complete
IANZ	Jess Sparks		May-22	R4. It is recommended that TDC review its reporting template to see if simplifying this could be beneficial and reduce the opportunity for errors to occur.	N/A - New matter	Recommendation	Staff have reviewed audiors recommendation and consider template to be fit for purpose. <b>Staff consider matter closed.</b>	Complete
IANZ	Jess Sparks		May-22	R5. It is recommended that TDC follow up on the report peer review form that was developed as part of a continual improvement action, but did not yet appear to be implemented yet.	N/A - New matter	Recommendation	This has now been implemented. <b>Staff consider matter closed.</b>	Complete
IANZ	Jess Sparks		May-22	R6. It is recommended that TDC review how the management review process is being conducted to see if this can be made more distinct from the internal audit process.	N/A - New matter	Recommendation	Management review process updated to take on board auditors' recommendation. <b>Staff consider matter closed.</b>	Complete





## DOCUMENT CONTROL

VERSION	DATE	COMMENTS	DOC REFERENCE
DRAFT	24 Nov 2023	For issue to GM Organisational Improvement	
DRAFT	4 Jan 2024	For issue to Chair of Risk and Assurance Committee	
Issue 1	26 Mar 2024	<i>Pending Risk &amp; Assurance Committee approval</i>	

## DOCUMENT APPROVALS

	NAME	SIGNATURE	DATE
REVIEWER	Group Manager – Organisational Performance Sarah Matthews		13-Feb-2024
APPROVER	Risk and Assurance Committee Chair Bruce Robertson		

## DOCUMENT CUSTODIAN AND REVIEW DATE

	NAME	REVIEW PERIOD	NEXT REVIEW DATE
CUSTODIAN	Risk Manager	3 yearly	March 2027

# Risk Appetite

**What is it?** A Risk Appetite Statement provides high-level guidance on the amount of risk an organisation is willing to take in pursuit of its strategic objectives. Our Risk Appetite Statement can also help us determine when we can be more aggressive in pursuit of our goals because it explicitly states what level of risk is acceptable.

**Why do we need it?** By default different functions within an organisation will have their own perspective around what is an acceptable level of risk. Some are very cautious, while others will be more aggressive. **By explicitly stating out Risk Appetite, Council has provided guidance as to the level of risk TDC is prepared to accept and what risks should be further controlled because they cross the threshold of acceptable risk.** We need this to ensure that all parts of TDC are 'on the same page' in terms of how much risk we're willing to take on.

## When do we use it?

Anyone involved in managing risk in TDC should make themselves familiar with our Risk Appetite Statement below, and it becomes particularly important when making decisions on how to handle a particular risk or opportunity. TDC's Risk Appetite was set by our Elected Members with input from the Executive Team and the Risk and Assurance Committee.

This Risk Appetite Statement (next page) is an integral part of TDC's Risk Management Framework (**Figure 1**) and should be read in conjunction with TDC's **Risk Management Policy** and **Risk Management Framework**.



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

TDC'S RISK APPETITE STATEMENT:	TDC IS WILLING TO ACCEPT RISKS THAT, SHOULD THEY OCCUR, RESULT IN: <i>(Any risks with consequences greater than this must occur only Rarely (refer to Likelihood table) or be managed down).</i>
Performance & Service Delivery	<ul style="list-style-type: none"> <li>• Small parts of the community experience loss of service for up to 3 days.</li> <li>• Minor health or wellbeing impacts for some parts of the community due to loss of essential services.</li> <li>• Delivery of some services need to be deprioritised.</li> </ul>
Financial	<ul style="list-style-type: none"> <li>• 10-30% difference in budget or impact \$200,000 - \$750,000.</li> </ul>
Health & Safety	<ul style="list-style-type: none"> <li>• May require medical attention.</li> <li>• Requires support from external services e.g. EAP, to manage mental health concerns. No time off work is required.</li> </ul>
Regulatory & Legal Compliance	<ul style="list-style-type: none"> <li>• Small legal, regulatory or contractual breach with potential for limited litigation.</li> </ul>
People	<ul style="list-style-type: none"> <li>• Permanent staff turnover of up to 18%.</li> <li>• Moderate specialist skill gaps creating gaps in organisational capacity in key areas.</li> <li>• Resourcing with consultants may be required to fill the gaps in critical areas.</li> </ul>
Reputation	<ul style="list-style-type: none"> <li>• Negative local or regional media coverage for 3-7 days.</li> <li>• Moderate loss of community trust or loss of confidence by internal and external stakeholders.</li> </ul>
Information Management	<ul style="list-style-type: none"> <li>• Security flaws compromising the confidentiality and integrity of data or systems.</li> <li>• Data breaches are contained internally.</li> </ul>
Environment & Climate	<ul style="list-style-type: none"> <li>• Localised damage to the environment with a recovery time of 2-4 months.</li> <li>• Climate change event creates disruption to education, employment and community services for 4-14 days.</li> <li>• Moderate impact on businesses, livelihoods or consumer behaviour for 4-14 days.</li> </ul>

Page 2  
Taupō District Council Risk Management Framework – RF7 - Risk Appetite Statement | February 2024  
Document number:

# Attachment – Consequence Table

TIP!

Make sure the consequence of the risk relates to its likelihood.  
Often higher consequence events occur less frequently.

Use the table below to help you rate how significant the impacts of a risk event may be on your objectives - consider both direct and indirect effects, and short-term and long-term repercussions. This is an important **Risk Analysis** step. If your risk has impacts in multiple categories (e.g. performance and service delivery, financial, etc) use the impact category that has the greatest/highest level of impact to combine with the likelihood assessment.

NOTE: the bullet points in the table below should be read as ‘or’ statements (as opposed to ‘and’ statements).

	INSIGNIFICANT 1	MINOR 2	MODERATE 3	MAJOR 4	EXTREME 5
Performance & Service Delivery	<ul style="list-style-type: none"><li>Minor loss of service for some individuals for a short period of time.</li><li>No impact on the community’s health and wellbeing.</li></ul>	<ul style="list-style-type: none"><li>Loss of service for a small group of the community for a short period of time (hours).</li><li>No impact on community’s health and wellbeing.</li></ul>	<ul style="list-style-type: none"><li>Small parts of the community experience loss of service for 1-3 days.</li><li>Minor health or wellbeing impacts for some parts of the community due to loss of essential services.</li><li>Delivery of some services need to be deprioritised.</li></ul>	<ul style="list-style-type: none"><li>Loss of core service impacting large parts of the community for 1-3 days.</li><li>Health and wellbeing for several parts of the community may be compromised.</li><li>Performance of a few services significantly reduced.</li><li>Major reorganisation of work programme in medium term (6 weeks - 6 months).</li></ul>	<ul style="list-style-type: none"><li>Loss of core service impacting large parts of the community for more than 3 days.</li><li>The health, safety or wellbeing of many communities is severely compromised.</li><li>Performance of many services significantly reduced.</li><li>Reprioritisation of council's work programme for long-term objectives and LTP commitments (&gt;6 months).</li></ul>
Financial	<ul style="list-style-type: none"><li>Financial impact &lt;\$50,000.</li></ul>	<ul style="list-style-type: none"><li>&lt;10% difference in budget or impact \$50,000 – \$200,000.</li></ul>	<ul style="list-style-type: none"><li>10-30% difference in budget or impact \$200,000 - \$750,000.</li></ul>	<ul style="list-style-type: none"><li>30% - 40% difference in budget or impact \$750,000 - \$1,500,000.</li></ul>	<ul style="list-style-type: none"><li>Serious long term financial implications requiring additional funding through either increasing rates or debt.</li><li>&gt;40% difference in budget or an impact &gt;\$1.5M.</li></ul>
Health & Safety	<ul style="list-style-type: none"><li>No treatment required.</li><li>No long term effects.</li></ul>	<ul style="list-style-type: none"><li>First Aid treatment required.</li><li>May result in limited lost time from work.</li><li>Reversible health effects.</li></ul>	<ul style="list-style-type: none"><li>May require medical attention.</li><li>Requires support from external services e.g. EAP, to manage mental health concerns and no time off work is required.</li></ul>	<ul style="list-style-type: none"><li>Likely to result in Lost Time Injury and is Notifiable to WorkSafe.</li><li>Potential for prosecution under Health &amp; Safety at Work Act.</li><li>Requires support from external services e.g. EAP, to manage mental health concerns. No time off work is required.</li></ul>	<ul style="list-style-type: none"><li>Significant injury, disability or death.</li><li>Notifiable to WorkSafe.</li><li>Potential for prosecution under Health &amp; Safety at Work Act.</li><li>Requires support from external services e.g. EAP, to manage mental health concerns and leads to no longer being able to work.</li></ul>
Regulatory & Legal	<ul style="list-style-type: none"><li>Minor legal, compliance, or contractual breach but unlikely to have subsequent impacts.</li></ul>	<ul style="list-style-type: none"><li>Minor legal, regulatory or contractual breach with potential for fines, but without litigation.</li></ul>	<ul style="list-style-type: none"><li>Small legal, regulatory or contractual breach with potential for limited litigation.</li></ul>	<ul style="list-style-type: none"><li>Major breach of legal, regulatory, or contractual obligations that will likely result in legal proceedings or sanction by regulator.</li></ul>	<ul style="list-style-type: none"><li>Serious breach of legal, regulatory, or contractual obligations that will definitely result in legal proceedings (possibly multiple litigations). Significant exposure to ongoing liabilities.</li></ul>

	INSIGNIFICANT 1	MINOR 2	MODERATE 3	MAJOR 4	EXTREME 5
People	<ul style="list-style-type: none"> <li>Permanent staff turnover &lt;15%.</li> <li>Minimal loss of internal capacity and/or capability not affecting operations or service levels.</li> </ul>	<ul style="list-style-type: none"> <li>Permanent staff turnover 15-16%.</li> <li>Minimal specialist skills gaps.</li> <li>Loss of organisational capacity and/or capability in some non-critical areas.</li> <li>Coverage with existing teams (secondments, higher duties) to manage short term workload.</li> </ul>	<ul style="list-style-type: none"> <li>Permanent staff turnover 17-18%.</li> <li>Moderate specialist skill gaps creating gaps in organisational capacity in key areas.</li> <li>Resourcing with consultants may be required to fill the gaps in critical areas.</li> </ul>	<ul style="list-style-type: none"> <li>Permanent staff turnover 18-20%.</li> <li>Major specialist gaps and disruption to business operation (refer to Performance &amp; Service Delivery consequence description).</li> <li>Resourcing with consultants required to fill the gaps in critical areas.</li> </ul>	<ul style="list-style-type: none"> <li>Permanent staff turnover &gt;20%.</li> <li>Major specialist gaps and serious disruption to business operation (refer to Performance &amp; Service Delivery consequence description).</li> <li>Resourcing with consultants required to fill the gaps in critical areas and redeployment of existing staff where feasible.</li> </ul>
Reputation	<ul style="list-style-type: none"> <li>Negative feedback from individuals. Insignificant reduction in trust and confidence.</li> <li>No media or political attention.</li> </ul>	<ul style="list-style-type: none"> <li>Negative local media coverage for one or two days.</li> <li>Short-term loss of trust and confidence by small groups in the community.</li> <li>Elements of public expectations not being met.</li> </ul>	<ul style="list-style-type: none"> <li>Negative local or regional media coverage for 3-7 days.</li> <li>Moderate loss of community trust or loss of confidence by internal and external stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing negative regional or nationwide media coverage for a period of 1-2 weeks.</li> <li>Major reduction in trust and confidence by internal and external stakeholders or the public.</li> </ul>	<ul style="list-style-type: none"> <li>Sustained adverse comment and media coverage - including international exposure - over several weeks.</li> <li>Significant loss of public trust and confidence and damage to council's reputation.</li> <li>Public calls (at a national level) for specific remedial action to be taken. Court action possible.</li> </ul>
Information Management	<ul style="list-style-type: none"> <li>Isolated equipment failure.</li> </ul>	<ul style="list-style-type: none"> <li>Compromise of user password or information management processes.</li> </ul>	<ul style="list-style-type: none"> <li>Security flaws compromising the confidentiality and integrity of data or systems.</li> <li>Data breaches are contained internally.</li> </ul>	<ul style="list-style-type: none"> <li>Significant disruption to critical activities for 1-2 days.</li> <li>Breach of non-confidential information to unauthorised/external parties.</li> <li>Loss of a core system or data for 1-2 days.</li> </ul>	<ul style="list-style-type: none"> <li>Information and/or systems are compromised with significant ongoing impacts (internal and external).</li> <li>Significant and sustained disruption to critical activities (more than 2 days).</li> <li>Breach of confidential information to unauthorised/external parties.</li> <li>Loss of a core system for &gt; 2 days.</li> <li>Critical data is permanently lost.</li> </ul>
Environment & Climate	<ul style="list-style-type: none"> <li>Minimal localised damage to the environment with a recovery time of up to 2 weeks.</li> <li>No significant climate change impact. Can be managed through business as usual.</li> <li>No impact on businesses, livelihoods or consumer behaviour.</li> </ul>	<ul style="list-style-type: none"> <li>Minor localised damage to the environment with a recovery time of 2-8 weeks.</li> <li>Climate change event creates disruption to education, employment and community services for 1-3 days.</li> <li>Limited impact on businesses, livelihoods or consumer behaviour for 1-3 days.</li> </ul>	<ul style="list-style-type: none"> <li>Localised damage to the environment with a recovery time of 2-4 months.</li> <li>Climate change event creates disruption to education, employment and community services for 4-14 days.</li> <li>Moderate impact on businesses, livelihoods or consumer behaviour for 4-14 days.</li> </ul>	<ul style="list-style-type: none"> <li>Major, localised damage to the environment with a recovery time of between 4-12 months.</li> <li>Climate change event creates disruption to education, employment and community services for 2-6 weeks.</li> <li>Major impact on businesses, livelihoods or consumer behaviour for 2-6 weeks.</li> </ul>	<ul style="list-style-type: none"> <li>Extensive and widespread damage to the environment with a recovery time exceeding 12 months.</li> <li>Climate change event creates disruption to education, employment and community services for more than 6 weeks.</li> <li>Severe impact on businesses, livelihoods or consumer behaviour for more than 6 weeks.</li> </ul>

# Attachment – Likelihood Table

Use the table below to help you rate how likely a risk is. This is an important **Risk Analysis** step.

DESCRIPTION	PROBABILITY (per annum)      (return period)	
<b>RARE</b> <b>1</b>	< 10%	Unlikely to occur within a 10 year period, or only in exceptional circumstances.
<b>UNLIKELY</b> <b>2</b>	10%-39%	Likely to occur every 2.5 - 10 year period.
<b>POSSIBLE</b> <b>3</b>	40%-69%	Likely to occur every 1.5 - 2.5 year period.
<b>LIKELY</b> <b>4</b>	70%-89%	Likely to occur within a 1 - 1.5 year period.
<b>ALMOST CERTAIN</b> <b>5</b>	>= 90%	Likely to occur within the next year.

Page 1

Taupō District Council Risk Management Framework – RF3 – Likelihood Table | February 2024  
Document number:



## **RISK MANAGEMENT CHARTER 2021/23**

### **1. CONTEXT**

Taupō District Council is a local authority which operates in a highly visible and accountable political and statutory environment and is committed to good corporate governance through risk management. Council's high-level goals and objectives are established through statute and consultation with the community and are principally documented in Council's Long Term Plan and Annual Plan. Council's performance relative to those goals and objectives is assessed and reported on through the preparation of an Annual Report.

### **2. DEFINITIONS**

#### **2.1 Risk**

ISO 31000:2018 defines risk as the effect of uncertainty on objectives. An effect is a deviation from the expected. It can be positive, negative or both, and can address, create or result in opportunities and threats. Objectives can have different aspects and categories and can be applied at different levels. Uncertainty (or lack of certainty) is a state or condition that occurs when a deficiency of information leads to a limited or incomplete knowledge or understanding of a situation or event.

This definition of risk recognises that we all operate in an uncertain world. Whenever we try to achieve an objective, there's always the chance that things will not go according to plan. Every step has an element of risk that needs to be managed, and every outcome is uncertain. Whenever we try to achieve an objective, we don't always get the results we expect. Sometimes we get positive results and sometimes we get negative results and occasionally we get both. Because of this, we need to reduce uncertainty as much as possible.

#### **2.2 Risk Management**

Risk management consists of coordinated activities to direct and control Council's activities with regard to risk.

To be truly effective, risk management requires the following elements to be in place:

- a) It is coordinated and is an integral part of all Council activities.
- b) Uses a uniform, structured and comprehensive approach to risk management to ensure consistent results.
- c) The risk management framework and processes are appropriate and proportionate to the Council's external and internal context related to its objectives.
- d) Appropriate and timely involvement of stakeholders to enable consideration of their knowledge, views and perceptions.
- e) Dynamic anticipation, detection, acknowledgement and response to changes and events.
- f) Uses the best available information, ensuring that the inputs to risk management are based on historical and current information, as well as on future expectations. Explicitly taking into account any limitations and uncertainties associated with such information and expectations.
- g) Recognition that human behaviour and culture significantly influence all aspects of risk management at each level and stage.
- h) Continual improvement through learning and experience.

#### **2.3 Gross, Inherent or Untreated Risk**

The risk that an activity or an event would pose if no treatments (controls or other mitigating factors) were in place.

#### **2.4 Risk Treatments or Controls**

Risk treatments or controls are measures that maintain or modify risks. Treatments or controls include, but are not limited to, any process, policy, device, practice, or other conditions and/or actions which maintain and/or modify risk.

Modification of risks generally involves one or a combination of the following actions:

1. Avoidance of the risk;
2. Reduction of the risk;

3. Transferring the risk;
4. Acceptance or retention of the risk; and/or
5. Sharing the risk.

### 2.5 Residual or Treated Risk

Residual or treated risk is the threat that remains after all efforts to identify and treat the risk have been made. Since residual risk is unknown, many organisations choose to either accept residual risk or transfer it - for example, by purchasing insurance to transfer the risk to an insurance company.

### 2.6 Risk Tolerance

Risk tolerance can be defined as 'the amount and type of risk that an organisation can take in order to meet their strategic objectives'.

### 2.7 Risk Appetite

Risk appetite can be defined as 'the amount and type of risk that an organisation is willing to take in order to meet their strategic objectives'.

## 3. RISK MANAGEMENT AIMS AND OBJECTIVES

The purpose of risk management for the Council is the identification, analysis, and response to risk factors that form part of the business environment we work in. In doing so, the Council is attempting to control, as much as possible, future outcomes by acting proactively rather than reactively to support the achievement of its objectives.

The purpose of the risk management framework is to assist the organisation in integrating risk management into its activities and functions. The effectiveness of risk management will depend on its integration into the governance of the Council, including decision-making. This requires support from stakeholders, particularly senior management.

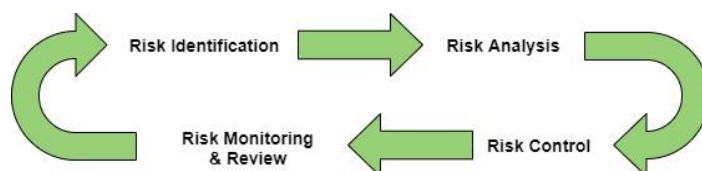
- 3.1 The aim of risk management is to ensure that the Council has effective processes to support better decision making in the planning and delivery of products and services to the community through its integration into governance and decision-making of the Council, and good understanding of risks and their likely impacts. It is Council's intention to implement and maintain a risk management system that reflects best practice, and ensure that sound risk management practices are incorporated into Council's planning and decision-making processes.
- 3.2 The objectives of the Council's risk management strategy are to:
  - Align risk management with the Council's objectives, strategies and culture.
  - Establish the amount and type of risk that may or may not be taken and ensure that this is communicated to the organisation and stakeholders.
  - Communicate value of risk management to the organisation and its stakeholders.
  - Promote systematic monitoring of risks.
  - Ensure that the risk management framework remains appropriate to the context of the organisation.
- 3.3 These objectives will be achieved by:
  - Ensuring that risk management is a core responsibility by establishing and communicating clear roles, responsibilities and reporting lines within the Council for risk management.
  - Allocating appropriate resources for risk management.
  - Ensuring effective and timely communication with, and the active involvement of all staff that directly contribute to and shape the decisions and activities of the Council.
  - Consistent identification, analysis, evaluation, treatment and recording of risks.
  - Ongoing monitoring and evaluation of outcomes and ongoing improvement of risk management processes

## 4. RISK MANAGEMENT METHODOLOGY

- 4.1 The Council recognises that to be effective, risk management must become part of the Council's culture, integrated into the Council's corporate and business plans and everyday activities, rather than being viewed or run as a separate programme. Further, risk management must become the responsibility of every employee, contractor, volunteer and elected member of the Council.
- 4.2 Overarching strategies for managing risk within Council are:
  - Council's Chief Executive will establish and implement a relevant Risk Management system that ensures a systematic method is used to identify, analyse, evaluate, treat, monitor and communicate key risks associated with Council responsibilities in order to manage risk according to the Council's risk appetite.

- Ensuring that the concept of risk management becomes fundamental to the organisational culture through the philosophy of risk minimisation by doing everything possible to identify risks and reduce the probability and/or impact of a risk.
- Ensuring the risk management system is consistent with recognised industry standards in particular ISO 3100:2018.

4.3 Taupo District Council will use a 4 stage risk management cycle as illustrated in the diagram below:



The 4 stages of risk management are part of a continuous dynamic cycle. For existing risks, this cycle will continue until the risk is resolved or eliminated. For actual and potential new and emerging risks the identification/detection stage needs to be carried out continuously.

## 5. COUNCIL'S RISK APPETITE

5.1 The establishment of Council's statement on risk appetite is intended to guide employees in their actions and ability to accept and manage risks. The Council is periodically updated on the effectiveness of the management of key Council potential risk exposures, through reports to the Risk and Assurance Committee. The risk appetite of Council is defined as how much risk the Council considers acceptable in achieving its objectives.

5.2 The key determinants of risk appetite include, but are not limited to:

- The Council's existing risk profile.
- The Council's risk capacity and tolerance, or how much risk the Council can support and how much variation it will accept in achieving its objectives.
- The risk attitude within Council towards growth, risk and return.
- The Council's and the community's expectations and legal and statutory obligations.
- The adequacy of risk management systems.

5.3 To meet its objectives, Taupo District Council will generally operate within a low overall risk range. The Council's lowest risk appetite will relate to financial, environmental, safety and compliance objectives, including employee health and safety, with a marginally higher risk appetite towards its strategic, reporting, and operations objectives. More specifically its appetite for risk is as follows:

No Appetite	<ul style="list-style-type: none"> <li>• For actions or decisions that have a significant impact on Council's long-term financial sustainability.</li> <li>• For anything that has a significant adverse effect on the natural environment, in particular the district's water resources.</li> <li>• For anything that unreasonably compromises people's safety and welfare.</li> <li>• For internal fraud, collusion, theft and associated reputational risk.</li> <li>• For non-compliance with legal and regulatory obligations.</li> <li>• For unauthorised release of confidential information.</li> </ul>
Low Appetite	<ul style="list-style-type: none"> <li>• For system failures or information and data security breaches.</li> <li>• For third party (contractor's) failure.</li> <li>• For risks arising from failure to meet customer and ratepayer commitments.</li> <li>• For risks arising from breaches of internal policies and standing orders.</li> </ul>
Medium Appetite	<ul style="list-style-type: none"> <li>• For risks associated with the implementation of change and key strategic plans.</li> <li>• For risks associated with implementing business improvements and the Council's Vision.</li> </ul>

High (considerable) Appetite	<ul style="list-style-type: none"><li>• For developing and implementing improvements to service delivery.</li><li>• For seeking improved efficiency of Council operations.</li></ul>
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## 6. ROLES AND RESPONSIBILITIES FOR RISK MANAGEMENT

All staff and elected representatives have a role in managing risk, in particular health and safety risks in the workplace as detailed in the Health and Safety Strategy and Health and Safety Policy Statement. In addition to these responsibilities, the following responsibilities shall apply:

Risk & Assurance Committee	<ul style="list-style-type: none"> <li>• Approve the Council's Risk Management Charter and risk management guides</li> <li>• Overseeing the risk management process across Council and sets out the details for levels of monitoring required by the Committee</li> <li>• Receiving reports on the approved internal Audit Strategy/Plan</li> </ul>
Chief Executive and Executive Team	<ul style="list-style-type: none"> <li>• Ensuring that the Council has an effective risk management process in place</li> <li>• Establishing and maintaining a climate of risk awareness and intelligence</li> <li>• Developing and maintaining governance mechanisms that effectively monitor risks and their management</li> </ul>
Enterprise Leaders	<ul style="list-style-type: none"> <li>• Ensuring compliance of their groups with the Risk Management Charter and the promotion of a positive risk and compliance culture</li> <li>• Identifying, evaluating, assessing, treating and monitoring the key risks that might potentially prevent them from achieving their objectives</li> </ul>
Supervisors & Team Leaders	<ul style="list-style-type: none"> <li>• To manage operational risks effectively in their particular service areas</li> <li>• To monitor and review risks at appropriate intervals</li> </ul>
Risk Manager	<ul style="list-style-type: none"> <li>• To develop and review the Risk Management Charter and processes in accordance with best practice</li> <li>• To provide advice and support to Executive Team and Enterprise Leaders on the identification, analysis and prioritisation of risks</li> <li>• To report on the identification and progress of strategic risks to the Risk and Assurance Committee</li> <li>• To provide risk management training as required to Officers and Members</li> </ul>
All Staff	<ul style="list-style-type: none"> <li>• Maintaining an awareness of risks (current and potential) that relate to their area of responsibility</li> <li>• Actively support and contribute to risk management initiatives</li> </ul>

## 7. RESOURCING

Annual resourcing will be established through the Annual Plan process.

## 8. MONITORING AND REVIEW

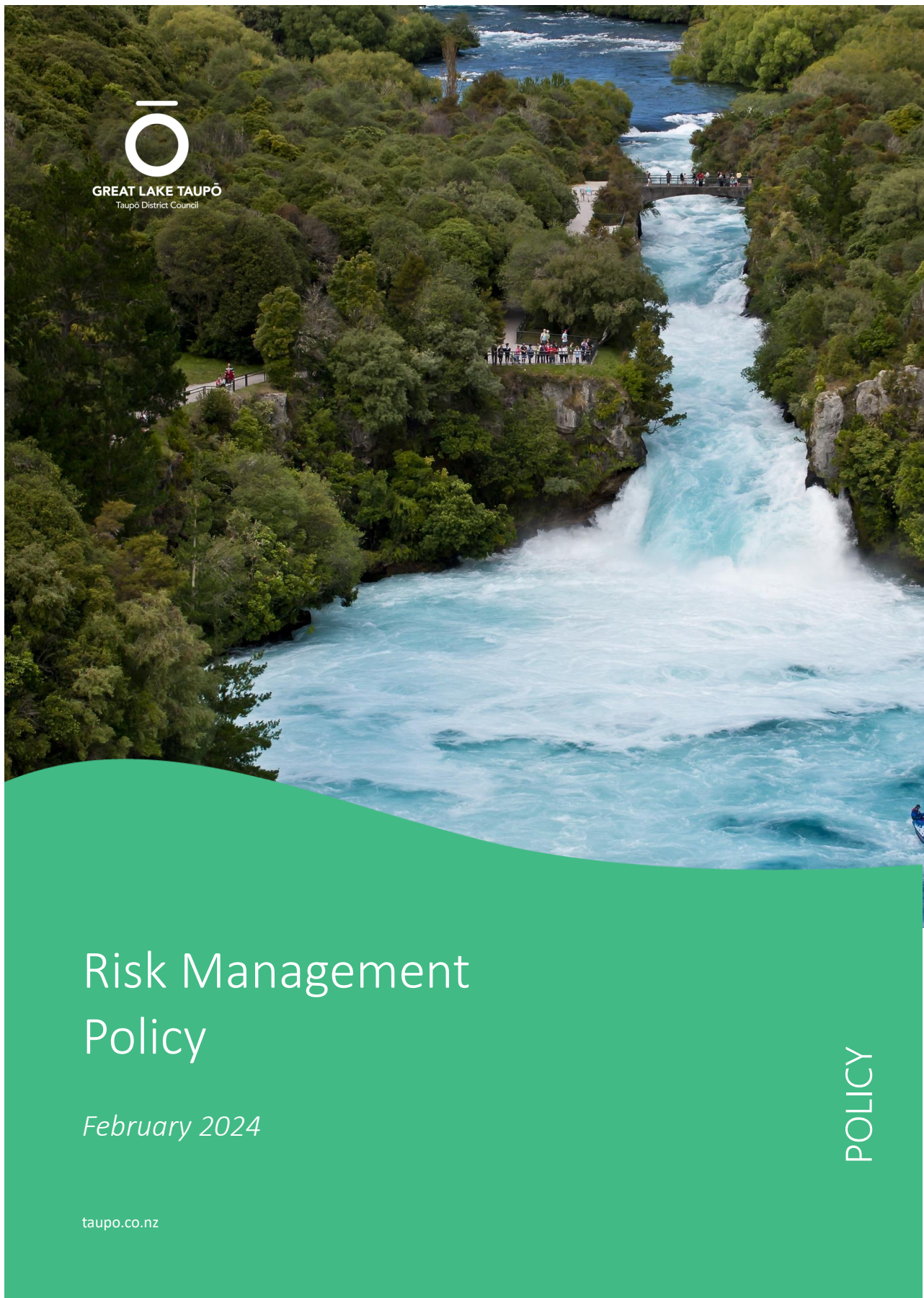
- 8.1** To ensure that informed decisions are made, it is essential to identify key strategic risks. All strategic risks will be documented on Strategic Risk Registers and monitored by the Executive Team. These risks will also be monitored by the Risk & Assurance Committee.
- 8.2** Progress in managing strategic risks will be monitored and reported on to ensure that intended actions are delivered and risks managed.
- 8.3** The Strategic Risk Registers will form the basis of half yearly risk management reports to the Risk and Assurance Committee.
- 8.4** Enterprise Leaders shall maintain a record of key operational risks within their service areas.

**9. AUTHORITY**

All areas of the organisation will be open to risk management initiatives and in carrying out their functions, all Risk Management and/or Internal Audit staff will have access to all other Council staff, information, records, documents, reports and property. Risk Management and/or Internal Audit staff have direct access to non-Executive appointees or are co-opted to any established Risk and Assurance Committee or other appropriate Committee as determined by Council.

**10. REVIEW OF RISK MANAGEMENT CHARTER**

This charter will be reviewed every 2 years by the Council's Risk and Assurance Committee.



## DOCUMENT CONTROL

VERSION	DATE	COMMENTS	DOC REFERENCE
DRAFT	24 Nov 2023	For issue to GM Organisational Improvement	
DRAFT	24 Nov 2023	For issue to Chair of Risk and Assurance Committee	

## DOCUMENT APPROVALS

	NAME	SIGNATURE	DATE
REVIEWER	General Manager - Organisation Performance Sarah Matthews		15-Feb-2024
APPROVER	Risk and Assurance Committee Chair Bruce Robertson	<i>Pending Risk and Assurance Committee adoption</i>	5-Mar-2024

## DOCUMENT CUSTODIAN AND REVIEW DATE

	NAME	REVIEW PERIOD	NEXT REVIEW DATE
CUSTODIAN	Risk Manager	3 yearly.	Mar-2027

# Introduction

**Why Risk Management?** We are here to succeed; to deliver on the commitments we have made to our community. We undertake proactive risk management to understand the strategic and operational risks and opportunities we face, so that we may make informed decisions, enabling us to better achieve our objectives.

NZ councils have recently seen service disruptions from core infrastructure failures, the impacts of climate change with more frequent droughts and flooding, increasing pressures from growth, and financial pressures associated with all of these.

Councils are also grappling with meeting increasing standards and uncertainty regarding changes, such as the previously proposed (and partially enacted) resource management reforms and the Affordable Waters Reform programme.

As we seek to achieve our objectives and meet our communities' needs and expectations in an increasingly complex environment, we need to apply a structured approach to understanding the risks we face and how to manage these.

Taupō District Council's (TDC) seeks a culture where risks are addressed with transparency and inclusiveness. We can achieve this by understanding our **Risk Appetite**<sup>1</sup> and this policy, and applying our **Risk Management Framework**.

Council is committed to managing its risks in a proactive and constructive manner. We integrate sound risk management principles and practices into our day-to-day management. We are risk aware, not risk averse – we are willing to accept a measure of controlled risk to achieve our objectives.

We all have a responsibility to understand our role in managing risk so that we can safeguard our people, assets, finances, property and reputation and this policy highlights the key roles and responsibilities within our risk management system.

This Risk Management Policy is supported by TDC's **Risk Appetite** and **Risk Management Framework** which are key elements of our risk management system (Figure 1).



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

<sup>1</sup> **Risk Appetite**: Risk appetite refers to the amount of risk Council is willing to accept or retain in pursuit of its goals.

# Purpose

To ensure that risk management is embedded in all Taupō District Council activities and our employees understand their associated responsibilities.

# Scope

This policy applies to all TDC employees, including the Taupō Airport Authority, but does not apply to Council Controlled Organisations that are legal entities in their own right.

# Objectives

By proactively managing risks and developing a culture of risk-based decision making we create a **no surprises** approach. Understanding our risks and communicating these from the outset enables Elected Members and management to make informed decisions, helping us to deliver our strategic goals within our **Risk Appetite**.

By identifying and managing risks we aim to deliver our work in manner that achieves the objectives outlined in Figure 2.



**Figure 2** – Taupō District Council's Risk Management Objectives.

# Principles

The guiding principles of risk management at TDC are:

1. **Risk management is critical for achieving our objectives** as an enabler of opportunity and underpins decision-making. It is applied across all TDC activities at all levels to ensure everyone's knowledge views, and perceptions can be considered.
2. Risk management **aims to protect our resources** (people, property, financial, environmental and information) and reputation.
3. We escalate potential risks where appropriate as we know that our leaders have our backs. We know it is safe to **speak up**.
4. Risk is to be **minimised to acceptable levels**, ideally within our **Risk Appetite**.
5. Risk management is responsive to TDC's dynamic operating environment; **there is to be regular monitoring of the risk environment** using the best available information. Potential impacts on our objectives is to be identified, assessed and treated.
6. **Risk management is to be methodical, structured** and follow the principles of **ISO 31000:2018 Risk Management – Principles and Guidelines**. This enables us to compare risks and prioritise our management of these.
7. Proactive risk management is an opportunity to do better, and if applied well **will enable continuous improvement**.
8. **Employees are to familiarise themselves** with this **Policy** and the **Risk Management Framework** so they understand their responsibilities and know how to effectively contribute towards risk management at TDC.

# Risk Management Framework

Staff give effect to this Risk Management Policy by utilising the processes described in our **Risk Management Framework** which outlines:

- how risks are identified, analysed and evaluated;
- how risk response plans are designed and prioritised; and
- how risks are reported, escalated, and communicated.

# Roles & Responsibilities

All staff have a role to play to help us achieve our objectives through proactive risk management, and the table below outlines Elected Member and staff responsibilities.

Council	<p>Overall responsibility and accountability for ensuring risks are mitigated resides with the Council as the governing body. Council:</p> <ul style="list-style-type: none"> <li>Identifies Key Risks</li> </ul> <p>It has however delegated some activities to the Risk and Assurance Committee and delegated power to act on matters relating to audit, risk management and internal control practices.</p> <p>The Risk and Assurance Committee has been delegated review and approval of Council's Risk Management Charter (now Framework), which includes determining Council's risk appetite<sup>2</sup>.</p> <p>The Council's role is risk governance.</p>
Risk & Assurance Committee	<p>Council has delegated these risk management responsibilities to its Risk and Assurance Committee including:</p> <ul style="list-style-type: none"> <li>Adopt Council's Risk Management Policy and Framework.</li> <li>Determine Council's Risk Appetite.</li> <li>Review and monitor the effectiveness of Council's risk management framework and internal control systems;</li> <li>Monitor the Council's external and internal audit processes.</li> </ul> <p>For further details refer to the <a href="#">Risk and Assurance Committee Terms of Reference</a>.</p> <ul style="list-style-type: none"> <li>Risk and Assurance also provide oversight of Strategic Risk management and control.</li> </ul>
Chief Executive and Executive Team	<ul style="list-style-type: none"> <li>Ensure Council has an effective risk management process in place.</li> <li>Endorse and champion the application of the risk management policy and framework.</li> <li>Advocate awareness of interdependency between strategy and risk.</li> <li>Take ownership of risks in area of responsibility and ensure such risks have management plans.</li> <li>Risk Owners for Strategic Risks.</li> <li>Risk Owners for escalated risks that reside in the Enterprise Risk Register i.e. corporate and operational risks that sit outside of Council's <b>Risk Appetite</b>.</li> <li>Oversight of corporate and operational risk management.</li> </ul>
Enterprise Leaders	<ul style="list-style-type: none"> <li>Endorse and champion the application of the risk management policy and framework within their business unit.</li> <li>Manage key risks that that may impact the achievement of their business unit's objectives and sit within Council's <b>Risk Appetite</b>.</li> </ul>

<sup>2</sup> <https://www.taupodc.govt.nz/council/meetings/standing-committees/risk-and-assurance-committee>

	<ul style="list-style-type: none"> <li>• Determine at what frequency their business unit's risks should be monitored. Risks should be monitored as frequently as needed to keep them controlled to as low as reasonably practicable.</li> <li>• Report on and be accountable for the delivery of risk management activities within their business unit.</li> <li>• Advocate awareness of interdependency between strategy and risk.</li> <li>• Responsible for escalating to the Executive risks that can't be controlled to within the Council's <b>Risk Appetite</b>.</li> </ul>
Supervisors & Team Leaders	<ul style="list-style-type: none"> <li>• To manage operational risks effectively in their particular business unit and capture this in a <b>Risk Register</b>.</li> <li>• To monitor and review risks at appropriate intervals.</li> <li>• To record and report on decisions and actions relating to these risks.</li> </ul>
Risk Manager	<ul style="list-style-type: none"> <li>• Develop and review the Risk Management Policy and Risk Management Framework and supporting processes in accordance with best practice.</li> <li>• Provide advice and support to Executive Team and Enterprise Leaders on the identification, analysis and prioritisation of risks.</li> <li>• Coordinate timely delivery of relevant risk management information including: <ul style="list-style-type: none"> <li>○ reporting strategic risks management to the Risk and Assurance Committee.</li> <li>○ reporting of enterprise risks and management to the Executive Team.</li> </ul> </li> <li>• To deliver risk management awareness programme and provide risk management training to Officers and Members.</li> <li>• Coordinate awareness of interdependency between strategy and risk.</li> <li>• Advocate awareness of interdependency between strategy and risk.</li> <li>• Design and implement an insurance strategy and programme</li> </ul>
All Staff	<ul style="list-style-type: none"> <li>• Proactively identify and report risks using the processes described in our <b>Risk Management Framework</b>.</li> <li>• Actively support and contribute to risk management initiatives.</li> </ul>

## NEED HELP?

If you need help don't hesitate to reach out to the TDC Risk Advisor.

We want you to be successful in reaching your goals and will do whatever we can to help you understand how to better manage risks to these.



## DOCUMENT CONTROL

VERSION	DATE	COMMENTS	DOC REFERENCE
DRAFT	24 Nov 2023	For issue to GM Organisational Improvement	
Issue 1	5-Mar-24	<i>Pending Risk and Assurance Committee Adoption</i>	

## DOCUMENT APPROVALS

	NAME	SIGNATURE	DATE
REVIEWER	Group Manager – Organisational Performance Sarah Matthews		14-Feb-24
APPROVER	Risk and Assurance Committee Chair Bruce Robertson	<i>Pending Risk and Assurance Committee adoption</i>	5-Mar-24

## DOCUMENT CUSTODIAN AND REVIEW DATE

	NAME	REVIEW PERIOD	NEXT REVIEW DATE
CUSTODIAN	Risk Advisor	3 yearly	Mar-2027

# Introduction

**Why Risk Management?** We are here to succeed; to deliver on the commitments we have made to our community. The successful management of risk enables Council to lead the Taupō District, deliver our Long Term Plan and fulfil our objectives. It also provides key information for decision making and ensures resources are applied where they are most needed to support operational effectiveness and efficiency.

Risk management can be likened to the brakes on a car. Yes, they can slow you down or stop you, but the better your brakes, the faster you can go. If you know about your risks and manage these, you'll arrive at your destination faster.

Risk management is not new to TDC – we already manage risks through various means (e.g. we manage risks to staff wellbeing through our various leave and anti-bullying policies). What is new however, is offering our staff a Risk Management System that helps guide you to manage risk in a structured and consistent way.

TDC's Risk Management System (Figure 1) has four key building blocks which together enable successful risk management. This Risk Management Framework supports staff by providing guidance on how to implement the risk management objectives and principles outlined in our [Risk Management Policy](#). We all have a responsibility to understand our role in managing risk so that we can safeguard our people, assets, finances, property and reputation, and this Framework will help you develop your knowledge.



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

## Purpose

The purpose of this Risk Management Framework (Framework) is to help staff manage significant risks that may affect successful achievement of our objectives by providing:

- Direction for consistent risk management at TDC including how risks are identified, analysed and evaluated.
- Guidance on how to design risk response plans; and
- Information on how risks are reported, escalated, and communicated.

Page 3

Taupō District Council Risk Management Framework | February 2024  
Document number:

# Who is this framework for?

**Everyone!** We are looking to develop a consistent way of identifying, assessing and managing risks across TDC. This will enable us to compare risks against one another so we can determine where to focus our attention.

The risk management process described in this framework applies to all levels of activity within TDC, whether it be strategic, operational, or at project level. The specific tools you apply may however vary across TDC, depending on the nature of the risk and context your team is operating in.

**How does this relate to health and safety risk management?** The systems we use to manage health and safety at work are complementary to this Risk Management Framework. TDC has well established processes for managing workplace hazards and these continue to be invaluable. However, by also applying the risk assessment processes described here we can compare health and safety risks against other types of risk e.g. legal compliance, so we can prioritise what to manage first.

**Is there someone in my team that is responsible for making risk management happen?** Yes, we all have responsibilities to identify and discuss actual or potential risks, but your supervisor, Team Leader or Manager should facilitate discussions within your team around what might prevent you from achieving the desired outcomes. Our **Risk Management Policy** and our **RACI Chart<sup>1</sup>** outlines roles and responsibilities across TDC and our Risk Advisor is here to offer advice and support.

# What is a risk framework?

A Risk Management Framework is:

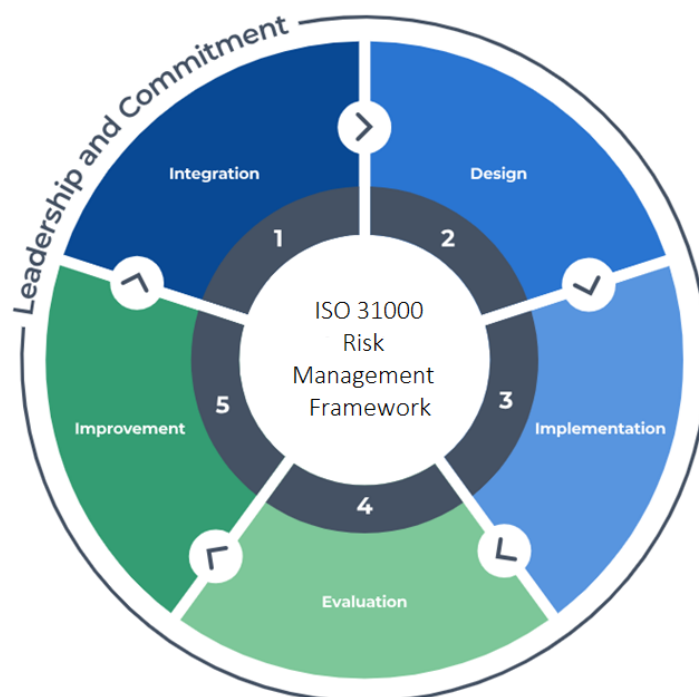
A set of components that provide the foundations & organisational arrangements for designing, implementing, monitoring, reviewing, & continually improving risk management throughout an organisation.

This definition is from the ISO 31000:2018 Risk Management Guidelines.

Basically it's a system for 'doing risk management right', and ISO 31000:2018 identifies that successful risk management frameworks include all the key elements described in **Figure 2**. It's a cyclical risk management approach that incorporates integrating, designing, implementing, evaluating, and improving Enterprise Risk Management. If these key elements are in place and working properly risk management should be integrated into our governance, day to day decision making and continuously improving.

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<sup>1</sup> A RACI chart is a table detailing who is accountable, responsible, and those people who should be consulted and informed.



**Figure 2** – Key elements of successful Risk Management Frameworks (ISO 31000:2018 Risk Management – Guidelines)

## TDC's Risk Framework:

### Accountability and Governance

TDC's risk management operates at three levels:

- **Strategic Risks** – those big chunky risks that can prevent TDC from achieving its strategic objectives as outlined our Vision, Community Outcomes and Long-term Plan.
- **Enterprise Level** – those risks that exceed Council's **Risk Appetite** and as such need Executive level ownership. These are more fluid than TDC's strategic risks and are at a level that Executive can either effectively manage or accept.
- **Business Level** – those day to day corporate, operational or project risks that are managed by each business unit or team and remain within Council's **Risk Appetite**. From time to time, a business level risk may look to exceed Council's Risk Appetite and then be escalated to the Executive for management.

The risk management accountabilities for each of these levels of risk is further described in Figure 3.

Page 5

Taupō District Council Risk Management Framework | February 2024  
Document number:



**Figure 3** – Accountabilities for Strategic, Enterprise and business level risk management.

## Leadership & Commitment

**TDC's commitment to risk management is led by our Executive Team with the support of the Enterprise Leadership Team.** They are answerable to our Risk and Assurance Committee who have committed to enterprise risk management by adopting **TDC's Risk Management Policy**. It is their expectation that risks will be identified and managed across the entire organisation using the processes outlined in this framework.

What does this mean for you?

- You should see your manager (& team) asking frequently: "What can stop us from achieving our objectives?". "What do we need to have in place to make sure we will achieve our objectives?", especially prior to making significant decisions.
- You should also see your manager ensuring the outputs of these discussions (risks and risk controls) being captured in risk registers.
- As staff you should be given time to specifically contribute to these discussions, and to make suggestions and undertake tasks to stop risks becoming a reality.

- You should also be given time to develop an understanding of how risk management works at TDC (by reading this Framework or attending training).
- You will be held accountable for doing what you say you've going to do. If you've been given a task that is required to manage a risk – you'll be expected to deliver on this.
- Ensure the risks identified are communicated to elected members via the risk section of committee papers you prepare.

## What are my responsibilities?

Your risk management responsibilities depend on your role in TDC. Our **Risk Management Policy** outlines specific responsibilities for staff, supervisors and team leaders, Enterprise Leaders and our Executive Team. All staff are expected to proactively identify and report risks using the processes described in this Framework. We are all jointly responsible for identifying and managing risks to work we are delivering on behalf of council.

## DESIGN, IMPLEMENTATION, EVALUATION & IMPROVEMENT

TDC's risk management framework has been **designed** to account for the internal and external environment that we operate in, and also the level of risk management maturity. It will change and evolve over time to account for our operating environment and as TDC's risk management maturity develops.

In **implementing** this framework, we want to ensure that you clearly understand how the whole framework (system) works, so that you can help ensure its implemented consistently across council. This is important as it enables senior management to 'compare apples with apples' when comparing risks across departments, and prioritise the investment in risk controls. You should be given time to understand it and implement it (see Leadership & Commitment above).

The effectiveness of TDC's framework and its implementation will be **evaluated** against our **Key Performance Indicators** and the framework will be reviewed every 3 years to reflect changes in our operating environment and our performance.

The risk management framework needs to serve its purpose (help us manage risk better) and work for those that implement it. We are seeking to continuously **improve** it, without having to wait for a formal review. If this framework doesn't work for your business unit, then we want to know about it. Contact our Risk Advisor.

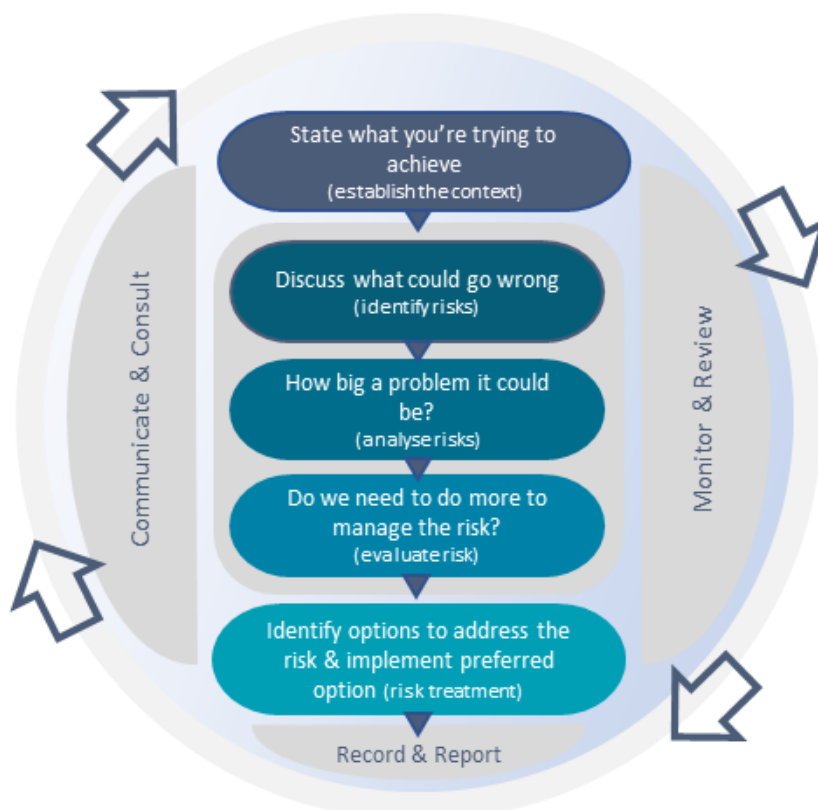
# Risk Management Process

**Risk Management Process.** A key element of TDC's Risk Management Framework is our Risk Management Process which aligns with standard international practices. This will help you to understand what steps you need to take to manage risk to your team's objectives.

The Risk Management Process outlined below is an internationally accepted, structured and consistent way to think about risk (Figure 4). It involves a series of steps that if followed will help you to determine where you should focus your attention first.

Ultimately, the purpose of risk management is to increase the likelihood of achieving your objectives by proactively identifying and managing potential threats.

Applying the risk management process outlined in **Figure 4** allows us to focus our attention on our biggest risks, and helps ensure we proactively control these by either mitigating their impacts, completely avoiding them, or reduce their likelihood and/or impacts. While it may appear to be a sequential process with start and finish it is in fact iterative in practice, with the process repeating itself in a constant cycle of improvement.



**Figure 4 – Risk Management Process (ISO 3100)**

## How do I apply this at TDC? Where do I start?

Managing risk effectively takes time and resources. Before you start applying the risk management process to your department/team/project consider the environment you're operating in and make a plan for implementing this risk management process that reflects that environment. There is a template for planning how you will implement risk management processes in your department/team/project in **Attachment 1 – Plan for implementing the risk management process**.

When developing your plan consider how fast moving the work is that you're doing. Do you inherently know there are likely to be some big risks that need strong management? This will help to determine how often you should be seeking to review your risks. E.g. if you're in a high value, high risk, fast moving project, you may wish to review key risks fortnightly. When doing your planning ask: how will I ensure there is time to identify & manage risks?

## COMMUNICATE & CONSULT

One of the first risk management steps you should take is to ask: **Who are my stakeholders and how can they impact what we're trying to achieve? Who has responsibilities that are key to our success and is everyone clear on their role?** By answering these questions you will identify the key people or organisations you need to communicate and consult with throughout the risk management process.

Communication and consultation aims to:

- Bring different areas of expertise together for each step of the risk management process;
- Ensure that different views are considered when evaluating risks;
- Ensure that there is sufficient information to make informed decisions and provide good oversight.

## STEP 1 – ESTABLISH THE CONTEXT – WHAT ARE WE TRYING TO ACHIEVE & IN WHAT ENVIRONMENT?

Whether you're trying to manage risks to a project or risks to the delivery of day to day operations, this Risk Management Framework can help you. To get started, you need to understand:

- i) Your objectives – what are you trying to achieve?
- ii) The internal and external environment (context) that you're trying to meet your objectives within.

Write them down if you haven't already. It's also helpful to ask yourself – **why am I doing this?** How does it link to **TDC's Vision and Community Outcomes**? What needs to be in place for our objectives to be met.

In establishing the context consider and record the following:

- What are the aims and objectives of the organisation and your department/team/project?
- What is your core activity?
- Who is involved with your department/team/project - both internally and externally?
- What relationships does your department/team/project have and how important are these?
- What laws, regulations, rules or standards apply to your department/team/project?
- What trends are affecting your department/team/project?

Page 9

Taupō District Council Risk Management Framework | February 2024  
Document number:

## STEP 2 – IDENTIFY RISKS – WHAT COULD CAUSE US PROBLEMS?

Risk identification identifies potential events, situations, or circumstances that would prevent or delay the achievement of your objectives. It helps the Council to minimise surprises, avoid unnecessary costs and be more resilient.

To get started, we recommend you:

- i) Read this Framework from start to finish; then
- ii) Go to the Risk Management Portal on Tui or click on the hyperlinks below to download:
  - a. the generic [Risk Register](#) template. This will be where you record the risks you identify.
  - b. Two tables that will help you differentiate what to really worry about (the big risks) and the not so big risks. We can prioritise risks by estimating both how likely they are to occur ([Likelihood Table](#)) AND if they do occur, the potential consequences of that risk ([Consequence Table](#)).
  - c. [Risk Identification Prompts](#). This is a list of questions to ask yourself that might help stimulate discussion around potential sources of risk.

**Risk Identification Meeting.** The next step is to get a few key people together to discuss what might prevent or delay the achievement of your objectives (what could go wrong).

Before you set-up your risk identification meeting consider who should attend. You might find people outside of your key team might be able to offer insights into what could potentially go wrong. The meeting should start with asking:

“What do we need to make this project/improvement/operation successful?” and then considering,

“What could stop us achieving this?” and “What assumptions have we made?” as assumptions are a key source of risk.

Have a read of the [Risk Identification Prompts](#) and ask who might have a good understanding of some of these risks? You need to invite a broad enough range of people, without making the meeting so large that people disengage. Typically 4-10 people is a good number but be guided by the context of your project/team/department.

**Make sure you’re prepared.** Before your risk identification meeting, make sure you’re prepared. The [Risk ID Meeting Check-Sheet](#) is a helpful tool.

When recording the risks you have identified capture:

- i) the event that has an effective on objectives (record in Risk Title column in the [Risk Register](#))
- ii) which has been caused by... (Risk Cause column in Risk Register)
- iii) resulting in .... (Risk Consequence column in Risk Register).

### TIP!

### How to capture risks

EXAMPLE 1.	<b>Title:</b>	Failure to Manage Project Interdependencies.
	<b>Cause:</b>	Interdependencies between projects in the programme of work are not understood and managed.
	<b>Consequence:</b>	Projects may can be delayed and there may be increased costs to complete the programme of work.
EXAMPLE 2.	<b>Title:</b>	Insufficient Testing of IT Systems.
	<b>Cause:</b>	The new IT system may not be fully tested before implementation.
	<b>Consequence:</b>	System errors may occur, delaying project completion by three months, and costing a further \$100,000 of unbudgeted expenditure for extending existing IT licences.

Page 10

Taupō District Council Risk Management Framework | February 2024  
Document number:

## STEP 3 — ANALYSE RISKS – WHAT CAUSES A RISK AND HOW BIG IS THE RISK?

In order to identify the big risks from the small risks and help us prioritise where to put our attention we need to analyse them. We do this at TDC by:

1. Identifying risk sources and causes;
2. Estimating the likelihood of the risk occurring and the consequences/potential impacts.

It is recommended you have a separate, second risk meeting to analyse the risks – risk identification and analysis can be a lot to cover in one meeting.

### How to analyse risk

There are two steps in this analysis. The first looks at the inherent risk (the risk without any controls in place) and the second looks at residual risk (the risk after controls have been successfully implemented).

For each risk in your risk register determine the inherent and residual risk by:

- Identifying and recording the causes of the risk. In most cases there are likely to be more than one risk cause. Note these down.
- Referring to the **Likelihood Table** and using your judgement and experience to assess whether the likelihood of is Almost Certain, Likely, Possible, Unlikely or Rare.
- Referring to the **Consequence Table** and using your knowledge and experience to assess whether the consequence of each of the cause is Insignificant, Minor, Moderate, Major or Extreme.
- Referring to the Risk Rating Matrix below, which is also included with the **Risk Register Template**, to determine the risk rating for the inherent and residual risks.

### Sorting Wheat from Chaff

Once you've estimated each risk's likelihood and consequence, the risk register will automatically calculate the Risk Rating as either Extreme, High, Moderate or Low. The matrix below (Figure 6) illustrates how this is done. E.g. a risk that could *Possibly* happen but has a *Moderate* consequence has a risk rating of *High*.

#### TIP!

#### Analysing Risk – don't spend too long!

Remember the purpose of assessing the likelihood and consequence of a risk is so that we spend our time in managing the 'big risks'. If we spend too much time trying to fine tune how likely the risk or its impacts, we have less time available to identify risk controls and manage risk effectively. Remember, risks are inherently uncertain, so won't be easy to analyse (i.e. determine Likelihood & Consequence). Do your best and make sure you involve a variety of people who have an understanding of the risk, and then get on with managing the risk, including refining your risk assessment over time through regular review.

Risk Assessment Matrix					
LIKELIHOOD	Almost Certain	Medium	High	Extreme	Extreme
	Likely	Medium	High	High	Extreme
	Possible	Low	Medium	High	Extreme
	Unlikely	Low	Medium	High	High
	Rare	Low	Low	Low	Medium
		Insignificant	Minor	Moderate	Major
		Severe			
		CONSEQUENCE			

**Figure 5** – TDC's Risk Assessment Matrix showing how Risk Rating is calculated.

Note: the dark blue line illustrates Council's risk appetite.

i.e. High or Extreme risks exceed Council's risk appetite and should be further managed down/controlled.

**Why is it important to understand the Risk Rating?** The Risk Rating helps us prioritise where to focus our time, money and attention, but also determines what level of management is responsible for ensuring adequate management of the risk (or accepting the risk) – see **Figure 6**.

## STEP 4 – RISK EVALUATION – DO WE NEED TO DO MORE?

Now that our risks understood, we need to prioritise management effort based the risk rating and council's risk appetite.

### TIP!

### What is Risk Appetite?

**Risk Appetite is the amount of risk an organisation is willing to accept in pursuit of its strategic objectives.**

Risk Appetite needs to balance what the level of risk that is considered acceptable, and the cost of mitigating to that level of acceptance.

**Why is it important?** A well-articulated risk appetite statement can give confidence that everyone is on the same page when it comes to taking and managing risks.

We do this by looking at the impacts of each risk against the **Council's Risk Appetite**.

The Council's Risk Appetite has been set as **Medium** by the Council. Medium refers to where the risk sits in the TDC Risk Assessment Matrix (**Figure 5**).

In answering the question, **have we done enough to manage this risk?** we need to compare the residual risk rating after treatment (Extreme, High, Medium or Low) to Council's Risk Appetite. i.e. If the risk is Extreme or High, this exceeds Council's Risk Appetite of Medium, so work is needed to control that risk further, or the risk needs to be escalated to the Executive to consider.

The table below (**Figure 6**) identifies the level of management that is responsible for ensuring adequate management of risk and what actions are required to manage these risks.

Residual Risk	Responsibility	Risk Management Response	Risk Management Actions
Extreme	CEO & Elected Representatives	Must be given immediate executive management attention. The CEO and/or Council can accept this level of risk.	Detailed treatment plan required to be developed and implemented. Include in Enterprise risk register.
High	Executive Managers	Requires considerable management required to reduce to as low as reasonably practicable. An executive manager can accept this level of risk.	Detailed treatment plan required developed and implemented. Include in Group risk register.
Medium	Enterprise Managers	Risks are required to be actively managed and monitored to keep risk controlled. An enterprise leader can accept this level of risk.	Specific procedures to manage and monitor the risk are in place. Include in Group risk register if appropriate.
Low	Team Leaders / Supervisors and/or Project Managers	Risks are managed and monitored with normal operational procedures and policies. The team lead, project manager can accept this level of risk.	Routine standard operating procedures for managing this risk are in place.

**Figure 6** – Level of responsibility for managing different levels of risk at TDC, based on Residual Risk Rating.

## IMPORTANT

### What do I do if the risk is still above TDC's Risk Appetite?

i.e. if the residual risk rating (after treatment) is either High or Extreme the **Risk Owner** needs to either:

- i) take further action to reduce the risk likelihood and/or consequence until it can be rated as Low or Medium; or
- ii) if the Risk Owner believes it is not possible or too costly to reduce the risk below Extreme or High then they need to ensure their General Manager or CEO **has been explicitly advised that the risk exceeds Council's risk appetite and of its potential consequences.**
- iii) Your General Manager or the CEO then needs to either a) **knowingly and explicitly accept the risk**, or b) **give guidance** on further action that should be taken to reduce it.

## STEP 5 – TREAT THE RISKS

Risks assessed as outside of Council's current **Risk Appetite** (i.e. High or Extreme) require further risk treatment.

The selection of risk treatment will need to balance the potential benefits of a treatment against the time and cost of doing so. **Be realistic – we will never be risk free**, so we are looking for reducing risks to as low as reasonably practicable. There are some things we cannot change no matter what resources we throw at it or how hard we try.

**Risk treatments** may involve one or a combination of the following. What type of treatment and when you use it is not set in stone, but we would encourage you to aim for the safest option where practicable.

### Risk Treatment Approaches

When considering possible risk treatment approaches, we recommend asking yourself these questions:

1. **Risk Avoidance** – Can I avoid the risk completely by choosing an alternative less risky approach or process or ceasing the activity that introduced the risk?
2. **Risk Reduction** – If I can't avoid the risk or it isn't practical to do so, what can I do to reduce the likelihood or consequence of the risk to an acceptable level?
3. **Risk Transfer** – Can I transfer all or part of the risk to another party? (usually an insurance company).
4. **Risk Acceptance** – Making an informed decision that the cost of the risk treatment outweighs the benefit and accepting the risk. No further action is taken to treat the risk. *This needs to be done at the right level of the organisation – refer to Figure 7.*

**Detailed Treatment Plans.** Where a detailed treatment plan is needed for a high or extreme risk, the plan should ideally be recorded in the risk register and:

1. **Specify the treatment option agreed** - avoid, reduce, transfer or accept.
2. **Document the treatment plan** - outline the approach to be used to treat the risk. Any relationships or interdependencies with other risks should also be highlighted.
3. **Assign an appropriate owner** – state who is accountable for monitoring and reporting on progress of the treatment plan implementation. Where the treatment plan owner and the risk owner are different, the risk owner has ultimate accountability for ensuring the agreed treatment plan is implemented.
4. **Specify a target resolution date** - where risk treatments have long lead times, consider the development of interim measures. *For example, it is unlikely to be acceptable for a residual risk to be rated 'extreme' and to have a risk treatment with a resolution timeframe of two years.*

## STEP 6 – RECORD AND REPORT RISKS

**Record Risks** – Create a risk register to record your risks – a template is [here](#). Save it where everyone can access it (Objective). Let Risk Owners, the rest of the team, those with risk management responsibilities know where to find it.

**Report Risks** – Report your risks. Who needs to know about the risks? Your team? Your manager? Your Project Sponsor? By letting others know about risks, helps to ensure the best possible treatment can be identified and ensures everyone is on the same page – **TDC takes a No Surprises approach**. By understanding the risks from the outset, Elected Members and management can make informed decisions.

**Enterprise Risks** – some risks may be so large that they are also reported on the Enterprise Risk Register. This combines the largest risks identified across TDC and is reported to the Executive. This is managed by TDC's Risk Advisor.

## STEP 7 – MONITOR AND REVIEW THE RISKS – ARE THE CONTROLS IN PLACE AND DO THEY WORK?

Monitor and review through all stages of the risk management process.

**Check the risks:** Monitor all risk within your risk registers to and ask;

- Are the risk controls actually being implemented and are they working as intended?
- Is the risk still about the same? Is it becoming a bigger problem needing more treatment? Perhaps it's no longer an issue and can be closed.

**Check the context:** Monitor the TDC environment and external environment and ask;

- Has it changed? Will this impact on what I'm trying to achieve?
- Has the changed environment created new risks?
- Have there been some close calls (e.g. near misses) or lessons learned which has changed my perception of the risk?

**The frequency of monitoring** should be sufficient to ensure that Risk Owners and Risk Treatment Owners are controlling the risk to as low as reasonably practicable. This will vary depending upon the specific risk details and the context that risks sits within. It is an Enterprise Leaders (ELT) role to ensure their teams are monitoring risks sufficiently frequently. This will require ELT to maintain a working knowledge of the status of risks within their business unit.

**Recording the results of monitoring and review** can be done using the risk Monitoring and Review tab on the **Risk Register Template**. Make the results of these reviews a standing item on agendas for teams responsible for the risk response.

<b>Council</b>	Receive six-monthly reports on the status of Strategic Risks.
<b>Risk and Assurance</b>	Receive quarterly reports on the status of Strategic Risks and any emerging enterprise level risks.
<b>Executive</b>	Receive ad hoc notification from their staff of risks that are likely to exceed Council's Risk Appetite. Receive monthly Enterprise Risk Register reports. Receive quarterly reports on the status of Strategic Risks.
<b>Enterprise Leaders</b>	Receive ad hoc notification from their staff of risks that are likely to exceed Council's Risk Appetite. Receive monthly reports from their teams on the status of risks within their business unit.

## NEED HELP?

If you need help don't hesitate to reach out to the TDC Risk Advisor.

We want you to be successful in reaching your goals and will do whatever we can to help you understand how to better manage risks to these.

# Attachment 1 –

## TOOL: Plan for implementing the risk management process

Use the table below to help you plan how you will deliver risk management within your project/team/department.

QUESTIONS TO HELP YOU PLAN RISK MANAGEMENT:	INSERT YOUR ANSWERS HERE:
Department/Team/Project that this risk management plan applies to:	
What objectives am I trying to assess risks to?	
Name of person responsible for driving risk process:	<who will drive the risk management process? Do they have the skills and time?>
Date of first risk identification meeting:	
Frequency of risk reviews:	
Key decision points:	<what are the key decisions that are coming up and what risk information might we need to know to inform these decisions?>
Authority:	<Who is authorised to accept what risks? Tip: This should be aligned to the level of responsibility within the organisation. For example, authority to accept a financial risk should not exceed that person's delegated authority. Click <a href="#">here</a> to download TDCs Financial Delegations for key staff>
Names/roles of those who will be involved in risk reviews:	
Risk register storage location:	<state objective reference/location of where file will be stored>
I will seek risk management advice from:	<TDC has risk management champions. They are there to help you with implementing risk management and can offer help and guidance, as can the TDC Risk Manager, Jamie Dale (JDale@taupo.govt.nz).>
Context:	<Are there any other projects/external changes that may impact on how I plan to manage risk in my project/team/department?>

Page 1

Taupo District Council Risk Management Framework – RF1 – Planning To Do Risk Management | February 2024  
Document number:

Council Activity/Function				Updated by:	Risk Register				Date Last Updated:				
Unique ID	Risk Title	Risk Causes	Risk Consequences	Risk Owner	Inherent Likelihood	Inherent Consequence	Inherent Risk Rating	Risk Controls / Treatments	Control / Treatment Owner	Residual Likelihood	Residual Consequence	Residual Risk Rating	Risk Monitoring

## Attachment 3 – Likelihood Table

Use the table below to help you rate how likely a risk is. This is an important **Risk Analysis** step.

DESCRIPTION	PROBABILITY (per annum)      (return period)	
<b>RARE</b> 1	< 10%	Unlikely to occur within a 10 year period, or only in exceptional circumstances.
<b>UNLIKELY</b> 2	10%-39%	Likely to occur every 2.5 - 10 year period.
<b>POSSIBLE</b> 3	40%-69%	Likely to occur every 1.5 - 2.5 year period.
<b>LIKELY</b> 4	70%-89%	Likely to occur within a 1 - 1.5 year period.
<b>ALMOST CERTAIN</b> 5	>= 90%	Likely to occur within the next year.

Page 1

Taupō District Council Risk Management Framework – RF3 – Likelihood Table | February 2024  
Document number:

# Attachment 4 – Consequence Table

TIP!

Make sure the consequence of the risk relates to its likelihood.  
Often higher consequence events occur less frequently.

Use the table below to help you rate how significant the impacts of a risk event may be on your objectives - consider both direct and indirect effects, and short-term and long-term repercussions. This is an important **Risk Analysis** step. If your risk has impacts in multiple categories (e.g. performance and service delivery, financial, etc) use the impact category that has the greatest/highest level of impact to combine with the likelihood assessment. NOTE: the bullet points in the table below should be read as ‘or’ statements (as opposed to ‘and’ statements).

	INSIGNIFICANT 1	MINOR 2	MODERATE 3	MAJOR 4	EXTREME 5
Performance & Service Delivery	<ul style="list-style-type: none"><li>Minor loss of service for some individuals for a short period of time.</li><li>No impact on the community’s health and wellbeing.</li></ul>	<ul style="list-style-type: none"><li>Loss of service for a small group of the community for a short period of time (hours).</li><li>No impact on community’s health and wellbeing.</li></ul>	<ul style="list-style-type: none"><li>Small parts of the community experience loss of service for 1-3 days.</li><li>Minor health or wellbeing impacts for some parts of the community due to loss of essential services.</li><li>Delivery of some services need to be deprioritised.</li></ul>	<ul style="list-style-type: none"><li>Loss of core service impacting large parts of the community for 1-3 days.</li><li>Health and wellbeing for several parts of the community may be compromised.</li><li>Performance of a few services significantly reduced.</li><li>Major reorganisation of work programme in medium term (6 weeks - 6 months).</li></ul>	<ul style="list-style-type: none"><li>Loss of core service impacting large parts of the community for more than 3 days.</li><li>The health, safety or wellbeing of many communities is severely compromised.</li><li>Performance of many services significantly reduced.</li><li>Reprioritisation of council's work programme for long-term objectives and LTP commitments (&gt;6 months).</li></ul>
Financial	<ul style="list-style-type: none"><li>Financial impact &lt;\$50,000.</li></ul>	<ul style="list-style-type: none"><li>&lt;10% difference in budget or impact \$50,000 – \$200,000.</li></ul>	<ul style="list-style-type: none"><li>10-30% difference in budget or impact \$200,000 - \$750,000.</li></ul>	<ul style="list-style-type: none"><li>30% - 40% difference in budget or impact \$750,000 - \$1,500,000.</li></ul>	<ul style="list-style-type: none"><li>Serious long term financial implications requiring additional funding through either increasing rates or debt.</li><li>&gt;40% difference in budget or an impact &gt;\$1.5M.</li></ul>
Health & Safety	<ul style="list-style-type: none"><li>No treatment required.</li><li>No long term effects.</li></ul>	<ul style="list-style-type: none"><li>First Aid treatment required.</li><li>May result in limited lost time from work.</li><li>Reversible health effects.</li></ul>	<ul style="list-style-type: none"><li>May require medical attention.</li><li>Requires support from external services e.g. EAP, to manage mental health concerns and no time off work is required.</li></ul>	<ul style="list-style-type: none"><li>Likely to result in Lost Time Injury and is Notifiable to WorkSafe.</li><li>Potential for prosecution under Health &amp; Safety at Work Act.</li><li>Requires support from external services e.g. EAP, to manage mental health concerns. No time off work is required.</li></ul>	<ul style="list-style-type: none"><li>Significant injury, disability or death.</li><li>Notifiable to WorkSafe.</li><li>Potential for prosecution under Health &amp; Safety at Work Act.</li><li>Requires support from external services e.g. EAP, to manage mental health concerns and leads to no longer being able to work.</li></ul>
Regulatory & Legal	<ul style="list-style-type: none"><li>Minor legal, compliance, or contractual breach but unlikely to have subsequent impacts.</li></ul>	<ul style="list-style-type: none"><li>Minor legal, regulatory or contractual breach with potential for fines, but without litigation.</li></ul>	<ul style="list-style-type: none"><li>Small legal, regulatory or contractual breach with potential for limited litigation.</li></ul>	<ul style="list-style-type: none"><li>Major breach of legal, regulatory, or contractual obligations that will likely result in legal proceedings or sanction by regulator.</li></ul>	<ul style="list-style-type: none"><li>Serious breach of legal, regulatory, or contractual obligations that will definitely result in legal proceedings (possibly multiple litigations). Significant exposure to ongoing liabilities.</li></ul>

	INSIGNIFICANT 1	MINOR 2	MODERATE 3	MAJOR 4	EXTREME 5
People	<ul style="list-style-type: none"> <li>Permanent staff turnover &lt;15%.</li> <li>Minimal loss of internal capacity and/or capability not affecting operations or service levels.</li> </ul>	<ul style="list-style-type: none"> <li>Permanent staff turnover 15-16%.</li> <li>Minimal specialist skills gaps.</li> <li>Loss of organisational capacity and/or capability in some non-critical areas.</li> <li>Coverage with existing teams (secondments, higher duties) to manage short term workload.</li> </ul>	<ul style="list-style-type: none"> <li>Permanent staff turnover 17-18%.</li> <li>Moderate specialist skill gaps creating gaps in organisational capacity in key areas.</li> <li>Resourcing with consultants may be required to fill the gaps in critical areas.</li> </ul>	<ul style="list-style-type: none"> <li>Permanent staff turnover 18-20%.</li> <li>Major specialist gaps and disruption to business operation (refer to Performance &amp; Service Delivery consequence description).</li> <li>Resourcing with consultants required to fill the gaps in critical areas.</li> </ul>	<ul style="list-style-type: none"> <li>Permanent staff turnover &gt;20%.</li> <li>Major specialist gaps and serious disruption to business operation (refer to Performance &amp; Service Delivery consequence description).</li> <li>Resourcing with consultants required to fill the gaps in critical areas and redeployment of existing staff where feasible.</li> </ul>
Reputation	<ul style="list-style-type: none"> <li>Negative feedback from individuals. Insignificant reduction in trust and confidence.</li> <li>No media or political attention.</li> </ul>	<ul style="list-style-type: none"> <li>Negative local media coverage for one or two days.</li> <li>Short-term loss of trust and confidence by small groups in the community.</li> <li>Elements of public expectations not being met.</li> </ul>	<ul style="list-style-type: none"> <li>Negative local or regional media coverage for 3-7 days.</li> <li>Moderate loss of community trust or loss of confidence by internal and external stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing negative regional or nationwide media coverage for a period of 1-2 weeks.</li> <li>Major reduction in trust and confidence by internal and external stakeholders or the public.</li> </ul>	<ul style="list-style-type: none"> <li>Sustained adverse comment and media coverage - including international exposure - over several weeks.</li> <li>Significant loss of public trust and confidence and damage to council's reputation.</li> <li>Public calls (at a national level) for specific remedial action to be taken. Court action possible.</li> </ul>
Information Management	<ul style="list-style-type: none"> <li>Isolated equipment failure.</li> </ul>	<ul style="list-style-type: none"> <li>Compromise of user password or information management processes.</li> </ul>	<ul style="list-style-type: none"> <li>Security flaws compromising the confidentiality and integrity of data or systems.</li> <li>Data breaches are contained internally.</li> </ul>	<ul style="list-style-type: none"> <li>Significant disruption to critical activities for 1-2 days.</li> <li>Breach of non-confidential information to unauthorised/external parties.</li> <li>Loss of a core system or data for 1-2 days.</li> </ul>	<ul style="list-style-type: none"> <li>Information and/or systems are compromised with significant ongoing impacts (internal and external).</li> <li>Significant and sustained disruption to critical activities (more than 2 days).</li> <li>Breach of confidential information to unauthorised/external parties.</li> <li>Loss of a core system for &gt; 2 days.</li> <li>Critical data is permanently lost.</li> </ul>
Environment & Climate	<ul style="list-style-type: none"> <li>Minimal localised damage to the environment with a recovery time of up to 2 weeks.</li> <li>No significant climate change impact. Can be managed through business as usual.</li> <li>No impact on businesses, livelihoods or consumer behaviour.</li> </ul>	<ul style="list-style-type: none"> <li>Minor localised damage to the environment with a recovery time of 2-8 weeks.</li> <li>Climate change event creates disruption to education, employment and community services for 1-3 days.</li> <li>Limited impact on businesses, livelihoods or consumer behaviour for 1-3 days.</li> </ul>	<ul style="list-style-type: none"> <li>Localised damage to the environment with a recovery time of 2-4 months.</li> <li>Climate change event creates disruption to education, employment and community services for 4-14 days.</li> <li>Moderate impact on businesses, livelihoods or consumer behaviour for 4-14 days.</li> </ul>	<ul style="list-style-type: none"> <li>Major, localised damage to the environment with a recovery time of between 4-12 months.</li> <li>Climate change event creates disruption to education, employment and community services for 2-6 weeks.</li> <li>Major impact on businesses, livelihoods or consumer behaviour for 2-6 weeks.</li> </ul>	<ul style="list-style-type: none"> <li>Extensive and widespread damage to the environment with a recovery time exceeding 12 months.</li> <li>Climate change event creates disruption to education, employment and community services for more than 6 weeks.</li> <li>Severe impact on businesses, livelihoods or consumer behaviour for more than 6 weeks.</li> </ul>

# Attachment 5 – TOOL: Risk Identification Prompts

The following tables are designed as prompts for have been set up to help different parts of the TDC business brainstorm risks that they may need to be mindful off.

General risk identification questions to ask (that apply to all parts of TDC):

- What are the possible negative outcomes of this project/activity/event?
- What are the causes of these negative outcomes?
- Are there any laws, regulations, policies, agreements, MOUs or ethical considerations that need to be taken into account?

Page 1

Taupō District Council Risk Management Framework – RF1 – Planning To Do Risk Management | February 2024  
Document number:

## Events – Risk ID Prompts

Use the table below to help you plan how you will deliver risk management within your project/team/department.

CATEGORY:	PROMPT:
People	Lost children
	Intoxication by alcohol and or substance abuse
	Medical ailments, heat stroke, hypothermia
	Crowd noise, pedestrian traffic flows
	Emotional distress, assaults
	Minor, serious and critical injuries
	Contact lists for all people involved in managing the event?
Equipment	is not suitable for the purpose for which it is being used
	is badly maintained
	is badly assembled
	Strike below ground power when setting up equipment
Electrical	Overloaded extension cord
	Extension cord to suitable for external use
Environment	Weather
	Uneven ground
	Adjacent water (rivers, lakes, ponds, swimming pools)
	Traffic (cars, cycling)
	Falling objects (trees, signs)
Emergency	Do you have an emergency plan?
Permits	Road closure permits?
Other	<a href="https://creativenz.govt.nz/-/media/project/creative-nz/creativenz/legacydocuments/400/risk_identification_questions_-_appendix_e.pdf">https://creativenz.govt.nz/-/media/project/creative-nz/creativenz/legacydocuments/400/risk_identification_questions_-_appendix_e.pdf</a>

# Construction – Risk ID Prompts

Use the table below to help you plan how you will deliver risk management within your project/team/department.

CATEGORY:	PROMPT:
Stakeholders	All stakeholders, internal & external on board?
Design	Designs well integrated? No gaps or overlaps?
	Geotechnical risks understood?
Set-up	Incomplete drawings and poorly defined scope
	Sufficient time to follow robust procurement practices?
	Poorly written contracts
	Unknown site conditions
	All consents and approvals obtained?
	All insurances in place including Contract Works Insurance?
Resources	Labor shortages
	Availability of building materials
	Supply chain risks? Long lead times for materials?
	Dependant upon any novel technology or approaches?
Contractor Management	Issues with subcontractors and suppliers
	Managing change orders
	Financial robustness of key contractors or suppliers?
On-Site	Safety hazards that lead to worker accidents and injuries
	Damage or theft to equipment and tools
	Cyber security risks – contractors have robust fire-walls etc?
	Decommissioning and demolition risks?
	Archaeological risks? Sites of cultural significance? Urupas nearby?
Financial	Unexpected increases in material costs
Environmental	Endangered species?

Page 3

Taupō District Council Risk Management Framework | February 2024  
Document number:

	Weather and seasonal risks?
	Natural disasters
	Good plans for managing waste and dust on site.
Management	Poor project management
	Documentation and record keeping and design IP.
	Quality management and checks built into contract?
	Well defined change management agreed with Contractor?
	Warranty and Defects Liability Risks?

# Information Technology – Risk ID

## Prompts

Use the table below to help you plan how you will deliver risk management within your project/team/department.

CATEGORY:	PROMPT:
Technical Risk	Requirements well specified? User acceptance criteria clear?
	Scope definition
	New or novel technology or processes
	Integration risks?
Management	Project management processes robust?
	Sufficient resources? Balancing BAU and project?
	Change management for user buy-in adoption? Post-implementation support available?
	Change control and testing processes well defined?
	Communication to stakeholders/users?
Commercial	Contract terms and conditions clear? Scope clear?
	Sufficient time to follow robust procurement practices?
	Supply chain and vendor management
	Sub-contract risks – clearly defined deliverables and risk allocation?
	Suppliers financially robust?
External	Legislative data management and hosting requirements met?
	Exchange rate risks

# Attachment 6 – TOOL: Risk ID Meeting Check-Sheet

## Planning the risk identification meeting:

Plan who to invite. The TDC Risk Advisor may be able to help you run your meeting. Do you need someone to help you take notes at the meeting/capture the ideas?	
Plan how you will run the meeting/workshop	
Get familiar with the <b>Risk Register Template</b> and make sure you know how to use it. Save your own copy.	
What resources will you need at the meeting/workshop: Screen? Post-it notes?	

## Send to attendees in advance:

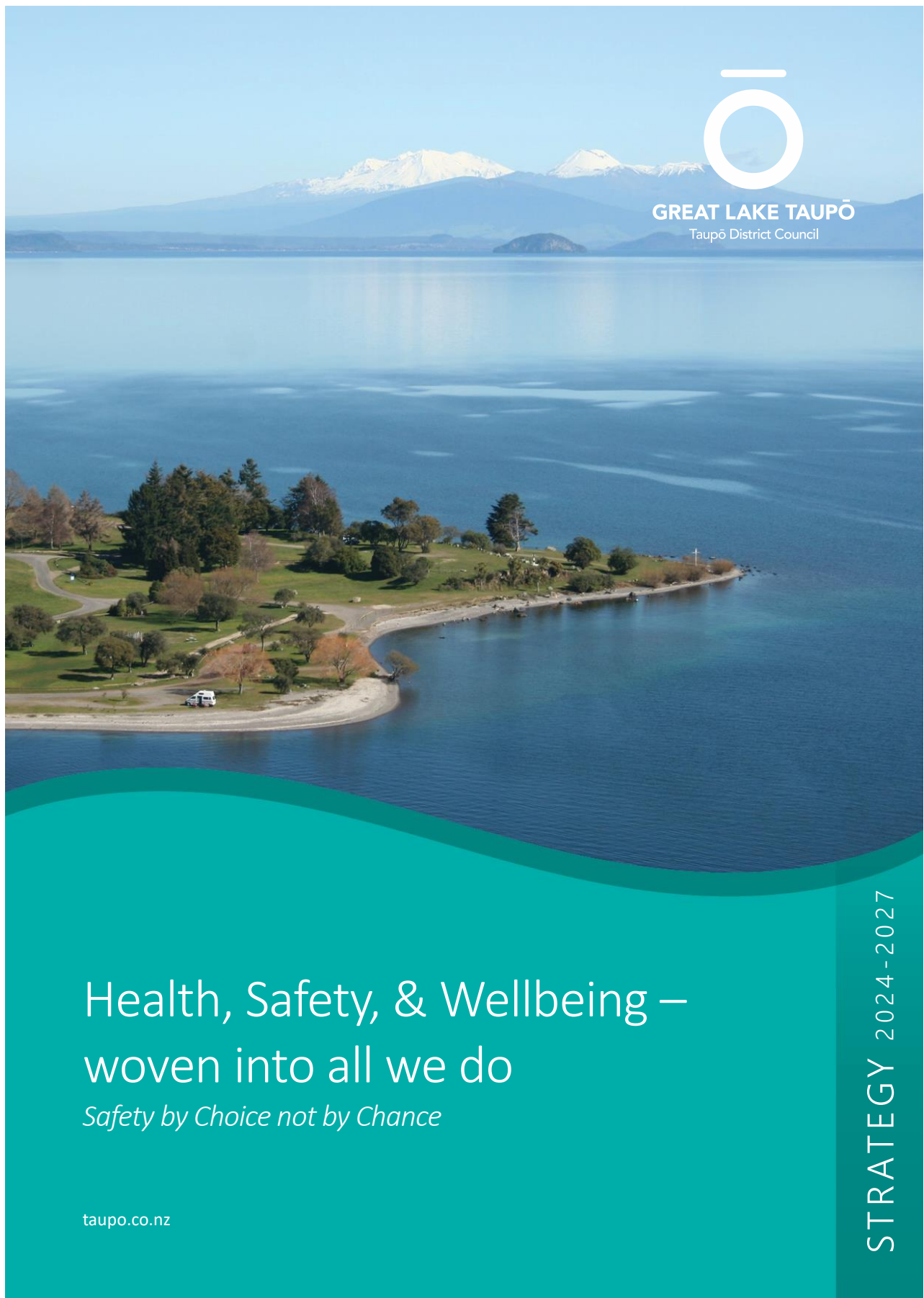
Summary of objectives that you want to assess risks to. List here: <i>E.g. could be brief summary of project scope, or team's measures of success.</i>	
<i>Objective 1</i>	
<i>Objective 2</i>	

## Immediately before the meeting:

Print copies of the <b>Consequence Table</b> and <b>Likelihood Table</b> – print enough so everyone can easily see them.	
Print the relevant <b>Risk Identification Prompts</b> .	
Meeting room set up how you want it? Can everyone see the risks as you're recording them?	

## After the meeting:

Write up the risks while they're fresh in your mind.	
Save the risk register where the whole team can easily access it and send them the link.	
Book a follow up meeting to assess the risks.	
Feel free to share the outputs with the TDC Risk Advisor.	



**GREAT LAKE TAUPŌ**  
Taupō District Council

# Health, Safety, & Wellbeing – woven into all we do

*Safety by Choice not by Chance*


[taupo.co.nz](https://taupo.co.nz)

STRATEGY 2024-2027

## DOCUMENT CONTROL

VERSION	DATE	COMMENTS	DOC REFERENCE
DRAFT	26 Oct 2023	For issue to GM Organisational Improvement	AXXXXXXX
DRAFT	6 Nov 2023	For issue to Acting GM Strategy & Environment	
DRAFT	21 Nov 2023	For reissue to GM Organisational Improvement	

## DOCUMENT APPROVALS

	NAME	SIGNATURE	DATE
REVIEWER	Business Excellence Manager Louise Chick		22-Dec-23
APPROVER	Group Manager – Organisational Performance Sarah Matthews		22-Dec-23

## DOCUMENT CUSTODIAN AND REVIEW DATE

	NAME	REVIEW PERIOD	NEXT REVIEW DATE
CUSTODIAN	Health, Safety & Wellbeing Manager Michelle McGill	3 yearly.	Dec 2027

# Introduction

The purpose of this strategy is lay out an overarching strategic approach for TDC to achieve the highest standard of safety and wellbeing for our people we employ, work alongside, and those that use the range of facilities and services we provide.

## TDC context

TDC employs over 400 staff, and every year has thousands of contractors that work on TDC jobs and visitors enjoying our venues, events and facilities. We have a responsibility to keep these people safe and well.

TDC strives to create an environment and systems that allow for safe working across the hugely diverse mahi that we do – from building new playgrounds, providing roads and pipes facilitating growth in our district, operating and maintaining public pools, to hosting international sporting competitions. All these events, projects and operational activities bring inherent health, safety and wellbeing risks which need to be understood and managed – we need to protect our people to preserve their futures. We want everyone going home safe and well. **Keeping people safe, healthy and well must become intrinsic and be woven into all that we do.**

This strategy, and its supporting improvement plan, demonstrate our renewed commitment to keeping our people safe, and enabling them to keep others safe. We will continue to keep a clear focus on this through reporting and safety focussed communication throughout TDC and our partners.

## TDC H&S Vision and Values

### VISION

Weaving  
Health, Safety & Wellbeing  
into all we do

### VALUES

TDC's corporate values are:

We're in this together | **Kia kōtāhi mai**  
Unite Connect Deliver | **Kotahitanga**

In the health and safety context, this reflects that health and safety is everyone's responsibility – together we're responsible for ensuring we stay safe and well at TDC.

Page 3

Taupō District Council Health, Safety and Wellbeing Strategy | December 2023  
Document number: A3474805

# What we know

## National Health, Safety and Wellbeing Insights

WorkSafe's Health and Safety at Work Strategy Outcomes Dashboard highlights the following:

- **Work-related ill-health far outweighs the burden from work-related acute injuries** (15x number of deaths). The two most significant contributors are attributed to **musculoskeletal disorders and mental ill health** which make up nearly half of all health risks at work<sup>1</sup>.
- Factors that can contribute to **work related stress** include:
  - high & low demand jobs
  - low job control
  - poor support
  - poor workplace relationships (e.g. bullying)
  - poor role clarity
  - poor organisational change management
  - low reward & recognition
  - poor organisational justice
  - poor environmental conditions (design, layout, and environmental conditions of the workplace)
  - remote and isolated work
  - violent or traumatic events.
- Employers typically only recognise half of those workers stressed by work.
- **Historical exposure to asbestos is the number one cause of ill-health deaths** and most ill-health risks can be controlled e.g. by using masks etc.
- **Fatalities are most commonly caused by vehicle accidents**, followed by falling from height<sup>2</sup>.
- The **construction sector has the highest number of injuries** and the third highest fatality rate.
- **Workers over 55 are about 4 x more likely to die from work-related acute injuries** than other age groups.
- A high proportion of workers say they have input into decisions about health and safety, but **far fewer say they get feedback from employers** about how their views are taken into account.
- **Bullying and Harassment** – Younger workers are more susceptible to bullying. Bullying is especially high among disabled workers (52%), bisexual (39%), and Pacific workers (26%).<sup>3</sup>.

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<sup>1</sup> [New Zealand Health & Safety at Work Strategy Outcomes Dashboard](#)

<sup>2</sup> <https://data.worksafe.govt.nz/>

<sup>3</sup> NZ Human Rights Commission. Report: [Experiences of Workplace Bullying & Harassment in Aotearoa](#) (Aug, 2022).

## Taupō District Council (TDC)

TDC is made up of approximately 40 different operations. Some of the notably higher risk activities include:

- Spend over \$58M in 2023/24 on capital projects, most of which are construction related.
- Operate three community pools with over 400,000 visits per year.
- Operate 12 wastewater treatment systems and 17 water supply schemes, some of which operate in high-risk environments with use of chemicals, confined spaces, methane gas etc.
- Have 6,000 visits to our climbing wall every year.
- Operating mowers and machinery every day.
- Undertaking compliance activities every day.
- Working alongside external parties to have our district host hundreds of events every year.

TDC also:

- owns 115 facilities of which 60 have asbestos and 55 tested negative. Although these represent no risk while these buildings remain intact, future building works will require careful management.
- has experienced an increase of aggressive or violent behaviour.
- an increase in the number of staff utilising EAP (visits nearly doubled from late 2022 to late 2023).

Like many other organisations our staff are also exposed to insidious hazards like driving for work, and managing busy workloads which can lead to poor wellbeing.

We rely on staff, contractors and volunteers<sup>4</sup> to help us deliver these activities in a way that keeps them, and our customers, safe and well.

## Health, safety & wellbeing performance

The key ingredients of health, safety and wellbeing performance are determined by:

<b>Risk:</b>	The state of our <i>risk control</i>
<b>Relationships:</b>	The quality of our relationships with <i>employees and contractors</i>
<b>Resourcing:</b>	The sufficiency of the <i>resources applied to health, safety, and wellbeing</i> (people, plant and processes).

Applying sufficient resources, with good relationships and staff engagement, will enable us to develop and maintain a high level of control over our health, safety & wellbeing risks.

## Implications for TDC

These national insights and TDC's context means that our health, safety & wellbeing strategy needs an approach that recognises:

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<sup>4</sup> From time to time, TDC also relies on volunteers, e.g. our Love Taupō Town Ambassadors, which are considered Volunteer Workers under the Health and Safety at Work Act 2015, and TDC has responsibilities to manage their health and safety like we would other Workers (e.g. Staff), with the exception of worker engagement.

- We live in a geographically spread district and staff spend a lot of time in vehicles on roads that are challenging to drive. **As the number one cause of workplace deaths, we need to carefully manage vehicle associated risks.**
- Each year TDC spends around 50% of its annual budget on capital projects, a significant proportion of which are delivered by contractors working in the high-risk construction industry – **we need to carefully manage our contractors to ensure our respective health and safety roles and responsibilities are well understood, particularly where there are overlapping duties.**
- Work related ill-health is a significantly bigger problem than acute injuries, and mental health is the second largest contributor at around 20% of the overall health burden created by health and safety incidents (behind musculoskeletal disorders). **Looking after the mental health and wellbeing of our staff is key.**

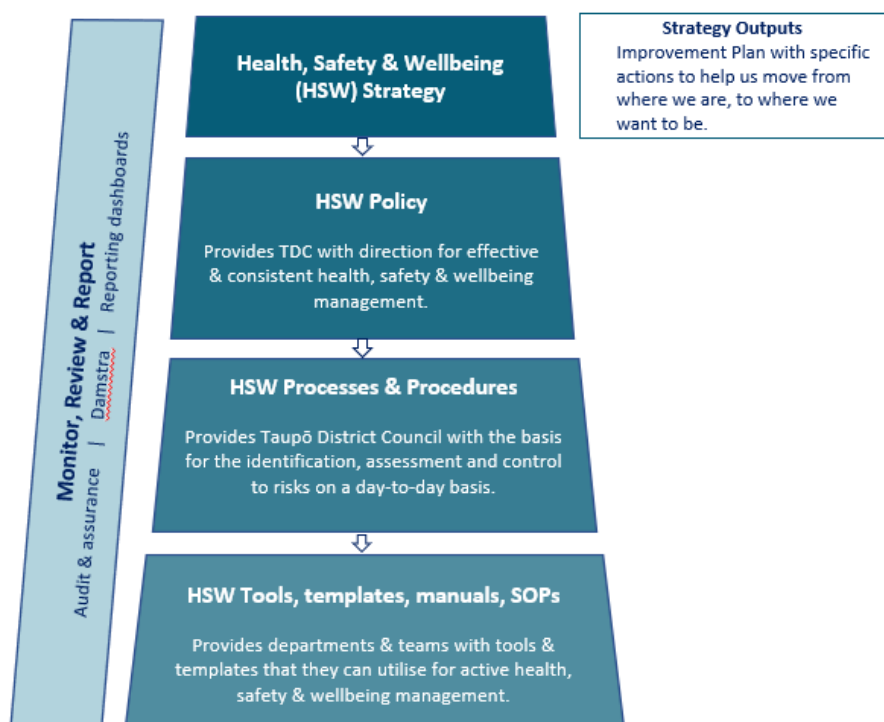
Anecdotally TDC front line staff are impacted by aggressive behaviour more frequently over recent years, and as an organisation we probably have underestimated the impact this may have on staff stress levels.

By considering how TDC can design mentally healthy work (by considering the factors that can contribute to work related stress outlined above), we can help *prevent* stress in the workplace, rather than relying upon managing the symptoms (e.g. through EAP services).

- Although asbestos is the number one cause of ill-health deaths in NZ, of the 115 buildings owned by TDC, 60 contain asbestos. Exposure to this is well controlled as TDC knows where asbestos is and uses suitability qualified contractors for removal.
- We offer a diverse range of services to our communities and the significant number of visitors to our town. This makes managing health and safety more complex.
- Health, safety and wellbeing communication needs to be two-way. Our staff should receive feedback about how their views are taken into account so that we can develop strong relationships and a high degree of trust. **The role of Health and Safety Representatives and strong engagement on health and safety matters by our people leaders are key to developing a strong health, safety and wellbeing culture.**

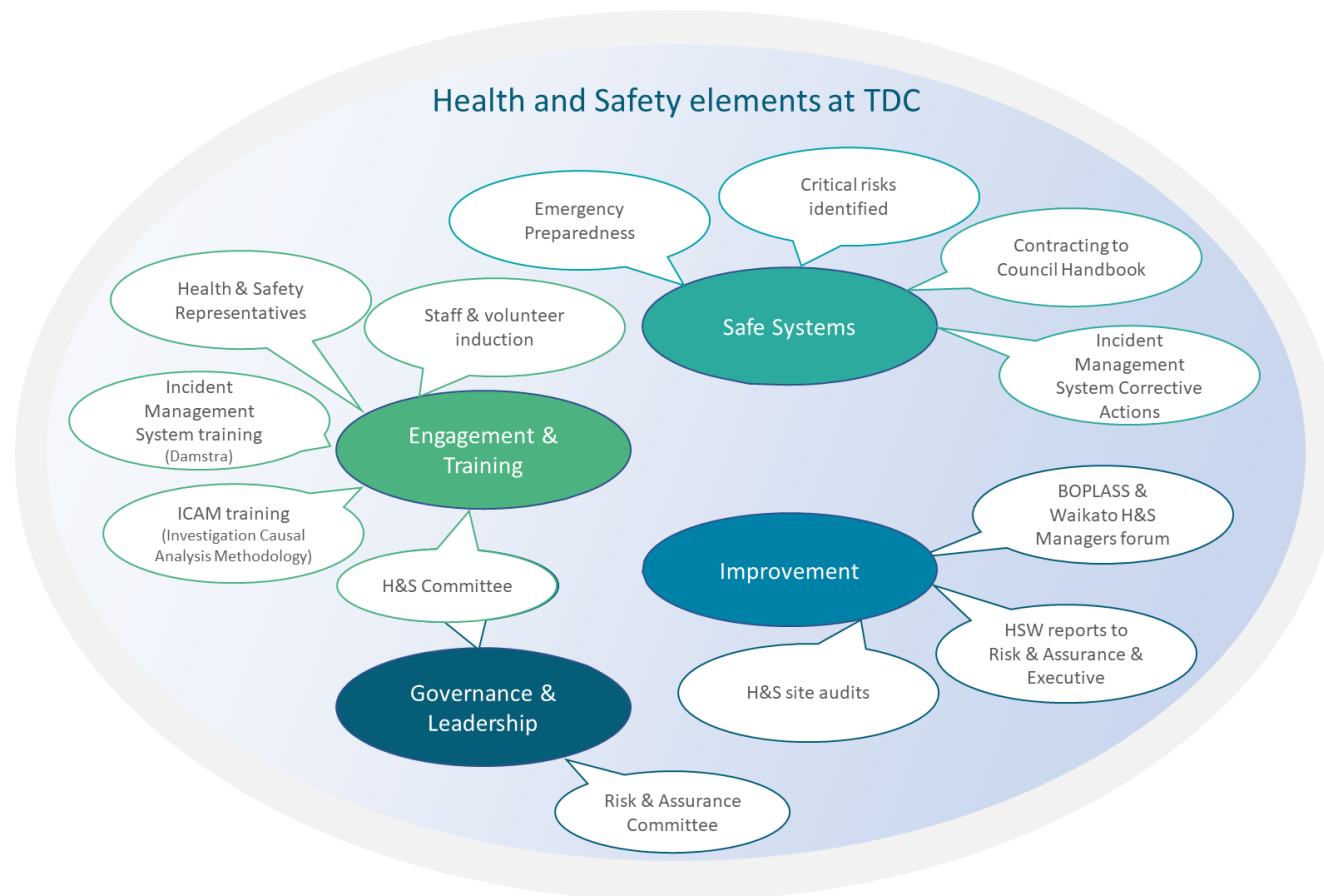
# Safety and Wellbeing at TDC

How does this Strategy fit into TDC's Health, Safety and Wellbeing Management System?



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

## Existing building blocks – demonstrating our commitment to safety



## The Opportunity to be Safer

**In the second half of 2023 TDC commissioned an independent review of its health and safety management system. The review was to help TDC gain a deeper understanding of levels of compliance with good practice and the status of its safety culture.**

### **The independent reviewers noted:**

- There is a strong desire for leadership to connect with its workers. This is currently demonstrated by the executive team members who take time to visit work sites and engage with the workers, and this practice was recognised and appreciated by the workers.
- TDC communicates regularly with other councils in the region and shares lessons on how health and safety can be improved across the region. This includes how they manage work and work processes so that they are done consistently and safely.
- TDC has implemented focused training to manage role specific risks and engaged with interns to create videos of standard operating procedures (SOP) as part of their training for non-office-based roles.
- TDC engages with its workers through a number of different mediums. Departments we engaged with during this review demonstrated a strong culture of consulting with workers to complete standard operating procedures and engaging with workers in regular meetings.

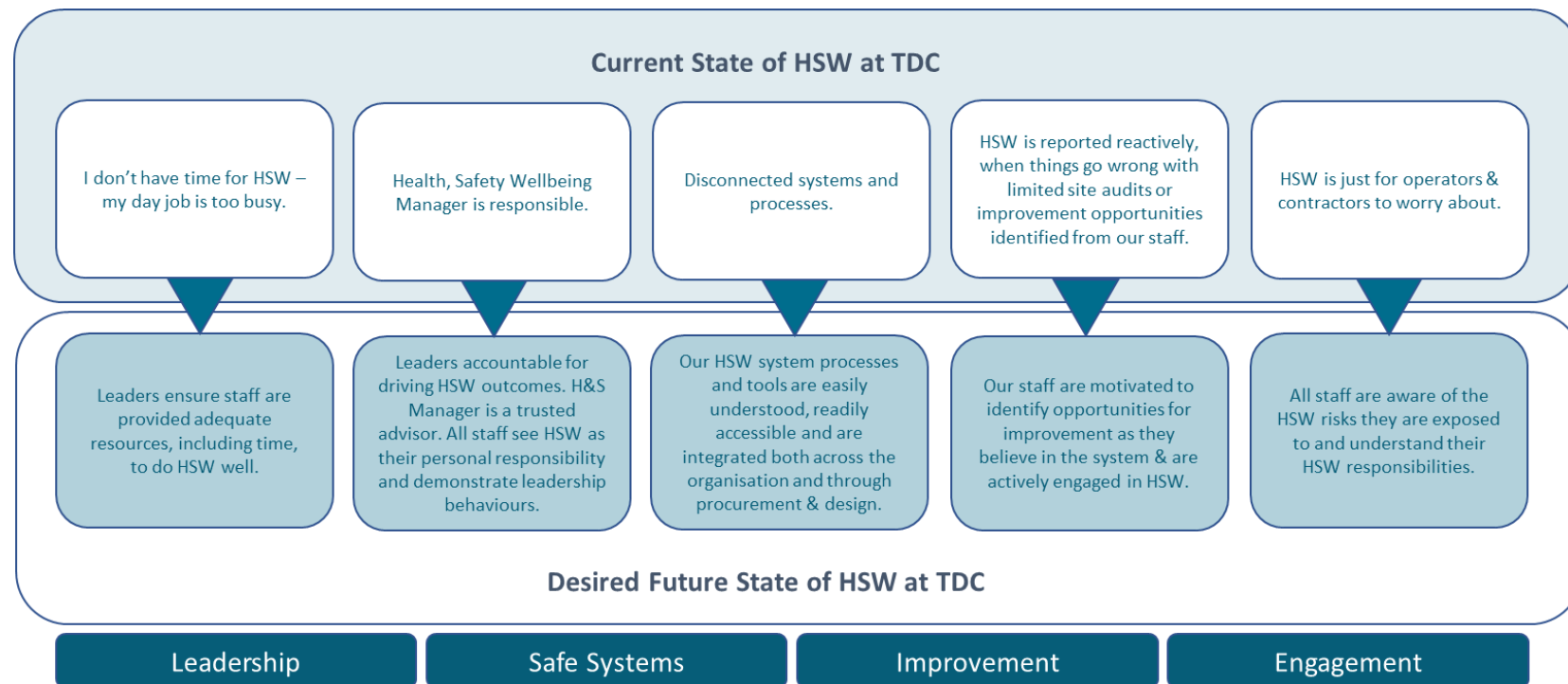
That said, there remains opportunity to improve by implementing recommendations to strengthen the use of risk registers, by ensuring the critical risk controls are captured and ensuring consistent assessments and rankings. Other recommendations included the need for formal assurance practices, both internally and with regards to contractor health and safety risk management.

Overall, the report highlighted the need to focus on consistent application of risk management systems.

## Where do we want to be?

TDC seeks to shift HSW behaviours from the 'current state' (described in Figure 2) to 'future state'. These future state attitudes and behaviours can be achieved with a fully effective Health, Safety and Wellbeing System underpinned by a leader lead, engaged HSW culture where staff have sufficient resources for health, safety and wellbeing.

We will move from our current state to our future state by focussing upon our four key pillars of Health, Safety and Wellbeing (HSW): Leadership, Safe Systems, Improvement and Engagement.



**Figure 2** – Outline of the outcomes and behaviours TDC seeks to embed in its HSW culture.

	Leadership	Engagement	Safe Systems	Improvement
Objectives	<ul style="list-style-type: none"> <li>Health, safety and wellbeing is a priority at all levels of TDC &amp; leaders commit to and support these outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>Our staff actively participate in HSW, and feel involved and heard on HSW matters.</li> </ul>	<ul style="list-style-type: none"> <li>We understand our critical risks &amp; obtain assurance over our controls, focussing on those we know are the most significant, e.g. mental health and .</li> <li>We have good quality HSW advice and tools.</li> <li>Health &amp; Safety is reflected in procurement &amp; throughout our supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>We understand our HSE risks &amp; obtain insight about where improvements are required.</li> <li>We learn from our mistakes.</li> <li>We learn from others &amp; get insight into what works.</li> <li>Each staff member and suppliers understand their HSW responsibilities.</li> </ul>
Commitments	<ul style="list-style-type: none"> <li>Develop schedule of Leadership Safety Walks.</li> <li>Develop a roles, accountabilities &amp; responsibilities framework &amp; implement training to ensure staff understand their responsibilities.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Develop internal H&amp;S Engagement Plan that highlights HSW affects everyone, not just construction.</li> <li>People leaders hold their staff to account for HSW matters.</li> <li>Develop internal staff survey to assess TDC HSW culture.</li> </ul>	<ul style="list-style-type: none"> <li>Refresh our HSW management system – roles, tools, policies &amp; processes – to ensure enterprise coverage &amp; easy to use.</li> <li>Integrate HSW outcomes within TDC's procurement processes &amp; supply chain management.</li> <li>Develop a contractor Health &amp; Safety Management Framework.</li> <li>Develop a new Intranet portal that becomes the source of all HSW 'truth'.</li> <li>Response to incidents are proactively managed.</li> </ul>	<ul style="list-style-type: none"> <li>Identify what is important to TDC in the HSW space, develop measures &amp; benchmarked targets &amp; report on these.</li> <li>Develop/rollout Safety Leadership Training for all managers &amp; team leaders.</li> <li>Develop a HSW Assurance Programme.</li> </ul>
Measure	<ul style="list-style-type: none"> <li>Executive conduct &gt; 9 Leadership Safety Walks per annum.</li> <li>All ELT members attend annual HSW Leadership training and self-report that they understand their HSW responsibilities.</li> <li>&gt;90% of HSR self-report that they have sufficient time to deliver on HSW responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>Cumulative number of days of open incidents is declining.</li> <li>&gt; 70% of TDC staff self-report that they feel involved &amp; heard on HSW matters, via 6 monthly staff survey.</li> <li>&gt; 95% of staff have completed H&amp;S induction.</li> <li>All parts of TDC have active worker engagement &amp; have an active HSW Committee representative.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 90% of actions planned in the HSW Improvement Plan are delivered to schedule.</li> <li>By 31 March 2024 - Contracting to Council Handbook is understood by relevant TDC staff and incorporated into TDC's procurement activities.</li> <li>Following a reported incident, corrective actions are assigned in &lt;5 days.</li> </ul>	<ul style="list-style-type: none"> <li>At any time &gt;95% of TDC staff with direct reports have undertaken Safety Leadership Training within the previous 2 years.</li> <li>&gt; 70% of TDC staff self report that they understand their HSW responsibilities &amp; have the knowledge &amp; capability to deliver on these.</li> </ul>

**Figure 3 – Key strategic objectives for the development of HSW within TDC and associated critical success measures.**

## Doing the hard mahi

This health, safety and wellbeing strategy outlines there is plenty to be done. We have started on the hard mahi to bring it to life by developing a Health, Safety and Wellbeing Improvement Plan which details exactly how we'll go about delivering the changes in this strategy.

Achieving the vision set out in this Strategy will require a cultural shift that embraces the behaviours and attitudes outlined below.

We will measure our progress against this strategy through quarterly dashboard monitoring and assurance activities.



**Figure 4** – The attitudes and behaviours we need to foster in our staff to ensure we can achieve our HSW vision.



TAUPŌ DISTRICT COUNCIL

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# PERFORMANCE REPORT

JANUARY 2024

JANUARY 2024

## JULIE GARDYNE

TUMU WHAKARAE | **CHIEF EXECUTIVE**

Welcome to the first performance report of 2024, and I hope you all enjoyed a good break with family and friends over Christmas.

It was great to see Taupō District bustling over the summer period and, as we reported back to Council at the beginning of February, retail spend up was up over the Christmas holiday period as were the number of international visitors anecdotally as well. With many events and activities taking place over the holidays, there was something to cater for both those visiting and part of our community. Unfortunately, the weather did impact the New Year's celebrations, but we were still able to host the "Big Bang" firework display at midnight which was an impressive show.

While much of the Council team managed a well-deserved break, there were many staff working to ensure everything continued to run smoothly through the peak season, and I want to recognise those that worked through.

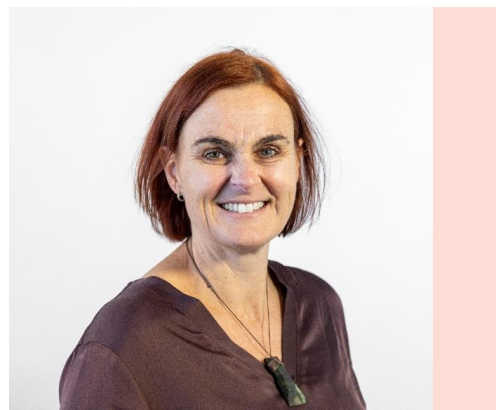
Rewinding to the end of 2023, we celebrated the end of the year with the TDC staff awards. It was a great opportunity to come together to celebrate the significant achievements of individuals, teams, and the organisation, and to reflect on what was an amazing year. The award winners were recognised via the 140 nominations sent in, highlighting the great work of our staff. Congratulations to all the winners, and of course to our supreme kotahitanga overall winner for 2023 – Andy Taylor, Communications Specialist.

We started off 2024 with the announcement that Andrew Moraes, General Manager Operations and Delivery, has accepted the role of Chief Executive for the Rotorua Lakes Council. In his time here in Taupō, Andrew has made a significant contribution to our project management framework, to the delivery of our capex programme, and to the operations of the organisation, particularly our customer focus. I would like to thank Andrew for his support, being a great colleague and his extremely hard work. I wish him and his family all the best for the new role in Rotorua, and I will look forward to continuing to work with him with the Waikato and Bay of Plenty councils.

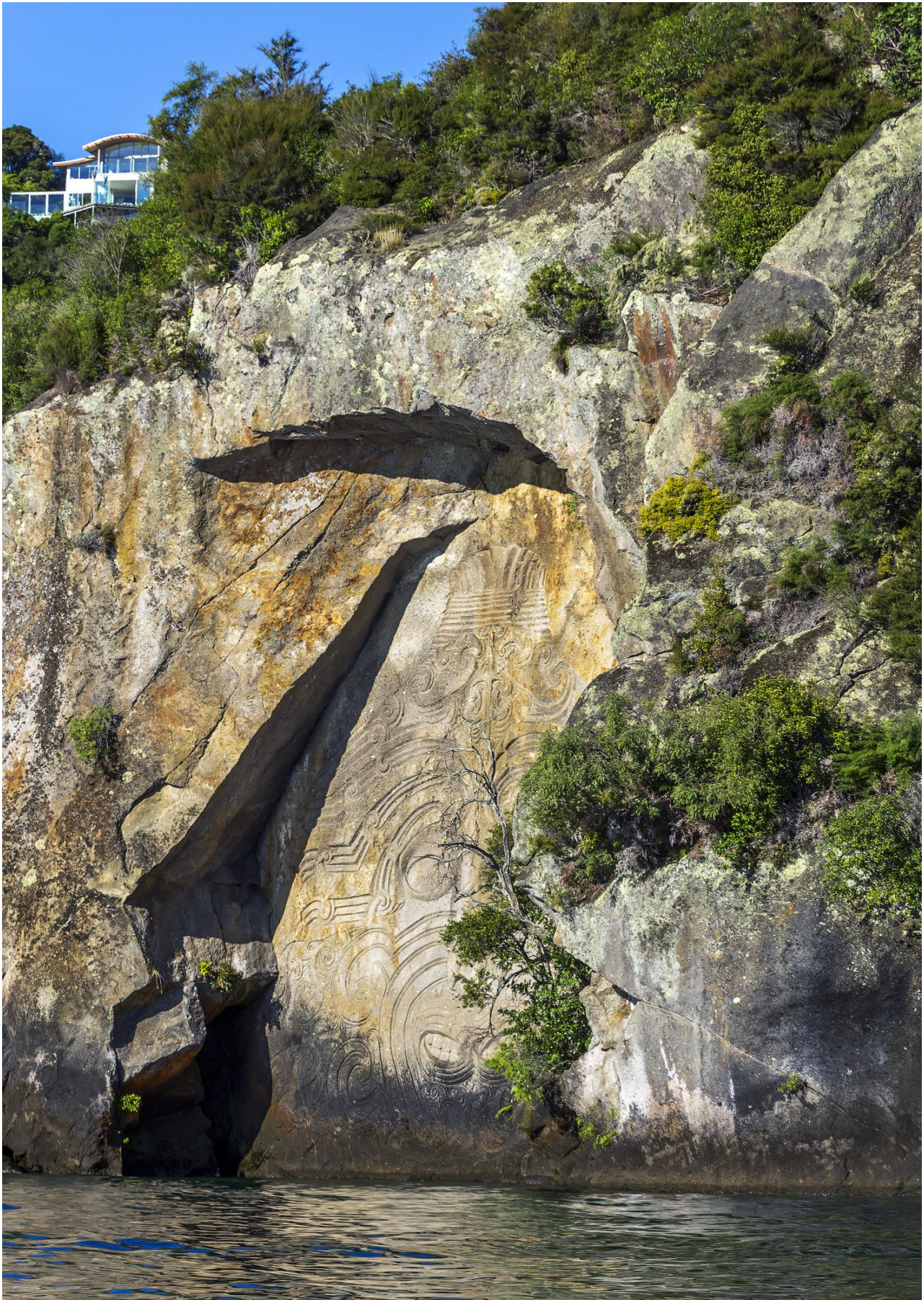
We have a very exciting year ahead, particularly with our key international events (Supercars and Ironman 70.3 World Championships), and I am looking forward to the completion of some significant projects, as outlined within this report.

Ngā mihi

Julie



JANUARY 2024 • PERFORMANCE REPORT • 2



JANUARY 2024

## SARAH MATTHEWS

KAIWHAKAHAERE MATUA – WHAKATUTUKI WHAKAHAERE  
**ORGANISATION PERFORMANCE**  
**GENERAL MANAGER**



### **What were your group highlights of the month?**

A big highlight for the organisation performance group this month was the refinement of the financials and modelling for the Long-term Plan (LTP), which will enable us to have meaningful conversations with the community.

Artificial intelligence (AI) has been a big topic of conversation within the digital solutions team, particularly with the recent release of Microsoft Copilot and other emerging technology being utilised by the sector. Ongoing consideration is being given on how we might utilise AI in an effective and safe way. The team have also been busy progressing Project Quantum with a few major modules of our enterprise resource management system nearing go live.

The Legal and Governance team have been doing forward-planning, ensuring everything is in place for scheduled committee and Council meetings. They have been working on an agenda item for representative group committees to connect, reflect on achievements to date, and think about the year ahead. They are also continuing to progress actions from the Chief Ombudsman's investigation into meetings and workshop practices.

The Business Excellence team has been busy this month progressing items for the Risk and Assurance Committee meeting in March including the Risk Management Policy and Framework. The Health and Safety Strategy has also been approved by the executive team, a new health, safety and wellbeing portal has been developed for inclusion on the new intranet site, and the review of Procurement Policy and Procedure has also been progressed.

The Property team has been continuing work on the planned development of Council's East Urban Lands and planning for LTP discussions on the future of this development. Work to prepare for the new Council offices within Te Whare Hono ō Tūwharetoa is starting to ramp up as the build progresses and our move in date gets closer.

Our group has seen some positive appointments in the recruitment space, and we have filled the Senior Financial Planner, Senior Financial Accountant, Finance Business Partner, and Business Analyst roles with some incredibly talented and experienced people. There are still vacancies in the Corporate Solicitor, Financial Accountant, Knowledge Management Team Lead, and Risk Advisor roles.

### **What were your group challenges of the month?**

Continued recruitment for the Risk Advisor and Corporate Solicitor roles have led to some long vacancies in the Business Excellence and Legal and Governance teams.

The continued uncertainty relating to LTP and Three Waters is continuing to be challenging for financial modelling and progression of this large workload.

JANUARY 2024 • PERFORMANCE REPORT • 4

JANUARY 2024

**What is coming up in the next quarter for your team?**

LTP and associated work programmes, continued progression for Project Quantum, preparing for Annual Report, training on TDC's Health, Safety and Wellbeing system and updated Procurement Procedures, and renewal of TDC's Supplier Panels.

JANUARY 2024 • PERFORMANCE REPORT • 5

JANUARY 2024

## LIBBY O'BRIEN

KAIWHAKAHAERE MATUA –  
HONONGA TĀNGATA, HAPORI  
**GENERAL MANAGER - PEOPLE AND COMMUNITY  
PARTNERSHIPS**



### **What were your group highlights of the month?**

The past month has been all about partnerships with a number of highlights centred around our ever-growing relationships with others. These included the initial Mana Whakahono a Rohe working group hui held in Tūrangi, draft community response plans for Kinloch and Mangakino, hearing from the community about their aspirations for the future of Motutere Campground, finalising strategies to help connect community groups to millions of dollars of external funding and supporting Taupō Learning Centre through their partnership agreement to receive an additional \$37,000 contract to help people across the district get ready to get their driver's licence.

We know retaining a talented workforce is important, and our People and Culture team have been working in partnership with our people leaders on critical role identification as well as talent and succession planning across the organisation. This is helping us to better understand where our people-risk sits and to support our teams to put in plans to mitigate this risk.

We also received the results of our annual employment engagement survey, with our overall results improving for the fourth year running. The number of engaged employees continues to climb, mostly down to steps leaders are taking to prioritise the performance and development of staff, which we will continue to support.

### **What were your group challenges of the month?**

We are seeing constant requests for assistance from a number of community organisations that require governance and strategic direction support. Our community development and funding teams are needing to prioritise these requests, while supporting groups who are also searching for community funding opportunities. We are continuing to see pressure come on community funds and sponsorship opportunities as tough economic conditions continue.

We have also experienced how small changes in the community can cause big ripples, such as changes to kerbside pickup days and the government changes to recycling. This has highlighted the need for community-facing teams to have as much lead-in time as possible to support our communities understand these changes.

From a recruitment perspective, things remain busy with constant onboarding of staff and some realignments within teams. Turnover remains higher than we would like, which is a constant challenge

JANUARY 2024 • PERFORMANCE REPORT • 6

JANUARY 2024

for our group as we not only manage onboarding and offboarding but also help our wider organisation understand how our group can support their work.

**What is coming up in the next quarter for your team?**

Our group's attention is very much turning to a range of upcoming engagement with the community, including the Long-Term Plan formal consultation period in April, waste minimisation plan, infrastructure strategy, Motutere Reserve Management Plan and talking to the Kinloch community about road crossings and footpaths.

We are continuing to upskill our staff in tikanga Māori with a Marae-based staff wānanga and will see the first Tūwharetoa hapū cluster hui where we will continue to grow our relationships with the 26 hapū of Tūwharetoa. We will also continue our joint management agreement negotiations with Tūwharetoa.

In the community support space, we will begin development of a diversity, equity and inclusion framework, along with a community planning framework. We are also finalising a refreshed community funding system with the last of our community funding rounds for the financial year open for applications in March.

JANUARY 2024 • PERFORMANCE REPORT • 7

JANUARY 2024

## WARRICK ZANDER

KAIWHAKAHAERE MATUA - RAUTAKI, TAIAO  
**STRATEGY AND ENVIRONMENT**  
**GENERAL MANAGER**



### **What were your group highlights of the month?**

The Policy team undertook the first stage of consultation with the community on the Motutere Reserve Management Plan review which included a number of successful open day sessions. We received a total of 114 responses which will help inform the direction of the review.

Plan Change 39 to the Taupō District Plan was approved in December. This lifted the residential building coverage from 30 to 35 percent and should lower compliance costs for the community through a reduced need for resource consents.

The Building Control team are supporting great progress with the construction of the new council building. The team is working closely onsite with Watts and Hughes through the inspection process.

The perceived parking issues in the new Roberts Street development have settled and people are generally compliant day to day.

### **What were your group challenges of the month?**

The absence of several building consents staff due to sickness or leave placed pressure on the wider team even with a comprehensive backup plan in place. This resulted in slightly increased processing times in December/January. The team is back to usual levels, and this has not had a long term effect on the completion percentages.

Due to an error identified in the computer system (NCS), there is a backlog of swimming pool compliance checks that are due. The team is working to resolve this as quickly as they can and are making good progress.

### **What is coming up in the next quarter for your team?**

Delivering the Long-term Plan consultation document and supporting information will be a key priority for the team this quarter, as well as continuing work on the Future Development Strategy to replace Taupō District 2050.

We will also be undertaking several hui with Te Rangiitā to inform the review of the Motutere Reserve Management Plan review and be consulting on the review of the Solid Waste Bylaw; and start work on the Tūrangi Reserve Management Plan.

New flooring and cage doors are to be installed at the pound during February. This will make cleaning and disease control more effective and keep the dogs better secured with less risk to staff.

JANUARY 2024 • PERFORMANCE REPORT • 8

JANUARY 2024

The Parks and Reserves team will form part of Strategy and Environment group as an interim reporting line arrangement post 8 March.

JANUARY 2024 • PERFORMANCE REPORT • 9

JANUARY 2024

## ANDREW MORAES

KAIWHAKAHAERE TUKU MAHI  
OPERATIONS AND DELIVERY GENERAL MANAGER

### What were your group highlights of the month?

We made the most of the fantastic weather to welcome summer events such as Ironman 70.3 in December, Taupō Summer Concert and Kinloch Triathlon in January. The Mangakino pool was brimming with swimmers over the summer, with many choosing to swim in the pool rather than the lake. Using summer students who were trained as lifeguards and some of our Taupō based staff, we were able to keep the pools open for a few more weeks, over the weekend.



With the end of the summer holidays, our other summer activities have kicked into gear – we have over 1000 students enrolled in swim schools at AC Baths and Turtle pools. We've had huge numbers through the Museum, especially for the *Tūhura Tuarangi - Aotearoa in Space* exhibition.

### What were your group challenges of the month?

This month saw the rollout of the new national regulations for recycling collection. The Ministry for the Environment issued national requirements that created mandatory standards to prevent contamination of recycling. This has meant that long-standing rules for what can and can't be put into recycling bins are now being strictly enforced. Unfortunately, though this was communicated in advance, many of our customers sadly either did not get the message, or continued to follow their previous habits, resulting in their recycling not being picked up. Our teams and contractors have been working hard to explain to customers and catchup where possible.

### What is coming up in the next quarter for your team?

Sadly, the next quarter sees me depart TDC for my new role at Rotorua Lakes Council. I have thoroughly enjoyed running the Operations and Delivery teams and wish them all the very best for the next phase. For the team that means interim reporting line arrangements will be in place post 8 March. Nevertheless, exciting things keep on coming. Some of the highlights include:

- Preparations for the upcoming major events, Ironman New Zealand (40<sup>th</sup> anniversary) in March and Supercars championship in April are keeping the teams across the group busy and will attract both domestic and international visitors.
- Kinloch water treatment plant piling has started – a crucial step in delivering better water to the residents of Kinloch.
- Construction work on a new roundabout at the junction of Wairakei Drive and Huka Falls Road to improve safety has started and will be finished by the end of April.
- The Tūrangi street revitalisation continues with kerbing and channel being refreshed throughout the town.

JANUARY 2024 • PERFORMANCE REPORT • 10

JANUARY 2024

- Some proactive and much needed long-term investment in infrastructure to service the southern suburbs of Taupō will commence – this is the southern Trunk Sewer project as well as the upgrades to water and wastewater pipes along Lake Terrace.

JANUARY 2024 • PERFORMANCE REPORT • 11



JANUARY 2024

## FINANCIAL SUMMARY

### REVENUE & EXPENDITURE PERFORMANCE

Figure 1 below sets out the Revenue & Expenses for the financial year to January 2024.

Revenue is ahead of budget across most key revenue lines. In particular, our subsidies and grants revenue is higher than budget because of revenue from central Government in relation to Tūrangi Kerb & Channel funding \$1,275,000, Better-off Funding carried forward of \$484,000, 3 waters transition funding \$127,500, funding for the weighbridge at Tūrangi of \$103,000 and other grant revenue being ahead of plan by \$35,500.

Development Contribution revenue is ahead of plan by \$1,757,000, mainly due to timing of when we estimated the contributions would fall due.

Revenue from fees and charges is also tracking higher than budget by \$733,000. This is mainly due to building consents revenue being higher by \$169,000 with higher consent numbers than forecast, resource consents higher than plan by \$55,000, Solid waste revenues being ahead of plan by \$210,000, AC Baths & Turtle Pool revenue being ahead of plan by \$153,000 due to timing, revenue from venues being ahead of plan by \$141,000.

Other revenue is ahead of plan by \$221,000, this is due to insurance recoveries of \$125,000, infringements & fines ahead of plan by \$62,000 and unrealised gains on financial assets of \$47,000.

\$000	YTD Actual	YTD Budget	YTD Variance	Full year Annual	Full Year Forecast	Forecast changes	Note
<b>REVENUE</b>							
Rates	54,851	53,968	883	92,517	93,681	1,164	
Subsidies and Grants	4,904	2,885	2,019	7,786	7,786		
Development	4,720	2,963	1,757	5,079	5,079		
Fees and Charges	8,172	7,439	733	12,449	12,449		
Finance Revenue	4,120	4,097	23	7,024	7,024		
Other Revenue	2,266	2,045	221	8,487	8,487		
<b>TOTAL REVENUE</b>	<b>79,033</b>	<b>73,397</b>	<b>5,636</b>	<b>133,342</b>	<b>134,506</b>	<b>1,164</b>	
<b>EXPENDITURE</b>							
Personnel Costs	17,736	17,681	(55)	30,311	30,739	428	1
Depreciation	17,301	17,386	85	29,804	29,804		
Finance Costs	6,719	6,814	95	11,681	11,681		
Other Expenses	29,759	29,443	(316)	50,461	51,377	916	1
<b>TOTAL OPERATING EXPENDITURE</b>	<b>71,515</b>	<b>71,324</b>	<b>(191)</b>	<b>122,257</b>	<b>123,601</b>	<b>1,344</b>	
<b>NET SURPLUS</b>	<b>7,518</b>	<b>2,073</b>	<b>5,445</b>	<b>11,085</b>	<b>10,905</b>	<b>(180)</b>	

Figure 1: Statement of Revenue & Expenses at 31 January 2024

Total operating expenditure is greater than budget year to date by \$191,000. Personnel costs are higher than budget by \$55,000 due in part to the summer students, offset by vacancies but this has been offset by Finance costs being lower than budget by \$95,000 due to timing of loan raising. Other

JANUARY 2024

expenses are \$316,000 higher than plan due to \$111,000 of costs related to insurance claims, \$200,000 of approved unbudgeted costs relating to the Engineering Issues matter.

**Changes to year-end forecast**

Changes to forecast reported in prior months:

Increase in rates	1,164,000
Business Excellence team	(48,000)
DGLT support (budget error)	(107,000)
Supercars support	(480,000)
Riskpool further call	(138,871)
<b>Net increase/(decrease) in surplus</b>	<b>390,129</b>

Changes to forecast in current month:

1. In order to deal appropriately with the Engineering Issue that arose at the beginning of the financial year Council approved on 26 September funds to manage the issue. This budget was made up of \$308,170 in relation to extra payroll costs and \$261,750 for professional support from external consultants.

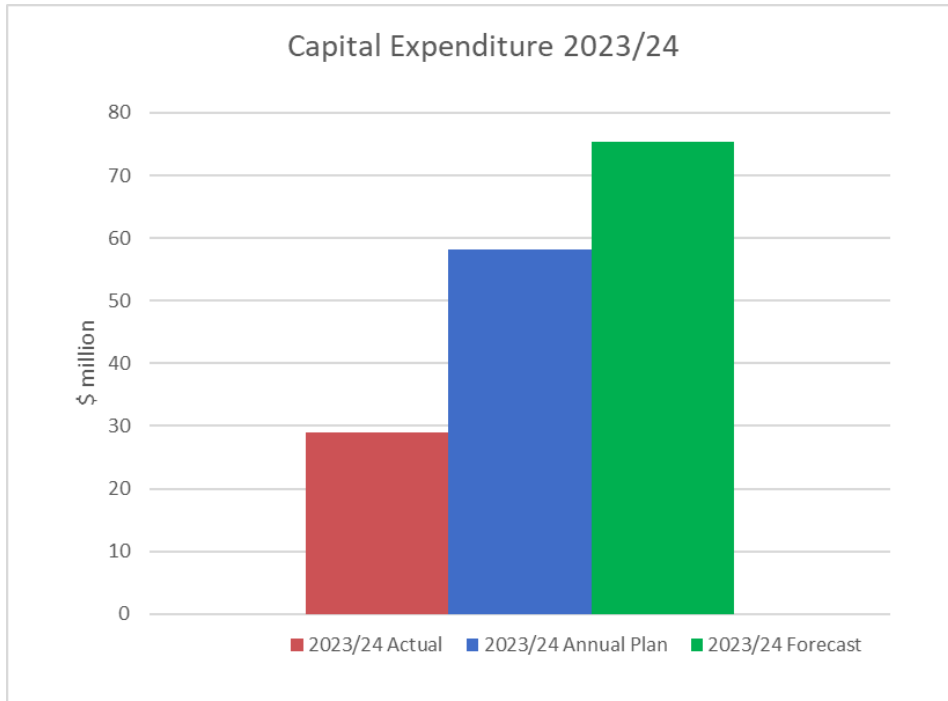
The effect of these forecasted changes decreases our 2023/24 Annual Plan surplus by \$180,000.

JANUARY 2024 • PERFORMANCE REPORT • 14

JANUARY 2024

### 3.1 CAPITAL INVESTMENT PERFORMANCE

We have deployed \$15.4m of capital expenditure for the seven months to 31 January 2024. The Annual Plan budget for 2023/24 of \$58m plus an estimated bow wave<sup>1</sup> from 2022/23 of \$52m, giving a total capital budget for 2023/24 of \$111m. The Project Management team is in the process of preparing a reforecast of the year end position our current estimates are approximately a \$75m capex spend for the 2023/24 year.



<sup>1</sup> Bow wave is the portion of unspent capital & renewals budget carried forward from last financial year

JANUARY 2024

# TREASURY REPORT

## TREASURY COMPLIANCE

The table below sets details our compliance with the Treasury Management Policy at 31 January 2024.

DEBT MANAGEMENT		
Measure	Compliance Status	Required by
Interest Rate Risk	✓	TMP
Funding Maturity	✓	TMP
Carbon unit coverage/ hedging	✓	TMP
Liquidity	✓	LGFA
Net Debt	✓	LGFA
Debt/ Revenue	✓	LGFA
Interest Cost/ Rates Revenue	✓	LGFA
Interest Cost/ Total Revenue	✓	LGFA
Debt affordability	Measured at the end of the financial year only	LGA
Balanced budget benchmark		LGA
Debt servicing benchmark		LGA

INVESTMENT MANAGEMENT		
Investment Maturity	✓	TMP
Counterparty Credit Limit	✓	TMP
Strategic Asset Allocation	✓	TMP

TMP= Treasury Management Policy  
 LGFA= Local Government Funding Agency  
 LGA= Local Government Act

**Note:** Carbon Units have been purchased to ensure our obligations for the 2024 financial year is covered. The cost of these units aligns to the total cost of carbon set out in the 2024 Annual Plan.

JANUARY 2024 • PERFORMANCE REPORT • 16

JANUARY 2024

**TEL UPDATE**

Funds transferred to Forsyth Barr:

NZD \$32.135m

AUD \$3.456m

GBP \$0.304m

All New Zealand and foreign shares have been transferred.

In the month of February we are transferring \$4.735m of maturing term deposits.

**CEO DELEGATIONS REPORTING****CEO approval of budgeted expenditure over \$500,000:**

**04/12/2023** CN000525 Elizabeth St, Stage 2 Water Renewals \$1,495,940.00

Contractor: Nolan Drainage Contractors Limited

**15/12/2023** CN000512 Tirohanga Road Widening 2023-24 \$643,053.01

Contractor: Cambridge Excavators Ltd T/A Camex Civil

**18/12/2023** CN000397 Water Renewals Tongariro Domain 2023 \$548,926.29

Contractor: Cambridge Excavators Ltd T/A Camex Civil

**19/01/2024** CN000535 2 Mile Bay Water Pipe Renewals 2023 \$1,127,813

Contractor: Nolan Drainage Contractors Limited

**02/02/2024** CN000532 Wairakei Drive/Huka Falls Road/Karapiti Road Roundabout \$1,530,291.34

Contractor: Cambridge Excavators Ltd T/A Camex Civil

**07/02/2024** CN000511 Owen Delany Sports Lighting \$2,181,033.62













Contractor: Pure LED Lighting

**CEO approval of unbudgeted expenditure over \$50,000: Nil to report**





















JANUARY 2024

## SIGNIFICANT PROJECTS

PROJECT	TIME	SCOPE	COST	RAG STATUS <i>(Required if change in rag status, or if it's red)</i>	COMMENTS
WATER					
<b>Kinloch Drinking Standards NZ Upgrade</b>  <i>January 2024:</i>				<b>Time:</b> Red due to challenges with design and extremely technical foundation/piling solution to meet the contractual requirements  Contractor is in the process of submitting an extension of time - the project team is currently reviewing the draft.	<b>Upcoming Milestones:</b> Commencement of piling on 19 February, and acceptance of detailed design.  <b>Other key details:</b> Piling/foundation design partially approved by TDC peer reviewer, this has resulted in the contractor being able to start works and re-forecast the project timeline.
<i>October 2023:</i>				<b>Costs:</b> Costs are expected to be higher due to increased cost fluctuations and the technical foundation/piling solution being significantly more costly than anticipated - Additional funds are requested in the Long-term Plan (LTP) for next financial year.	Pall Novation has been completed.
<b>Omori Drinking Standards NZ Upgrade</b>  <i>January 2024:</i>				<b>Time:</b> Red due to the flow on impact from the delays with Kinloch being the same contractor and their availability for resource.  Contractor is in the process of submitting an extension of time - which the project team is currently reviewing in draft.	<b>Upcoming Milestones:</b> Acceptance of design report, site establishment planned for early March 2024.  <b>Other key details:</b> Design is progressing well.
<i>October 2023:</i>				<b>Costs:</b> Costs are expected to be higher due to increased cost fluctuations being significantly more costly than anticipated - Additional funds are requested in the LTP for next financial year.	Pall Novation has been completed.








JANUARY 2024 • PERFORMANCE REPORT • 19

JANUARY 2024

PROJECT	TIME	SCOPE	COST	RAG STATUS <i>(Required if change in rag status, or if it's red)</i>	COMMENTS
<b>WATER</b>					
<b>Tauhara Ridge Reservoir &amp; Airport Connection</b> <i>January 2024:</i>				<b>Time:</b> Consultant is making good progress, however still some time challenges.	<b>Upcoming Milestones:</b> Reservoir tender to market, Reservoir pipeline design complete, Pump station upgrade design offer acceptance, Airport pipeline design completion, Reservoir designation submitted.  <b>Other key details:</b> Consultants making good progress on reservoir tender documents and pipeline design.
<i>October 2023:</i>					
<b>Motuoapa Drinking Water Standards NZ Upgrade</b> <i>January 2024:</i>				<b>Time:</b> Red due to the flow on impact from the delays with Kinloch being the same contractor and their availability for resource.  Contractor is in the process of submitting an extension of time - which the project team is currently reviewing in draft.  <b>Costs:</b> Costs are expected to be higher due to increased fluctuations and Geotech design - Additional funds are requested in the LTP for next financial year.	<b>Upcoming Milestones:</b> Submission of design report from contractor.  <b>Other key details:</b> Geotech has been completed in the new site (Adjacent to the Wastewater Treatment Plant) and is looking more favourable than the original site.  Pall Novation has been completed.
<i>October 2023:</i>					
<b>Bonshaw Park Drinking Water Standards NZ project.</b> <i>January 2024:</i>					<b>Upcoming Milestones:</b> Installation of pipe from future reservoir location continuing down to SH1/SH5 roundabout.  <b>Other key details:</b> All 125mm Pipe has been installed from Bonshaw Treatment Plant to future location of the reservoir.  3 pipe road crossings been installed under SH5.
<i>October 2023:</i>					



















JANUARY 2024 • PERFORMANCE REPORT • 20

JANUARY 2024

PROJECT	TIME	SCOPE	COST	RAG STATUS <i>(Required if change in rag status, or if it's red)</i>	COMMENTS
<b>WASTEWATER</b>					
<b>View Road Stage 2 Land Disposal Expansion</b>  <i>January 2024:</i>					<b>Upcoming Milestones:</b> Commissioning of the final 2 pivots planned for the end of February.  <b>Other key details:</b> Stage 2 has been partially commissioned; this has resulted in manual operation, that is helping to reduce the loading rates on the existing View Road scheme.  The project team has had some challenges with the integration component of the project that may delay final commissioning.
<i>October 2023:</i>					
<b>Taupō Wastewater Southern Trunk Main Upgrade – Stage 1.</b>  <i>January 2024:</i>					<b>Upcoming Milestones:</b> Physical works to commence late March 2024.  <b>Other key details:</b> Contracts have been awarded for the project.  Blessing date currently being agreed with Waipahihi Marae.  Traffic Management Plan being worked through with Corridor Solutions.
<i>October 2023:</i>					
<b>Taupō Wastewater Treatment Plant Primary Clarifier 3</b>  <i>January 2024:</i>					<b>Upcoming Milestones:</b> Completion of design.  <b>Other key details:</b> Consultant has been engaged for design.
<i>October 2023:</i>					










JANUARY 2024 • PERFORMANCE REPORT • 21

JANUARY 2024

PROJECT	TIME	SCOPE	COST	RAG STATUS (Required if change in rag status, or if it's red)	COMMENTS
WASTEWATER					
<b>SCADA Upgrade</b> <i>January 2024:</i>					<b>Upcoming Milestones:</b> Centennial Drive Water and Acacia Bay Water to be converted by end February 2024.  <b>Other key details:</b> The plan is to get many of the water sites completed by the end of June, including Taupō Wastewater Treatment Plant. The other Wastewater sites will push the project out to the end of 2024.
<i>October 2023:</i>					
TRANSPORT					
<b>Tūrangi Street Revitalisation</b> <i>January 2024:</i>					<b>Upcoming Milestones:</b> Contractor aiming to complete Te Rangtautahanga Road by end of March as per schedule.  <b>Other key details:</b> All trees were removed and stump grinded in Te Takinga Street and Te Aonini Street.  All streets completed have received the newly planted trees with positive community feedback.
<i>October 2023:</i>					
<b>Wairakei Drive and Huka Falls Road Roundabout</b> <i>January 2024:</i>				<b>Costs:</b> Reduction to green - Waka Kotahi funding finalised.	<b>Upcoming Milestones:</b> Finalise Traffic Management Plan and commence construction in mid-February.  <b>Other key details:</b> Tender has been awarded to Camex.
<i>October 2023:</i>					

JANUARY 2024 • PERFORMANCE REPORT • 22

JANUARY 2024

PROJECT	TIME	SCOPE	COST	RAG STATUS (Required if change in rag status, or if it's red)	COMMENTS
TRANSPORT					
<b>Whangamata Road Improvements</b> <i>January 2024:</i>				<b>Time:</b> Changed to amber due to scope refinement and availability of contractors.	<b>Upcoming Milestones:</b> Finalise concept design.  Project is being presented to the Kinloch Representative Group in February, to discuss concept design.
<i>October 2023:</i>					
<b>Northern Access Investigation</b> <i>January 2024:</i>					<b>Upcoming Milestones:</b> Finalise preferred options and complete traffic model update.  <b>Other key details:</b> Long list workshop completed with Steering Group.
<i>October 2023:</i>					
COMMUNITY FACILITIES					
<b>Owen Delany Park Upgrade</b> <i>January 2024:</i>				<b>Cost:</b> Reduction to green - Cost and Scope are directly tied together, Scope fits within the budget.	<b>Upcoming Milestones:</b> Order Stadium Lighting.  Start design work on changing rooms.  <b>Other key details:</b> Lighting Contract has been signed and Resource Consent for lighting has been granted.  Lighting expected to be installed by September 2024.
<i>October 2023:</i>					



















JANUARY 2024 • PERFORMANCE REPORT • 23

JANUARY 2024

PROJECT	TIME	SCOPE	COST	RAG STATUS <i>(Required if change in rag status, or if it's red)</i>	COMMENTS
COMMUNITY FACILITIES					
<b>Tūrangi Recreation &amp; Activities Centre (TRAC)</b> <i>January 2024:</i>					<b>Other key details:</b> Following some feasibility work late last year, some viable alternative town centre locations have been identified that are worthy of further consideration.
<i>October 2023:</i>					From here, discussions with town centre landowners, hapū and the co-governance committee will continue as part of the Long-term Plan (LTP) planning process.
<b>Mangakino Lakefront Upgrade Project.</b> <i>January 2024:</i>					<b>Other key details:</b> Existing sewer has been reviewed and tested by Cheal.
<i>October 2023:</i>					A small amount of maintenance work is required. Aiming to close this out by end of February.
PROPERTY					
<b>Civic Administration Building - Fit out.</b> <i>January 2024:</i>				<b>Cost:</b> This changed from amber to green - approval for additional funding was sought at an Extraordinary Council meeting in December 2023, and was approved.	
<i>October 2023:</i>					
















JANUARY 2024 • PERFORMANCE REPORT • 24

JANUARY 2024

PROJECT	TIME	SCOPE	COST	RAG STATUS (Required if change in rag status, or if it's red)	COMMENTS
DEMOCRACY & PLANNING					
<b>Long-term Plan</b>  <i>January 2024:</i>				<b>Time:</b> Amber - while the timeframes have been extended there is still significant work before audit later in March.	<b>Other key details:</b> February will be busy with various workshops both in terms of overall budgets/work programme and specific policy development i.e., revenue and finance, Financial strategy.
<i>October 2023:</i>					
REFORM, INVESTMENTS					
<b>3 Waters Reform Activities</b>  <i>January 2024:</i>				<b>Time:</b> Red - There is a lot of uncertainty pending direction from central government, with Local Waters done well.  New scope needs to be defined for TDC future of water.	
<i>October 2023:</i>					
<b>204 Crown Road – Subdivision Earthworks &amp; Civil</b>  <i>January 2024:</i>				<b>Scope:</b> Green – scope is now clear, with costs and timings known, so uncertainties have reduced.  <b>Cost:</b> Red - Fee proposal for electrical work from Unison was above what was estimated.  Additional funds requested in the LTP.	<b>Upcoming Milestones:</b> Obtaining Resource consent for subdivision, earthworks and stormwater and the selection of the Civil Contractor.  <b>Other key details:</b> All costing is now accounted for, with full understanding of the budget and project timeframe.
<i>October 2023:</i>					

JANUARY 2024 • PERFORMANCE REPORT • 25

JANUARY 2024

PROJECT	TIME	SCOPE	COST	RAG STATUS (Required if change in rag status, or if it's red)	COMMENTS
REFORM, INVESTMENTS					
EUL Stage 1 Lot 20 – Earthworks & Civil  January 2024:				Time: Timeframe projected as estimated previous month.	Upcoming Milestones: Earthworks completed. Obtained resource consent for storm water.  Lodging of resource consent for subdivision.
October 2023:					
Project Quantum & Tech one  January 2024:					Upcoming Milestones: Final round of user testing before go-live.  Other key details: Go live has been agreed to shift to 6 May 2024 to accommodate further testing required to ensure product quality.
October 2023:					
PARKS & RESERVES					
Erosion control-Taupō Bay, Lake Terrace Cliffs & Tapuae-haruru Bay  January 2024:					Upcoming Milestones: Agreement and confirmation of design which will lead to an Assessment of Environmental Effects and consent.  Other key details: Following conversations with the Tūwharetoa Māori Trust Board we are preparing a concept design for consultation purposes.
October 2023:					



ON TRACK

ON TRACK  
(MAY NOT  
MEET TARGET)WILL NOT  
MEET TARGET

ACHIEVED

R & A Committee Work Stream	1 5 March 2024	2 11 June 2024	3 17 September 2024	4 9 December 2024
<b>Risk Management</b>				
Risk Management Update / Quarterly Risk Report (Review top risks and effectiveness of controls)		●	●	●
Strategic Risk Register Update	● →	●	●	●
Deep Dive into Top Risks	TBC	TBC	TBC	TBC
Monthly Performance Report (including Capital Works Delivery Update/ Risks)	●	●	●	●
Taupo Urban Lands Development Risks Update	● →		●	
Legislative Compliance Attestations (Subject to implementation of 'Comply With' software)				●
Risk Discussion Catchup with GMs (Before scheduled R&A meeting) 1. Strategy and Environment 2. Organisation Performance 3. Operations and Delivery 4. People and Community Partnerships	● 1. ● 2.		● 3. ● 4.	
Health and Safety at Work	●	●	●	●
<b>Internal Audit Programme</b>				
Confirmation of 2024 internal audit programme		●		
Sensitive Expenditure Review	● →	●		●
<b>Risk Related Policy/Reviews</b>				
Risk Management Policy & Framework	●			
Business Continuity Policy & Framework	● →	●		
Review of Procurement Policy		●		
Review of Fraud Policy		●		
Review of Sensitive Expenditure Policy <b>NEW</b>		●		

(Proposed Risk and Assurance Committee Workplan. Updated March 2024)

Page 1 of 2

R&A Committee Work Stream	1 5 March 2024	2 11 June 2024	3 17 September 2024	4 9 December 2024
<b>Insurance</b>				
2023 – 24 Insurance Update (AON insurance summary)	●	→	●	
AON Insurance Strategy	●	→	●	
2024 – 2025 Insurance Placements				●
<b>External Audit and Accountability</b>				
Audit Arrangements Letter	● LTP	● Annual Report		
Annual Audit Report – Review and recommend adoption by Council			●	→
Outstanding Audit Recommendations Management Report Matters	●	●	●	●
Taupo District Council Food Safety Verifier QMS audit		●		
<b>Litigation Matters (Public Excluded)</b>				
Litigation Matters Update	●	●	●	●
<b>Other</b>				
Review Audit & Risk Committee Workplan	●	●	●	●
Chief Executive Update	●	●	●	●
Review of Performance and Effectiveness of Risk & Assurance Committee				●

Extract from Taupō District Council Standing Orders 2022-2025

**9.1 Items of business not on the agenda which cannot be delayed | Ngā take kāore i runga i te rārangi take e kore e taea te whakaroa**

A meeting may deal with an item of business that is not on the agenda where the meeting resolves to deal with that item and the chairperson provides the following information during the public part of the meeting:

- (a) The reason the item is not on the agenda; and
- (b) The reason why the discussion of the item cannot be delayed until a subsequent meeting.

*LGOIMA, s 46A(7).*

Items not on the agenda may be brought before the meeting through a report from either the chief executive or the chairperson.

**Please note**, that nothing in this standing order removes the requirement to meet the provisions of Part 6 of the LGA 2002 with regard to consultation and decision-making.

Extracts from Taupō District Council Standing Orders 2022-2025

## **18. Exclusion of public | Te aukati i te marea**

### **18.1 Motions and resolutions to exclude the public | Ngā mōtini me ngā tatūnga ki te aukati i te marea**

Members of a meeting may resolve to exclude the public from a meeting. The grounds for exclusion are those specified in s 48 of LGOIMA (see Appendix 1).

Every motion to exclude the public must be put while the meeting is open to the public, and copies of the motion must be available to any member of the public who is present. If the motion is passed the resolution to exclude the public must be in the form set out in schedule 2A of LGOIMA (see Appendix 2). The resolution must state:

- (a) The general subject of each matter to be excluded;
- (b) The reason for passing the resolution in relation to that matter; and
- (c) The grounds on which the resolution is based.

The resolution will form part of the meeting's minutes.

*LGOIMA, s 48.*

[...]

### **18.3 Public excluded items | Ngā take e aukatihia ana ki te marea**

The chief executive must place in the public-excluded section of the agenda any items that he or she reasonably expects the meeting to consider with the public excluded. The public excluded section of the agenda must indicate the subject matter of the item and the reason the public are excluded.

*LGOIMA, s 46A(8).*