

ATTACHMENTS

Risk and Assurance Committee Meeting

2 July 2024

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Risk and Assurance Committee Meeting Minutes

5 March 2024

**TAUPŌ DISTRICT COUNCIL
MINUTES OF THE RISK AND ASSURANCE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, 107 TE HEUHEU STREET, TAUPŌ
ON TUESDAY, 5 MARCH 2024 AT 10.15AM**

PRESENT: Mr Bruce Robertson (in the Chair), Cr Danny Loughlin, Mr Anthony Byett, Cr Anna Park, Cr Rachel Shepherd, Cr Kevin Taylor (via MS Teams), Cr John Williamson

IN ATTENDANCE: Crs Sandra Greenslade, Kylie Leonard and Yvonne Westerman (until 11.55am)
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), Business Excellence Manager (L Chick), Legal and Governance Manager (N McAdie), Project Management Office Manager (P Fletcher), Environmental Services Manager (J Sparks), Communications Manager (L McMichael), Policy Manager (N Carroll), Team Leader – Corporate Planning (A Smith), Senior Policy Advisor (K Goode), Commercial Manager (P Handcock), Health, Safety and Wellbeing Manager (M McGill), Programme Manager (J Walton), Governance Quality Manager (S James)
Audit New Zealand representatives, Messrs Wikus Jansen van Rensburg and Kayode Oloro

MEDIA AND PUBLIC: Nil

Notes: (i) Cr Sandra Greenslade left the meeting at 11.14am and re-entered the meeting at 11.21am. She was not present for resolution RACC202403/06.
(ii) Cr Yvonne Westerman left the meeting at 11.55am. She was not present for resolutions RACC202403/12-16 and C01-C03.
(iii) Cr Kylie Leonard left the meeting at 12.41pm. She was not present for resolutions RACC202403/C01-C03.

1 KARAKIA

Cr Anna Park recited the Taupō District Council opening karakia.

2 WHAKAPĀHA | APOLOGIES

RACC202403/01 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Danny Loughlin

That the apology received from His Worship the Mayor, David Trewavas be accepted.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202403/01 above.

3 NGĀ WHAKAPĀNGA TUKITUKI | CONFLICTS OF INTEREST

Cr Danny Loughlin declared in relation to item 5.4 (Tirohanga forest powerline corridor update) that his brother-in-law was a Director on New Zealand Forest Managers. The declaration was noted, with no action required or taken as a result.

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RACC202403/02 RESOLUTION

Moved: Mr Bruce Robertson
Seconded: Cr Rachel Shepherd

That the declaration made by Cr Danny Loughlin be noted.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202403/02 above.

4 WHAKAMANATANGA O NGĀ MENETI | CONFIRMATION OF MINUTES**4.1 RISK AND ASSURANCE COMMITTEE MEETING - 11 DECEMBER 2023****RACC202403/03 RESOLUTION**

Moved: Mr Bruce Robertson
Seconded: Cr Rachel Shepherd

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202403/03 above.

5 NGĀ RIPOATA | REPORTS**5.1 2024/34 LONG-TERM PLAN UPDATE**

The Senior Policy Advisor addressed the Committee and the following points were noted:

- The Long-term Plan 2024/34 (LTP) workshop scheduled to take place on 29 February 2024 had been postponed, because more time was required to prepare.
- It was almost certain that the LTP would not be adopted by the end of August 2024.
- New options and timeframes would be discussed with elected members. It was important to allow enough time to honour the process and ensure the community was kept informed about issues and projects.
- The options were either continue with the Long-term Plan 2024/34 process and adopt the LTP by 30 September 2024; or pivot and run an enhanced Annual Plan 2024/25 process.
- The auditors were working closely with the LTP project team to discuss and analyse options.
- Other councils around the country were delaying adoption of their LTPs.

The General Manager Organisation Performance and the Senior Policy Advisor answered questions as follows:

- A series of issues had caused the delay of the 29 February workshop. There was a need to refine the capital works programme, to address issues relating to debt.
- The executive team was considering the approach going forward, and would provide a recommendation to Council in due course. A decision was required by 30 April 2024, however it was likely that an extraordinary Council meeting would be scheduled in March to enable Council to discuss the matter.
- There was a lot of pressure on the organisation as a result of uncertainty relating to the LTP process.

- The deadline for adoption of the LTP was 30 September 2024. Taupō District Council had hoped to adopt the LTP by the end of August to avoid missing the first rates installment. Adoption in September would create challenges with timing of rates installments, so options to address those challenges would need to be considered.
- Staff would continue to work with Audit New Zealand to plan for documents to be audited as appropriate.
- The LTP project was continuing in spite of the challenges, with good progress being made on preparation of supporting documents, including asset management plans and the infrastructure strategy.

In answer to a question, Audit New Zealand representative Mr Jansen van Rensburg confirmed that the deadline for adoption of an enhanced Annual Plan was 30 June 2024.

The following comments from members were noted:

- It was desirable to make decisions to address issues this year if possible, rather than delaying until next year.
- Producing an LTP in an election year (2025) could create additional challenges.
- Council would not have the benefit of Audit New Zealand's independent advice if it decided to adopt an enhanced Annual Plan instead of a Long-term Plan.
- The Risk and Assurance Committee was available to provide oversight and support as required, particularly from a financial perspective.
- The risk profile of the LTP project was higher now than when the agenda for the meeting was produced.

RACC202403/04 RESOLUTION

Moved: Cr John Williamson

Seconded: Mr Anthony Byett

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202403/04 above.

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

At the invitation of the Chairperson, Audit New Zealand representative Mr Wikus Jansen van Rensburg addressed the Committee. The following points were noted:

- The essence of the work involved in the audit of the Long-term Plan would not change.
- As mentioned in the letter attached to the agenda, Audit New Zealand would continue to focus on climate change assumptions, the impact of which may be different for different councils.
- Other areas of continued focus included the proposed capital expenditure programme; funding; growth; inflation; and affordability.
- Audit New Zealand would work with Taupō District Council to be as flexible as possible. If the LTP adoption was moved to 30 September, that would present challenges because Audit New Zealand had central government audit responsibilities in September, but conversations would continue and it was hoped that the way forward would be clarified in the next two weeks.

Members agreed to delegate authority to the Chairperson and the Chief Executive to approve audit arrangements and fees for both the Long-term Plan 2024/34 and the Annual Report 2023/24.

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RACC202403/05 RESOLUTION

Moved: Cr Danny Loughlin

Seconded: Cr Anna Park

That the Risk and Assurance Committee:

1. Approves the Audit Plan for the 2024/34 Long-term Plan Audit; and
2. Delegates authority to the Chair of the Risk and Assurance Committee and the Chief Executive Officer to approve the final Long-term Plan 2024/34 audit arrangements and fees and the Annual Report 2023/24 audit arrangements and fees.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202403/05 above.

5.3 OUTSTANDING AUDIT AND IMPROVEMENT ITEMS

The Business Excellence Manager presented the outstanding audit and improvement items. She advised that Audit New Zealand's report on Council's 2022/23 Annual Report had been received since the agenda was produced.

In answer to questions, the Business Excellence Manager advised that the work monitoring, progressing and closing actions was in its infancy. The Business Excellence Team was working across the organisation to facilitate closure of the actions, some of which had large programmes of work sitting behind them.

In response to a question, the Chief Executive advised that there was no new risk to people using various water schemes around the district which had been identified for protozoa treatment, therefore no need to notify the public. The Business Excellence Manager added that the quality of water had not changed, but Council was now required to adhere to a higher standard of treatment.

In answer to another question, the Business Excellence Manager advised that the outstanding audit and improvement items had been prioritised by the organisation undertaking review and included in the schedule of actions for improvement.

The General Manager Organisation Performance acknowledged the work of the Business Excellence Manager over the last six months, noting that in addition to the team's focus on organisational improvement, the team was also responsible for procurement, risk, and health, safety and wellbeing.

Cr Sandra Greenslade left the meeting at this point (11.14am).

RACC202403/06 RESOLUTION

Moved: Cr Rachel Shepherd

Seconded: Mr Anthony Byett

That the Risk and 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 RACC202403/06 above.

5.4 TIROHANGA FOREST POWERLINE CORRIDOR UPDATE REPORT

The Commercial Manager summarised the report. In answer to questions, he advised that:

- Risks were shared with Downer, with Downer taking responsibility for felling particularly difficult trees.
- Transpower had acknowledged that the harvest will incur additional costs due to the height of the trees, and so would be providing some financial assistance to compensate for the loss of some stumpage value.
- The arrangement was satisfactory from Council's perspective, bearing in mind the starting point for

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negotiations was initially decommissioning the lines to enable the harvest to proceed.

Cr Sandra Greenslade re-entered the meeting at this point (11.21am).

- An electrical hazard management plan was in place for the harvest.
- The project would be monitored closely, and audited.

RACC202403/07 RESOLUTION

Moved: Mr Anthony Byett

Seconded: Cr Kevin Taylor

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202403/07 above.

5.5 PURCHASE ORDER SYSTEM CONTROL ISSUE

The General Manager Organisation Performance summarised the report. In answer to a question, she advised that the issue had not arisen as a result of a problem with Project Quantum / TechnologyOne, but rather Council's testing controls.

RACC202403/08 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Mr Anthony Byett

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202403/08 above.

5.6 RISK APPETITE STATEMENT

The Business Excellence Manager addressed the Committee, explaining that the documents presented provided the contextual setting for the level of risk Taupō District Council was prepared to take on. The documents had been prepared following a Council workshop on 11 December 2023. She added that the risk appetite statement and supporting documents would be used by staff when managing work on a day-to-day basis. Where risks could not be mitigated to acceptable levels, they would be escalated to the executive team and governance as appropriate.

In answer to questions, the Business Excellence Manager clarified that:

- Permanent staff turnover related to rolling annual turnover figures.
- Budget impact figures related to projects, including multi-year projects.
- The likelihood table was pragmatic and just one of the tools available when assessing risk.

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RACC202403/09 RESOLUTION

Moved: Mr Bruce Robertson
Seconded: Cr Anna Park

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202403/09 above.

5.7 TAUPŌ DISTRICT COUNCIL RISK MANAGEMENT POLICY AND FRAMEWORK

The Business Excellence Manager presented the Risk Management Policy and Framework, explaining that while the risk appetite statement just adopted provided the context, the policy statement outlined what Council should be doing, and the framework supported that. The framework had been built through the ISO standard and the aim was to make it relatable, understandable, and easy to apply.

A member queried whether the policy and framework documents were consistent with other councils of a similar size, to which the Chairperson responded that they were.

In answer to questions, the Business Excellence Manager advised that:

- The policy had a three year review period, but could be reviewed more frequently if required.
- The risk appetite statement may also need to be reviewed, if the context changes.
- Risks knowingly and explicitly accepted by risk owners would be included on risk registers, recorded and filed in Council's document management system as appropriate.
- Council did not currently have a risk management toolkit, but could investigate developing a toolkit in the future.

Members agreed to adopt the Risk Management Policy and Risk Management Framework, which could be reviewed prior to the next review date if required.

RACC202403/10 RESOLUTION

Moved: Cr John Williamson
Seconded: Cr Danny Loughlin

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202403/10 above.

5.8 HEALTH, SAFETY AND WELLBEING STRATEGY

The Business Excellence Manager presented the Health, Safety and Wellbeing Strategy, explaining that the strategy would support a cultural shift in the organisation, weaving health, safety and wellbeing into everything we do. The strategy had been developed around four key pillars, being Leadership, Engagement, Safe Systems and Improvement. It was a high-level document sitting above several workflows and commitments required to continue Council's ongoing improvement journey.

The Business Excellence Manager answered questions as follows:

- The current state of health, safety and wellbeing at Taupō District Council as set out on p120 of the agenda reflected what was being heard from some parts of the organisation, i.e. that they did not see the relevance of it and were not prioritising it. However, there were other parts of the organisation hugely

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invested in health, safety and wellbeing.

- The Chief Executive and senior management were supportive of the developing Health, Safety and Wellbeing System including the Strategy, which had been approved by the executive team.

Members received the Strategy and requested that it also be provided to full Council for elected members' information.

RACC202403/11 RESOLUTION

Moved: Cr Danny Loughlin
Seconded: Cr John Williamson

That the Risk and Assurance Committee receives the report and the Health, Safety and Wellbeing Strategy attached to the agenda and recommends that Council also formally receives the Strategy for their information.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202403/11 above.

Cr Yvonne Westerman left the meeting at this point (11.55am).

5.9 HEALTH, SAFETY AND WELLBEING - QUARTERLY UPDATE

The Health, Safety and Wellbeing Manager answered questions of clarification. The General Manager Organisation Performance added that the executive team was monitoring staff wellbeing and supporting people leaders with training initiatives including leadership training and Mental Health First Aid training.

RACC202403/12 RESOLUTION

Moved: Cr Anna Park
Seconded: Mr Anthony Byett

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202403/12 above.

5.10 TAUPŌ DISTRICT COUNCIL MONTHLY PERFORMANCE REPORT - JANUARY 2024

Members discussed the monthly performance report, which had been presented to Council on 27 February 2024. The following points were noted:

- The executive team was setting expectations to ensure critical pieces of work were being completed, particularly in teams with vacancies.
- Risk registers were in place for significant projects to enable risk themes and potential impacts on the organisation to be identified, discussed and addressed.
- Council was operating within the parameters of its Treasury Management Policy.

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RACC202403/13 RESOLUTION

Moved: Cr Danny Loughlin
Seconded: Cr Rachel Shepherd

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202403/13 above.

5.11 RISK AND ASSURANCE COMMITTEE WORKPLAN UPDATE

The Business Excellence Manager summarised updates to the Committee workplan.

In answer to a question, the General Manager Organisation Performance advised that the Risk and Assurance Committee would have oversight of and input into Council's proposed programme of internal audits in future. One audit would be completed per annum.

Committee Chairperson Mr Bruce Robertson suggested that a review of Council's strategic risks in relation to the Long-term Plan 2024/34 would be beneficial in due course.

RACC202403/14 RESOLUTION

Moved: Mr Bruce Robertson
Seconded: Cr John Williamson

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202403/14 above.

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

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

- The departure of the General Manager Operations and Delivery (GM), Mr Andrew Moraes was imminent. It was acknowledged that the executive team would be under pressure with additional workloads until a new GM was appointed. The Chief Executive thanked the team for their ongoing support.
- A workshop would be held to update elected members on central government's 'local water done well' plan, and to seek direction on how much time staff should put into preparing for changes to come. Taupō District Council was already connecting in to conversations with councils in other areas, in particular the Bay of Plenty and Waikato.
- Next steps and timeframes for development of the Long-term Plan 2024/34 were still being considered.

The Chairperson thanked the Chief Executive for her report.

In relation to 'local water done well', the Chairperson encouraged members to consider how Taupō District Council will engage in a credible way on this critical issue. He added that a council-controlled organisation model for local water would not provide balance sheet separation, so this was another factor to bear in mind.

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RACC202403/15 RESOLUTION

Moved: Cr Danny Loughlin
 Seconded: Cr Rachel Shepherd

That the Risk and 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 voted in favour of resolution RACC202403/15 above.

6 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS**RACC202403/16 RESOLUTION**

Moved: Mr Bruce Robertson
 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
<p>Agenda Item No: 6.1 Confirmation of Confidential Portion of Risk and Assurance Committee Minutes - 11 December 2023</p>	<p>Section 7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>Section 7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied</p> <p>Section 7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</p>	<p>Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7</p>

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<p>Agenda Item No: 6.2 Sensitive Expenditure - Confidential</p>	<p>Section 7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p>	<p>Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7</p>
<p>Agenda Item No: 6.3 Litigation Update</p>	<p>Section 7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</p>	<p>Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7</p>

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202403/16 above.

The meeting closed at 1.12pm with a karakia recited by Cr Anna Park.

The minutes of this meeting were confirmed at the Risk and Assurance Committee Meeting held on 2 July 2024.

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CHAIRPERSON

