

ATTACHMENTS

Risk and Assurance Committee Meeting

2 July 2024

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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.

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.

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- 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.

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

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.

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.

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.

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
Agenda Item No: 6.1 Confirmation of Confidential Portion of Risk and Assurance Committee Minutes - 11 December 2023	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 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 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

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Agenda Item No: 6.2 Sensitive Expenditure - Confidential	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 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
Agenda Item No: 6.3 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 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.

.....
CHAIRPERSON

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2 May 2024

**TAUPŌ DISTRICT COUNCIL
MINUTES OF THE RISK AND ASSURANCE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, 107 TE HEUHEU STREET, TAUPŌ
ON THURSDAY, 2 MAY 2024 AT 2.00PM**

PRESENT: Mr Bruce Robertson (in the Chair), Cr Danny Loughlin, Mr Anthony Byett, Cr Anna Park (until 4.43pm), Cr Rachel Shepherd, Cr Kevin Taylor (from 2.48pm), Mayor David Trewavas, Cr John Williamson

IN ATTENDANCE: Cr Kylie Leonard (until 2.51pm)
Chief Executive (J Gardyne), General Manager Organisation Performance (S Matthews), General Manager Strategy and Environment (W Zander), General Manager People and Community Partnerships (L O'Brien), Acting General Manager Operations and Delivery (T Hale), Legal and Governance Manager (N McAdie), Policy Manager (N Carroll), Finance Manager (J Paenga), Communications Team Lead (D Beck), Team Leader Corporate Planning (A Smith), Senior Policy Advisor (K Goode), Senior Policy Advisor (P Caruana), Policy Advisor (A Wilson), Senior Financial Planner (J Caldwell), Governance Quality Manager (S James)
Audit New Zealand representative, Mr Wikus Jansen van Rensburg (via MS Teams)

MEDIA AND PUBLIC: Nil

Notes: (i) Cr Kevin Taylor entered the meeting at 2.48pm. He was not present for resolution RACC202405/01.
(ii) Cr Anna Park left the meeting at 4.43pm. She was not present for resolution RACC202405/02.

1 KARAKIA

Independent Chairperson, Mr Bruce Robertson led Committee members as they recited Taupō District Council's opening karakia.

2 WHAKAPĀHA | APOLOGIES

RACC202405/01 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Anna Park

That the apology received from Cr Kevin Taylor (for lateness) be accepted.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202405/01 above.

3 NGĀ WHAKAPĀNGA TUKITUKI | CONFLICTS OF INTEREST

Nil

4 WHAKAMANATANGA O NGĀ MENETI | CONFIRMATION OF MINUTES

Nil

5 NGĀ RIPOATA | REPORTS**5.1 RECOMMENDATION TO COUNCIL TO APPROVE THE DRAFT LONG-TERM PLAN 2024-34 CONSULTATION DOCUMENT AND SUPPORTING INFORMATION FOR AUDIT NZ CONSIDERATION**

Members had before them the following documents:

- (i) Agenda, with attachments including draft significant assumptions; draft Revenue and Financing Policy; draft Rates Remissions and Postponement Policy; draft Performance Management Framework; draft Financial Strategy 2024-34 report and attachment; draft Infrastructure Strategy report and attachments; supporting information for the draft Long-term Plan 2024-34 including draft accounting policies, Funding Impact Statement and financial information.
- (ii) Attachments under separate cover 1, being the draft Treasury Management Policy; the draft Fees and Charges Schedule 2024-25; and the draft Development Contributions Policy.
- (iii) Attachments under separate cover 2, being the draft Infrastructure Strategy; and the draft Long-term Plan 2024-34 consultation document.

The Senior Policy Advisor (K Goode) advised that all documents had been provided for Risk and Assurance Committee endorsement prior to the Council meeting taking place the following morning (3 May 2024). Once Council had also considered the documents, they would be provided to Audit New Zealand for review over the next three weeks, followed by public consultation between 4 June and 5 July 2024.

Members considered documents in the order listed below.

Draft Development Contributions Policy

The Senior Policy Advisor (P Caruana) explained that:

- The draft policy included new provisions to ensure consistency with Te Ture Whenua Māori Act 1993.
- The two key factors impacting proposed charges were costs and population growth. Although costs were substantially higher, so was growth. Once both factors were taken into account, proposed development contributions charges were lower than the current policy in many cases.

In answer to a question, the General Manager Organisation Performance advised that the updated numbers contained in the draft Development Contributions Policy had taken into account proposed projects; predicted steady population growth; and debt. Growth assumptions in particular had changed significantly since the last Development Contributions Policy review.

A member suggested that the word “favourable” in the context of Māori land should be removed, as it was not reflective of the process to be followed.

In answer to a question, the Team Leader Corporate Planning explained that for development contributions, project costs were apportioned to areas of growth but also included other factors including benefits to surrounding areas. While general transport costs were district-wide, developers on the northern side of the Control Gates Bridge would pay higher development contributions due to benefits of the proposed new bridge and wastewater infrastructure projects in that particular area.

Draft Accounting Policies

The Finance Manager advised that the draft accounting policies had been updated to reflect matters captured in Council's most recent Annual Report. The General Manager Organisation Performance added that reporting standards relating to “financial” as opposed to “operating” leases would change in future.

The Chairperson noted that Council was subject to an annual fair revaluation of assets process, which pinned the price of assets to depreciated asset costs. Council had a policy of fully funding depreciation, so the accounting policies had a significant impact on costs and therefore rates.

Draft Financial Information

The General Manager Organisation Performance confirmed that core services, network services and legislative requirements (including relating to 'three waters') had all informed the draft financial information.

The Chairperson observed that according to Council's prospective schedule of rates, rates would rise by 65% over the next 10 years, which was very low compared to other councils.

The General Manager Organisation Performance advised that elected members and management had worked hard to reach a position with a palatable average rates increase number up-front. No reduction to levels of service was proposed. The executive team had examined budgets to identify savings and efficiencies across the board, for example rationalising the vehicle fleet and removing data cards from laptops. The focus was on essential services, with projects pushed out to later years.

The Chairperson drew members' attention to the following key parts of the draft financial information:

- The depreciation and amortisation expense line in the Statement of Comprehensive Revenue Expenditure on page 173 of the agenda. Depreciation was important because it was the cost of the asset base required by Council to enable it to provide services to the district.
- On the same page (173), the forecast surplus of \$51k in Year 10, indicating a balanced budget as required by s100 of the Local Government Act 2002.
- The Statement of Cashflow on page 177, in particular the net cashflow operating activities line. It was important to consider the numbers to ensure Council was not 'over-rating'. The General Manager Organisation Performance advised that the approach was prudent, taking into account all relevant factors. The Chairperson observed that the numbers were greater than depreciation, which was another indicator that Council's proposed approach was reasonable.

Cr Kevin Taylor entered the meeting at this point (2.48pm).

Cr Kylie Leonard left the meeting at 2.51pm.

Funding Impact Statement

Members considered the Funding Impact Statement on page 178. The Chairperson explained that the funding balance numbers indicated costs to replace existing assets over time. Those numbers should therefore be compared to depreciation. Taking Year 1 as an example, depreciation was expected to be \$34m, however only \$26m was budgeted for replacement of existing assets. In Year 10, the figures were \$62m depreciation but only \$37m to replace existing assets.

The General Manager Organisation Performance advised that the splits would be examined again.

Deputy Chairperson, Cr Danny Loughlin asked for the blank cells to be checked and filled in. He also suggested that one particular asset of interest to people in the community could be selected and used to explain how depreciation and asset replacement was budgeted for over time.

In answer to a question, the General Manager Organisation Performance advised that Council would have to borrow to cover working capital requirements in the period 1 July to Long-term Plan adoption late September.

Funding Impact Statement (page 142)

The Finance Manager advised that not a lot of change was proposed. Changes included new wastewater rates and including electricity generation and utilities assets and networks in the industrial/commercial differential category.

In relation to the Uniform Annual General Charge (UAGC), which was not proposed to change at this time, it was noted that the appropriate approach was to consider what activities Council planned to fund, before then considering funding mechanisms.

A member suggested that civil defence emergency management would need to be taken into account nationally in the future, in relation to councils' UAGCs.

The meeting adjourned at this point (3.16pm) and reconvened at 3.28pm.

Draft Infrastructure Strategy

The Acting General Manager Operations and Delivery advised that some projects, including the Northern access solution and the Taupō North and Tūrangi Wastewater Consent projects, had been included as 'placeholders' in the draft Long-term Plan 2024-34 and the draft Infrastructure Strategy. Council was working with Iwi/Hapū in relation to these projects.

The Team Leader Corporate Planning added that the draft Infrastructure Strategy had a focus on resilience and included:

- Increased pipe renewals;
- Preventative maintenance – roading; and
- Ongoing wastewater compliance.

The General Manager Organisation Performance, Acting General Manager Operations and Delivery and the Team Leader Corporate Planning answered questions:

- Te Mana o Te Wai had been carried forward into the draft Infrastructure Strategy. Conversations with Iwi/Hapū in relation to this would continue.
- Pipe assets were monitored, with breakages tracked via service requests, however pipe failure could sometimes be random.
- The Infrastructure Strategy was informed by master planning exercises, which included analysis of growth, storage capacity, and other factors relating to resilience.
- Internal loans for three waters infrastructure were included in the later years of the Long-term Plan (as shown in the graph on page 37 of the attachments under separate cover 2).
- Renewals were funded from reserves, which were in turn defined in the Revenue and Financing Policy.
- In relation to the expired Tūrangi wastewater consent, a steering group was in place and Council was working closely with hapū and keeping Waikato Regional Council informed of progress. Extensions had been applied.

Members agreed that the terms short-term (one to three years) and medium-term (10 years, i.e. the LTP period) should be defined in the Infrastructure Strategy.

Financial Strategy

In relation to the essential services benchmark not being met in Years 8, 9 and 10, it was noted that Council was front-loading work in the earlier years and the proposed breach should correct in years beyond the LTP.

In answer to a question about debt and Council's self-insurance via the TEL fund, the General Manager Organisation Performance advised that this would be discussed at a future Risk and Assurance Committee meeting, when the Committee considered insurance renewals in conjunction with AON.

The Chairperson observed that Taupō District Council was dealing capably with 'three waters', which was not the case for all councils around the country.

Draft Consultation Document

An updated draft consultation document was tabled (A3552011).

The General Manager People and Community Partnerships advised that while the consultation document was a legislative requirement, it was one tool Council would use as part of wider engagement with the community. She added that it had been drafted to be as easy to understand as possible, including making the point that if the community wanted Council to do something, then that would come at a cost.

Members endorsed the simple tone of the draft consultation document and agreed that the four issues outlined were the correct issues to be consulting on, however the first question ("do you agree with our proposed approach of focusing most of our effort and money on essential services?") could be re-worded to support Council's conversation with the community to a greater extent.

Cr Anna Park left the meeting at this point (4.43pm).

Audit New Zealand representative, Mr Wikus Jansen van Rensburg addressed the Committee, explaining that Audit New Zealand's role was not to give assurance, but rather to review information and highlight any concerns with the Risk and Assurance Committee Chairperson and management.

RACC202405/02 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Danny Loughlin

That the Risk and Assurance Committee recommends to Council that it approves the following documents, subject to editing:

1. the draft Long-term Plan 2024-34 Consultation Document for Audit NZ consideration;
2. the draft Financial Strategy for Audit NZ consideration;
3. the draft Infrastructure Strategy for Audit NZ consideration; and
4. the draft supporting information for Audit NZ consideration which includes but is not limited to:
 - a. Draft Development Contributions Policy
 - b. Draft Accounting Policies
 - c. Draft Financial Information
 - d. Draft Funding Impact Statement

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202405/02 above.

6 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS

Nil

The meeting closed at 4.47pm with all members present reciting Taupō District Council's closing karakia.

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

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CHAIRPERSON

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Report to the Council on the audit of

Taupō District Council and
Group

For the year ended 30 June 2023

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Key messages

We have completed the audit for the year ended 30 June 2023. This report sets out our findings from the audit and draws attention to areas where the District Council and Group are doing well and where we have made recommendations for improvement.

Audit opinion

We issued a non-standard audit report on the District Council and Group's annual report. We expressed an unqualified audit opinion on the information we audited, other than the water supply and wastewater median response time measures, on which we issued a qualified audit opinion.

Without further modifying our audit opinion, we have included an emphasis of matter paragraph to draw attention to the disclosures in the annual report that describe the overall possible impact of the water services reform programme on the District Council and Group.

Matters identified during the audit

Control environment

We performed a high-level review of the District Council's control environment. Overall, we are satisfied the control environment is effective for the purpose of undertaking an efficient and effective audit. Although the control environment appears to be effective we discussed with management the various challenges we encountered during the audit of property, plant and equipment, vested assets, work in progress, non-current assets held for sale, and the service reporting information.

Property, plant and equipment

We reviewed the asset register as at 30 June 2023 and noted a number of assets with zero book values. From our engagements with management, and their own subsequent investigation, we noted the majority of these assets had been written off and that the asset register had not been updated. The District Council should periodically review all assets with a zero net book value to inform their assessment of useful lives. Assets no longer in use should be removed from the fixed asset register based on the approved policies and procedures. The useful lives of assets still in use should be reviewed yearly, as required by the accounting standards, to ensure useful lives allocated remains appropriate before their book value becomes zero.

We also identified inaccuracies with the asset register as it relates to Vested Assets. Although this was not material, we recommend the District Council design and implement adequate policies and procedures that will ensure complete and accurate accounting of Vested Assets.

In addition, evidence to support the completeness and timing of work in progress projects capitalisation was not always clear. Completed assets were also not timely updated within the system. Again, this was not material, but it is important that policies and procedures are clear on what evidence needs to be available to support the capitalisation and timing of completed assets. In addition, appropriate monitoring of capital projects should take place to ensure timely capitalisation within the system. This influences the depreciation charge and cut-off at year-end.

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Lastly, we performed a review of the District Council's signed Sales and Purchase agreement with Te Whare Hono o Tūwharetoa Limited Partnership (TWHT) for the new Civic Centre. We would like to encourage the District Council to obtain legal and accounting advice for the new Civic Centre agreement and how this agreement will impact the current and future year's annual report. There are complexities as it relates to when a "sale" has taken place for accounting purposes, and if so, if a potential sale and leaseback agreement exists to be accounted for. If a sale has not occurred, then there need to be clarity on the appropriate treatment for any work-in-progress spend by the purchaser. We have considered these matters but was comfortable, based also on the judgements made by management, that risk and reward have not yet transferred to the purchaser as at 30 June 2023. The work in progress till date was also not considered to be significant to further consider. These conclusions might be different for the year ended 30 June 2024.

Non-current assets held for sale

During our current and prior year audits, we noted several movements in and out of various asset classes into, and out of, non-current assets held for sale. We noticed errors with some of these transfers which corrected itself in 2022 and therefore did not result in any restatement of comparative figures. In addition, the current year treatment of the 72 Lake Terrace and 9 Rifle Range Road properties as assets held for sale were incorrect and subsequently corrected. It will be important for the District Council to have clear policies and procedures as it relates to accounting for assets as held for sale in line with the accounting standards to ensure potential errors in the future are avoided.

Statement of service performance

Each year, we select several significant service performance measures to review in detail and confirm to supporting documentation for accuracy. Two of the selected measures this year were the median response times for staff to attend urgent callouts for unplanned interruptions to the water supply network and the median resolution time that from the time that District Council receives notification of a sewerage overflow resulting from a blockage or other fault in District Council's sewerage system, to the time that service personnel confirm resolution of the fault or blockage. Consistent with the prior year, we were unable to rely on the information provided in the Downer report which again resulted in the qualification in this year's audit opinion. We have made recommendations for improvements in this area. Further information is provided in section 2.1.1.

In several instances, we noted the District Council service performance reporting were not in compliance with PBE FRS 48: Service Performance Reporting. We also noted inaccuracies in the comparative reporting. Significant efforts were made to resolve these matters, which included the inadequate disclosure of judgements and disclosure relating to restatements to prior year information.

The underlying root cause is that the District Council did not perform an adequate quality review to ensure service performance information reporting submitted for audit is reflective of the new standards and accurate. We recommend the District Council perform adequate and timely reviews of service performance information submitted for audit purposes and ensure new reporting standards are adequately implemented.

Water services reform programme

The water services reform programme is expected to result in structural changes to how water supply, wastewater and stormwater assets are owned and managed in the local government sector. This could have a significant impact on the District Council.

The District Council included disclosures about the water services reform programme in the annual report. Given the significant impact the reform is likely to have on the District Council, we have included an emphasis of matter paragraph in our audit report to draw a readers' attention to this disclosure.

We appreciate that this matter has further progressed at the time of finalising this report and that Government will be working on a framework and transitional arrangements to be introduced and enacted by mid-2024. We will consider the outcome of continuous discussion, guidance and legislative changes in this regard on the 2023-2024 audit.

Asset valuations

We reviewed the valuations performed by external valuers for infrastructural assets (roading and three waters) to confirm that they were soundly based and had been correctly accounted for. We are satisfied that the valuations were correctly recorded in the District Council's final financial statements.

We also reviewed the District Council's fair value assessments for its land and buildings and concluded that the approximate fair value of these asset classes did not materially differ from the carrying value as at 30 June 2023.

Transition to PBE IPSAS 41: Financial Instruments and PBE FRS 48: Service Performance Reporting

During the period, the District Council transitioned to PBE IPSAS 41: Financial Instruments and PBE FRS 48: Service Performance Reporting. This resulted in some adjustments to accounting and disclosures contained in the annual report.

Overall, after the proposed audit adjustments were made, we are satisfied that the District Council appropriately transitioned to the new standards. Further information is available in section 3 of this report.

Breach of the statutory deadline (section 98(3) LGA 2002)

Section 98(3) of LGA 2002 requires that each annual report must be completed and adopted, by resolution, within 4 months after the end of the financial year to which it relates. The District Council's current financial year ended on 30 June 2023; therefore, the annual report was meant to be adopted by end of October 2023. However, the adoption took place on 12 December 2023.

Although the District Council has breached the legal and statutory deadline, we were comfortable with the District Council's self-disclosure in the 2023 annual report and did not see the need for an emphasis of matter paragraph in our audit report.

Thank you

We would like to thank the District Council, management and staff for their continued assistance and enduring commitment to continuous improvements made to year-on-year delivery.



Wikus Jansen van Rensburg
Appointed Auditor
12 June 2024

1 Recommendations



Our recommendations for improvement and their priority are based on our assessment of how far short current practice is from a standard that is appropriate for the size, nature, and complexity of your business. We use the following priority ratings for our recommended improvements.

Priority	Explanation
Urgent	Needs to be addressed <i>urgently</i> These recommendations relate to a significant deficiency that exposes the District Council to significant risk or for any other reason need to be addressed without delay.
Necessary	Address at the earliest reasonable opportunity, <i>generally within six months</i> These recommendations relate to deficiencies that need to be addressed to meet expected standards of best practice. These include any control weakness that could undermine the system of internal control.
Beneficial	Address, <i>generally within six to 12 months</i> These recommendations relate to areas where the District Council is falling short of best practice. In our view it is beneficial for management to address these, provided the benefits outweigh the costs.

1.1 New recommendations

The following table summarises our recommendations and their priority.

Recommendation	Reference	Priority
Inaccuracies and non-compliance identified in the draft service performance reporting provided for audit We recommend that the District Council implement enhanced quality control and oversight processes before the draft service performance information is provided for audit.	4.1	Urgent
Completeness and accuracy of vested assets We recommend that the District Council implements a robust process to ensure all vested assets are recognised in the correct financial year.	4.2	Necessary

Recommendation	Reference	Priority
Incorrect accounting treatment of non-current assets held for sale The District Council should design and implement clear policies and procedures to guide the accounting of assets as held for sale to ensure alignment with the accounting standards to avoid potential errors in the future.	4.3	Necessary
Inadequate processes in place for the physical verification of operational property, plant and equipment We recommend that a periodic physical verification exercise be performed for all classes of PPE.	4.4	Necessary
Fully written down assets included in the fixed asset register The District Council should periodically review all assets with a zero net book value to inform their assessment of useful lives. Assets no longer in use should be removed from the fixed asset register based on the approved policies and procedures.	4.5	Necessary
Footpath condition rating not carried out on a regular basis We recommend that District Council carries out footpath condition ratings regularly to ensure compliance with the PBE FRS 48 standard and best practice.	4.6	Necessary
Expenditure transactions are not approved timely We recommend that all expenditure, including sensitive expenditure, be approved for processing/payment in a timely manner, such as monthly.	4.7	Necessary
Lack of formal approval documentation for property, plant and equipment (PPE) purchases We recommend the District Council retains formal and proper evidenced approval documents for all PPE purchases before the assets are purchased.	4.8	Necessary
Employment agreement letters of key management personnel (KMP) not approved We recommend that the District Council ensures that adequate policies and procedures are in place to sign off contract letters for executives to ensure those appointments are formalised before salary payments take place.	4.9	Necessary

Recommendation	Reference	Priority
Enhancement of the sensitive expenditure policy required to ensure compliance with Office of the Auditor-General guidance and best practices We recommend that: <ul style="list-style-type: none"> the meaning of “reasonable and moderate” in relation to alcohol purchases is communicated clearly at all levels, and that the sensitive expenditure policy is updated to provide guidance in this regard as well as when specific approvals are required for unique events; and clear guidance and pre-approval processes are included in the policy to govern travelling and other sensitive expenditure for specific unique events like a mihi whakatau. 	5.1	Necessary
Expenditure items incorrectly coded in the general ledger We recommend that appropriate review and coding of expenditure take place to ensure the accuracy of the general ledger account used to enable appropriate reporting and monitoring.	5.2	Necessary

1.2 Status of previous recommendations

Set out below is a summary of the action taken against previous recommendations. Appendix 1 sets out the status of previous recommendations in detail.

Priority	Priority			
	Urgent	Necessary	Beneficial	Total
Open	1	16	1	18
Implemented or closed	0	3	1	4
Total	1	19	2	22

2 Our audit report

2.1 We issued a non-standard audit report



We issued a non-standard audit report on the District Council and Group's annual report on 12 December 2023. We expressed an unmodified audit opinion on the information we audited, other than the water supply and wastewater median response time measures, on which we issued a qualified audit opinion; this is further discussed in section 2.1.1 below. This qualification will flow through to our opinion on the next financial year's comparative service performance information. Without further modifying our audit opinion, we have included an emphasis of matter paragraph to draw attention to the disclosures in the annual report that describe the overall possible impact of the water services reform programme on the District Council.

In forming our audit opinion, we considered the following matters:

2.1.1 Qualification: Water supply and wastewater median response times

The District Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These mandatory performance measures include the attendance times and resolution times to call-outs relating to faults or unplanned interruptions to its water supply system and to sewerage overflows resulting from a blockage or other fault in its wastewater system.

The District Council was unable to support the reported performance against these measures due to issues with the data recording system. As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance that the reported results for these measures are materially correct in the current year and the comparative year to 30 June 2022.

2.1.2 Emphasis of matter: Uncertainty over the water services reform programme

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities.

Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the District Council as outlined in note 35 remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved. In addition, there is uncertainty around the water services reform legislation.

The new government repealed the current water legislation after I issued my audit opinion. Further legislation to implement “Local Water Done Well” will progress in a two-stage approach. The first bill, which will establish the framework and transitional arrangements for the new water services system, will be passed by the middle of 2024. A second bill to provide for the long-term replacement regime will be introduced in December 2024.

2.2 Uncorrected misstatements

The financial statements are free from material misstatements, including omissions. During the audit, we have discussed with management any misstatements that we found, other than those which were clearly trivial.

2.3 Corrected misstatements

We also identified misstatements that were corrected by management. A list of these misstatements is available on request.

2.4 Quality and timeliness of information provided for audit



Management needs to provide information for audit relating to the annual report of the District Council and Group. This includes the draft annual report with supporting working papers. We provided a listing of information we required to management via Audit Dashboard in July 2023. This included the dates we required the information to be provided to us based on the revised timelines agreed with the Risk and Assurance Committee.

Although information was provided to us, it was not always in a timely manner. We also identified several changes required to be made to the financial statements and performance information. The District Council’s finance and performance team and the audit team did work well together to resolve all matters. We do appreciate the capacity challenge the District Council has experienced during the audit period and we will work closely with management to ensure readiness for the next year’s audit.

2.5 Other matters

During the audit, we identified matters to bring to the attention of the General Manager: Organisation Performance for consideration. These matters did not warrant being included in this report given their significance.

3 Matters raised in the Audit Plan



In our Audit Plan of 27 June 2023, we identified the following matters as the main audit risks and issues:

Audit risk/issue	Outcome
Management override of internal controls – Significant risk	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls.</p> <p>Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Auditing standards require us to treat this as a risk on every audit.</p>	<p>To address this risk, we carried out substantive audit procedures. These included reviewing journal entries, accounting estimates and significant transactions that were outside the normal course of business. We incorporated an element of unpredictability in our audit testing through random sampling.</p> <p>As noted in the prior year, we identified instances where journals were not approved on a one-up basis, but rather on a peer review basis.</p> <p>We recommend the District Council implements a one-up approval process for journals posted and that proper approvals are provided for the posting of journals.</p>
Performance reporting – response times to call-outs for faults or unplanned interruptions to its water supply system and wastewater system – Significant risk	
<p>The District Council included in its Long-term plan performance measures on the response times to call-outs for faults or unplanned interruptions to its water supply system and wastewater system. Last year, our audit identified significant issues in the completeness and accuracy of the District Council's recorded performance against these measures.</p> <p>Due to the extent of the inaccuracies identified, we were unable to determine whether the District Council's reported results for these measures were materially correct.</p> <p>As a result, our work was limited and there were no practical audit procedures we could perform to obtain assurance over the reported results for response times to call-outs to faults or unplanned interruptions</p>	<p>We were satisfied that the service performance statements comply with generally accepted accounting practice and fairly reflected the actual achievements and performance of the District Council except for the following performance measures:</p> <ul style="list-style-type: none"> the median time for resolution of urgent callouts: from the time that the local authority receives notification to the time that the service personnel confirm resolution of the fault or interruption; and the median time from the time that Council receives notification of a sewerage overflow resulting from a blockage or other fault in Council's sewerage system, to the time that service personnel confirm resolution of the fault or blockage.

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Audit risk/issue	Outcome
<p>to the water supply system and wastewater system. We understand that the District Council is intending to use the same system for reporting the performance measure as in the previous audit.</p> <p>This results in a significant audit risk that the results for the current year may be materially misstated and poses the risk of a repeat qualified opinion on the statement of service performance reporting.</p>	<p>Results for these performance measures are based on a Downer work bench report that records all service requests and the resolution times. This report is received directly from Downer's as they are responsible for resolving the fault or interruption. Consistent with our findings in the prior year, we identified that there was no appropriate supporting documentation to confirm the resolution times provided by Downer and the updates to the recording system are not accurate because it is not in real time.</p> <p>For after hour calls including weekends (managed by Tauranga City Council) times are recorded as "0" in AssetFinda once it has been entered into by Council staff the next day. We discussed with Council if there was any supporting documentation that could be provided by Downer's to confirm times however there was no appropriate supporting documentation available.</p> <p>As there is no supporting documentation, we were unable to confirm the reported results for wastewater and water supply.</p> <p>Consistent with our prior year recommendations, we continue to recommend the District Council enhances controls and review processes to ensure that the attendance and resolution times are recorded accurately in the customer service request system that ensures that all requests are supported by documentation which can verify the times recorded within the system.</p>
Revaluation of infrastructural assets (roading and 3 waters) – Significant risk	
<p>The District Council and Group revalues its assets held at fair value whenever there is expected to be a material movement in the fair value of these assets (refer to the below table that summarised the history of the revaluation cycles).</p> <p>The accuracy of the valuation depends on the valuation method applied, the completeness and accuracy of the source data and the appropriateness of underlying assumptions. Because of the large value of the assets held by the District Council and Group, a small</p>	<p>Our audit response to this risk included:</p> <ul style="list-style-type: none"> reviewing the valuation report to assess the competence and experience of the person completing the valuation and whether the requirements of PBE IPAS 17 <i>Property, Plant and Equipment</i> (including the appropriateness of the valuation basis) have been met;

Audit risk/issue	Outcome
<p>movement in the key assumptions can have a significant impact on the valuation and consequential depreciation expense recognised in the financial statements.</p> <p>The assets undergoing revaluation as at 30 June 2023 include the following classes of infrastructure assets:</p> <ul style="list-style-type: none"> • Roothing. • Three Waters (incl. Water Supply, Wastewater and Stormwater). 	<ul style="list-style-type: none"> • auditing the method of valuing the assets and assess if the valuation method used is in line with the financial reporting framework; • reviewing the reasonableness of the data and key assumptions used; and • assessing the presentation and disclosure of information related to the valuation in the financial statements. <p>Our testing did not identify any issues of concern. We are satisfied the valuations are correctly accounted for in the District Council and Group's annual report.</p>
Fair value assessment of non-revalued assets (land and buildings) – Area of focus	
<p>The District Council and Group revalues its assets held at fair value whenever there is expected to be a material movement in the fair value of these assets (refer to the below table that summarised the history of the revaluation cycles).</p> <p>The accuracy of the valuation depends on the valuation method applied, the completeness and accuracy of the source data and the appropriateness of underlying assumptions. Because of the large value of the assets held by the District Council and Group, a small movement in the key assumptions can have a significant impact on the valuation and consequential depreciation expense recognised in the financial statements.</p> <p>A fair value assessment (desktop valuation) has been performed by an independent valuer on the operational Land and Buildings. Based on this assessment, management concluded that there is no material movement from the last revaluation performed. As a result, the District Council and Group will not be making any adjustments to the book value of operational Land and Buildings.</p>	<p>Our audit response to this risk included:</p> <ul style="list-style-type: none"> • reviewing the fair value movement assessment prepared by management's expert; • reviewing the impairment assessment; • reviewing the WIP assessment; • evaluating the reasonableness of the significant assumptions; • evaluating how management has addressed estimation uncertainty; and • reperforming calculations made by management. <p>We are satisfied that there is no material difference between the approximate fair value of these assets and the carrying value as at 30 June 2023.</p>

Audit risk/issue	Outcome
Adoption of PBE IPSAS 41: Financial Instruments – Area of focus	
<p>PBE IPSAS 41: Financial Instruments is effective for periods beginning on, or after 1 January 2022. Earlier application was permitted however the District Council did not early adopt the standard.</p> <p>The standard introduces new and amended classification, measurement, impairment and hedging requirements and disclosure for financial assets and financial liabilities. This standard replaces both PBE IPSAS 29 and PBE IFRS 9. PBE IPSAS 41 is based on PBE IFRS 9 and has been amended to include additional PBE guidance relevant to the New Zealand context.</p>	<p>Management prepared an analysis of the classification of its financial instruments in terms of the standards and determine the necessary accounting and disclosure adjustments required. Management also updated its accounting policies and disclosures in the financial statements to reflect the adoption of the new standard.</p> <p>As a result of the transition, some accounting policy and disclosure adjustments were required and we were satisfied with the disclosure changes made by the District Council.</p>
Adoption of PBE FRS 48: Service Performance Reporting – Area of focus	
<p>PBE FRS 48 Service Performance Reporting replaced that part of PBE IPSAS 1 <i>Presentation of Financial Statements</i> that deals with service performance reporting requirements and is effective for annual reporting periods beginning on or after 1 January 2022, that is, for the District Council, it is for the year ended 30 June 2023.</p> <p>The objective of the standard is “to establish principles and requirements for an entity to present service performance information that is useful for accountability and decision-making purposes in a general-purpose financial report”. Additional to this, PBE FRS 48 imposes additional disclosure obligations on entities.</p>	<p>We assessed the District Council’s compliance with the new standard. The District Council, like many other entities we audit, had challenges in meeting the requirements of the new standard. The performance reporting was subsequently updated, and we are satisfied that the reporting meets the requirements of the new standard and legislation.</p> <p>However, we have recommended areas for further consideration in Section 4 of this report.</p>
Water services reform programme – Area of focus	
<p>The water services reform programme is expected to result in structural changes to how water supply, wastewater and stormwater assets are owned and managed in the local government sector. This could have a significant impact on the structure of the District Council.</p> <p>On 13 April 2023, the Government announced further proposed amendments to the number of water services entities and to stagger their establishment dates starting from early 2025, with all the water services</p>	<p>The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities.</p> <p>At the time of finalising this work there was a change in Government and there was a</p>

Audit risk/issue	Outcome
<p>entities to be established by 1 July 2026. The timing of the transfer of assets and liabilities is therefore uncertain until amendments to existing legislation are passed.</p> <p>The impact of these proposed reforms, once legislated, will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services.</p> <p>The impacts of the proposed reforms are currently unclear. We have included an emphasis of matter within our opinion referring to the District Council's self-disclosure in the annual report.</p>	<p>possibility of a change to water services reform programme (which did take place subsequently as highlighted in section 2.1.2).</p> <p>We reviewed the District Council's disclosures, at the time finalising the audit, to ensure it reflected the significance and uncertainty of the reforms on the District Council at the time. We have included an emphasis of matter within our opinion referring to the District Council's self-disclosure in the annual report.</p>
Drinking water quality performance measures – Area of focus	
<p>Providing safe drinking water is a core function of the District Council and reporting how the District Council has performed in respect of this function in the annual report is important performance information.</p> <p>The regulatory regime in place over the safety of drinking water has transitioned in the current year from the Drinking Water Quality Standards (DWS) to the new Drinking Water Quality Assurance Rules (DWQARs) which came into effect on 14 November 2022.</p> <p>Performance measures about compliance with the DWS are currently mandated by the Department of Internal Affairs who have issued mandatory performance measures that are required to be reported against in the District Council's annual report.</p> <p>There are currently no similar performance measures with respect to the new DWQARs. Despite this it is important that the District Council includes appropriate performance information about their compliance with the new DWQARs. This performance information will be subject to audit and therefore it is important that the District Council is able to support the performance results that they report.</p>	<p>We updated our knowledge of the systems. We identified no significant issues in the process.</p> <p>Management engaged independent assessors to determine compliance with the Drinking Water Standards for New Zealand 2005 (Revised 2018) (DWSNZ) and the new Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and associated Drinking Water Quality Assurance Rules 2022 (DWQAR).</p> <p>We obtained confirmation directly from the independent assessor regarding their methodology and compliance with the relevant drinking water standards.</p> <p>We found the results reported in the annual report to be accurate and in compliance with the drinking water standards.</p>

Audit risk/issue	Outcome
Capital works programme – Area of focus	
<p>In the previous audit, we considered the progress the District Council is making against the budget for its capital work programme. We identified a number of projects that have been carried forward to future years.</p> <p>There are plans for the District Council to continue with these projects. However, carry forwards are continuing to increase significantly every year.</p> <p>From a project delivery perspective, this poses the risk that District Council will not be ready to accommodate the anticipated high levels of growth in the district.</p> <p>There are also concerns that the desired levels of service for key functions of the District Council, such as roading and water, wastewater, and storm water, will not be able to be delivered to the community.</p>	<p>We considered the progress the District Council is making against the budget for its capital work programme. We identified a number of projects that have been carried forward to future years.</p> <p>There are plans for the District Council to continue with these projects. However, according to discussion with Council staff, we noted that carry forwards are continuing to increase significantly every year. From a project delivery perspective, this poses the risk that District Council will not be ready to accommodate the anticipated levels of growth in the district. There are also concerns that the desired levels of service for key functions of District Council, such as roading and water, wastewater, and storm water, will not be able to be delivered to the community.</p> <p>Our review identified a significant underspend across the CAPEX program, which resulted in more projects being carried forward to future financial years. Additionally, our review included checking the work in progress balance at year-end to ensure those projects reported as work in progress were not yet completed at year-end and we have also completed a review of costs that have been capitalised during the year to ensure they meet the definition of capital expenditure rather than operational costs.</p>

4 Other matters identified during the audit



4.1 Inaccuracies and non-compliance identified in the draft service performance reporting provided for audit

The District Council was required to adopt the new standard PBE FRS 48 *Service Performance Reporting* for the first time in the year under review and we assessed the District Council's compliance with the new standard. The District Council, like many other entities we audit, had its challenges in meeting the requirements of the new standard which were addressed during the audit. We found that the structure and content of the initial draft service performance reporting required improvement, especially on matters relating compliance with the new standard but also inaccuracies in the comparative reporting results. Our review resulted in a number of edits and audit changes in the reported results. It was clear to us that there was insufficient internal quality control and oversight over the reported results. This creates a risk to the quality of the service performance reported in the annual report and potential non-compliance with PBE FRS 48.

Recommendation

We recommend that the District Council implement enhanced quality control and oversight processes before the draft service performance reporting is provided for audit.

Management comment

Accept – new standard, new team. Learnings have been taken and will be applied to ensure a more streamlined process for FY24.

4.2 Completeness and accuracy of vested assets

The audit of vested assets identified completeness and cut-off issues. Some assets were capitalised in the current year, however we noted that these assets should have been capitalised in the prior years or the 2024 financial year.

We assessed the impact on the prior year's financial statements, and we concluded that there was no material impact, however there is the potential for these errors to become material.

Recommendation

We recommend that the District Council implements a robust process to ensure all vested assets are recognised in the correct financial year.

Management comment

Accept – no change in TDC process from previous periods. Heightened sector wide audit focus in FY23 identified technical issue around timing of recognition. These are non-cash transactions and a largely immaterial asset issue which is inconsequential for key users of the financial statements but will rectify going forward.

4.3 Incorrect accounting treatment of non-current assets held for sale

During our current and prior year audits, we noted several movements in and out of various asset classes into, and out of, non-current assets held for sale. We noticed errors with some of these transfers which corrected itself in 2022 and therefore did not result in any restatement of comparative figures. In addition, the current year treatment of the 72 Lake Terrace and 9 Rifle Range Road properties as assets held for sale was incorrect and subsequently re-allocated to property, plant and equipment. This was because the final sale of the asset is expected to be completed in October 2024, which is more than the one-year requirement for it to be classified as held for sale in accordance with PBE IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Recommendation

The District Council should design and implement clear policies and procedures to guide the accounting of assets as held for sale to ensure alignment with the accounting standards to avoid potential errors in the future.

Management comment

Accept – property transactions of this nature are relatively rare at TDC. A formal assessment process will be implemented for all property held within the 'Held for sale' reporting classification and further technical advice will be budgeted going forward.

4.4 Inadequate processes in place for the physical verification of operational property, plant and equipment (PPE)

During our review of the systems and processes for PPE, management confirmed that the District Council currently does not have a formalised process in place for the physical verification of the operational PPE asset classes. This creates an existence risk and also does not provide management with adequate information to assess the condition of assets and their remaining useful lives for depreciation purposes. The total value of operational assets apart from Land and Buildings is \$60 million.

Periodic physical verification of all classes of PPE will help the District Council to promptly identify missing assets and also provide evidence to support the useful lives allocated to all assets.

Recommendation

We recommend that a periodic physical verification exercise be performed for all classes of PPE.

Management comment

Accept – Finance team has had some staffing and capacity issues in the asset space. A redirection of the structure of the asset function within TDC aims to alleviate some of those issues so TDC can once again initiate an existence verification programme.

4.5 Fully written down assets included in the fixed asset register

We performed an analysis of the District Council's asset register and identified that a significant amount of fully depreciated assets is included in District Council's fixed asset register. The total cost of these assets is approximately \$24 million. It is unclear from the review of the asset register what assets are still in use and therefore should have a remaining book value reflecting the economic benefit embedded in these assets.

We seem to be seeing multiple assets with a book value of \$0 across Council's asset registers. This usually suggests that the useful lives of these asset classes may no longer be reflective of the actual useful life of the assets. From our engagements with management, and their own subsequent investigation, they noted the majority of these assets had been written off and that the asset register had not been updated. We have done an analysis to establish any risk of material misstatement as it relates to potential assets still in use and the impact on depreciation. We were comfortable that there were no material issues in this regard.

This however increases the risk that District Council incorrectly reports the value of assets or the depreciation expense if these assets are still in use. This can accumulate over time and become material.

Recommendation

We recommend that the District Council periodically checks that assets with a nil net book value are still held and being used. This information is critical to enable the District Council to adequately comply with paragraph 66 to 75 of PBE IPSAS 17 Property, Plant and Equipment (IPSAS 17) when assessing the useful lives and residual values of their assets.

Further, it is important that there is a formal process, if not started already, to remove assets no longer in use from the fixed asset register. Assets that need to be scrapped or disposed of should be verified and approved prior to initiating the disposal/scrapping in the system and removing it from the fixed assets register, because this poses a fraud risk.

Management comment

Accept – risk mitigated from verification exercise in 4.4.

4.6 Footpath condition rating not carried out on a regular basis

Based on the audit work performed, it was confirmed that the District Council undertake footpath condition ratings every 2-3 years and that it was last undertaken in the 2019/20 financial year.

According to PBE FRS 48:11, except as otherwise required by legislation, an entity shall present service performance information for the same reporting entity and reporting period as the financial statements.

We note the condition rating was not carried out in the current financial year due to the wet summer weather. According to best practice, the maximum period accepted for time lag in data availability is two years and not three years.

We encourage the District Council to be clear on the frequency of this measure in the 2024-2034 CD/LTP to ensure compliance with the PBE FRS 48 standard and best practice.

Recommendation

We recommend the District Council carries out footpath condition ratings regularly to ensure compliance with PBE FRS 48 standard and best practice.

Management comment

Accept – communicated to LTP team.

4.7 Expenditure transactions are not approved timely

When completing our sensitive expenditure testing, we encountered an instance where expenditure was incurred five months prior and was still awaiting approval.

The long lead time between incurring expenditure and approvals for such expenditure increases the risk that inappropriate expenditure will go unaddressed for longer and potentially become more pervasive.

Recommendation

We recommend that all expenditure, including sensitive expenditure, be approved for processing/payment in a timely manner, such as monthly.

Management comment

Accept – Instance related to approval of transaction required by Governance. Process for approval has been improved as some system/process complexities had presented themselves with approval by non-staff who did not have access to the same systems.

4.8 Lack of formal approval documentation for property, plant and equipment (PPE) purchases

As part of our review of PPE purchases, we requested the formal approval documents to confirm that approvals took place in line with the Council approved delegations of authority. Management could not provide the required evidence for some of these PPE purchases. We could therefore not confirm compliance with policies and procedures which are in place to protect Council.

Recommendation

We recommend the District Council retains formal and proper evidenced approval documents for all PPE purchases before the assets are purchased.

Management comment

All expenditure (including capital expenditure) is approved within delegations, but it is hard to show this at the asset level as an asset may be made up of several transactions. Capital expenditure is approved via an annual plan/LTP process in the first instance. Then, depending on the asset, the mechanics of the purchase authority is either via a contract claim (whereby someone with suitable DFA approves a contract in its entirety – usually the CEO), or on a purchase order where the system delegation limits prohibit all approvals except those with DFA.

4.9 Employment agreement letters of key management personnel (KMP) not approved

During our review of the remuneration of the KMP, we noted that the contract letters for two of the executive team members were not signed off by any member of the Council or by anyone from People and Capability on behalf of the Council. We note that this is an exception from the usual practice.

Recommendation

We recommend that the District Council ensures that adequate policies and procedures are in place to sign off contract letters for executives to ensure those appointments are formalised before salary payments take place.

Management comment

Accept – as noted is an exception from usual practice, will ensure this does not happen going forward.

5 Public sector audit



The District Council is accountable to its local community and to the public for its use of public resources. Everyone who pays taxes or rates has a right to know that the money is being spent wisely and in the way the District Council said it would be spent.

As such, public sector audits have a broader scope than private sector audits. As part of our audit, we have considered if the District Council has fairly reflected the results of its activities in its financial statements and non-financial information.

We also consider if there is any indication of issues relevant to the audit with:

- compliance with its statutory obligations that are relevant to the annual report;
- the District Council carrying out its activities effectively and efficiently;
- waste being incurred as a result of any act or failure to act by District Council;
- any sign or appearance of a lack of probity as a result of any act or omission, either by the District Council or by one or more of its members, office holders, or employees; and
- any sign or appearance of a lack of financial prudence as a result of any act or omission by the District Council or by one or more of its members, office holders, or employees.

5.1 Enhancement of the sensitive expenditure policy required to ensure compliance with Office of the Auditor-General best practice guidance

When completing our work over sensitive expenditure we encountered instances where we believe the sensitive expenditure policy needs clarification to ensure there is no unintended breaches of the Council policy and Office of the Auditor-General best practice guidance:

- Dinner hosted for several individuals for the Ironman Partnership: The sensitive expenditure policy specifies under the entertainment and hospitality section that *“Expenditure on liquor will only be approved when consumed along with food and the amount involved is reasonable and moderate”*. We note that there was no pre-approval for the budget and related drinks purchased and there was no motivation when paid to conclude why the amount was considered reasonable and moderate. This makes it difficult to evaluate the evidence to support compliance with the policy.

- A number of flights for staff along with accommodation expenses for one night to attend a mihi whakatau for a previous staff member at their new job. We note that there was no pre-approval for the budget for these expenses and there was no motivation when paid to conclude why the amount was considered reasonable and moderate. This makes it difficult to evaluate the evidence to support compliance with the policy.

Recommendation

We recommend that:

- the meaning of “reasonable and moderate” in relation to alcohol purchases is communicated clearly at all staffs, and that the sensitive expenditure policy is updated to provide guidance in this regard, as well as when specific approval is required for unique events;
- clear guidance and pre-approval processes are included in the policy to govern travelling and other sensitive expenditure for specific unique events like a mihi whakatau.

Management comment

Accept – A new sensitive expenditure policy is in draft and will be effective FY25. The new policy is closely aligned to Office of the Auditor-General best practice guidelines.

5.2 Expenditure items incorrectly coded in the general ledger

We noted an instance where expenditure was mis-coded to accommodation and travel instead of entertainment and hospitality. We identified one instance in the prior year, where a membership expense was miscoded to a revenue account. This issue was verbally discussed with management in the prior year.

The coding of expenditure, especially sensitive expenditure, is important to ensure adequate monitoring to identify non-compliance with the policy and Office of the Auditor-General best practice guide.

Recommendation

We recommend that appropriate review and coding of expenditure take place to ensure the accuracy of the general ledger account used to enable appropriate reporting and monitoring.

Management comment

Accept – Staff member misinterpreted name of GL account (Accommodation and meals). Selection of GL account is judgemental and as such can be prone to error. Finance periodically review GL coding each month for miscodes, but in this instance was not identified (the context of the transaction not assessed, only the form of it). TDC currently process around 35k transactions per month, and while every effort is made to ensure they are coded correctly it is not practical to review every transaction in detail. While ideally there would be no instances of miscoding, there is no evidence to suggest this is a systematic issue.

6 Group audit



The group comprises:

- Taupō District Council (the parent)
- Destination Lake Taupō Trust
- Taupō Airport Authority

We have not identified any of the following during our audit for the year ended 30 June 2023:

- Instances where our review of the work of component auditors gave rise to a concern about the quality of that auditor's work.
- Limitations on the group audit.
- Fraud or suspected fraud involving group management, component management, employees with significant roles in group-wide controls, or others where the fraud resulted in a material misstatement of the group financial statements.

7 Useful publications



Based on our knowledge of the District Council, we have included some publications that the District Council and management may find useful.

Description	Where to find it
Performance reporting	
Public organisations are responsible for reporting their performance to Parliament and the public in a way that meaningfully reflects their organisation's aspirations and achievements. The Auditor-General published a discussion paper that explores five areas for improvement in performance reporting.	On the Office of the Auditor-General's website under publications. Link: The problems, progress, and potential of performance reporting
The Office of the Auditor-General, the Treasury and Audit New Zealand have jointly prepared good practice guidance on reporting about performance. The guidance provides good practice examples from public organisations in central government. Those working in other sectors may also find this useful.	On Audit New Zealand's website under good practice. Link: Good practice in reporting about performance — Office of the Auditor-General New Zealand (oag.parliament.nz)
Local government risk management practices	
The Covid-19 pandemic is a stark reminder for all organisations about the need for appropriate risk management practices. In our audit work, we often see instances where District Councils do not have effective risk management. This report discusses the current state of local government risk management practices and what District Councils should be doing to improve their risk management.	On the Office of the Auditor-General's website under publications. Link: Observations on local government risk management practices
Public accountability	
Public accountability is about public organisations demonstrating to Parliament and the public their competence, reliability, and honesty in their use of public money and other public resources. This discussion paper explores how well New Zealand's public accountability system is working in practice.	On the Office of the Auditor-General's website under publications. Link: Building a stronger public accountability system for New Zealanders

Description	Where to find it
Managing conflicts of interest involving council employees	
This article discusses findings across four councils on how conflicts of interest of council employees, including the chief executive and staff, are managed.	On the Office of the Auditor-General's website under publications. Link: Getting it right: Managing conflicts of interest involving council employees
Sensitive expenditure	
The Auditor-General's good practice guide on sensitive expenditure provides practical guidance on specific types of sensitive expenditure, outlines the principles for making decisions about sensitive expenditure, and emphasises the importance of senior leaders "setting the tone from the top". It also describes how organisations can take a good-practice approach to policies and procedures for managing sensitive expenditure.	On the Office of the Auditor-General's website under good practice. Link: Sensitive expenditure
Conflicts of interest	
<p>The Auditor-General has published guidance on conflicts of interest. A conflict of interest is when your duties or responsibilities to a public organisation could be affected by some other interest or duty that you have.</p> <p>The material includes a printable A3 poster, an animated video on predetermination and bias, gifts and hospitality, and personal dealings with a tenderer. There is also an interactive quiz.</p> <p>These can all be used as training resources for your own employees.</p>	<p>On the Office of the Auditor-General's website under 2019 publications.</p> <p>Link: Conflicts of interest</p>

Description	Where to find it
Good practice	
<p>The Office of the Auditor-General's website contains a range of good practice guidance. This includes resources on:</p> <ul style="list-style-type: none">• audit committees;• conflicts of interest;• discouraging fraud;• good governance;• service performance reporting;• procurement;• sensitive expenditure; and• severance payments.	<p>On the Office of the Auditor-General's website under good practice.</p> <p>Link: Good practice</p>

Appendix 1: Status of previous recommendations

Open recommendations

Recommendation	First raised	Status
Urgent		
Water supply and wastewater median resolution times		
<p>Ensure the processes Downer uses to capture and report the data is complete and accurate as per their contractual responsibilities. The District Council encourages Downer to record a resolution time for all service requests as part of their contractual obligations.</p> <p>Enhance controls and review processes to ensure that attendance and resolution times are recorded accurately in their customer service request system.</p>	2017/18	<p>We followed up on progress made during our 2023 audit, noting that the District Council is still working to resolve this issue.</p> <p>Matter outstanding</p>
Necessary		
Service request/work order system		
The District Council improves its service request system to ensure that data is valid and complete.	2016/17	<p>The various systems used by the District Council do not integrate with each other. We note the District Council has signed an agreement with TechOne and the switch to the TechOne system for performance development was meant to go live during the 20/21 financial year however, due to unforeseen circumstances, TechOne is yet to fully go live.</p> <p>Matter progressing</p>
Develop and test organisational business continuity plan (BCP)		
Develop and test organisational business continuity plans with each of its departments to ensure that services continue to be provided after an event.	2018/19	<p>The District Council expected that business continuity and resilience planning will be advanced in the current financial year; however, we note this has not been the case.</p> <p>Matter progressing</p>

Recommendation	First raised	Status
Valuer recommendations - roading		
<p>Review WSPs' recommendations and consider implementing these improvements to the overall completeness and accuracy of data used for valuations.</p> <ul style="list-style-type: none"> consider running future valuations within the RAMM asset register using the RAMM Valuation Module; where culvert components are partly wooden, identify these components separately from other materials to give more accuracy to culvert remaining lives; 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; 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 continue to update construction costs to provide up to date information for future valuation updates. 	2019/20	<p>We note the valuer has made some similar recommendations in the 30 June 2023 valuation.</p> <p>Matter outstanding</p>
Review of masterfile changes		
Payroll masterfile maintenance reports are independently reviewed by individuals who are unable to make changes in the payroll system.	2019/20	<p>During our 2023 audit, we followed up on the prior year issue regarding payroll Masterfile maintenance reports not being independently reviewed by individuals who are unable to make changes in the payroll system. We identified instances where the payroll Masterfile maintenance reports were reviewed by an individual who can make Masterfile changes. Additionally, there was no evidence of review of the Masterfile maintenance report for one payrun selected for audit.</p>

Recommendation	First raised	Status
		<p>We understand the lack of evidenced review was due to the time taken to establish systems processes upon migrating to the TechOne payroll system.</p> <p>Matter outstanding</p>
Depreciation rates not in line with policy		
<p>We recommend a review is completed to ensure all depreciation rate are in line with District Council's policy, or that the policy is updated.</p>	2020/21	<p>We continue to note that some of the depreciation rates utilized were not in line with District Council's policy.</p> <p>Additionally, during our current year audit we noted there were asset classes that District Council did not provide a fixed asset register breakdown on an asset-by-asset basis for (infrastructure); this is challenging because we were unable to perform a sense check on an asset-by-asset basis and had to perform our substantive audit work through alternative means.</p> <p>We recommend that District Council prepares fixed asset register on an asset-by-asset basis for infrastructure assets.</p> <p>Matter outstanding</p>
Sensitive expenditure policy improvements		
<p>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 updated good practice guidance from the Office of the Auditor-General.</p>	2020/21	<p>From our review of the updated sensitive expenditure policy in 2022 audit, we identified recommendations to further strengthen the Policy and to ensure the policy is in line with good practice. From our review of the sensitive expenditure policy during 2023, we note majority of the matters raised are not yet addressed.</p> <p>Matter outstanding</p>

Recommendation	First raised	Status
Incomplete interest register		
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 District Council does not engage with).	2021/21	During our current year audit, we have noted some instances where interests within our searches were not documented on the interest declarations register by members.. The risks of the District Council not meeting their obligations under the Members Interests Act increase with undisclosed interests. Matter outstanding
Implement a policy regarding capitalisation of internally generated costs		
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.	2020/21	Management planned to implement a management policy in respect of capitalised staff time before the end of the 2022/23 financial year, however, during our annual audit, and based on our discussions with management, we note the policy was not developed and implemented. Matter outstanding
Asset capitalisation process		
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.	2020/21	We continue to note that District Council has not implemented a formalised process around asset capitalisations. For the 2022/23 financial year, we also noted that assets work in progress invoices were not recorded in the correct period. We recommend the District Council review its cut-off procedures in terms of financial year-end, to ensure that all transactions and capitalisations are captured in the correct financial year. Matter outstanding

Recommendation	First raised	Status
Sensitive expenditure: independence of approver		
<p>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.</p> <p>This is also in keeping with Taupō District Council's Sensitive Expenditure Policy.</p>	2020/21	<p>We continue to note instances where one-up approvals were not always used. During our current year audit, we encountered three items of expenditure that were not approved on a one-up basis.</p> <p>Matter outstanding</p>
High annual leave balances		
<p>We recommend the District Council to encourage employees to use their annual leave and maintain individual leave balances of less than six weeks.</p>	2020/21	<p>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.</p> <p>Matter outstanding</p>
Use of generic accounts		
<p>We recommend the District Council should 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.</p>	2021/22	<p>The District Council has a Privileged Account Access Policy and implemented Securden software to manage privileged accounts and the risk associated with those accounts. The District Council is yet to amend the policy to include the use of generic accounts. The implementation of TechOne will enable the District Council to review and reduce the generic accounts.</p> <p>Matter progressing</p>
Capitalisation of vested assets		
<p>We recommend that the District Council aligns their capitalisation dates for vested assets to the date the relevant 224c Certificates are signed.</p>	2021/22	<p>While performing our audit procedures during our 2023 audit we noted, for transport assets, that ASBUILTS are submitted in bulk and sometimes long after they have been dated.</p>

Recommendation	First raised	Status
		<p>There was also a time when the District Council had not filled the Asset Data Specialist - Transport role which created backlogs.</p> <p>These both resulted in multiple cut-off issues being found in addition to the issues with the ASBUILT dates being used.</p> <p>Matter progressing</p>
Lack of formal approval for all salary increases		
We recommend the District Council adopt a formal and proper evidence approval process for salary increases.	2021/22	<p>We have performed work over salary and wage increases during the 2023 audit. As part of our audit procedures, we requested for approvals of increases from ELT/those charged with governance. Based on our discussion with management, we identified that there is no formal approval evidence for salary increases given during the year.</p> <p>Matter outstanding</p>
Journal segregation of duties		
We recommend the District Council implement a one-up approval process for journals posted and proper approvals are given to all journals.	2021/22	<p>As part of our work over the risk of management override of controls during the current audit we performed journal testing. We identified instances where journals were not approved on a one-up basis, but rather on a peer review basis.</p> <p>Matter outstanding</p>
Assessment of recoverability of general debtors		
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.	2021/22	<p>During our current year audit, we noted the District Council is addressing outstanding receivables that have accumulated since the onset of Covid-19. Due to the implementation of a new system and staffing shortages, the process is anticipated to take some time.</p> <p>Matter progressing</p>

Recommendation	First raised	Status
Beneficial		
Long service leave calculation		
Implement a reporting function within the payroll system to generate data to be able to confirm the long service leave calculation.	2019/20	The calculation is run outside payroll by a predefined system calculation process. The District Council will investigate if there is a system logfile it can access which shows the calculation. Matter progressing

Implemented or closed recommendations

Recommendation	First raised	Status
Necessary		
Supporting creditor Masterfile changes		
We recommend that the District Council ensures any creditor bank account change is supported with appropriate evidence such as bank statement or letter from the bank confirming the creditors account number.	2021/22	During our current year audit, we selected a sample of Masterfile changes and verified the changes against valid supporting documentation. We confirmed changes in Masterfile report have appropriate support. Matter closed
Centralised contracts register		
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.	2016/17	During our current year audit, we obtained a copy of the Centralised contracts register including items highlighted in our recommendations, confirming it was implemented. We note District Council continues to develop its usage and ensure consistency across all contracts in the register. Matter closed

Recommendation	First raised	Status
Project management		
<p>We recommend improvements are made with regards to:</p> <ul style="list-style-type: none"> • Further refinement to the Strategic Plan. • Refinement of strategic mapping matching projects to benefits, outcome, and strategy. <p>The use of business cases is currently a work in progress. Currently, business cases are typically only used for large projects, however the expectation would be that there are business cases for all projects.</p>	2014/15	<p>We note a Senior Business Analyst has been appointed to support the development of more detailed business cases for strategic projects.</p> <p>As the District Council is currently completing Asset Management Plans for the business, business cases are being prepared to support the next LTP (2024-2034).</p> <p>Matter closed</p>
Beneficial		
Procurement and contract management		
<p>The procurement guidelines and practices are updated to include the following points:</p> <ul style="list-style-type: none"> • include guidance on the use of Contract Management Plans, what to do when contract performance obligations and expectations are not being met; and <p>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.</p>	2015/16	<p>The programme of review of current contracts is done through the Contract Management module within CiAnywhere.</p> <p>Matter closed</p>

Appendix 2: Disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.</p> <p>The audit of the financial statements does not relieve management or the District Council of their responsibilities.</p> <p>Our audit engagement letter contains a detailed explanation of the respective responsibilities of the auditor and the District Council.</p>
Auditing standards	<p>We carried out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect all instances of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The District Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: <i>International Code of Ethics for Assurance Practitioners</i>, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>In addition to the audit, we have carried out engagements in the areas of limited assurance engagement related to the District Council's debenture trust deed and the project Quantum programme to implement the Technology One Financial, Payroll, Rating and Regulatory Information Systems in the District Council's FMIS system, which are compatible with those independence requirements.</p> <p>Other than the audit and these engagements, we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.</p>
Fees	<p>The audit fee for the year is \$229,191, as detailed in our audit proposal letter. This excludes a \$50,000 additional audit fee agreed for additional work completed during the audit.</p> <p>Other fees charged in the period are \$9,720, for the debenture trust deed engagement.</p>

Area	Key messages
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the District Council or its subsidiaries and controlled entities that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the District Council or its subsidiaries and controlled entities during or since the end of the financial year.</p>



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Audit plan

Taupō District Council

For the year ending 30 June 2024

Audit plan

I am pleased to present our audit plan for the audit of Taupō District Council (the District Council) and its subsidiaries and controlled entities (the Group) for the year ending 30 June 2024. The purpose of this audit plan is to discuss:

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The contents of this plan should provide a good basis for discussion when we meet with you.

We will be happy to elaborate further on the matters raised in this plan.

Our work improves the performance of, and the public’s trust in, the public sector. Our role as your auditor is to give an independent opinion on the financial statements and performance information. We also recommend improvements to the internal controls relevant to the audit.

If there are additional matters that you think we should include, or any matters requiring clarification, please discuss these with me.

Nāku noa, nā

Athol Graham
Appointed Auditor
18 June 2024 - Draft

Audit risks and issues

Focus areas - significant audit risks



Based on the planning work and discussions that we have completed to date, we set out in the table below the main audit risks and issues. These will be the main focus areas during the audit.

Audit risk/issue	Our audit response
Valuation and fair value assessment of property, plant and equipment (non-revaluation year)	
<p>The District Council revalues its operational and infrastructure assets held at fair value whenever there is expected to be a material movement in the fair value of these assets as required by PBE IPSAS 17: <i>Property, plant, and equipment</i>. The latest revaluations performed are stated in the table below.</p> <p>For those assets that the District Council is not planning to revalue, the District Council should perform a fair value movement assessment (assessment) to determine whether there is a significant difference between the fair value and the carrying value in compliance with PBE IPSAS 17: <i>Property, plant, and equipment</i>. Where the estimated difference is significant a revaluation may be necessary.</p> <p>An assessment should:</p> <ul style="list-style-type: none"> factor in local cost information; utilise relevant and reliable price movement indicators; and involve consulting with valuers, if necessary. <p>Alternatively, the District Council could engage valuers to assist in preparing a fair value assessment.</p>	<p>Our audit response to this risk includes:</p> <p>Where assets have undergone revaluation:</p> <ul style="list-style-type: none"> reviewing the valuation report to assess the competence and experience of the person completing the valuation and whether the requirements of PBE IPSAS 17 <i>Property, Plant and Equipment</i> (including the appropriateness of the valuation basis) have been met; auditing the method of valuing the assets and assess if the valuation method used is in line with the financial reporting framework; reviewing the reasonableness of the data and key assumptions used; and assessing the presentation and disclosure of information related to the valuation in the financial statements. <p>Where assets have not undergone revaluation:</p> <ul style="list-style-type: none"> reviewing the District Council's assessment of fair value against carrying value for each asset class not scheduled to be revalued this year including the appropriateness of the assumptions used in the assessment. <p>If the movement of the assets individually or in combination with other asset classes is significant the District Council may need to complete a revaluation.</p>
Asset Class	Last valuation
Operational land and buildings	June 2022
Three waters assets (wastewater, water supply and stormwater)	June 2023
Roading infrastructural assets	June 2023

Audit risk/issue	Our audit response
The risk of management override of internal controls	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls.</p> <p>Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • testing the appropriateness of selected journal entries; • reviewing accounting estimates for indications of bias; and • evaluating any unusual or one-off transactions, including those with related parties.
Performance reporting - response time measures	
<p>The District Council reports performance against response times to call-outs for faults or unplanned interruptions to its water supply and wastewater systems. Issues with the completeness and accuracy of the District Council's recorded performance against these measures were identified last year resulting in a qualification in our audit opinion.</p> <p>Unless the issues are resolved it is likely that reported performance may be qualified again.</p>	<p>We will discuss with the District Council whether the issues that were present last year have been resolved. If they have, we will complete work necessary to determine whether we are able to issue an unqualified opinion in relation to this performance information.</p>

Focus areas - areas of audit focus

Based on the planning work and discussions that we have completed to date, we set out in the table below the main audit risks and issues. These will be the main focus areas during the audit.

Audit risk/issue	Our audit response
Capital works programme and impairment considerations	
<p>In the previous audit, we considered the progress the District Council is making against the budget for its capital work programme. We identified a number of projects that have been carried forward to future years and have been included in Work-in-progress (WIP) for a number of years.</p> <p>WIP values should be assessed regularly for impairment and as phases of a project are completed, the WIP balance should be capitalised and depreciated in a timely manner. Where a project is unlikely to progress or the asset is impaired it should be expensed. The District Council's impairment and capitalisation should include:</p> <ul style="list-style-type: none"> • reviewing the overall control environment in place in relation to procurement, contract management, project management and asset management; • considering the progress against budget for the capital works programme, in terms of both the number of projects completed as well as the proportion of actual spend to budget; • reviewing the projects included in WIP to ensure complete projects are properly capitalised if they are completed; and • review the WIP values and determine whether any indicators of impairment. 	<p>We will review the District Council's assessment of the WIP balance including the impairment assessment.</p>

Audit risk/issue	Our audit response
“Local Water Done Well” programme	
<p>In February 2024, the Government passed legislation that repealed the affordable waters reform legislation passed into law by the previous Government.</p> <p>The Government intends implementing its Local Water Done Well” through the passing of two further bills through Parliament.</p> <p>The first bills is expected to set out provisions relating to the District Council’s service delivery plans, and provide for streamlining the establishment of CCOs to deliver water should councils desire to do so.</p> <p>A second bill is expected set out provisions relating to long-term requirements for financial sustainability, provide for an economic regulation regime, and a new range of structural and financing tools, including a new type of financially independent council-controlled organisation.</p> <p>The first and second bills are expected to be passed in the middle of 2024 and the middle of 2025 respectively.</p> <p>The timing of legislation through Parliament may result in some impact on the 30 June 2024 annual report. Until the content of the bills is known the impact is unclear.</p> <p>The District Council should ensure that sufficient disclosure about impact of the programme (to the extent that the impact is known) is included in the annual report.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • reviewing the District Council’s assessment of the impact of the legislative change on the annual report to ensure any accounting or disclosure implications are considered; and • considering whether, we may include information in our audit report to draw a reader’s attention to the District Council’s disclosure about the programme.

Audit risk/issue	Our audit response
Drinking water quality performance measure	
<p>The Non-Financial Performance Measures Rules 2013 required local authorities to report their compliance with the bacterial and protozoal contamination criteria of the New Zealand Drinking Water Standards 2005 (Revised 2008)*. However, these standards have been superseded. Reporting against the bacterial and protozoal requirements of the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and of the Drinking Water Quality Assurance Rules 2022 would allow the District Council to report appropriately against these measures. Local authorities should explain in the annual report the information provided and why it has chosen to provide it. A short disclosure along the following lines is recommended.</p> <p><i>“The Non-Financial Performance Measures Rules 2013 required local authorities to report their compliance with the bacterial and protozoal contamination criteria of the New Zealand Drinking Water Standards 2005 (Revised 2008).</i></p> <p><i>These standards have been superseded and the District Council is therefore reporting against the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 (the regulations) and the Drinking Water Quality Assurance Rules 2022, as they relate to bacteria and protozoa.”</i></p> <p>The District Council intends to engage an independent external expert to assess its compliance with water standards. The scope of the independent expert’s work needs to be appropriate for the purpose of reporting against the new Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and the Drinking Water Quality Assurance Rules 2022, as they relate to bacteria and protozoa. The District Council will report its compliance against these measures in the annual report.</p>	<p>We understand that the District Council plans to engage an independent drinking quality water expert to provide assurance over its compliance with these Standards and Rules related to bacteria and protozoa. If the scope of the expert’s work is appropriate, we are likely to use the work of the expert as part of our audit assurance.</p>

Audit risk/issue	Our audit response
Classification and valuation of investment property	
<p>Taupo DC is required to annually revalue its investment properties at fair value in accordance with IPSAS 16 <i>Investment property</i>.</p> <p>The valuation of the Investment Properties is performed by independent valuers with a value of \$32.25 million determined as at 30 June 2023.</p> <p>The size of the portfolio continues to grow as available land is developed for further investment properties. Changes in use, as a result of development or changes in the business, can result in transfers of properties between investment property, property, plant and equipment and non-current assets held for sale.</p> <p>Estimation of the fair value requires significant judgement to be made by both management and the experts engaged by management including the highest and best use of the properties.</p> <p>Council also needs to assess the disclosure requirements, especially where there are movements out of the assets held for sale class.</p>	<p>We will review of the valuation report, and assessment of the valuation methodology, source information, and key assumptions applied.</p> <p>We will confirm the valuation complies with the requirements of applicable accounting standards, and valuation changes have been accounted for appropriately.</p> <p>We will also confirm properties that are under construction, or have had a change in use, are appropriately classified, valued and accounted for.</p> <p>To enable us to complete a quality and timely audit of the valuations we are considering engaging an expert to assist with our review of investment properties.</p>
Accounting treatment of Civic Centre Sale and Leaseback arrangement	
<p>The District Council entered a sale and leaseback arrangement for its property on 67 Horomatangi Street with Te Whare Hono ō Tūwharetoa Limited Partnership (the Developer). The developer will construct a corporate office (the Civic Centre), which the District Council will lease.</p> <p>The sale of the Land is conditional on construction of the Civic centre and settlement occurs when the District Council lease begins.</p> <p>The District Council has provided the Developer early access to the land to construct the Civic Centre and the land remains with the District Council while the property is being developed.</p> <p>The District Council should obtain accounting advice on the sale and future lease agreement when preparing the 30 June 2024 financial statements.</p>	<p>We will review the agreements in conjunction with the financial statements and any external accounting advice the District Council obtains.</p> <p>We will ensure the accounting treatment and disclosures are in line with the agreements and the accounting standards.</p>

Please tell us about any additional matters we should consider, or any specific risks that we have not covered. Additional risks may also emerge during the audit. These risks will be factored into our audit response and our reporting to you.

Fraud risk

Misstatements in the financial statements and performance information can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional. In considering fraud risk, two types of intentional misstatements are relevant - misstatements resulting from fraudulent reporting, and misstatements resulting from misappropriation of assets.

The primary responsibility for the prevention and detection of fraud and error rests with the District Council (as the governing body), with assistance from management. In this regard, we will discuss the following questions with you:

- What role does play in relation to fraud? How do you monitor management's exercise of its responsibilities?
- Has a robust fraud risk assessment been completed? If so, is the satisfied that it had appropriate input into this process?
- How does management provide assurance that appropriate internal controls to address fraud risks are in place and operating?
- What protocols/procedures have been established between the and management to keep you informed of instances of fraud, either actual, suspected, or alleged?
- Are you aware of any actual, suspected, or alleged fraud? If so, have the results of management's investigation been reported to the District Council? Has appropriate action been taken on any lessons learned?

Our responsibility

Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and performance information are free from material misstatement resulting from fraud. Our approach to obtaining this assurance is to:

- identify fraud risk factors and evaluate areas of potential risk of material misstatement;
- evaluate the effectiveness of internal controls in mitigating the risks;
- perform substantive audit procedures; and
- remain alert for indications of potential fraud in evaluating audit evidence.

The Auditor-General has published useful information on fraud that can be found at oag.parliament.nz/reports/fraud-reports.

Group audit



The group comprises the following active subsidiaries and controlled entities:

- Taupō District Council;
- Taupō Airport Authority;
- Lake Taupō Protection Trust; and
- Destination Lake Taupō Trust

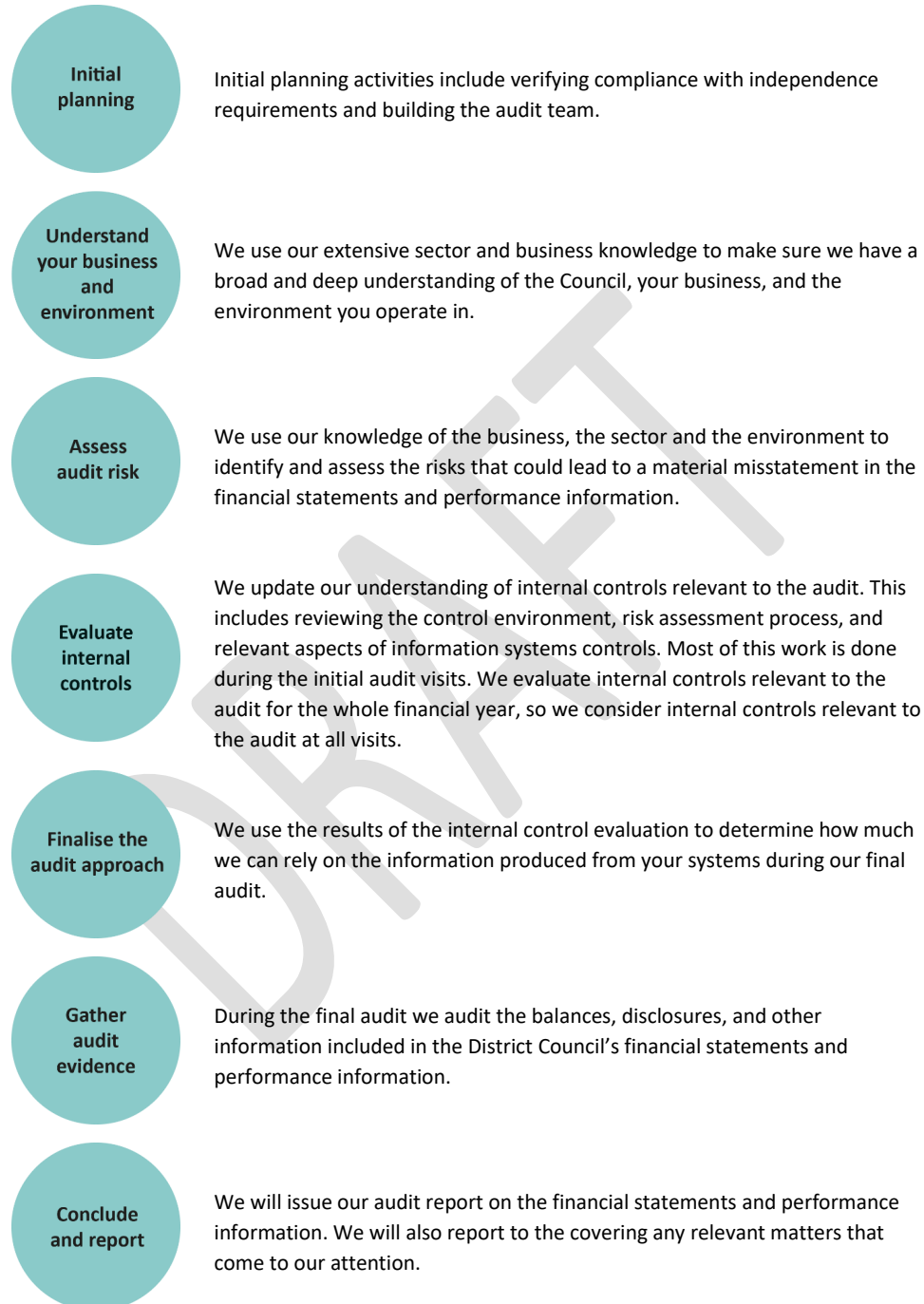
Additionally, the group comprises the following dormant subsidiaries and controlled entities:

- Data Capture Systems Limited; and
- Destination Lake Taupō Limited.

Our audit report covers the group as a whole. Our audit approach is developed to ensure we have sufficient information to give an opinion on the group. In designing our group audit approach, we considered the structure of the group and identified the entities which are included in the group financial statements. Each entity is referred to as a component. We have assessed the risks of material misstatement and have identified our approach for each component.

For each component, we will perform analytical procedures at the group level to identify unexpected movements, noting that other than the parent entity none of the other components are financially significant to the group.

Our audit process



Bringing forward audit procedures

Substantive audit procedures are traditionally performed after the year-end. Where possible, we will aim to bring audit procedures earlier in the year. This will be focused on year-to-date transactions for revenue, expenditure, property, plant and equipment additions etc. Completion of these tests earlier in the year should allow for more timely identification and resolution of errors.

This testing will be completed during the interim audit. If we can complete this work earlier in the year, we expect this to reduce the final audit onsite work hours, as these hours will have been performed earlier in the year. This requires us to have the right information available during this visit to enable us to complete this work.

To ensure the year-end annual report and audit thereof are efficient, the District Council should prioritise their work to ensure higher risk areas and those that involve significant management judgment are planned to be ready for auditing as soon as possible. Timelines for this information should be agreed with us early. Delays in providing this information to us could impact our ability to resolve technical issues late in the audit process.

Examples of areas that typically involve management and auditor judgment include, and should be resolved early include:

- valuation of assets held for sale and investment properties;
- fair value assessments and revaluations of property, plant and equipment held at fair value;
- impairment assessments for property, plant and equipment;
- Provision estimates; and
- Financial assets or liabilities held at fair value.

Materiality

In performing our audit, we apply materiality. In the public sector, materiality refers to information that if omitted, misstated, or obscured could reasonably be expected to:

- influence readers' overall understanding of the financial statements and service performance information; and
- influence readers in making decisions about the stewardship and allocation of resources or assessing your performance.

This definition of materiality is broader than the one used in the private sector.

It is a matter of judgement whether information is material. We consider the nature (qualitative) and amount (quantitative) of each item judged in the surrounding circumstances and its impact. In the public sector qualitative considerations are of equal significance as quantitative considerations. Qualitative considerations are of primary importance in our assessment of materiality in the context of disclosures for transparency and accountability reasons, and in evaluating any non-compliance with laws and regulations.

The District Council and management need to consider materiality in preparing the financial statements and service performance information and make their own assessment of materiality from a preparer's perspective. IFRS Practice Statement 2, *Making Materiality Judgements*, provides guidance on how to make materiality judgements from a financial statements preparer's perspective. Although this guidance is primarily aimed at for-profit entities, the same principles can be applied by public benefit entities. Management and the District Council should not rely on our materiality assessment as a basis for owning and making judgements about the integrity of the financial statements and service performance information.

Financial statements materiality

For planning purposes we have set **overall group materiality** for the financial statements at \$183,410,000 based on prior year's total property, plant, and equipment. This is subject to change once the actual results for the current year are available. For this audit, we are only applying this overall group materiality to the fair value of property, plant and equipment.

Overall group materiality	\$183,410,000
Specific group materiality	\$3,100,000
Group clearly trivial threshold	\$155,000
Overall parent materiality	\$181,200,000
Specific parent materiality	\$2,790,000
Parent clearly trivial threshold	\$139,500

For this audit we have set a lower, **specific group materiality** of \$3,100,000 for all items not related to the fair value of property, plant and equipment based on prior year's total expenditure.

We have set **overall parent materiality** for the financial statements at \$181,200,000 based on prior year total property, plant and equipment. This is subject to change once the actual results for the current year are available. For this audit we are only applying this overall parent materiality to the fair value of property, plant and equipment. We have set a lower, **specific materiality** of \$2,790,000 for all items not related to the fair value of property, plant and equipment, based on prior year total expenditure.

We also set a lower, **specific materiality** for some items due to their sensitivity. For example, we apply a lower specific materiality to related party and key management personnel disclosures.

We design our audit procedures to detect misstatements at a lower level than overall materiality. This takes account of the risk of cumulative misstatements and provides a safety net against the risk of undetected misstatements.

We will report all uncorrected misstatements to the other than those that are **clearly trivial**. We consider misstatements of less than \$155,000 to be clearly trivial for the **group** financial statements and misstatements less than \$139,500 to be clearly trivial for the **parent** financial statements unless there are qualitative considerations that heighten its significance. We will ask for each misstatement to be corrected, other than those that are clearly trivial. Where management does not wish to correct a misstatement, we will seek written representations from management and the District Council on the reasons why the corrections will not be made.

Misstatements

Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader's overall understanding of your financial statements and service performance information. The effects of any detected and uncorrected misstatements, individually and in aggregate, are assessed against overall materiality and qualitative considerations.

Overall financial statement materiality does not apply to any matters of effectiveness and efficiency, waste, or a lack of probity or financial prudence.

Materiality for service performance information

At an overall level, we assess whether the service performance information is suitable, given your purpose and the nature of your activities, and whether the reporting allows for an informed assessment of the District Council's performance. In doing this we consider whether the information is relevant, complete, reliable, neutral, and understandable.

We set materiality for service performance information at an individual measure level based on what we expect would influence readers' overall understanding, decision making, or assessment of the District Council's performance. We consider a variety of factors including the level of public interest and potential public risk. Because of the variety of measurement bases applied, we normally express this materiality as a percentage of the reported result.

The measures selected, are laid out under each group of activities as listed in the District Council's long-term plan 2021-2031. We have identified the following measures as material and assessed materiality for planning purposes. We will reassess the below material measures during the audit.

Material measure	Materiality
Water	
<p>The extent to which the local authority's drinking water supply complies with:</p> <p>(a) part 4 of the drinking-water standards for New Zealand (bacteria compliance criteria); and</p> <p>(b) part 5 of the drinking-water standards for New Zealand (protozoal compliance criteria).</p>	<p>The District Council needs to report the actual result.</p> <p>The result reported is either right or wrong. It is not appropriate to set a materiality level.</p>
<p>Drinking Water Median time for resolution of urgent callouts: from the time that the local authority receives:</p> <ul style="list-style-type: none"> notification to the time that the service personnel confirms; and resolution of the fault or interruption. <p><i>Note this measure was previously qualified in the prior year.</i></p>	<p>5% of the reported result.</p>
Transport	
<p>The percentage of the sealed local road network that is resurfaced.</p>	<p>8% of the reported result.</p>
<p>Percentage of customer service requests relating to roads and footpaths to which the territorial authority that are responded to within five working days.</p>	<p>5% of the reported result.</p>
Wastewater	
<p>Compliance with the territorial authority's resource consents for discharge from its sewerage system in relation to sewerage system resource consents, measured by the number of:</p> <p>(a) abatement notices;</p> <p>(b) infringement notices;</p> <p>(c) enforcement orders; and</p> <p>(d) convictions.</p>	<p>5% of the reported result.</p>
<p>From the time that District Council receives notification of a sewerage overflow resulting from a blockage or other fault in the District Council's sewerage system, to the time that service personnel confirm resolution of the fault or blockage.</p> <p><i>Note this measure was previously qualified in the prior year.</i></p>	<p>5% of the reported result.</p>

Material measure	Materiality
Stormwater	
Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: (a) abatement notices; (b) infringement notices; (c) enforcement orders; and (d) convictions.	8% of the reported result.
Investments	
The value of the TEL Fund is maintained relative to inflation.	8% of the reported result.

Professional judgement and professional scepticism

Many of the issues that arise in an audit, particularly those involving valuations or assumptions about the future, involve estimates. Estimates are inevitably based on imperfect knowledge or dependent on future events. Many financial statement items involve subjective decisions or a degree of uncertainty. There is an inherent level of uncertainty which cannot be eliminated. These are areas where we must use our experience and skill to reach an opinion on the financial statements and performance information.

The term "opinion" reflects the fact that professional judgement is involved. Our audit report is not a guarantee but rather reflects our professional judgement based on work performed in accordance with established standards.

Auditing standards require us to maintain professional scepticism throughout the audit. Professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. Professional scepticism is fundamentally a mind-set. A sceptical mind-set drives us to adopt a questioning approach when considering information and in forming conclusions.

Exercising professional scepticism means that we will not accept everything we are told at face value. We will ask you and management to provide evidence to support what you tell us. We will also challenge your judgements and assumptions and weigh them against alternative possibilities.

How we consider compliance with laws and regulations

As part of the Auditor-General's mandate, we consider compliance with laws and regulations that directly affect your financial statements or general accountability. Our audit does not cover all of your requirements to comply with laws and regulations.

Our approach involves first assessing the systems and procedures that you have in place to monitor and manage compliance with laws and regulations relevant to the audit. We may also complete our own checklists. In addition, we will ask you about any non-compliance with laws and regulations that you are aware of. We will evaluate the effect of any such non-compliance on our audit.

Wider public sector considerations

A public sector audit also examines whether:

- the District Council carries out its activities effectively and efficiently;
- waste is occurring or likely to occur as a result of any act or failure to act by the Council;
- there is any sign or appearance of a lack of probity as a result of any act or omission by the District Council or by one or more of its members, office holders, or employees; and
- there is any sign or appearance of a lack of financial prudence as a result of any act or omission by the District Council or by one or more of its members, office holders, or employees.

Reporting protocols

Communication with management and the Council



We will meet with management and the District Council's audit committee throughout the audit. We will maintain ongoing, proactive discussion of issues as and when they arise to ensure there are "no surprises".

Reports to the Council



We will provide a draft of all reports to management for discussion/clearance purposes. Once management comments are received the report will be finalised and provided to the Council.

We will also follow up on your progress in responding to our previous recommendations.

Audit logistics

Our team



Our engagement team is selected to ensure that we have the right subject matter expertise and sector knowledge. Each member of the audit team has received tailored training to develop their expertise.

Our senior audit team members are:

Athol Graham	Appointed Auditor
Kay Oloro	Audit Manager
Carter Horsup	Audit Supervisor - Final audit
Opeyemi Akinkugbe	Audit Supervisor - Interim audit
Ferdinand Dasigao	Information Systems Audit and Assurance Manager

Timetable



Our proposed timetable is:

Interim audit begins	Completed
Draft financial statements available for audit (including notes to the financial statements) with actual year-end figures	30 September 2024
Final audit begins	7 October 2024
Final annual report available, incorporating all the amendments agreed to between us	1 November 2024
Annual report available, including any Chair and Chief Executive's overview or reports	1 November 2024
Verbal audit clearance given	5 December 2024
Audit opinion issued	10 December 2024
Draft report to the District Council issued	10 December 2024

AuditDashboard

In 2021, 2022 and 2023, we used AuditDashboard, our online portal, to transfer files between your employees and Audit New Zealand. Overall, the use of AuditDashboard made it easy to fulfill requests. Real-time status updates provided greater visibility to everyone and helped to keep everyone organised and on the same page.

We will again use AuditDashboard for transferring audits as part of the audit.

Expectations



For the audit process to go smoothly for both you and us, there are expectations that each of us need to meet.

Our respective responsibilities are set out in our audit engagement letter.

We expect that:

- you will provide us with access to all relevant records and provide information in a timely manner;
- staff will provide an appropriate level of assistance;
- the draft financial statements, including all relevant disclosures, will be available in accordance with the agreed timetable;
- management will make available a detailed workpaper file supporting the information in the financial statements; and
- the annual report, financial statements and performance information will be subjected to appropriate levels of quality review before being provided to us.

To help you prepare for the audit, we will liaise with management and provide them with a detailed list of the information we will need for the audit.

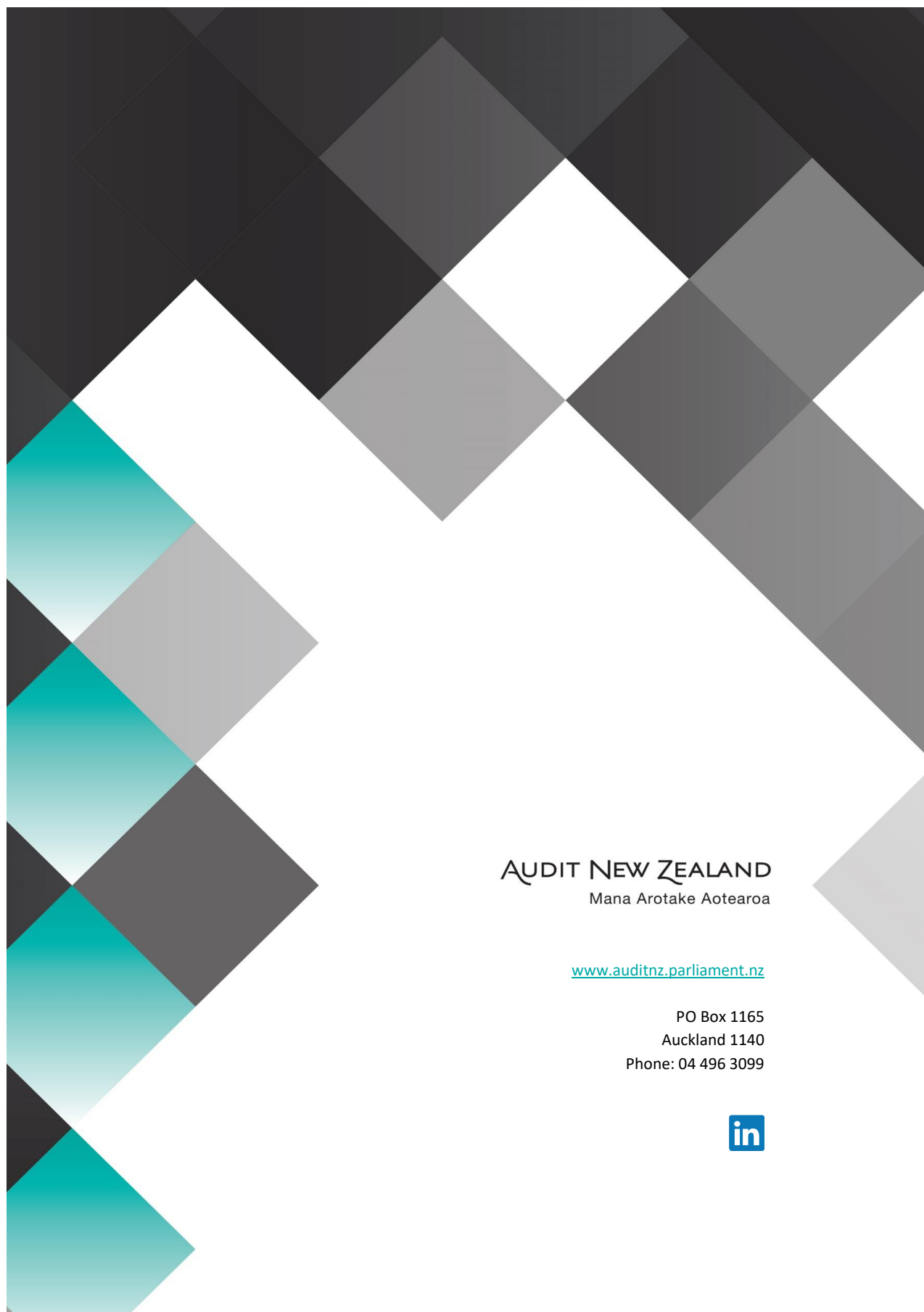
Health and safety



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 management to keep our audit staff safe while they are working at your premises.

We expect you to provide a work environment for our audit staff that minimises or, where possible, eliminates 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 management 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.





Recognised Agency Surveillance Assessment Report

Taupo District Council
Assessment No: TS2-23
Dated: 20/02/24



COMMERCIAL IN CONFIDENCE



Assessment No: TS2-23

Council name	Taupo District Council		
Assessment location (address)	111 Heuheu Street Taupo		
Assessment number	TS2-23		
Assessment date/s	20/02/24		
Assessment type	Surveillance		
Assessment purpose	Surveillance assessment of the implementation of the Agency’s Quality Management System (QMS), onsite to verify compliance with the requirements to be a Recognised Agency to conduct verification services under the <i>Food Act 2014</i> .		
Assessment objective	<div>1. To assess the Agency’s implementation of the Quality Management System (QMS) against the assessment criteria and reviewing<ul style="list-style-type: none">- Changes to the system, documentation, and key personnel- Random selection of files- Follow-up on findings from the previous assessment.</div> <div>2. To form a view whether the Agency does/does not continue to meet the requirements to be a Recognised Agency to conduct verification services under the Food Act 2014.</div>		
Assessment scope	<div><ul style="list-style-type: none">• Verification of template Food Control Plans registered by MPI, sections 39 & 40.• Verification of national programme businesses in:<ul style="list-style-type: none">○ General – all national programme businesses</div>		
Assessment criteria	<div><ul style="list-style-type: none">• Food Regulations 2015 – Regulation 110 (that is, the requirements of a QMS – refer to Appendix A).• Food Act 2014 – section 155 and 156 (that is, performance of specified functions and activities of Recognised Agencies and Recognised Persons)</div>		
Assessment team:			
Assessor	Sue Williams		
Assessment report:			
Drafted by	Sue Williams	Date	22/02/24
Final by		Date	

COMMERCIAL IN CONFIDENCE

Assessment Report: TS2-23



ASSESSMENT COVERAGE

1. Overview of the Council and its QMS

This report relates to the surveillance assessment of Taupo District Council (TDC) as a Recognised Agency under the Food Act 2014 and Food Regulations 2015 for Template Food Control Plans (TFCP) and National Programmes (NP).

There are 339 registered businesses, 262 TFCP, 77 NPs only 4 businesses with TPAs. The main areas of verification are cafes, restaurants, and dairies, petrol stations, ECE, honey, small manufacturing/processors i.e. Volcanic Chocolate and transporters. The number of registered businesses is gradually growing. There were a significant number of new applications in January.

The JASANZ Assessor would like to thank Bryan and Shane for their cooperation during this assessment.

2. Changes to the QMS

The QMS has been reviewed and minor changes have been made i.e. directed verification, CPD, complaints, etc with a link from the document control page to the section that has been changed i.e. calibration.

The Directed Verification agreement covers Importer responsibilities, TDC responsibilities, fees, conflicts of interest, confidentiality, refusals of service, process, etc. Directed Verification Verifier Guidance references legislation, application process, duties of importers, assessment, transport and storage requirements, other obligations for importers, directed verification process inc. mandatory topics, verification outcomes, frequency, close out of CARs. The Appendices clearly document the areas to be covered under Top Five and Mandatory topics. A mock verification has not been undertaken yet and the team are encouraged to complete one as soon as possible.

Observation

2.3 Staffing

The training summary document used to record what training and qualifications verifiers held is no longer used. All training is now recorded in Tiritiri under CPD.

The Competency Summary for Verifiers lists the competencies by sector. The individual Food Sector document could do with a review as there seems to be similar legislations for each area.

Observation

There is a comprehensive library of documents on a variety of topics i.e. Irradiation, packaging, recalls, listeria, etc. This information is readily available to all staff and new information is added as required.

Monthly QMS meetings are held, minutes for June and November 2023, and January 2024 were reviewed. These included summary section of the previous month's activities, workload, continual improvement, internal and external audit findings, conflicts of interest, confidentiality, training and CPD update. The minutes template was amended in February, and these included a discussion on PEAL. Training opportunities are also discussed at team meetings.

The team attended the Bay of Plenty Cluster Group meeting 23/11/23, this included a range of presentations given by MPI i.e. recall on Hummus. The team are also going to attend the NZEIH conference. The team also undertake field trips and last year they visited a worm farm and saw how the scraps from restaurants are used.

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**2.4 Resources**

There have been no changes to staff since the last assessment. There are three verifiers, Bryan Brett, Shane Hancock and Tamzen Winders.

There are three thermometers and one back up as well as a pH meter. An ETI Reference thermometer is also included on the register and is primarily used for enforcement. All calibrations are up to date.

2.5 Reporting requirements

Tamzen does most of the scheduling with details entered into the Environmental Health calendar and then into the individual verifiers calendars.

There are no expired registrations. The team monitor social media and have discovered a number of unregistered businesses. These are contacted regarding registration requirements. One business, identified through social media, completed the registration application. However the team have been unable to contact the business to arrange the verification. They will be given another 6 weeks then their registration will be cancelled.

There are no overdue verifications, however there are 7 verifications that should have been completed in January and were moved to February at the business's request. There are 15 verifications for February that have been booked but not yet completed and 5 yet to be booked.

2.6 Records

The reports reviewed are noted on pages 6-7 of this report. The reports were clear and concise, and the overview summary was comprehensive and gave good details as to the business's operations and the results of the verification. In the second part of the report the verifiers record details against the Mandatory, Top 5, and other applicable topics. Photos are also included.

The findings raised were appropriately graded. However, it would be beneficial to clearly detail in the CAR Summary what is a Non-compliance and what is a Non-conformance.

Observation

Evidence was available to demonstrate that reports are being completed and uploaded within the required timeframe.

2.7 Non-Compliance and Corrective Actions

There are 9 open verifications where CARs were due for closure in January and early February. The team proactively work with businesses to close out CARs.

There have been no Notices of Direction or Improvement Notices issued since the last assessment. Any critical NCs are immediately notified to MPI.

2.8 Complaints and Disputes

There have been no appeals since the last assessment. One complaint was received last week and is being investigated. The business was unhappy about the time spent on the verification. It was determined by Bryan that the time spent was not excessive and that the topics covered were within scope. Complainant advised of the outcome.

A complaint was received for [REDACTED] about under cooked duck breast. An unscheduled verification was conducted, and several issues were identified. There have also been several complaints received about MPI registered businesses i.e. [REDACTED]. Overall, approximately 7

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complaints about food premises were received in 2023 from the public, a decline on the previous year. Comprehensive details on complaints and investigations are recorded in MagiQ.

2.9 Internal Management

The internal audit schedule was reviewed with all sections of Regulation 110 (2) covered over a 12-month period. The internal audits are conducted by a member of the building team, therefore ensuring independence. Two recent reports were reviewed. Complaints & Disputes 7/11/23 no findings and Resourcing one NC raised regarding the Ph meter and another NC about access to the MPI Titiro report. Recommendations are recorded in the Continual Improvement Register and NCs are recorded in the CAR register, all of which had been addressed. The internal audit reports were comprehensive and included details on what had been audited as well as the documents that had been reviewed during the process.

The management review process has been amended following a recommendation from the last assessment to take a more strategic approach. The meeting was held 15/06/23 and covered review of previous minutes, internal audit findings, roles and responsibilities, review of verifier performance, budgeting and resourcing, legislative changes, external reviews and approvals, customer engagement and QMS management. The minutes were very comprehensive and clearly detailed the areas covered.

2.10 Performance of review

Bryan has access to the managers dashboard. Shane is sitting around 26%, Tamzen 46% and Bryan 50%. There are internal and external audits. Bryan will go out with Tamzen and Shane to verify their performance and Phoebe Harrison from Ruapehu District Council conducts the external peer reviews. The following examples were reviewed.

Shane Hancock's peer review was conducted 15/01/24 by Bryan and included a review of previous AFIs, preparation for verification, actual verification, and reporting. Some AFIs were raised and discussed with Shane. His external review was completed by Phoebe Harrison on 13/09/23 and the findings were positive with 2 AFIs raised.

Tamzen Winders external audit was her reapproval assessment conducted on 20/09/23 by Ahmed Al-Safri from AsureQuality. This was undertaken remotely, and all comments were positive. Her internal review was completed by Bryan on 17/01/24. Prior to the verification it was identified that the business had been operating for a year without notification to the Council that they were a new operator. A very comprehensive report, no specific issues identified.

Bryan's internal peer review was conducted by Shane 3/05/23 with good comments. Phoebe did the external peer review 13/09/23. The positive report was comprehensive and included review of previous AFIs.

2.11 Contractual arrangements

The Council does not currently have any contracts in place. However, some Environmental Health work for Rotorua was undertaken when their EHO and FSO left. This did not include any verification activities.

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3. Random selection of files

Registration No	Organisation name	Type	Verification activity & date	Verifier	Comment
[REDACTED]	[REDACTED]	TFCP	Initial 10/01/2023 Acceptable Step 4 – 12 months	Bryan Brett	2 CARs 15 AFIs,
[REDACTED]	[REDACTED]	TFCP	Scheduled 9/02/23 Unacceptable 3 months	Tamzen Winder	Previous report unacceptable 1 noncompliant and 8 nonconformances, 6 AFIs Comprehensive summary, with photos. Since had 2 acceptable outcomes.
[REDACTED]	[REDACTED]	TFCP	Scheduled 25/05/23 Unacceptable Step 2 - Unacceptable	Shane Hancock	2 noncompliant and 6 nonconformances
[REDACTED]	[REDACTED]	TFCP	Initial 1/08/23 Acceptable Step 4 – 12 months	Bryan Brett	4 CARs and 8 AFIs
[REDACTED]	[REDACTED]	NP3	Initial 4/09/2023 Acceptable Step 6 – 2years	Tamzen Winder	5 AFIs good report
[REDACTED]	[REDACTED]	TFCP	Scheduled 29/09/2023 Acceptable Step 7 – 3 years	Tamzen Winder	7 AFIs
[REDACTED]	[REDACTED]	TFCP	Initial 24/10/2023 Acceptable Step 4 – 12 months	Bryan Brett	5 CARs all closed, 11 AFIs Good photographic evidence in the report
[REDACTED]	[REDACTED]	TFCP	Scheduled 15/11/2023 Unacceptable Step 3 – 9 months	Shane Hancock	2 non-compliant and 3 nonconformances still Open Good photographic evidence in the

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					report, also previous findings reviewed.
		TFCP	Scheduled 27/11/2023 Acceptable Step 4 – 12 months	Tamzen Winder	Mobile operator 5 CARs still Open and 7 AFIs, photographic evidence in the report
		TFCP	Scheduled 11/12/2023 Unacceptable Step 2 – 6 months	Shane Hancock	6 CARs still Open similar issues identified. Good photographic evidence in the report
		TFCP	Initial 17/01/2024 Unacceptable Step 3 – 9 months	Tamzen Winder	One noncompliant and 6 CARs still Open 7 AFIs
		NP3	Initial 22/01/2024 Acceptable Step 6 – 2 years	Bryan Brett	Mobile operator selling locally pasteurized milk produced under an RMP. 6 AFIs, photographic evidence in the report.

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ASSESSMENT SUMMARY

Requirements	Assessed (Y or N)	Compliance? (Y or N or N/A)	Non-conformity No. (if applicable)
Changes to the QMS	Y	Y	
Conflicts of Interest	N	N/A	
Confidentiality	N	N/A	
Staffing	Y	Y	
Resourcing	Y	Y	
Reporting	Y	Y	
Records - random selection of files	Y	Y	
Noncompliance & corrective actions	Y	Y	
Complaints/appeals	Y	Y	
Internal management	Y	Y	
Review of performance	Y	Y	
Contractual arrangements	Y	N/A	

Recommendations

1. That the Agency does meet the requirements to be a Recognised Agency to conduct verification services under the *Food Act 2014*.
2. That Directed Verification of Food Importers remain on the scope of recognition; and
3. That all observations noted throughout this report be reviewed by the Agency and actioned where appropriate.

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**Appendix A**

Regulation 110 of the *Food Regulations 2015* requires that the QMS contain procedures for:

- a) **Conflicts of Interest** - maintaining independence and managing conflicts of interest and maintaining impartiality.
- b) **Confidential information** - managing the confidentiality of information.
- c) **Staffing** - ensuring that staff are trained and competent to perform the services for which they are employed or engaged; are aware of the scope of the specified functions and activities of the agency, person, or member; and that staff performance is regularly monitored.
- d) **Resourcing** – ensuring that the agency, person, or member is adequately resourced (including having, or having access to, relevant technical expertise) to carry out its or his or her specified functions and activities.
- e) **Reporting requirements** - meeting the reporting requirements under the applicable requirements of the *Food Act 2014*.
- f) **Records** - keeping the following records and reports for at least 4 years: records relating to staff members' qualifications, training, work-related experience, and performance; records and reports of the specified functions and activities, and any related activity, of the agency, person, or member; records relating to each food business or registered importer to whom the agency, person, or member provides services; records and reports required to be kept under the applicable requirements of the Act; and making the above records or reports available at the request of the chief executive or a food safety officer.
- g) **Non-compliance and corrective actions** - identifying and reporting any non-compliance with an applicable requirement of the Act occurring at a food business or the operations of a registered importer; and identify and monitor corrective actions that a food business or registered importer must carry out.
- h) **Complaints and disputes** - investigating and managing complaints and disputes relating to the staff of the agency, person, or member; and the performance by the agency, person, or members of its or his or her specified functions and activities.
- i) **Internal management** - providing for the regular review of the QMS.
- j) **Review of performance** - reviewing the agency's, person's, or member's performance of its or his or her specified function and activities, for the purpose of ensuring that the applicable requirements of the *Food Act 2014* are met.
- k) **Contractual arrangements** - ensuring that contractual arrangements with any food businesses or registered importer to whom the person, agency, or member provides services are documented and appropriate for the services being provided.


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JASANZ

Facility: AC Baths
 Assessor name: Matthew Gardner
 Pool manager name: Penelope Ramsay
 Date: 20 Feb 2024

Supervision	
CRITERIA: All lifeguards must hold current & valid PLSA or PLPC	
HOW: Sight current & valid PLSA or PLPC qualifications for all lifeguards (can be on paper or online)	
ESSENTIAL COMPONENTS:	
• Evidence that all staff have undergone PLSA or PLPC training and assessment	Achieved
• Evidence that all lifeguards have completed an induction PRIOR to working on Poolside	Achieved
• The PLPC assessment has taken place and credit reporting sent to Skills Active within one month of starting work on Poolside (Evidence of credit reporting is kept for 2 years)	Achieved
• NOP must clearly state that lifeguards or staff members, who do not hold a current and valid PLSA (for one month from date of starting on poolside) or PLPC will not be included in any supervision ratios.	Achieved
• All qualified lifeguards must have completed First aid units 26551 and 26552 (6400, 6401 & 6402) as a minimum first aid qualification	Achieved
NOTE: Assessors must be satisfied that the correct process has occurred and an honest attempt has been made by the Facility to provide evidence of their staff qualifications.	
CRITERIA: Every body of water is supervised by a qualified lifeguard (when open for use) at all times. Qualified means holding a current PLSA (within one month of training) or PLPC.	
HOW: Review facility normal operating procedures (NOPs) relating to supervision.	
ESSENTIAL COMPONENTS:	
NOP must detail:	
• A PLPC lifeguard must be rostered on and available at all times and able to respond to an emergency. (This is the minimum, it is recommended that a PLPC lifeguard is rostered on and POOLSIDE at all times)	Achieved
• All lifeguards must be able to retrieve an object from the deepest part of the pool	Achieved
NOP must detail the way in which the pool should be supervised including reference to:	
• The minimum number of lifeguards	Achieved
• The area of water and physical obstacles each lifeguard supervises (E.G glare, dead water)	Achieved

• Supervision techniques and supervision of different activities	Achieved
• How lifeguards communicate	Achieved
• Leaving poolside procedures	Achieved
• After-hours groups must be lifeguarded within supervision ratios by a facility employed PLPC lifeguard	Achieved
A facility schematic/s should be included detailing:	
• Recommended Static Positions	Achieved
• Patrolling routes	Achieved
The NOP should give poolside lifeguards as much information as they need to make informed minute-by-minute decisions on supervising the pool without being over prescriptive and too lengthy. The following are some useful headings:	
• Personal appearance and conduct of lifeguards (talking, grooming, uniform etc)	Achieved
• Identification of hazards/risks	Achieved
• Poolside first aid	Achieved
• Customer behaviour - acceptable behaviour	Achieved
• Customer behaviour - unacceptable behaviour	Achieved
• Supervision of different customer groups, (children, youth, special needs etc)	Achieved
• Supervision of different activities, (lane swimming, diving boards etc)	Achieved
It is desirable that the normal operating procedures be cross referenced to any other similar procedures, EG:	
• EAP	Achieved
• Health and Safety policies	Achieved
NOTE: Evidence will be required to back up the written policies in the NOP – eg training schedule showing induction. How the pool determines its supervision policies and sets out its plan are the domain of that particular pool. The assessors' task is to verify that the essential components are present. Some pools do not publish detailed supervision policies. If this is the case an oral description backed up with poolside observations and lifeguard questioning will suffice.	
Spas, saunas, steam rooms and private pools within and Aquatic Facility	

<ul style="list-style-type: none"> • NOP must clearly state procedures for dealing with the spa and sauna/steam rooms and private pools relative to the facility, including (but not limited to) 	Achieved
<ul style="list-style-type: none"> • Time restriction advice 	Achieved
<ul style="list-style-type: none"> • Hydration advice 	Achieved
<ul style="list-style-type: none"> • How these are monitored (eg, alarms, regular checks) 	Achieved
<ul style="list-style-type: none"> • Minimum age for use (if applicable) 	Achieved
<ul style="list-style-type: none"> • Minimum number of people (if applicable e.g. private spa) 	Achieved
Learn to Swim Pools within an Aquatic Facility (only when being used for Learn to Swim)	
<ul style="list-style-type: none"> • Learn to Swim Pools must have signage clearly visible to say the area of water is not supervised by a lifeguard 	Achieved
<ul style="list-style-type: none"> • NOP must clearly state procedures for dealing with the Learn to Swim Pool relative to the facility, including (but not limited to) 	Achieved
<ul style="list-style-type: none"> • Who is in charge in an emergency 	Achieved
<ul style="list-style-type: none"> • How staff communicate with each other (E.G Teachers from the LTS pool communicate to the lifeguards in the main pool) 	Achieved
Stand Alone Learn to Swim Facilities	
<ul style="list-style-type: none"> • NOP must clearly state either qualified lifeguards are on pool deck OR LTS instructors are qualified lifeguards, in the water teaching but within the supervision ratios 	Not applicable
<ul style="list-style-type: none"> • Signage to say the area is not actively supervised by a lifeguard 	Not applicable
<ul style="list-style-type: none"> • NOP must clearly state procedures for the facility, including (but not limited to) 	Not applicable
<ul style="list-style-type: none"> • What happens if an instructor has to leave the water 	Not applicable
<ul style="list-style-type: none"> • Who is in charge of an emergency situation 	Not applicable
<ul style="list-style-type: none"> • How staff communicate with each other 	Not applicable
<i>The above list is a guide only – the detail is the domain of that particular pool.</i>	

Emergency Action Plan	
CRITERIA: Existence of an Emergency Action Plan	
HOW: Site current EAP at facility (can be on paper or online)	
ESSENTIAL COMPONENTS	
EAP must succinctly specify the actions to be taken in every reasonably foreseeable emergency. In most cases this will be limited to pool and facility emergencies. It should include reference to the following:	
• Who is in charge	Achieved
• Nature and location of emergency equipment	Achieved
• Key steps in dealing with an emergency	Achieved
• Pool rescue	Achieved
• Medical alert, (choking, asthma, angina/heart attack, serious cuts, fractures and dislocations etc)	Achieved
• Building evacuation	Achieved
• Major first aid	Achieved
• Spinals for minimum number of lifeguards	Achieved
• Aftercare for victims and staff	Achieved
• A flowchart summary of the key steps in dealing with an emergency should be available to lifeguards	Achieved
• Evidence that regular (minimum quarterly) staff training occurs including:	
• Staff training plans	Achieved
• Signed staff training records	Achieved
• Guidelines on what occurs if staff regularly do not attend training and evidence that this is being enforced	Achieved
Pool Alone	
CRITERIA: Existence of a policy relating to child supervision	
HOW: Review facility NOPs relating to child supervision	

ESSENTIAL COMPONENTS:	
• NOP must set an age below which a child may not swim unaccompanied and thus becomes a pool alone. Minimum age is under 8 years	Achieved
• NOP must detail supervision of under 5's in the pool	Achieved
• NOP must include provision for ratios of adult to child(ren) as appropriate for your facility. (If the facility does not have ratios there needs to be a statement on why they have chosen not to have them and how they manage the risk).	Achieved
• NOP must set a minimum age for a caregiver to supervise a child who is unable to swim alone. Minimum age is 16 years	Achieved
• NOP must give some guidelines on effective enforcement	Achieved
Pool Water Risk Management Plan	
CRITERIA: Existence of a pool water risk management plan.	
HOW: Site current PRMP at facility (can be on paper or online)	
ESSENTIAL COMPONENTS:	
• PRMP has been reviewed annually (evidence of completed review) & updated where necessary.	Achieved
• PRMP identifies all of the significant risks for each element of the pool system.	Achieved
• PRMP identifies the critical points of the pool system.	Achieved
• PRMP identifies the barriers to contamination (including staff training and/or qualifications, staffing levels, sampling programmes, calibration of analysers).	Achieved
• PRMP quantifies the risks.	Achieved
• PRMP identifies measures to prevent, reduce or eliminate the risks.	Achieved
• PRMP identifies necessary improvements to the pool to manage the risk. Improvements are prioritised & there is a timetable for implementing the improvements. (eg. Staff training in water treatment).	Achieved
Health and Safety	
CRITERIA: Confirm the operation of a health and safety management process	
HOW: Review facility NOPs relating to health and safety	

ESSENTIAL COMPONENTS:	
<ul style="list-style-type: none"> Documented process whereby hazards/risks are identified and recorded, they are managed by being minimised or eliminated 	Achieved
<ul style="list-style-type: none"> Documented process for recording and investigating employee accidents and notifiable death, injury, illness and incident 	Achieved
<ul style="list-style-type: none"> Documented process for recording customer accidents 	Achieved
<ul style="list-style-type: none"> Documented process for recording customer notifiable death, injury, illness and incident 	Achieved
<ul style="list-style-type: none"> Documented process for wet and dry rescues 	Achieved
<ul style="list-style-type: none"> A record is kept of all customer accidents requiring further medical attention 	Achieved
<ul style="list-style-type: none"> There is documented evidence that the information gathered from the above reporting procedures is scrutinised and used to make changes (if necessary) designed to improve safety for example facility or organisation Health and Safety Meeting minutes or minutes of staff meetings where Health and Safety matters are discussed. Evidence sighted of last four meetings. 	Achieved
<ul style="list-style-type: none"> Provide up to date chemical inventory for all chemicals on site as per Health & Safety at Work Act (Hazardous Substance Regulation 2017) 	Achieved
<ul style="list-style-type: none"> Annual Incident Review has been uploaded to the PoolSafe IMS 	Achieved
<p>NOTE: This section is not designed to supersede any more thorough HEALTH AND SAFETY PROCESS a pool may have. It is not designed to fulfil legislative or contractual obligations under the HSE Act or OSH. It is a few fundamental pointers to assist the pool manager in providing a safe environment for employees and customers.</p>	
Water Quality	
<p>CRITERIA: Water testing programme compliant with NZS 5826:2010. HOW: Review facility NOPs relating to water quality.</p>	
ESSENTIAL COMPONENTS:	
NOP must specify:	
<ul style="list-style-type: none"> Lowest and highest values for the relevant chemical constituents within the parameters contained in NZS 5826:2010 	Achieved
<ul style="list-style-type: none"> A frequency of testing that meets the minimum set in NZS 5826:2010 	Achieved
1. Microbiological tests must be scheduled a minimum of monthly	Achieved

<p>2. Microbiological tests must include:</p> <ul style="list-style-type: none"> • Faecal Coliforms or E. coli • Staphylococcus aureus • Pseudomonas aeruginosa • Standard plate count 	Achieved
<ul style="list-style-type: none"> • Four weeks water chemical value tests as specified by the assessor must confirm the presence of chemicals between the lowest and highest values set in NZS 5826:2010 	Achieved
<ul style="list-style-type: none"> • Four separate sets of microbiological tests as specified by the assessor must confirm the absence of pathogens of the time above the highest value set in NZS 5826:2010 	Achieved
<ul style="list-style-type: none"> • Must detail the water treatment qualifications held by the relevant staff in accordance with NZS5826:2010 Role and qualification to be detailed. 	Achieved
<ul style="list-style-type: none"> • Procedure must cover actions in response to – faecal solids, vomit, diarrhoea, blood and an incident in a confirmed cryptosporidium outbreak and notifiable disease outbreak and reporting requirements.. 	Achieved
<ul style="list-style-type: none"> • Procedure must specify – type of contamination and response, removal of solids and semi-solids (Vacuuming), filtration and turnover, evacuation times, disinfection for each pool. 	Achieved
<ul style="list-style-type: none"> • That faecal accident, especially those involving diarrhoea, are recorded. 	Achieved
Water Quality (On site)	
Water Quality Including Pool Contamination	
<p>CRITERIA: Confirmation that staff understand and apply the faecal accident procedure.</p> <p>HOW: Questioning to verify that staff understand the faecal accident procedure.</p>	

ESSENTIAL COMPONENTS: <ul style="list-style-type: none">• A visual check of records and equipment.• Questioning of frontline staff to determine that if a faecal accident occurred it would be dealt with in accordance with the procedure• Visual check of records, testing procedures and pool laboratory to confirm that written evidence does correspond to what actually does occur at the facility.	Achieved
NOTE: Every lifeguard is not expected to know the entire procedure. They must be able to perform the first response to avoid contamination of pool customers and then know where to access further information or advice.	
<ul style="list-style-type: none">• PRMP is onsite and easily accessible to staff	Achieved
Supervision (On site)	
CRITERIA: Confirmation that all pools are supervised according to NOP. HOW: Visual check and questioning to verify that staff understand and apply pool supervision policy.	

ESSENTIAL COMPONENTS: <ul style="list-style-type: none"> • All water open for use is supervised by a lifeguard • Any closed water is closed with a barrier or its access is supervised by a lifeguard • Lifeguards must have an understanding of the rationale behind the individual pools procedures and a grasp of the information contained in the procedures; at a level whereby they are able to make sound decisions on how they supervise the pool on a minute by minute, second by second basis • Lifeguards are not required to know or even recognise the technical terms or even names of procedures • Lifeguards should be asked to quote actual examples of the application of pool supervision procedure (unless they just do not happen) • Lifeguards should be given hypothetical situations and asked for their response. The response should mirror the rationale behind procedures • Lifeguard in charge must have an understanding of the rationale behind the procedures and a grasp of the information contained in the procedures • Lifeguard in charge should be asked to quote pool supervision ratios • PLSA Lifeguards will be asked to confirm a PLPC staff member is always rostered on with them • Lifeguards should be asked about after-hours bookings and who is rostered on. 	Achieved
Spas, saunas, steam rooms and private pools within an Aquatic Facility	
<ul style="list-style-type: none"> • Private pools/spas must have signage clearly visible to say the area of water is not supervised • Lifeguards should be familiar with the guidelines of use as per the NOP 	Achieved
Learn to Swim Pools within an Aquatic Facility	
<ul style="list-style-type: none"> • Lifeguards and/or instructors should be familiar with the guidelines of use as per the NOP • Signage clearly visible to say that the facility is not supervised by a lifeguard 	Achieved
Stand Alone Learn to Swim Facilities	

<ul style="list-style-type: none"> • Signage clearly visible to say that the facility is not supervised by a lifeguard • Instructors/staff should be familiar with the guidelines of use as per the NOP 	Not applicable
Emergency Action Plan (On site)	
CRITERIA: Confirmation that staff understand and apply the pools EAP. HOW: Visual check and questioning to verify that staff understand EAP.	
ESSENTIAL COMPONENTS: <ul style="list-style-type: none"> • Lifeguards must be able to outline the essential elements of the appropriate response to every reasonably foreseeable emergency. • That the assessor is satisfied a victim would receive care expected from an entry level lifeguard using Pool Lifeguard Practising Certificate as the benchmark. • Lifeguards are not required to know or even recognise the technical terms or even names of procedures. • Lifeguards should be asked to quote actual examples of the application of the pool EAP (unless they just do not happen). • Lifeguards should be given hypothetical situations and asked for their response. The response should mirror the rationale behind procedures. • Senior lifeguards should know the plan backwards and be able to adapt it to cater to the more unlikely situations, e.g. multiple casualties. • Formal EAP training is given regularly (minimum quarterly). 	Achieved
<ul style="list-style-type: none"> • All lifeguards must have easy access to a current EAP 	Achieved
<ul style="list-style-type: none"> • EAP must be in manual format with poolside emergency signage to compliment procedures 	Achieved
<ul style="list-style-type: none"> • The health and safety manual, Normal Operating Procedures and Emergency Action Plan should be available to lifeguards giving them one-stop-shop access to the "big picture" 	Achieved

Pool Alone (On site)

CRITERIA: Confirmation that staff understand and apply the pools child supervision policy.
HOW: Visual check and questioning to verify that staff understand child supervision policy.

Appendix - Photos

Section: Supervision

Question:

- Learn to Swim Pools must have signage clearly visible to say the area of water is not supervised by a lifeguard



Section: Supervision (On site)

Question:

- Lifeguards and/or instructors should be familiar with the guidelines of use as per the NOP
- Signage clearly visible to say that the facility is not supervised by a lifeguard



Section: Supervision (On site)

Question:

- Private pools/spas must have signage clearly visible to say the area of water is not supervised
- Lifeguards should be familiar with the guidelines of use as per the NOP



Section: Pool Alone (On site)

Facility: Turangi Turtle Pools
 Assessor name: Matthew Gardner
 Pool manager name: Penelope Ramsay
 Date: 20 Feb 2024

Supervision	
CRITERIA: All lifeguards must hold current & valid PLSA or PLPC	
HOW: Sight current & valid PLSA or PLPC qualifications for all lifeguards (can be on paper or online)	
ESSENTIAL COMPONENTS:	
<ul style="list-style-type: none"> Evidence that all staff have undergone PLSA or PLPC training and assessment 	Achieved
<ul style="list-style-type: none"> Evidence that all lifeguards have completed an induction PRIOR to working on Poolside 	Achieved
<ul style="list-style-type: none"> The PLPC assessment has taken place and credit reporting sent to Skills Active within one month of starting work on Poolside (Evidence of credit reporting is kept for 2 years) 	Achieved
<ul style="list-style-type: none"> NOP must clearly state that lifeguards or staff members, who do not hold a current and valid PLSA (for one month from date of starting on poolside) or PLPC will not be included in any supervision ratios. 	Achieved
<ul style="list-style-type: none"> All qualified lifeguards must have completed First aid units 26551 and 26552 (6400, 6401 & 6402) as a minimum first aid qualification 	Achieved
NOTE: Assessors must be satisfied that the correct process has occurred and an honest attempt has been made by the Facility to provide evidence of their staff qualifications.	
CRITERIA: Every body of water is supervised by a qualified lifeguard (when open for use) at all times. Qualified means holding a current PLSA (within one month of training) or PLPC.	
HOW: Review facility normal operating procedures (NOPs) relating to supervision.	
ESSENTIAL COMPONENTS:	
NOP must detail:	
<ul style="list-style-type: none"> A PLPC lifeguard must be rostered on and available at all times and able to respond to an emergency. (This is the minimum, it is recommended that a PLPC lifeguard is rostered on and POOLSIDE at all times) 	Achieved
<ul style="list-style-type: none"> All lifeguards must be able to retrieve an object from the deepest part of the pool 	Achieved
NOP must detail the way in which the pool should be supervised including reference to:	
<ul style="list-style-type: none"> The minimum number of lifeguards 	Achieved
<ul style="list-style-type: none"> The area of water and physical obstacles each lifeguard supervises (E.G glare, dead water) 	Achieved

• Supervision techniques and supervision of different activities	Achieved
• How lifeguards communicate	Achieved
• Leaving poolside procedures	Achieved
• After-hours groups must be lifeguarded within supervision ratios by a facility employed PLPC lifeguard	Achieved
A facility schematic/s should be included detailing:	
• Recommended Static Positions	Achieved
• Patrolling routes	Achieved
The NOP should give poolside lifeguards as much information as they need to make informed minute-by-minute decisions on supervising the pool without being over prescriptive and too lengthy. The following are some useful headings:	
• Personal appearance and conduct of lifeguards (talking, grooming, uniform etc)	Achieved
• Identification of hazards/risks	Achieved
• Poolside first aid	Achieved
• Customer behaviour - acceptable behaviour	Achieved
• Customer behaviour - unacceptable behaviour	Achieved
• Supervision of different customer groups, (children, youth, special needs etc)	Achieved
• Supervision of different activities, (lane swimming, diving boards etc)	Achieved
It is desirable that the normal operating procedures be cross referenced to any other similar procedures, EG:	
• EAP	Achieved
• Health and Safety policies	Achieved
NOTE: Evidence will be required to back up the written policies in the NOP – eg training schedule showing induction. How the pool determines its supervision policies and sets out its plan are the domain of that particular pool. The assessors' task is to verify that the essential components are present. Some pools do not publish detailed supervision policies. If this is the case an oral description backed up with poolside observations and lifeguard questioning will suffice.	
Spas, saunas, steam rooms and private pools within and Aquatic Facility	

• NOP must clearly state procedures for dealing with the spa and sauna/steam rooms and private pools relative to the facility, including (but not limited to)	Not applicable
• Time restriction advice	Not applicable
• Hydration advice	Not applicable
• How these are monitored (eg, alarms, regular checks)	Not applicable
• Minimum age for use (if applicable)	Not applicable
• Minimum number of people (if applicable e.g. private spa)	Not applicable
Learn to Swim Pools within an Aquatic Facility (only when being used for Learn to Swim)	
• Learn to Swim Pools must have signage clearly visible to say the area of water is not supervised by a lifeguard	Not applicable
• NOP must clearly state procedures for dealing with the Learn to Swim Pool relative to the facility, including (but not limited to)	Not applicable
• Who is in charge in an emergency	Not applicable
• How staff communicate with each other (E.G Teachers from the LTS pool communicate to the lifeguards in the main pool)	Not applicable
Stand Alone Learn to Swim Facilities	
• NOP must clearly state either qualified lifeguards are on pool deck OR LTS instructors are qualified lifeguards, in the water teaching but within the supervision ratios	Not applicable
• Signage to say the area is not actively supervised by a lifeguard	Not applicable
• NOP must clearly state procedures for the facility, including (but not limited to)	Not applicable
• What happens if an instructor has to leave the water	Not applicable
• Who is in charge of an emergency situation	Not applicable
• How staff communicate with each other	Not applicable
<i>The above list is a guide only – the detail is the domain of that particular pool.</i>	

Emergency Action Plan	
CRITERIA: Existence of an Emergency Action Plan	
HOW: Site current EAP at facility (can be on paper or online)	
ESSENTIAL COMPONENTS	
EAP must succinctly specify the actions to be taken in every reasonably foreseeable emergency. In most cases this will be limited to pool and facility emergencies. It should include reference to the following:	
• Who is in charge	Achieved
• Nature and location of emergency equipment	Achieved
• Key steps in dealing with an emergency	Achieved
• Pool rescue	Achieved
• Medical alert, (choking, asthma, angina/heart attack, serious cuts, fractures and dislocations etc)	Achieved
• Building evacuation	Achieved
• Major first aid	Achieved
• Spinals for minimum number of lifeguards	Achieved
• Aftercare for victims and staff	Achieved
• A flowchart summary of the key steps in dealing with an emergency should be available to lifeguards	Achieved
• Evidence that regular (minimum quarterly) staff training occurs including:	
• Staff training plans	Achieved
• Signed staff training records	Achieved
• Guidelines on what occurs if staff regularly do not attend training and evidence that this is being enforced	Achieved
Pool Alone	
CRITERIA: Existence of a policy relating to child supervision	
HOW: Review facility NOPs relating to child supervision	

ESSENTIAL COMPONENTS:	
• NOP must set an age below which a child may not swim unaccompanied and thus becomes a pool alone. Minimum age is under 8 years	Achieved
• NOP must detail supervision of under 5's in the pool	Achieved
• NOP must include provision for ratios of adult to child(ren) as appropriate for your facility. (If the facility does not have ratios there needs to be a statement on why they have chosen not to have them and how they manage the risk).	Achieved
• NOP must set a minimum age for a caregiver to supervise a child who is unable to swim alone. Minimum age is 16 years	Achieved
• NOP must give some guidelines on effective enforcement	Achieved
Pool Water Risk Management Plan	
CRITERIA: Existence of a pool water risk management plan.	
HOW: Site current PRMP at facility (can be on paper or online)	
ESSENTIAL COMPONENTS:	
• PRMP has been reviewed annually (evidence of completed review) & updated where necessary.	Achieved
• PRMP identifies all of the significant risks for each element of the pool system.	Achieved
• PRMP identifies the critical points of the pool system.	Achieved
• PRMP identifies the barriers to contamination (including staff training and/or qualifications, staffing levels, sampling programmes, calibration of analysers).	Achieved
• PRMP quantifies the risks.	Achieved
• PRMP identifies measures to prevent, reduce or eliminate the risks.	Achieved
• PRMP identifies necessary improvements to the pool to manage the risk. Improvements are prioritised & there is a timetable for implementing the improvements. (eg. Staff training in water treatment).	Achieved
Health and Safety	
CRITERIA: Confirm the operation of a health and safety management process	
HOW: Review facility NOPs relating to health and safety	

ESSENTIAL COMPONENTS:	
<ul style="list-style-type: none"> Documented process whereby hazards/risks are identified and recorded, they are managed by being minimised or eliminated 	Achieved
<ul style="list-style-type: none"> Documented process for recording and investigating employee accidents and notifiable death, injury, illness and incident 	Achieved
<ul style="list-style-type: none"> Documented process for recording customer accidents 	Achieved
<ul style="list-style-type: none"> Documented process for recording customer notifiable death, injury, illness and incident 	Achieved
<ul style="list-style-type: none"> Documented process for wet and dry rescues 	Achieved
<ul style="list-style-type: none"> A record is kept of all customer accidents requiring further medical attention 	Achieved
<ul style="list-style-type: none"> There is documented evidence that the information gathered from the above reporting procedures is scrutinised and used to make changes (if necessary) designed to improve safety for example facility or organisation Health and Safety Meeting minutes or minutes of staff meetings where Health and Safety matters are discussed. Evidence sighted of last four meetings. 	Achieved
<ul style="list-style-type: none"> Provide up to date chemical inventory for all chemicals on site as per Health & Safety at Work Act (Hazardous Substance Regulation 2017) 	Achieved
<ul style="list-style-type: none"> Annual Incident Review has been uploaded to the PoolSafe IMS 	Achieved
<p>NOTE: This section is not designed to supersede any more thorough HEALTH AND SAFETY PROCESS a pool may have. It is not designed to fulfil legislative or contractual obligations under the HSE Act or OSH. It is a few fundamental pointers to assist the pool manager in providing a safe environment for employees and customers.</p>	
Water Quality	
<p>CRITERIA: Water testing programme compliant with NZS 5826:2010. HOW: Review facility NOPs relating to water quality.</p>	
ESSENTIAL COMPONENTS:	
NOP must specify:	
<ul style="list-style-type: none"> Lowest and highest values for the relevant chemical constituents within the parameters contained in NZS 5826:2010 	Achieved
<ul style="list-style-type: none"> A frequency of testing that meets the minimum set in NZS 5826:2010 	Achieved
1. Microbiological tests must be scheduled a minimum of monthly	Achieved

2. Microbiological tests must include: <ul style="list-style-type: none"> • Faecal Coliforms or E. coli • Staphylococcus aureus • Pseudomonas aeruginosa • Standard plate count 	Achieved
<ul style="list-style-type: none"> • Four weeks water chemical value tests as specified by the assessor must confirm the presence of chemicals between the lowest and highest values set in NZS 5826:2010 	Achieved
<ul style="list-style-type: none"> • Four separate sets of microbiological tests as specified by the assessor must confirm the absence of pathogens of the time above the highest value set in NZS 5826:2010 	Achieved
<ul style="list-style-type: none"> • Must detail the water treatment qualifications held by the relevant staff in accordance with NZS5826:2010 Role and qualification to be detailed. 	Achieved
<ul style="list-style-type: none"> • Procedure must cover actions in response to – faecal solids, vomit, diarrhoea, blood and an incident in a confirmed cryptosporidium outbreak and notifiable disease outbreak and reporting requirements.. 	Achieved
<ul style="list-style-type: none"> • Procedure must specify – type of contamination and response, removal of solids and semi-solids (Vacuuming), filtration and turnover, evacuation times, disinfection for each pool. 	Achieved
<ul style="list-style-type: none"> • That faecal accident, especially those involving diarrhoea, are recorded. 	Achieved
Water Quality (On site)	
Water Quality Including Pool Contamination	
CRITERIA: Confirmation that staff understand and apply the faecal accident procedure. HOW: Questioning to verify that staff understand the faecal accident procedure.	

ESSENTIAL COMPONENTS: <ul style="list-style-type: none">• A visual check of records and equipment.• Questioning of frontline staff to determine that if a faecal accident occurred it would be dealt with in accordance with the procedure• Visual check of records, testing procedures and pool laboratory to confirm that written evidence does correspond to what actually does occur at the facility.	Achieved
NOTE: Every lifeguard is not expected to know the entire procedure. They must be able to perform the first response to avoid contamination of pool customers and then know where to access further information or advice.	
<ul style="list-style-type: none">• PRMP is onsite and easily accessible to staff	Achieved
Supervision (On site)	
CRITERIA: Confirmation that all pools are supervised according to NOP. HOW: Visual check and questioning to verify that staff understand and apply pool supervision policy.	

<p>ESSENTIAL COMPONENTS:</p> <ul style="list-style-type: none"> • All water open for use is supervised by a lifeguard • Any closed water is closed with a barrier or its access is supervised by a lifeguard • Lifeguards must have an understanding of the rationale behind the individual pools procedures and a grasp of the information contained in the procedures; at a level whereby they are able to make sound decisions on how they supervise the pool on a minute by minute, second by second basis • Lifeguards are not required to know or even recognise the technical terms or even names of procedures • Lifeguards should be asked to quote actual examples of the application of pool supervision procedure (unless they just do not happen) • Lifeguards should be given hypothetical situations and asked for their response. The response should mirror the rationale behind procedures • Lifeguard in charge must have an understanding of the rationale behind the procedures and a grasp of the information contained in the procedures • Lifeguard in charge should be asked to quote pool supervision ratios • PLSA Lifeguards will be asked to confirm a PLPC staff member is always rostered on with them • Lifeguards should be asked about after-hours bookings and who is rostered on. 	<p>Achieved</p>
Spas, saunas, steam rooms and private pools within an Aquatic Facility	
<ul style="list-style-type: none"> • Private pools/spas must have signage clearly visible to say the area of water is not supervised • Lifeguards should be familiar with the guidelines of use as per the NOP 	<p>Not applicable</p>
Learn to Swim Pools within an Aquatic Facility	
<ul style="list-style-type: none"> • Lifeguards and/or instructors should be familiar with the guidelines of use as per the NOP • Signage clearly visible to say that the facility is not supervised by a lifeguard 	<p>Not applicable</p>
Stand Alone Learn to Swim Facilities	

<ul style="list-style-type: none"> • Signage clearly visible to say that the facility is not supervised by a lifeguard • Instructors/staff should be familiar with the guidelines of use as per the NOP 	Not applicable
Emergency Action Plan (On site)	
CRITERIA: Confirmation that staff understand and apply the pools EAP. HOW: Visual check and questioning to verify that staff understand EAP.	
ESSENTIAL COMPONENTS: <ul style="list-style-type: none"> • Lifeguards must be able to outline the essential elements of the appropriate response to every reasonably foreseeable emergency. • That the assessor is satisfied a victim would receive care expected from an entry level lifeguard using Pool Lifeguard Practising Certificate as the benchmark. • Lifeguards are not required to know or even recognise the technical terms or even names of procedures. • Lifeguards should be asked to quote actual examples of the application of the pool EAP (unless they just do not happen). • Lifeguards should be given hypothetical situations and asked for their response. The response should mirror the rationale behind procedures. • Senior lifeguards should know the plan backwards and be able to adapt it to cater to the more unlikely situations, e.g. multiple casualties. • Formal EAP training is given regularly (minimum quarterly). 	Achieved
<ul style="list-style-type: none"> • All lifeguards must have easy access to a current EAP 	Achieved
<ul style="list-style-type: none"> • EAP must be in manual format with poolside emergency signage to compliment procedures 	Achieved
<ul style="list-style-type: none"> • The health and safety manual, Normal Operating Procedures and Emergency Action Plan should be available to lifeguards giving them one-stop-shop access to the "big picture" 	Achieved

Pool Alone (On site)

CRITERIA: Confirmation that staff understand and apply the pools child supervision policy.
HOW: Visual check and questioning to verify that staff understand child supervision policy.

Appendix - Photos

Section: Pool Alone (On site)

Risk Register

x		xF2:G2				x	x	
ID	Risk Title	Description	Risk Theme	Risk Type	Risk Owner	Risk Score	Risk Response Description	LikelihoodVConsequence
R_001	Constraints on internal business reources	Constraints on internal business resources Risk to the adoption and correct operation of OneCouncil. Risk to the sign off of the Configuration Design Document, extending engagement and implementation costs. Also a threat to the project timeline Potential to have significant impact on Legal Compliance, Financials and Organisational Objectives. Moderate impact on Reputation Risk to the adoption and usage of OneCouncil due to major business disruption (i.e. infrastructure failure).	Resources	Extended timeline Impact on Quality	Libby O'Brien	Medium	- Key Users are backfilled. - Detailed planning to be conducted on impact on SMEs once Finance and Property & Rating scheduling is complete 17/7/20 - There is significant business involvement required to deliver project Working closely with managers to inform/schedule resource well in advance of tasks. Remaining flexible as possible around scheduling of tasks and BAU Keeping lines of communication open 25/07/23 - closed see risk 041 11/01/24 - Reopened risk to ensure it is still being monitored. Current response from business has been positive but still monitoring to ensure deadlines are being met.	(3) Moderate(3) Moderate
R_004	Expectations of Project Quantum may be greater than scoped/affordable/realistic for a Foundation Change Project	Unrealistic project expectations Risk the solution delivered does not meet expectations. Potential to have significant impact on Organisational Objectives and Moderate impact on Reputation	Change Impact	Change Impact	Abbe Pomare	Medium	25/07/23 - Risks and benefits registers reviewed and updated. - Communications plan to communicate tangible benefits to organisation. - Product demonstrations of current CAnywhere functionality built into the project plan. - Steering to provide clear direction on scope of project for phase 3. - T1 consultants to train the project squads who set expectations with business SMEs. 11/01/24 - Risks and benefits registers reviewed and updated. - Utilise a business owners forum to communicate expectations and keep them informed of prpgress. Include key staekholders in requirements gathering, confirmation, POC demonstrations and testing to ensure they are aware of changes and expectations. - Scoping documents used for both gathering initial requirements and also for testing so expectations are clear. If issues arise then a clear issue management process utilising JIRA functionality is used which key users can access to see up dates. - Change manager providing clear guidance and training to the project team.	(3) Moderate(3) Moderate
R_006	Not identifying Objectives and Measurable Benefits	Risk to the direction and delivery of the project if the benefits and objectives are not clearly identified. There are the Critical Success Factors and Business Objectives but these are broad. Potential to have a significant impact on Organisational Objectives	Change Impact	Change Impact	Abbe Pomare	Medium	25/07/23 - review and update the benefits and risks registers in relation to business outcomes from the project and organisational objectives. - Achieve sign off from steering regarding benefits and their measures. - Project manager in conjunction with change manager to track the metrics. - Communications plan for benefits communication to be constructed. 11/01/24 - Change manager onboard and communication and change strategy approved by steering and in place. - Benefits and risks reviewed by the PMT for phase 3. - PM to work with SDTL and CM to measure benefits from phase 3 go live post implementation. This review and measure will feed into the phase 4 planning.	(3) Moderate(2) Minor
R_009	Integrations not identified	Failing to identify all interfaces/integrations Risk to the project timeline and budget if all interfaces are not identified and documented in detail. Potential to have a significant impact on Financials	Technical Risk	Extended timeline Increased Cost Impact on Quality	Percy Packery	Medium	- EA Project and implementation of iServer has resulted in the current state being mapped at a high level - Interfaces now the biggest risk. Process discovery and mapping helping to address this risk by identifying "soft" integrations - Kylee is looking to do discovery in this space 1/7/20 -No integration resource for 9 months - Ella Mrozcek taking over this stream 17/7/2020- SoW perpared for T1 to undertake Integration scoping 20/9 - aaX engaged to undertale scoping exercise 11/01/24 - Integrations stream is now built into the modules, and is not a standalone piece of work. Integration work is designed, configured and tested by the BA and associated squad delivering the module. Scoping documents are provided to the BA's to utilise for the purposes of gathering requirements for integration. Configuration and testing support is provided by TechOne.	(2) Unlikely(3) Moderate
R_038	CDD does not accurately reflect our business requirements	Misunderstanding business requirements and how they would be delivered via solution will result in additional rework and will impact time and/or quality	Business Optimisation	Extended timeline Impact on Quality	Abbe Pomare	Medium	25/07/23 - review CDD approach with BA's and T1 PM and consultants. - Test config as we configure - UAT end to end business process - Build time into the project to allow for changes from learning during config & UAT - Involve business in UAT to ensure understanding is correct - Build a test strategy to guide tactical approach to testing. Steering to sign off. 11/01/24 - CDDs for phase 3 have been reviewed along side ProMapp documentation. Revision of the approach to confirming requirements underway - currently testing a user stories approach which will be restrospctived at hte end of TAA go live to determine viabaility and roll out for phase 4. - Test strategy and training the testers in how to test has been implemented successfully. The quality of the testing is being measured via JIRA issues logs and completion of test scripts.	(2) Unlikely(3) Moderate
R_041	Key staff leave/ill/stressed	If key staff are not looked after they could resign, become ill or become disengaged.	Resources	Change Impact	Libby O'Brien	Medium	25/07/23 - Ensure wider business involvement to avoid single point of failures - Plan time in project for relief - Ensure staff are supported and given time to breathe - Review project guidelines around notice required for meetings and testing 11/01/24 - Testing scheduled in advance and scope of testing set with users. Schedules shared in advance where possible so adequate planning by people leads are possible	(3) Moderate(2) Minor

R_045	Limited transparency of approach, regarding system changes and people impact	TechOne methodology is very 'technonology' based and provides limited opportunity for proactive change management in terms of understanding the system and impacts it will present.	Organisational Change Management	Change Impact Delay to benefit realisation	Abbe Pomare	Medium	25/07/23 - Close communication with BAs and PM (and specific people leaders) required to ensure knowledge and understanding is shared. - Attend critical squads meetings regarding changes to people and process 11/01/24 - adjust approach in accordance with best practice and the change management strategy. Include business in various stages of the project and have open feedback loops .	(2) Unlikely(3) Moderate
R_049	Internal resource don't have sufficient capability to deliver standalone.	Moved from capacity to capability issue. Backfill staff not having specialist skills will mean they cant deliver to same standard without additional support. This will pull key project staff away from other tasks impacting deliverables across the board.	Resources	Insufficient resource	Libby O'Brien	High	25/07/23 - Ongoing issue with increased pressure on digital solutions team - Clean comms around critical milestones and key project dates required - SLT awareness required - Advanced notification of resource requirements, roles and responsibilities needed for TL planning. 11/01/24 - Revision of timelines to be presented to steering today. - Scoping exercise and additional TechOne support is to be discussed. - Utilisation of business resources in conjunction with the wider DS team underway. - Mental health checkins at the weekly standup and reprioritisation meetings underway with team members feeling stressed.	(4) Likely(3) Moderate
R_050	3rd party vendor integration and availability	3rd party vendors availability doesn't align with project deliverables Capacity of 3rd parties may not align with project timelines resulting	Integration	Insufficient resource	Percy Packery	Medium	25/07/23 - Vendors comms plan created - Key milestones and critical dates shared with vendors in advance. - Redman - Valor - GoGet - Motocheck and ADR 11/01/24 - key milestones and vendor integrations are noted in one document for the stakeholder register. Change manager and trainer to review and content or training requirements necessary.	(2) Unlikely(3) Moderate
R_053	Completeness, accuracy and currency of data	Incomplete data migrated but errors not identified. Completeness, accuracy and currency of data will need to be addressed as data is currently held in multiple data sources, many of which have been maintained independently of each other.	Data Migration	Data Integrity compromised	Tim Watkins	Medium	25/07/23 - reviewed - Data plan based on and documented on expected outcomes in new system - Early identification of legacy systems and associated data undertaken, and review of quality performed - Consolidation of migration using proposed Data Migration tools to introduce consistency to the process and data - Parallel Runs / Processes used to compare "like-for-like" expected - Data Migration test scripts to clearly define expected outcomes - Verification sample sets broad enough to cover all known / expected scenarios	(3) Moderate(3) Moderate
R_054	Project is delayed due to a lack of quantifiable acceptance criteria	Project is delayed due to a lack of quantifiable acceptance criteria	Data Migration	Extended timeline	Tim Watkins	High	25/07/23 - reviewed - Acceptance criteria for Data Migration completed and signed off at commencement of Data Migration activities 25/03/24 - Final acceptance criteria for configuration and data migration for discussion and sign off with business owners is being drafted. Based on revised templates from previous phases. Will be presented to business owners once all testing has been completed and verified by the squad lead.	(3) Moderate(4) Major
R_055	Legacy system changes occur during the project	Legacy system changes occur during the project, thus invalidating data mapping or legacy system data changes after the final extraction as it is not effectively frozen.	Data Migration	Data Integrity compromised	Tim Watkins	Medium	25/07/23 - reviewed - Where possible a change freeze should apply to all legacy systems once Data Migration activities have commenced - Where changes are required to legacy systems, changes should be clearly documented in the project risk register - A subset / sample migration plan and execution should be undertaken to document re-mapping / changes required, including testing - Assessment on impact of re-migrating data, including testing impact - Documentation of change in change register where a decision is made not to re-migrate data, including documented adjustments to new system required	(2) Unlikely(3) Moderate
R_056	Target system changes occur during the projec	Target system changes occur during the project, thus invalidating data mapping	Data Migration	Data Integrity compromised	Tim Watkins	Medium	25/07/23 - reviewed - Ensure vendor informs and trains key data migration resources in any changes solution functionality, import functions, import templates, etc.	(3) Moderate(3) Moderate
R_058	Key project resource availability	Skills gap in project team (e.g. for legacy/new system and toolsets) and key project resources are not available.	Data Migration	Insufficient resource	Abbe Pomare	Medium	25/07/23 - reviewed - Clear definition of Roles and Responsibilities for each system and process - Skills analysis performed against assigned resources based on legacy and new system requirements - update team onboarding process - Detailed project schedule defined to ensure key activities, resources and dates are locked-in - Identification of secondary / back-up resources where possible	(3) Moderate(3) Moderate
R_060	Legacy system data quality is low	Legacy system data quality is low (combined R039 and R040).	Data Migration	Data Integrity compromised	Tim Watkins	High	25/07/23 - Reviewed - Clear identification of data quality required for new system to meet project objectives - Gap analysis undertaken on areas where legacy system data is not in line with new data requirements - Agreement and documented process on whether data will be updated / improved in legacy system, as part of migration process, or in new system	(4) Likely(3) Moderate
R_061	Security of sensitive information fails	Security of sensitive information fails	Data Migration	Data Integrity compromised	Tim Watkins	High	25/07/23 - reviewed - Early identification of sensitive data and increased governance on migration process for identified data - Draft communication plan documented including who needs to be informed in the event of a breach, and steps taken to rectify the issue and ensure no further breaches occur	(3) Moderate(4) Major

R_062	Data migration process during final implementation is too slow for available window	Data migration process during final implementation is too slow for available window. Risk of prolonged cutover or rollback.	Data Migration	Extended timeline	Tim Watkins	Medium	25/07/23 - Reviewed - Inclusion of 3 rounds of data migration processes as part of project testing phases to baseline migration timeframe which will be incorporated into the project schedule - Ensuring a Change Freeze is applied to project and data migration environments following final data migration test process - Documented "roll-back" and contingency plan, including alternative timeframes and detailed communication plan	(3) Moderate(3) Moderate
R_063	Insufficient data testing	Real-life data breaks the new live system, due to insufficient testing	Data Migration	Extended timeline Data Integrity compromised	Tim Watkins	Medium	25/07/23 - review data migration strategy and test strategy - Ensure agreed / signed-off test plans - Ensure 3 testing cycles to ensure issues identified and corrected early	(3) Moderate(3) Moderate
R_064	Human error during data loads	Human error in entry of small sets of data being migrated	Data Migration	Data Integrity compromised	Tim Watkins	Medium	25/07/23 - reviewed - Ensure agreed / signed-off test plans as part of project design phase - Ensure appropriate (proposed 3) testing cycles to ensure issues identified and corrected early - Manually entered data should be fully incorporated into overall data migration plan and testing	(3) Moderate(3) Moderate
R_066	Mandatory data not available from source	Mandatory data in destination system is not available from source system and may be onerous to manually populate (due to volume or complexity).	Data Migration	Extended timeline Data Integrity compromised	Tim Watkins	High	25/07/23 - reviewed - Clear identification of data required for new system to meet project objectives - Gap analysis undertaken on areas where legacy system data is not in line with new data requirements - Agreement and documented process on managing "new" data requirements	(3) Moderate(4) Major
R_067	Staged approach to data configuration and migration	Due to staged approach to data configuration and migration, configuration of subsequent functional areas 'breaks' previous configuration/migration which must be revisited.	Data Migration	Extended timeline Data Integrity compromised	Tim Watkins	Medium	25/07/23 - reviewed - A subset / sample migration plan and execution should be undertaken to document re-mapping / changes required, including testing - Assessment on impact of re-migrating data, including testing impact	(3) Moderate(3) Moderate
R_068	Unable to meet timeline due to inaccuracy of time estimates	Project plan is based on the estimates provided by TechOne how long activities will take, If these estimates are significantly inaccurate there is no room in plan to make up lost time	Timeline	Extended timeline	Abbe Pomare	High	25/07/23 - reviewed entire project plan with three different T1 PMs to confirm timeframes - Funding additional resource, if available - but no increase in budget would negate that option unless approved. - TechOne have wrapped P&R taskforce around the project to try ensure things stay on track - Squads approach ensures no single point of failure for any modules 11/01/24 - timeframes discussion and reduction of scope of deliverables to be presented to steering. Updated within the decision register.	(3) Moderate(4) Major
R_069	TechOne resource availability	Inability of TechOne to resource project and meet deliverables on time. We are reliant on appropriate vendor resource being available to progress project plan and keep it on track.	Resources	Insufficient resource	Abbe Pomare	High	25/07/23 - Project plan approved by steering and shared with TechOne PM - Repeated delays in delivering on time to be formally investigated and reported back as to cause. - Resource plans to be sent through at beginning of every month and changes communicated asap - Impacts on critical path to be reported to Steering immediately 11/01/24 - review of the current consultants booking approach to improve access. Utilising standup approach to ensure consultants time are well spent. CAR reports provide updates of what was delivered within timeframe. PM and SDL to hold the vendor to account for non-delivery. - TechOne has increased internal resources to support TDC. AMS still required as there is no ECM or spatial expertise within consultancy team.	(4) Likely(4) Major
R_070	A number of changes are required for Water Billing	Consumption credits to meet TDC policy/processes/legislation. These were identified as missing as part of RFP process and TechOne confirmed that they would develop the solution prior to GO Live. Without this functionality there would be significant workaround or drop in service levels.	Technical Risk	Extended timeline Decrease in service level	Abbe Pomare	High	25/07/23 - review this risk with Roxanne and follow up R&D ticket. - TechOne have raised R&D case to specify and deliver water billing changes required. - New rates and water billing consultant to complete capability show and tell with rates and water teams. 11/01/24 - stocktake of outstanding configuration as per the CDD to take place. Data migration behind so no end-to-end testing completed to date. Will be required along with process walk throughs to ensure that the team are happy to sign off config. Consultant very jumpy in presentations so will need to be guided in the walk through. 25/03/2024 - gaps in water billing have been reduced through work from the consultants. Closely being monitored by the BAs and the solution delivery team lead	(4) Likely(3) Moderate
R_077	Homeless documents that are not attached to an entity	There are documents within CiAnywhere that are not attached to any entity therefore are considered "homeless". Big piece of work required to clean this up. Currently have 180,000 documents in this bucket.	Technical Risk	Delay to benefit realisation	Abbe Pomare	Medium	25/07/23 - Working through this with Tara. - TechOne to provide scripting resolution once prep work is completed by the KM team, SMEs and BA. - Project plan updated to incorporate ECM components in roll out. 11/01/24 - AMS case hours dedicated to supporting this process. - Tidy to be supported by BA and KM teams with the businesses support.	(5) Almost Certain(1) Insignificant
R_081	Unknown size and scope of integration back into MagiQ	Integration needs to be built to feed information back into the legacy system for the interim period until the end of phase 4. Information required for the integration is unknown and therefore if anything is missed it could impact peoples ability to do their job post go-live.	Integration	Decrease in service level	Abbe Pomare	High	25/07/23 - Charges, property and names, consents and inflight applications need to be considered. - Are charges going to be raised in MagiQ for permits and consents? How is it going to be reconciled with TechOne invoices and receipts? Who is going to do the reconciliation - Discussions with critical stakeholders and consultants required - Decisions to be documented in decision register 11/01/24 - A scoping document has been created and a workshop to determine what processes will remain in magiq post go live, and therefore the information required to keep that going. - Data team has a dedicated resource to support this work who is an exMagiQ programmer	(3) Moderate(4) Major

R_086	Organisational change fatigue	The project has been going a long time and we now have project fatigue within TDC. Lots of change is happening all at once across the wider TDC organisation.	Organisational Change Management	Change Impact	Abbe Pomare	Low	25/07/23 - New change manager assigned to help re-establish the project, refresh the branding and communications within TDC. - Reengagement with the organisation with the new project sponsor. - Relaunch the project to the new CE and new GM - Refresh intranet with new project information - New change manager to work across other large change projects to help with messaging and approach consistency for the wider TDC team. - PM to review minutes and feed into the project team wider changes happening within the organisation	(2) Unlikely(2) Minor
R_088	High turnover within the wider TDC organisation.	High turnover within the wider TDC organisation.	Resources	Change Impact	Steering	Medium	25/07/23 - Opportunity for the project - New starters can bring fresh ideas and new ways of working to the teams. - They can be trained only in the new system which can reduce bias. - Training approach to onboarding is currently being reviewed with new digital trainer to pick up and lead the tactical plan once appointed.	(3) Moderate(2) Minor
R_090	Single point of failure within the digital solutions team	Single points of failure within the project team with BA's in short supply. Each BA owns a piece of the P&R module so if they leave, TDC loses that IP and configuration design.	Resources	Extended timeline	Abbe Pomare	Low	25/07/23 - Change the way the teams work to squads, where the BA's work with spatial, data, and KM team members to share information. - Each squad has two BA's a lead and a backup to reduce the risk of single point of failure. - Review after phase 3 to see if option was successful.	(1) Rare(4) Major
R_094	Missing CiAnywhere functionality	Consumption allowance / credits to meet TDC policy/processes/legislation - Consumption allowance / credits to meet TDC policy/processes/legislation. These were identified as missing as part of RFP process and TechOne confirmed that they would develop the solution prior to GO Live. Without this functionality there would be significant workaround or drop in service levels.	Resources	Decrease in service level	Abbe Pomare	Medium	5/9/2023 - raised the issue with the T1 consultants and project manager. Solution currently in development. 11/01/24 - Additional time spent with consultants to configure and test solution. User testing to get underway.	(2) Unlikely(3) Moderate
R_095	Legacy system (MagiQ) is 35 years old and hasn't been upgraded since 2017 when the project first began	The legacy system manages most of the business critical work completed by TDC. It is in the sunset phase of technical support. There is the risk of additional costs and extended timeline if we were to upgrade these systems now, but the data they contain is business critical.	Business Risk	Decrease in service level	Tracey May	High	14/09/23 Putting CiAnywhere in will significantly reduce the risk associated with the aging systems. CiAnywhere will remove the reliance of the business processes currently in MagiQ and will also act as a content and data repository to replace Objective. As part of the roll out of CiAnywhere there is an integration catalogue to be developed and detailed investigations are underway. Further business continuity discussion are underway and data warehouse planning in the pipeline.	(3) Moderate(4) Major
R_096	Legacy system (Objective) is 17 years old and hasn't been upgraded since 2017 when the project first began	The legacy system contains a lot of TDC's business critical and confidential information. It is in the sunset phase of technical support. There is the risk of additional costs and extended timeline if we were to upgrade these systems now, but the data they contain is business critical.	Business Risk	Decrease in service level	Tracey May	High	14/09/23 Putting CiAnywhere in will significantly reduce the risk associated with the aging systems. CiAnywhere will remove the reliance of the business processes currently in MagiQ and will also act as a content and data repository to replace Objective. As part of the roll out of CiAnywhere there is an integration catalogue to be developed and detailed investigations are underway. Further business continuity discussion are underway and data warehouse planning in the pipeline.	(3) Moderate(4) Major
R_097	Risk of significant drop in service level	Whenever a new system goes live there is risk of significant drop in service level as staff get used to new ways of doing job and system issues are identified and resolved.	Decrease in service level	Decrease in service level	Abbe Pomare	Medium	14/09/23 - Business system support analyst appointed to manage support requests Support community for break/fix issues processes in place. Application Management Support (AMS) contract in place to provide remote assistance up to 40 hours per month – to be increased as more modules go live Ensure appropriate level of on-site consultant support post go-live. 11/01/24 - clear go live and support strategy in place, with defined roles and responsibilities.	(3) Moderate(3) Moderate
R_098	Scale of the change	This type and scale of Organisational Change Management is new to Taupō District Council and this may impact user adoption of the solution and the ability to realise the project benefits.	Change Impact	Delay to benefit realisation	Abbe Pomare	Medium	14/09/23 - Update: a new change manager has been bought into the project. A new change and communication strategy has been developed and ratified by the steering committee. Development of internal skills and ownership of change and improvement – leader led approach Training resource secured internally to focus on creation and delivery of training for Core organisational wide modules. Note: whilst this is now a gap (as highlighted) we are actively looking to recruit a new training resource. Early development and communication of the system familiarisation and training plan as much as practical Early involvement of the business in solution design and testing to bring them on the journey	(3) Moderate(3) Moderate
R_099	Relative novelty of the P&R solution	Property and Revenue is a new solution and has gone live in Rotorua Lakes Council in NZ to date. There is risk of additional costs and extended timeline resulting from Vendor initiated timeline changes due to development, configuration and testing delays.	Extended timeline	Increased Cost	Abbe Pomare	Medium	14/09/23 - Rotorua Lakes council are now live with P&R – we are in regular contact to take on their learnings. Time to get new 2 new BA's up to speed will result in some delays to the Compliance stream. TechnologyOne consultants will provide additional training and configuration support to ensure timeframes are met. 11/01/24 - Joined a network of other NZ councils who are deploying CIA to gather wider feedback. - Gathered additional support from TechOne for the roll out of P&R modules including configuration help.	(3) Moderate(3) Moderate
R_100	Relative novelty of the DXP LG portal solution	TDC has agreed to be the pioneer for the DXP LG solution and the improved customer portal experience, which has now come into scope for phase 3. Little is known about what is required for deployment of the DXP LG solution and the dependencies, which could impact current timeframes and cost. - Unsure of the full extent of the rework required from current portals set up to DXP - User access requirements for DXP LG to be confirmed - Skeletal requirements for DXP includes a landing page and one article - how does this compare with DXP experiences?	Extended timeline	Increased Cost	Abbe Pomare	High	2/10/23 - review all relevant material provided by T1. Schedule a chat with the T1 product owner to confirm requirements. Ask for configuration companion and timeframes from Australian councils that have gone live with the system. Update the project plan accordingly. 11/01/24 - CDD workshop reviewed by key stakeholders involved. Configuration design agreed. TechOne to provide additional resources at developer level to help customise the solution to fit TDC purposes as the first NZ customer. Additional go live support also provided. - TDC has identified a squad lead to take on this design work so expertise remains in house once TechOne support is reduced.	(4) Likely(3) Moderate

R_103	Overcommitment of resources	Knowledge Management team member is currently completing work for the project as part of various squads, BAU, CIA ECM migration workshops over the coming months and also committed to support content migration from SharePoint and Objective to CiA ECM.	Insufficient resource	Insufficient resource	Abbe Pomare	Medium	2/10/2023 - Notify the KM team lead of the potential issue. Ensure that their is adequate support for the KM resource. Clarify expectations with stakeholders and roles and responsibilities. 11/01/24 - Checklist approach and brining the KM into squad meetings working well. Prioritisation meetings and pulse checks with the team are utilised by TL to ensure that the team are not under too much pressure. Review again next month.	(3) Moderate(3) Moderate
R_104	Staff are resistant to move documents into Objective, or they want to do it at the last minute	The move from Objective to CiA ECM is a major change for TDC staff and they may 1. be resistant to move their material from drives, networks, Teams and desktops prior to the migration of content end 2024 2. May struggle with using Objective and adds additional stress so they don't move their content 3. Fear the new content management system. 4. Leave it to the last minute requiring additional support. Any of these risks may result in poor migration of content not realising the aspiration of 'one source of truth' and leave us at risk of not complying with the Public Records Act (Teams information) when we go-live in 2024.	Insufficient resource	Change Impact	Abbe Pomare	Medium	5/10/23 - Clear communications and approach with people leaders and staff to encourage attending show and tells and planning for the move. Show and tells planned to ensure a high attendance (ensure good mix time, days and venues). Encourage attendance to Objective training to minimise lack of understanding of Objective. 11/01/24 - following our current project comms approach with training and communicating this change is working well. Continue to monitor and review monthly. Spreading the load of the training and knowledge within TDC to super users currently in plan. - DS team to pioneer the new solution and provide feedback before the wider roll out to ensure smoother sailing for other areas.	(3) Moderate(3) Moderate
R_105	Support for staff to plan for move (ECM) if communications are not clear.	If communications are not clear and support is not sufficient (before, during and post cut-over) to enable the right adoption of CiA ECM. Lack of, or inconsistent support to help plan and manage the moving of content into Objective for migration by people leaders with their teams, including cascading of key messaging from the project.	Insufficient resource	Inconsistent messaging	Abbe Pomare	Medium	5/10/23 - Robust key messages to people leaders with information to cascade to staff. To ensure show and tells have the right mix of information required to encourage and support the move. Listen to feedback and adjust communications as relevant and appropriate. Ensure Tui is updated with ECM information prior to any announcements being made. 11/01/24 - Follow project communications plan of leader led comms with no surprises appears to be working well. Positive feedback so far with minimal questions coming through to project quantum inbox. Continue to monitor through squads, BO and SMEs to ensure messaging is on point.	(2) Unlikely(3) Moderate
R_106	Information in Teams and desktop are not moved into Objective(or CiA ECM)	These are the two areas where we need to find a way to ensure staff understand the compliance with the PRA around Teams and the 'one source of truth' for desktop - all documents belong to TDC and if not moved will create a risk of not being connected to the information migrated into CiA ECM, security and privacy rules applied.	Insufficient resource	Change Impact	Business	Medium	5/10/23 Look at ways to ensure the importance of the move through clear communications. 11/01/24 - clear communications, training and support on offer from DS team. As part of project roll out Objective migration will be completed. - Teams migration will happen over time. Development of ways to report on what is in Teams vs CiA and effort to migrate. - Adjustment of process - individuals will be able to move their own data over into the new ECM manually as required. Training will be provided around what needs to be kept vs what can be removed or excluded from migration. CiA integrates with Teams.	(3) Moderate(2) Minor
R_107	Inability to meet BAU requirements without TDC specific reports	TAA and DGLT both had issues completing BAU tasks without reporting functionality. Shipped reports do not meet the TDC standards.	Impact on Quality	Decrease in service level	Abbe Pomare	Medium	16/10/2023 - Raised again by Jeanette. New report requirements template circulated to the wider project team to guide reporting and dashboard conversations. Training for team provided. Consistent check ins with business owners and business analysts required 11/01/24 - Follow up with the team regarding the reporting requirements and templates.	(3) Moderate(2) Minor
R_109	Spatial – to allow end users to see AssetFinda spatial component as they do now in MagiQ, we need to include a unique key in either CiA or AssetFinda that allows CiA to look at AssetFinda Spatial data. Our squad agreed on two options	Spatial – to allow end users to see AssetFinda spatial component as they do now in MagiQ, we need to include a unique key in either CiA or AssetFinda that allows CiA to look at AssetFinda Spatial data. Our squad agreed on two options •Option 1 – create a custom field in AssetFinda to hold a unique CiA number (Device I.D) – this was proposed to Linda (product owner for AssetFinda) and it was deemed not practicable (reasons included in earlier emails), so we moved to option 2 •Option 2 – create a custom field in CiA to hold a unique AssetFinda number (Asset #) – The custom field has been created. The data guys are currently developing their mapping	Data migration	Data Quality	Percy Packery	Low	12/10/2023 - Spatial has a starting point •CiA has a custom field that will store the Unique Asset # oThis will allow the Spatial team to move forward once they fully understand the steps needed for our end users to view the AssetFinda Spatial component oWe no longer need any changes to the AssetFinda system or go into their database oThe data team will import the Asset #s from the data extracts provided to the new CiA custom field 12/01/24 - - Review with the spatial and water billing team to ensure it is still on track.	(2) Unlikely(2) Minor
R_110	Training - Operational:	Having disruptions, errors or failures in the training delivery, execution or management. The training is not planned, scheduled or budgeted properly, the training resources, materials or equipment are not available or reliable, the training venue, platform or environment is not suitable or secure, the training feedback, assessment or reporting is not accurate or timely. e.g; System readiness ; System is not available, ready and or up to date to use for training material development and training e.g; Changes to project; Changes to project and/or material that might occur during development and delivery of training. e.g; Limited time; Limited time to make changes should any challenges present themselves and to develop, test and roll out training material	Insufficient resource	Change impact and deploy to benefits	Abbe Pomare	Medium	16/11/2023 Adopt a proactive, systematic and holistic approach to risk management. We identify, assess, prioritise, mitigate, monitor and communicate the risks throughout the training lifecycle. We involve the relevant stakeholders, follow the best practices and standards, use the appropriate tools and methods, and learn from the feedback and outcomes of the training. This is to reduce the likelihood and impact of the risks and increase the quality and effectiveness of the training 12/01/2024 - training plan, communications plan and stakeholder plan all in place and being used by the change manager and digital trainer. Steering updated on training approach and supportive.	(2) Unlikely(3) Moderate
R_112	Training - Human:	Having negative impacts on the training participants/staff or stakeholders due to the training. Also Limited availability of staff The training is not accessible, inclusive or respectful for the participants, the training is not supportive, motivating or rewarding for staff, if the training is not transparent, collaborative or accountable for the stakeholders, the training is not enjoyable for everyone, Staff has limited time/availability (specifically those working off site) to access and or follow the training	Change Impact	Change impact and deploy to benefits	Abbe Pomare	Low	16/11/2023 Adopt a proactive, systematic and holistic approach to risk management. We identify, assess, prioritise, mitigate, monitor and communicate the risks throughout the training lifecycle. We involve the relevant stakeholders, follow the best practices and standards, use the appropriate tools and methods, and learn from the feedback and outcomes of the training. This is to reduce the likelihood and impact of the risks and increase the quality and effectiveness of the training 12/01/2024 - training plan, communications plan and stakeholder plan all in place and being used by the change manager and digital trainer. Steering updated on training approach and supportive.	(2) Unlikely(2) Minor

R_113	Training - Strategic, Low return on investment:	Having a faulty or ineffective training strategy that does not align with the business goals, needs or value. E.g, the training does not address the skills gaps, performance issues or customer expectations, the training is not relevant or engaging for the participants, the training is not updated or evaluated regularly or if the training does not consider opportunities, employee knowledge/ more training needed and not feasible, productivity did not increase enough to justify the expenses.	Change Impact	Change impact and deploy to benefits	Jessica Hay	Low	16/11/2023 Adopt a proactive, systematic and holistic approach to risk management. We identify, assess, prioritise, mitigate, monitor and communicate the risks throughout the training lifecycle. We involve the relevant stakeholders, follow the best practices and standards, use the appropriate tools and methods, and learn from the feedback and outcomes of the training. This is to reduce the likelihood and impact of the risks and increase the quality and effectiveness of the training 12/01/2024 - training plan, communications plan and stakeholder plan all in place and being used by the change manager and digital trainer. Steering updated on training approach and supportive.	(2) Unlikely(2) Minor
R_114	Training - Compliance:	Violating external laws and regulations or internal standards that apply to the training. E.g., the training does not comply with the health and safety regulations, anti-discrimination laws, data protection policies or industry-specific standards	Business Risk	Quality of implementation	Abbe Pomare	Low	16/11/2023 These risks ar partially not applicable and where they are we apply the strategies mentioned above.	(2) Unlikely(2) Minor
R_115	Writing back to MagiQ from CIA for LIMs is not tested before.	Pending Aaron's feedback 11/12/2023. Need to confirm the ability to write data back into MagiQ to keep the LIMs process going. Untested before by other councils. Dependency on single person to write this back and keep the API going until phase 4 is live.	Technical Capabilities	Decrease in service level	Percy Packery	High	11/12/23 Aaron Flashynski to provide update on technical possibility of this. Mitigation is to postpone go live and complete this piece of work with phase 4 modules so integration is not required. 12/02/23 Complete configuration and test as part of UAT 4. Include the work as part of phase 3. Aaron from MagiQ and a data specialist to work on integration piece. Project oversight to ensure deliverables are met. Frequent check ins on progress.	(3) Moderate(4) Major
R_117	Data migration for each go live rehearsal is taking a long time to load	This could have a detrimental impact on customers and staff during cutover, forcing a longer period of time where manual processing or freeze outs of system are in place.	Technical Capabilities	Extended timeline for cutover	Percy Packery	Medium	21/03/2024 Go live rehearsals and runsheets have identified opportunities for improvement. Consultants have also highlighted ways of processing data that could help. Data specialist to support the data lead during the loading period so that the operation can be run round the clock. Testing this during 8 April go live rehearsal. Communications to the organisation around the cutover period and waht will be available. TDC aware and have workarounds in place to manage this.	(3) Moderate(2) Minor
R_118	Data is tracking behind where it needs to be for this far along into the project.	We are currently behind our initial deadlines for data completeness. This is jeporadising our timeframes for go live. Scope creep seems to be playing some part here along with the relitigation of some previously agreed parameters.	Timeframes for delivery	Extended timeline	Abbe Pomare	High	21/03/2024 Review of issue priority and adjustments of scope for go live. Only legislative adjustments will be deemed go live critical and managed ahead of time. Access to MagiQ as a read only file will be available until phase 4 go live. Scope changes for data are to go through a change control process headed by Percy to review the criticality and urgency around it.	(3) Moderate(4) Major
R_119	Imapcts to TDC revenue and financials	Risk that the cutover could impact critical financials and might require additional support to rectify flow on affects to TDC and its customers.	Timeframes for delivery	Extended timeline for cutover	Abbe Pomare	Medium	21/03/2024 Confirm testing in UAT. Ensure TDC and TechOne support resources are available for first business week after deployment.	(2) Unlikely(4) Major
R_120	Configuration not migrated successfully	If configuration doesnt come through correctly it will impact the quality of the go live ad require extended timeframes. It could also impac our end users and erode trust in the system is the faults are not found by the cutover team.	Timeframes for delivery	Extended timeline for cutover	Abbe Pomare	Medium	21/03/2024 Confirm the configuration to be migrated and the order in which to migrate ahead of time and practice a full data and configuration migration run through using a stacked approach and regular approach. Update the runsheet to reflect the lessons learnt from previous go live rehearsals. Confirm that the runsheet for consultants is in a place that is visible to the project management team and monitor the checking off of the runsheet as the go live progresses. At least two consultants are to migrate the data to ensure that one is migrating and one is checking things have come through correctly.	(2) Unlikely(3) Moderate
R_121	Data mgiration errors or omissions during the cutover process	Data mgiration errors or omissions during the cutover process	Data migration	Quality of implementation	Tim Watkins	Medium	21/03/2024 Leave enough buffer in the runsheet for cutover for data migration to be completed and reconciled fully. Ensure that BOs have signed off on the data requirements and tested what will be loaded for go live in advance. Data specialists to confirm that all data files have been loaded into TechOne.	(2) Unlikely(4) Major
R_122	Performance of production system	If the production environment is slow or has a degraded experience then timeframes for cutover could be extended over the blackout period impacting customers and TDC staff.	Technical Capabilities	Extended timeline for cutover	Abbe Pomare	Medium	21/03/2024 Ensure TechnologyOne Cloud Team and AMS are on standby over the go live and post go live period. Take backups of before migration in case roll back is required.	(2) Unlikely(4) Major
R_123	Users do not have correct security access	Users do not have correct security access which could negatively impact peoples ability to do their job once live in CIA.	Technical Capabilities	Quality of implementation	Abbe Pomare	Medium	21/03/2024 Ensure user access profiles have been setup as per TDC's User Access Matrix. Ensure TechnologyOne Consulting or AMS resource are on standby to amend user profiles as required at short notice.	(3) Moderate(3) Moderate
R_124	Reliance on key availability during cutover period	If someone is unavailable for any reason over cutover and they are a single point of failure then we will be unable to proceed.	Insufficient resource	Extended timeline for cutover	Abbe Pomare	Medium	21/03/2024 Ensure that we have had multiple go live rehearsals and thorough runsheets. Ensure each task has a primary and alternative resource assigned. Have one centraled runsheet and communication channel through which all communciations will be sent to ensure consistency and common understanding.	(3) Moderate(3) Moderate
R_125	Customer portal down during cutover	To avoid changes being made to data during cutover no online payments can be processed. This means the payments portal will be offline for the duration of the blackout period.	change Impact	Decrease in service level	Abbe Pomare	Medium	21/03/2024 Process discussed with business owners and work arounds confirmed. Processes will be manual and resourced accordingly to avoid additional risk. Loading of data post go live will be discussed and confirmed.	(3) Moderate(3) Moderate
R_126	Changes to configuration or data happening during the blackout period	If data changes are happening during the brown out or black out period then it will impact go live reconciliation of system environments and data.	Change Impact	Extended timeline for cutover	Abbe Pomare	High	21/03/2024 Clearly communicate the blackout and brown out periods to all affected users and what will be required of them during this time. Have a reference point of processes and workarounds in Tui for reference and communicate via multiple channels. Notify MagiQ and lock out users who do not need to access MagiQ over this time. S	(3) Moderate(4) Major
R_127	Impacts to other systems upgrades or maintenance requirements	The business is using old systems that require frequent maintenance that will not be able to be done during this time period.	Technical Capabilities	Business risk	Abbe Pomare	Low	21/03/2024 Clear communication with the IT ops team and planning will be done to confirm that the maintenance schedule is minimally impacted. Vendors of the various systems will be notified when the blackout period starts and finishes and backups will be done to minimise disruption.	(2) Unlikely(2) Minor
R_128	Outsourced configuration of rates and water	Outsourcing the configuration and migration of configuration between environments means that the BSA's do not have the knowledge to support this work successfully in the future.	Technical Capabilities	Business risk	Abbe Pomare	Medium	21/03/2024 All configuration was completed by TechOne to roll out these modules fast but the IP still remains with the TechOne consultants. Additional training will be required to transfer the knowledge to the TDC team. Test scripts to be reviewed and updated by TechOne and used as a training reference for end users. TechOne University will be used alongside consultants to upskill the system admins and business analysts to support the system post go live. AMS will also provide technical support.	(3) Moderate(3) Moderate
R_129	Rates and water currently managed by one person	Rates and water are large modules, critical to project success and currently sit with one BA. Risk of staff burnout or the quality of the modules being compormised due to conflicting priorities and high workloads.	Reduced quality / staff well being	Quality of implementation	Percy Packery	Medium	21/03/2024 Reduce threat through sharing the load of the modules between three different BA's with one lead. Work is divided and communications shared to ensure common understanding.	(3) Moderate(2) Minor

R_130	Water service import template adjusts who is responsible for debt when it comes to the non-owner rate payer accounts.	<p>The proposed solution of putting transactions, readings, consumption etc against the Property Owner creates some risk:</p> <p>a) The same legacy payment ref can be used by the customer for more than one service (rates, water, animals, etc). This opens the possibility that a payment made for a non-related property gets applied to another person's debtor account if the payer has a tenanted water service.</p> <p>b) There is a similar potential with adding legacy matching to DXP</p> <p>c) Should a Tenant overpay their water service that will become a credit amount on the Property Owner debtor account that may result in the moneies being applied to other debt of the Property Owner when it should rightly be retained for the Tenant.</p> <p>d) Should a Tenant be in credit on their Water Service payments and end the tenancy the money does not reside on their account with TDC so they are unable to reclaim it, and there may be privacy implications with even discussing the amounts.</p> <p>e) Should the tenant wish to apply a Water service credit to their own property, how do they go about transferring money from someone elses account?</p> <p>f) If a tenant wishes to get transaction, reading or consumption history, the data technically resides on someone elses account. What are the privacy implications?</p>	Legal Risk	Legal risk	Percy Packery	Medium	21/03/2024 Business owner Toni will review the data that is coming through and confirm if it is correct. Nigel from the legal team will be consulted as required to discuss the legal implications. The advice of Toni and Nigel will determine the next steps to be taken.	(3) Moderate(3) Moderate
R_131	Manual workarounds for key processes	During the blackout period there will be manual workarounds in place to ensure that data and configuration remains unchanged between systems for reconciliation purposes, but this puts extra pressure on TDC staff who are already under pressure from multiple projects as well as BAU and LTP	Change impact	Staff wellbeing	Libby OBrien	High	21/03/2024 Business owners consulted and notified of blackout period. Process discussions complete and documented for follow up consultation and comms.	(5) Almost Certain(3) Moderate
R_132								
R_133								

STRATEGIC RISK PROFILE.

Strategic Risk	(1) Attracting and retaining a competent workforce.	Risk Rating	
Description	If the Council is unable to attract and retain competent workers at the required levels, then it would be unable to achieve the required outcomes and objectives.		
Owner	Libby O'Brien	Within TDC Risk appetite?	N
Last reviewed	2 May 2024	Risk trend	
Next review	TBA		

Commentary and Emerging issues.

Council currently has an overall staff turnover of 19.1% which exceeds council's risk appetite. There are some high-risk business units (specific Council services) that are contributing to this over all percentage which when removed, reduce the overall council turnover to 12%, which sits within council's risk appetite (up to 18% turnover). Pools (32.2% turnover), and parks (29.7% turnover), fall well outside of council's risk appetite, but are within benchmark with other local authorities.

Research indicates that engagement¹ is a valuable indicator of organisational culture and a key driver for retaining staff. Councils' annual engagement survey remains consistent at 3.89 which is slightly better than other Council's using the same database. People and Culture continue to support teams where engagement scores are below average.

Slower immigration checks have extended onboarding overseas applicants by up to 9 weeks. Housing remains a concern when recruiting outside of the Taupo District.

Current approaches in managing this risk work well at the generic level. More targeted approaches may be needed to support business units with high turnover as in-house capacity to support increased recruitment is diverting expertise away from supporting teams that need additional engagement support.

Risk drivers / causes.

1. Unattractive working conditions – particularly for those working 'in the field'.
2. Lack of role clarity or weak team direction; mismanaged expectations between leaders and staff; low leadership engagement or support to staff leaves staff with a low understanding of 'purpose'.
3. Doing more with less – additional workloads to backfill gaps, potential for staff burn out and wellbeing issues, increased sick leave and wider team impacts such as reduced morale.
4. People in the wrong roles and wrong appointments; poor training and/or induction leaving individuals feeling out of their depth; ignoring 'red flags' during recruitment.
5. Uncertainty around central government decisions and impacts on local government delivery; current economic climate leave staff feeling unclear about their future; central government redundancies flooding local government market providing opportunities to secure high calibre staff.
6. Local community perception and expectation of what local government is and isn't; financial constraints reduce capacity to engage with communities who become more disenfranchised and vocal about council delivery (not an attractive work proposition for local new employees).
7. Housing availability in Taupo District makes relocation difficult for new staff.

Possible key consequences for TDC should the risk materialise.

Plausible scenario	Worst case scenario
<ul style="list-style-type: none"> Ongoing recruitment and onboarding slows service delivery of work programmes; unplanned decreases in service levels; lose institutional knowledge. Increased costs associated with outsourcing / contractors. 	<ul style="list-style-type: none"> Failure to meet legislative obligations. Deliberate reduction in service levels or closing some council services. Some programmes of work paused or with extended delivery timeframes.

STRATEGIC RISK PROFILE.

<ul style="list-style-type: none"> Increased staff fatigue as less people strive to delivery existing work programmes; increased overtime; staff take less annual leave; increased H&S incidents; increased disengagement. Increased staff turnover. 	<ul style="list-style-type: none"> Significantly increased workloads and critical levels of staff fatigue; high levels of disengagement and desire to leave TDC; organisational culture low. Intolerable level of staff turnover; difficulty in attracting staff; increased staff costs (salaries) to attract / retain people in roles. Reputation damage within the community and / or local government sector.
What are we tracking to understand this risk [Risk indicators].	
<ul style="list-style-type: none"> Sum of annual leave > 30 days Sum of sick leave > 20 days Sick leave ration to FTE HR issues per team Engagement score 	
How we are addressing this risk now.	
<p>Generic approaches.</p> <ul style="list-style-type: none"> Active Managers Programme (people leadership development). Benchmarking for Local Government pay and benefits. Focus on wellbeing (topic-based talks; EAP; Mental First Aid) Focus on strengths development (Gallup) 	<p>Targeted approaches.</p> <ul style="list-style-type: none"> Engagement Action Planning (bespoke plans to support teams to improve engagement). Tools to support effective early performance management conversations. Identification of critical roles.
Future actions to manage the risk more effectively.	
<p>High impact / low-cost options.</p> <ul style="list-style-type: none"> Executive team workshop to understand cascading impacts of this risk to other Strategic Risks, plan new approaches to manage this risk, and take accountability for organisational approaches in managing this risk. <p>High impact but with cost.</p> <ul style="list-style-type: none"> Strategies to highlight value proposition for working at TDC (internal and external). Stronger alignment for staff with Business Plan; Annual Plan and Long-Term Plan to emphasise role purpose. Targeted support for teams with low engagement / high staff turnover. Implementing proactive approaches that ensure the right people are in the right roles. <p>Higher impact but higher cost.</p> <ul style="list-style-type: none"> Different approaches to managing high volume recruitment in high turnover teams releasing capacity within P&C to provide targeted support for teams with lower performance / engagement. 	
Connection to other risks?	
<p>Pressures in this strategic risk will likely have direct and indirect impacts on several of the other Strategic Risks. Key direct impacts are most likely in:</p> <ul style="list-style-type: none"> Strategic risk 3 Financial Strategy (unplanned expenditure; financial impacts from service levels/ failure to deliver). Strategic risk 5 Zero harm (increased impacts on wellbeing and safety). Strategic risk 6 Non delivery of projects (capacity and key person risk). Strategic risk 8 Maintaining ICT Systems and secure records (Payroll). 	



Sensitive Expenditure and Gift Policy

May 2024

taupo.co.nz

POLICY

DOCUMENT CONTROL

VERSION	DATE	COMMENTS	DOC REFERENCE
DRAFT	xx May 2024		

DOCUMENT APPROVALS

	NAME	SIGNATURE	DATE
REVIEWER	General Manager - Organisation Performance Sarah Matthews		xx-May-2024
APPROVER	Risk and Assurance Committee Chair Bruce Robertson	<i>Pending Risk and Assurance Committee adoption</i>	X-May-2024

DOCUMENT CUSTODIAN AND REVIEW DATE

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

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Introduction

1. Why do we have a Sensitive Expenditure and Gift Policy?

- 1.1 Trust and confidence in public organisations is driven by competence, reliability, and integrity. Where there is any question about any one of those things, real or perceived, trust and confidence can be eroded. It is important that as elected members and employees of Taupō District Council we adhere to the highest standards of integrity and are seen to be doing so.
- 1.2 It is the expectation of the Officer of the Auditor General that all public organisations will have a policy to manage sensitive expenditure. TDC's Sensitive Expenditure and Gifts Policy has been developed based on the guidance issued by the Officer of the Auditor-General – [Controlling Sensitive Expenditure: Guide for Public Organisations](#).

2. What is sensitive expenditure?

- 2.1 Sensitive Expenditure is any Council expenditure where there may be a perceived personal benefit to elected members or staff, or expenditure that could be considered unusual for a Council.
- 2.2 Sensitive expenditure will have one or more of the following attributes:
 - Results in a perceived or real private benefit to the individual.
 - May be an unusual expenditure item for Council.
 - Does not directly align with the core business of Council or has a poor link to the business purposes of Council.
 - Could be difficult to justify to the public.
 - May involve a conflict of interest (legal or ethical).
 - May be considered an extravagant or immoderate expenditure.

3. Purpose

- 3.1 The purpose of this policy is help staff manage sensitive expenditure by:
 - Setting out the principles that will guide sensitive expenditure decisions.
 - Making clear the approvals required, limits and processes for managing sensitive expenditure.
 - Stating how TDC will monitor and report on sensitive expenditure.

4. Scope

- 4.1 This policy applies to all TDC elected members, employees (including those on contract), and Taupō Airport Authority staff. It does not apply to Council Controlled Organisations that are legal entities in their own right e.g. DGLT.

5. Structure of this document

- 5.1 The policy has been divided into three parts.
- PART ONE – Section 7 to section 10 outline the broad principles around managing sensitive expenditure.
 - PART TWO – Section 12 outlines general controls associated with all types of sensitive expenditure. In addition to these, further controls specific to the type of sensitive expenditure to be incurred are outlined in Section 13-**Error! Reference source not found.**:
 - 13. Credit card purchases
 - 14. Expenses when travelling
 - 15. Entertainment and hospitality expenditure
 - 16. Goods and Services
 - 17. Staff support and welfare expenditure
 - 18. Other types of expenditure, e.g. gifts or receiving hospitality.

6. Distribution and communication

- 6.1 This policy will be published on Council's intranet and internet.

Part 1 – Principles

7. Taking a principles approach

- 7.1 The Office of the Auditor-General recommends a principles-based approach to making sensitive expenditure decisions. Although a principles-based approach requires careful judgement, it is also flexible and more enduring and practical to administer than a large number of rules.
- 7.2 Council is spending public money consequently all expenditure should be subject to a standard of probity and financial prudence expected of a local authority and be able to withstand public scrutiny.
- 7.3 There are principles that underpin decision-making about sensitive expenditure. Expenditure decisions should:
- **have a justifiable business purpose** that is consistent with the public organisation's objectives. A justifiable business purpose means a reason that would make clear sense, supported by evidence of the need for the spending and evidence that a range of options have been considered;
 - **preserve impartiality**. Impartiality means decisions based on objective criteria, rather than based on any sort of bias, preference, or improper reason;
 - **be made with integrity**. Integrity is about exercising power in a way that is true to the values, purposes, and duties for which that power is entrusted to, or held by, someone. It is about consistently behaving in keeping with agreed or accepted moral and ethical principles;
 - **be moderate and conservative** when viewed from the standpoint of the public and given the circumstances of the spending. It includes considering whether the justifiable business purpose could be achieved at a lower cost;
 - **be made transparently**. Transparency in this context means being open about the spending, and willing to explain any spending decisions or have them reviewed; and
 - **be made with proper authority**. This means that the person approving the spending has the appropriate financial delegation to do so, for the type and amount of spending and follows correct procedures.
- 7.4 These principles should be applied together. None should be applied alone, and no principle should be treated as more important than any other.

8. Deciding when sensitive expenditure is appropriate

- 8.1 Improper expenditure could harm the reputation of, and trust in, the Council so in deciding what appropriate sensitive expenditure is, elected members and Council staff need to take account of both individual transactions and the total amount of sensitive expenditure.

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- 8.2 Even when sensitive expenditure decisions can be justified at the item level, the combined amount spent on a category of expenditure may be such that, when viewed in total, Council could be criticised for extravagance and waste.

9. Responsibilities

- 9.1 Overall responsibility for this policy rests with the Mayor, Councillors and the Senior Leadership. This group must make it clear to staff what is and is not acceptable sensitive expenditure and model those behaviours to the highest standard.
- 9.2 It is the responsibility of all elected members and staff to ensure that they are familiar with and apply this policy to all sensitive expenditure they may incur.

10. Applying judgement

- 10.1 In the absence of a specific rule for a given situation all elected members and staff are expected to exercise good judgement by taking the principles in this policy into account in the context of the given situation.
- 10.2 All elected members and staff are required to ensure transparency in both sensitive expenditure and remuneration systems, to avoid any trade-off between the two. Items of expenditure that may not be justified under the principles of this policy should not be included as part of an employee's remuneration for the purposes of avoiding scrutiny against sensitive expenditure principles.

Part 2 – Controlling sensitive expenditure

11. Controls

- 11.1 This section outlines TDC's expectations of elected members and staff when spending council funds on anything that may be considered sensitive.
- 11.2 General control criteria applicable **to all types of sensitive expenditure** are specified in **Table 1** and must be met.
- 11.3 Further controls specific to the type of sensitive expenditure to be incurred are outlined in Section 13-
Error! Reference source not found., which cover:
- Credit card purchases
 - Expenses when travelling
 - Entertainment and hospitality expenditure
 - Goods and Services
 - Staff support and welfare expenditure
 - Other types of expenditure, e.g. gifts or receiving hospitality.

12. General controls for all types of sensitive expenditure

- 12.1 If the general control criteria outlined in **Table 1** cannot be met, then reimbursement must be expressly authorised by the Chief Executive who will carefully consider the principles outlined in Section 7.3 before approving reimbursement. Such exemptions are to only be issued in exceptional circumstances.
- 12.2 Expenditure incurred by, or on the direction of, the Mayor or other elected officials (not explicitly approved by Council), will be reviewed by the independent Chair of the Risk and Assurance Committee or its equivalent for compliance with this policy. If the Chair is not an independent, then the expenditure shall be reviewed by an independent member of the Audit and Risk Committee or its equivalent. In the case of manager approval, the "one up" principle must be applied to the maximum extent possible. However, in the case of the Chief Executive approval is required from the Mayor.
- 12.3 For the avoidance of doubt, approval must be given and recorded before the expenditure is incurred, wherever practical.

Table 1 – Control requirements for all sensitive expenditure.

Control Requirements for all Sensitive Expenditure			
BEFORE incurring expenditure			
Person seeking approval		Approver	
Has a justifiable business purpose? Ref 7.3	<input type="checkbox"/>	You are satisfied that the proposed expenditure meets all of the principles referenced in section 7.3 and are satisfied it complies with this policy in all respects?	<input type="checkbox"/>
Is moderate and conservative? Ref 7.3	<input type="checkbox"/>	Budgetary provision exists?	<input type="checkbox"/>
Manager has advised there is budgetary provision?	<input type="checkbox"/>	You have delegated authority for this level of expenditure?	<input type="checkbox"/>
You will not personally benefit from this expenditure?	<input type="checkbox"/>	As approver you will NOT personally benefit from the expenditure. <i>NOTE: If you will personally benefit, or be perceived to benefit, a more senior manager who does not benefit must approve the expenditure.</i>	<input type="checkbox"/>
AFTER incurring expenditure			
Person seeking reimbursement		Approver	
Claim submitted within 1 month?	<input type="checkbox"/>	Claim submitted within 1 month?	<input type="checkbox"/>
Expenditure claimed does not exceed pre-approved amount? If exceeded, provide an explanation.	<input type="checkbox"/>	Expenditure claimed does not exceed pre-approved amount? - If exceeded, an explanation should be provided. - If exceeded, check new amount does not exceed budget.	<input type="checkbox"/>
The following is uploaded with the expenditure claim in CIA: - business purpose for the expenditure stated. - original GST receipt/invoice with required fields including seller's name, GST number (if applicable), date of invoice, total amount, and detailed line items with description of expenditure and amount of each item. - lists those people who benefited. <i>Note: credit card statements and EFTPOS receipts are not sufficient for reimbursement purposes.</i>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Claim accompanied by: - stated business purpose? - original GST receipt/invoice with date, time amount, and description of expenditure - lists those people who benefited? <i>Note: credit card statements and EFTPOS receipts are not sufficient for reimbursement purposes.</i>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Issued for one person only? <i>NOTE: If claims related to more than one person it should be made by the most senior person and list the other individuals to whom the expenditure relates.</i>	<input type="checkbox"/>	Ensure separate claims are issued for each person wherever possible. <i>NOTE: If claims related to more than one person it should be made by the most senior person and list the other individuals to whom the expenditure relates.</i>	<input type="checkbox"/>

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13. Council credit cards and purchasing cards

- 13.1 Bank credit cards and purchasing cards create the risk that expenditure, including sensitive expenditure, is incurred before it is approved. TDC therefore tightly manages the issue and use of credit cards.

Credit Cards Management

- 13.2 The issue of credit cards to the Mayor and Chief Executive is authorised under this policy.
- 13.3 The **General Manager responsible for the finance function** may approve the issue of additional cards to staff where appropriate.
- 13.4 Before authorising the issuing of additional cards, the **General Manager responsible for the finance function** must be satisfied that they are strictly necessary to cover either regular travel or for administrative efficiencies, e.g. payment of properly authorised purchases from overseas.
- 13.5 The **Finance Manager** will be responsible for the acquisition of cards on the direction of the **General Manager responsible for the finance function**.
- 13.6 The **Chief Executive** will decide whether existing cards are no longer required. On instruction issued by the **Chief Executive**, the **Finance Manager** will be responsible for cancelling, securely destroying card/s and advise the issuing bank of its cancellation.
- 13.7 The credit card is to be stored securely and the card details, such as card number and expiry date restricted to the staff involved in its administration. Card details for cards in an individuals name should not be shared with others.
- 13.8 Should a card be lost, misplaced, or subject to fraud, the card holder should notify Finance team who will cancel the card immediately and seek a replacement.

Credit Cards Purchasing

- 13.9 When making internet purchases the cardholder, or staff with the appropriate delegated authority on behalf of the cardholder, will ensure that:
- Purchases are made only from established reputable companies known to Council.
 - Internet sites are secure and the vendor is reputable.
 - The procurement complies with Council's procurement policy and procedure.
 - A copy of the online order form and invoice is printed to support payment.
- 13.10 For current credit cards, the credit card limits and transaction limits are set by the **General Manager responsible for the finance function**.

- 13.11 Changes to the credit card limits will be approved by the **General Manager responsible for the finance function**.
- 13.12 The use of Council credit cards for private expenditure or credit is prohibited.
- 13.13 Credit cards cannot be used to obtain cash advances.
- 13.14 Credit card payments must be authorised like other invoices and in accordance with the Delegations Manual. Therefore prior to asking a credit card holder to make a transaction on the behalf of a staff or elected member, the person requesting the expenditure must provide written approval from a one-up manager with appropriate delegated authority to the person making the credit card transaction with the exception of purchases made by, or on behalf of, the Mayor and the Chief Executive. A one-up manager can be at any level of the organisation, as long as they have the necessary delegated financial authority¹. The Chief Executives credit card expenses will be subsequently reviewed and approved by the Mayor. The Mayor's credit card expenses will be subsequently reviewed and approved by the Chair of the Risk and Audit Committee.
- 13.15 All credit card transactions must be supported by original documentation to explain and corroborate transactions. For all entertainment and travel transactions the business reason and other parties (if any) must be recorded along with the purpose of the meeting.

Unauthorised credit card use

- 13.16 The use of credit cards shall comply in all respects with the policy requirements specified for specific areas of expenditure (below).
- 13.17 Unauthorised use of credit cards will be notified to the staff member's Manager for investigation and to the Finance Manager who will consider if cancelling the card is appropriate. If justifiable reasons, consistent with the principles of this policy, cannot be provided the matter may be escalated and managed in accordance with TDC's Fraud Policy.

14. Expenses when travelling

Principles

- 14.1 TDC elected members and staff may need to incur travel and accommodation costs while travelling in New Zealand or overseas for work. Before incurring this expenditure elected members and Council staff should consider technology-enabled solutions as opposed to travel where appropriate.
- 14.2 Expenditure must have a **justifiable business purpose** and be **moderate and conservative**. Expenditure for travel and accommodation should be economical and efficient, having regard to purpose, distance, time, urgency and personal health, security and safety considerations.

¹ The written approval for credit card payments from someone with delegated financial authority, along with the receipt, are to be loaded onto CIA alongside each individual transaction.

Travel Advances (cash)

- 14.3 Where TDC elected members or staff are required to travel overseas for work, if may be necessary for them to receive cash advance in the local currency.
- 14.4 Should a travel advance be necessary, the travelling elected member or staff member will complete an application for the necessary amount of cash to be obtained having regard to the circumstances of travel via Ci Anywhere. This cash advance is to be approved in advance by the staff members' manager (Mayor/Chair of Risk & Assurance committee for elected members) with the appropriate delegated financial authority. The travel advance will be paid to the staff member into their nominated bank account on the next available creditors payment run.
- 14.5 Upon return from travel the elected member or staff member must complete the advance return reconciliation, returning any unused cash, and provide receipts for expenditure incurred.

Air travel

- 14.6 All air travel requires one-up approval in advance from a manager with the appropriate delegated financial authority, with the exception of international travel which must be approved by the Chief Executive.
- 14.7 Elected member international travel must be approved by Council before booking.
- 14.8 To the extent practicable, air travel is to be booked well ahead of the actual travel date, so the expenditure is the most cost-effective possible.
- 14.9 Discounted economy or economy class and/or a discount airline is to be the first choice for journeys where the uninterrupted flight time is 5 hours or less, except where the distance or hours travelled, work schedule on arrival, or personal health, safety or security reasons make premium economy/business class² appropriate.
- 14.10 For international flights that exceed 5 hours, premium economy travel may be booked following approval by the Chief Executive for staff, or the Mayor for elected members. Before determining whether a premium economy/business class fare is appropriate, flying long distance in economy class and arriving earlier to allow rest-up should be considered if time allows.
- 14.11 For international flights that exceed 10 hours, business class travel (excluding Air New Zealand), may be booked following approval by the Chief Executive for staff, or the Mayor for elected members. Before determining whether a business class fare is appropriate, flying long distance in economy class and arriving earlier to allow rest-up should be considered if time allows.
- 14.12 In all circumstances business class travel on Air New Zealand or first-class travel for other airlines is prohibited.
- 14.13 Air-travel is to be booked in accordance with the [Travel Guidelines \(A3434467\)](#).

² Air New Zealand Business Class is prohibited as this is their first-class service.

- 14.14 Any person (staff or elected members) travelling internationally on Council business must provide a report to the Mayor or Chief Executive upon their return detailing the benefits of the trip.

Airline membership clubs

- 14.15 The Mayor and Chief Executive will be entitled to Koru Club or equivalent airline membership to reflect the need to travel on Council business. Council will pay for the membership.
- 14.16 The payment for airline fees for membership clubs is not considered remuneration.
- 14.17 Council payment for membership of airline travel clubs for other staff requires the express approval of the Chief Executive. Membership must be supported by a clear business purpose and reviewed annually.

Airline Loyalty rewards

- 14.18 Although TDC staff or elected members may claim air points from work related travel TDC will not seek staff to transfer accrued air points to TDC as the costs of managing this process will outweigh the benefits³.

Accommodation

- 14.19 Where accommodation is required for business purposes one-up approval from a manager with the appropriate delegated authority will be provided in advance of booking.
- 14.20 Where accommodation is required for business purposes accommodation will be booked in advance using TDC's [Travel Guidelines \(A3434467\)](#).
- 14.21 To the extent practicable, accommodation is to be booked well ahead of the actual travel date, so the expenditure is the most cost-effective possible. This must take into account the location of the accommodation relative to the event/work location, the standard of the accommodation [which should be modest] and security issues. The use of "5 star" or "luxury" accommodation requires the express approval of the Chief Executive, prior to the booking being confirmed.
- 14.22 Wherever possible use is to be made of Council's preferred suppliers and negotiated corporate rates.
- 14.23 Where any staff member chooses to stay in private accommodation reimbursement will be made directly to the hosts at up to \$60 per night.
- 14.24 Supplementary costs, such as minibars/videos will not be reimbursed by Council.

³ TDC staff book travel using an online system (Orbit) which does not have the ability to add air point details at the time of booking, although staff may add their air point details subsequent to booking. Although it may be possible for staff to accrue some small benefit from claiming air points from work related travel, the cost of monitoring and managing transfer of air points from staff to TDC would outweigh the benefit to be received by TDC, particularly in light of the small number of staff who travel by air on a regular basis.

- 14.25 All charges for business related telephone calls, faxes, email and internet access made by an elected member or staff member while travelling on Council business will be reimbursed where documented evidence is provided e.g. receipts.
- 14.26 Accommodation check-out times are to be observed. In the absence of extenuating circumstance, any additional costs as a result of failing to check out on time are the responsibility of the elected member or staff member.
- 14.27 Reasonable expenses will be met for unexpected events e.g. overnight expenses due to a cancelled plane flight.

Non-air transport

- 14.28 Staff are to use the most effective and efficient means of transport suitable for the requirements of the trip.
- 14.29 Wherever possible staff and elected members are to use a Council vehicle.
- 14.30 The use of taxis is to be moderate, conservative and cost effective relative to other transport options. Wherever practicable and cost effective, shuttle, bus services or Uber are to be used in lieu of taxis.
- 14.31 Corporate taxi cards can be issued prior to travel via Business Support team and allocated for individual use for a period of time. All use of taxi cards is to be transparent with the purpose of each trip recorded on the account and expressly only for business purposes, even if used while travelling for business.
- 14.32 Rental cars are only to be used if it is impracticable or uneconomic to use a Council vehicle. Council requires that the most economical type and size of rental car used, consistent with the requirements of the trip. Any fine [parking or traffic offences] incurred while using a rental vehicle are the responsibility of the driver.
- 14.33 Private use of a rental car is only permitted in exceptional circumstances and requires the express approval of a one-up manager with the appropriate delegated financial authority. All additional costs as a result of private use are the responsibility of the elected member or staff member.

Use of Private Vehicles

- 14.34 Staff are expected to always use a Council vehicle for Council business if one is available. Council will not pay for travel by private motor vehicle where travel by other means is more practical and cost effective.
- 14.35 Without exception, pre-approval is required from a one-up manager in all instances where reimbursement by Council is claimed, and shall only be provided when a council vehicle is either not available or not practical. Approval to use a private vehicle is conditional upon the owner having appropriate insurance cover for the vehicle while it is being used on Council business. The Council accepts no liability for insurance or any fines [parking or traffic offences] incurred while using a private vehicle on Council business. These are strictly the responsibility of the driver.
- 14.36 All reimbursement claims for use of a private motor vehicle must be made via CiA, Councils Enterprise Resource Planning (ERP) system and at the approved IRD kilometre rates.
- 14.37 Refer to TDC's Vehicle Policy to understand when private use of TDC funded transport is allowable.

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14.38 Any fines incurred while travelling will be at the cost of the person incurring the fine.

Meals while travelling

14.39 While on Council business Council will meet the costs of meals (including drinks) up to the values outlined in **Table 2** below. Separate meal expenses will not be met where a meal has been provided as part of the meeting, conference, training etc.

Table 2 – Maximum meal allowances while travelling.

Meal allowance for staff or Elected Member	Maximum per head (including beverages)
Breakfast	\$30*
Lunch	\$30*
Dinner	\$80*

* These values are maximum limits and TDC expects that even within these limits that Moderate and Conservative principles apply (refer to section 7).

14.40 Within the above meal allowance Council will pay for one beverage with a meal; this may be alcoholic for the evening meal (cocktails excluded). Casual drinks before or after the evening meal are to be paid for by an elected member or staff member.

14.41 For out of town travel with no overnight stay involved, breakfasts and evening meals will only be provided or reimbursed if there is an early/late departure or return. (What constitutes an early/late departure or return will vary according to an individual's circumstances, but generally fall outside 7:00am – 7:00pm).

Tipping

14.42 Council will not reimburse elected members or staff for tipping while they are on business in New Zealand. Council will reimburse elected members and staff for moderate and conservative tipping during international travel only in places where tipping is local practice and it is appropriate in the circumstances.

14.43 A daily tipping allowance is to be agreed with by a one-up Manager in advance of the travel. Any unused allowance for tipping is to be returned to Council upon the completion of travel. The percentage of gratuities allowed is outlined in TDC's Travel Guidelines ([A3434467](#)).

Other travel considerations

14.44 The use of communications technology [e.g. cell phones, telephones, email and internet access] should be moderate. Reasonable private use to clear email and communicate with family members is permitted.

14.45 Private travel [extended travel] linked with official Council travel shall only be permitted by elected members and staff with the express prior approval of the Mayor or one-up Manager with delegated financial authority [as applicable]. This travel may be undertaken before, during or at the end of Council

travel, provided there is no additional cost to Council and the private travel is only incidental to the business purpose of the travel.

14.46 As a general principle, travel cost of accompanying spouses, partners or other family members are a personal expense and will not be reimbursed by Council. In those rare instances where the involvement of a spouse directly contributes to a clear business purpose and pre-approval has been obtained, then Council may contribute to all or part of the additional costs.

14.47 The cost of stopovers will only be reimbursed where they are pre-approved and have a clear business purpose.

15. Entertainment and hospitality expenditure

15.1 Section 15 outlines rules regarding Council funded entertainment and hospitality. Rules and guidance regarding receiving entertainment and hospitality are described within clauses 18.22 to 18.28.

15.2 Entertainment and hospitality can cover a range of items from tea, coffee and biscuits to meals and alcohol. It also includes non-catering related items, such as Council funded entry to sporting or cultural events.

15.3 Council staff or elected members will not purchase or hire corporate boxes. Attendance at others' corporate boxes should only be accepted following General Manager or Chief Executive approval to do so. In determining whether acceptance is appropriate the General Manager will consider the principles outlined in clause 7.3.

Principles

15.4 The principles of a justified business purpose, moderate and conservative expenditure should be applied.

15.5 There are the following business purposes for Council providing entertainment and hospitality:

- Building relationships.
- Representing the organisation. E.g. attending and presenting at conferences with associated meals.
- Reciprocating hospitality where there is a clear business purpose and is within normal bounds – acceptance of hospitality is expected to be consistent with the principles and guidance for provision of hospitality. E.g. hosting international visitors.
- Recognising significant business achievement. E.g. annual organisational wide staff awards.
- Building revenue. E.g. hosting organisers of large events, e.g. Ironman, Supercars.
- Supporting the Council's internal organisational development may in some circumstances also be a legitimate business purpose for moderate expenditure.

15.6 All entertainment and hospitality expenditure (internal or external recipients) must be pre-approved wherever practical by a more senior manager with appropriate delegated financial authority, that will not be attending the event or receiving the hospitality. Where the Mayor is in attendance pre-approval will be

sought from both the Mayor and the Chair of Risk and Assurance Committee wherever practical. The approving person will ensure the request is appropriate and consistent with the contents and principles of this policy. When seeking pre-approval the following information should be provided to the approving manager: date, venue, expected costs and recipients, and benefits derived and/or reasons for the event.

Entertainment and hospitality – internal attendees only

- 15.7 Expenditure should be **conservative and moderate**. This means Council will meet the costs of meals (including drinks) up to the values outlined in **Table 3**, which is consistent with clause 14.39.

Table 3 – Maximum meal allowances for staff only events.

Meal allowance for staff or Elected Member	Maximum per head (including beverages)
Breakfast	\$30 [^]
Morning or afternoon tea	\$15 [^]
Lunch	\$30 [^]
Dinner	\$80 [^]

[^] These values are maximum limits. TDC expects that even within these limits that Moderate and Conservative principles apply (refer to section 7) and that internally catered events are expected to cost less than the limits described in **Table 3**.

- 15.8 Expenditure is to be pre-approved in accordance with clause 15.6 wherever practical.

Food & Catering

- 15.9 Council will provide catering for staff on a **moderate and conservative basis** to be monitored by the manager approving the expenditure.

Some examples of times it may be appropriate for staff catering to be provided include:

- A meeting exceeds 4 hours. E.g. where there is an all-day training event organised for staff, away from a location with easy access to food, or where timing of the day doesn't allow for a break longer than 30 minutes.
- Where Elected Members are required in chambers for meetings/workshops in the morning and the afternoon.
- A team event, e.g. annual team building event.
- Annual Council staff awards.

Alcohol

- 15.10 For events attended by only Council staff or elected members, Council funded expenditure on alcohol will only be approved when it is being consumed along with food and is **strictly limited to one drink per person**, which is consistent with clause 14.40 (alcohol while travelling). This expenditure is to be pre-approved by a more senior manager with appropriate delegated financial authority, that will not be attending the event or receiving the hospitality.

This expenditure is to occur only infrequently for special occasions, e.g. annual team building event, annual Christmas party, farewell of a staff member.

Entertainment and hospitality – internal and external attendees

- 15.11 Infrequently Council may determine it is appropriate to provide manakitanga to our guests for one of the **business purposes** outlined in clause 15.5 and the expenditure must be **moderate and conservative**. Examples of when it may be appropriate for council to provide hospitality or fund catering include: catering at publicly held community meetings or at marae; entertaining guests when bidding to host major events; hosting international guests, when a business meeting can only be practically held during a meal times.
- 15.12 Expenditure is to be pre-approved in accordance with clause 15.6.

Food & Catering

- 15.13 Food and catering expenditure must be **moderate and conservative** and within the limits set by **Table 3** (refer to clause 15.7) unless otherwise approved by the Chief Executive.

Alcohol

- 15.14 Alcohol expenditure must be **moderate and conservative**, which means it is included in the maximum total meal cost as per **Table 3** (refer to clause 15.7) unless otherwise approved by the Chief Executive.

16. Goods and services expenditure

Loyalty reward scheme benefits/prizes

- 16.1 Loyalty rewards accruing to staff as a result of carrying out their official duties are to be considered the property of Council and used for Council benefit wherever possible.
- 16.2 Staff making procurement decisions should not personally receive any loyalty rewards as a result of those decisions. Any rewards that are personally received should be recorded on **TDC's gift register** (A911421). In the event staff who have received rewards are involved in making procurement decisions relating to the company that issued those rewards then the staff member should complete a Conflict of Interest form in accordance with **TDC's Procurement Policy**.
- 16.3 Where a reward/prize is obtained by chance and without inducement it may be retained by the individual. Generally, prizes received from a free competition entry obtained while undertaking Council business may be retained by the individual but must be recorded on Council's **gift register** (A911421).

- 16.4 Prizes received from competitions at training or conference events or through membership of professional bodies are treated as the property of the individual. However, where their value exceeds \$100, they are to be recorded on the **TDC gift register** (A911421).
- 16.5 In situations where receiving a prize or loyalty reward could be perceived as inappropriate, even if Council rather than the individual would benefit from it, Council expects the prize or reward to be declined.

Private use of TDC assets

- 16.6 Any physical item TDC owns, leases, or borrows is considered an asset for the purpose of this guide. This includes photocopiers, mobile devices, computer equipment, laptops, office furniture, uniforms, and stationery, cars, plants, topsoil etc.
- 16.7 Corporate vehicles (provided outside remuneration and employment contract arrangements) should not be used for private purposes. The driver, not the organisation, will pay any fines (parking or traffic offences) incurred while using a corporate vehicle unless the fines relate to an aspect of the condition of the vehicle outside the driver's control. Any misuse of corporate vehicles will be escalated to the relevant manager.
- 16.8 Use of TDC assets for staff use for their private business/commercial activities is prohibited.
- 16.9 Use of TDC assets for staff use for their private personal use is to be limited to the following circumstances:
- Limited reasonable personal use for of TDC devices, e.g. laptops and phones, in accordance with **TDC Device Policy**;
 - Use of TDC computer monitors and cables when directed to work from home e.g. during a pandemic.

TDC use of private assets

- 16.10 Council may decide that reimbursing staff for use of private assets is appropriate for reasons such as cost, convenience or availability. Council may also decide to do this in circumstances where it would not regularly use an asset if it acquired it directly, for example private motor vehicles.
- 16.11 Pre-approval by the relevant General Manager is required. In assessing the request, the General Manager will pay particular attention to the principles of a justified business purpose and preserving impartiality and integrity.
- 16.12 Staff members must not approve or administer payments to themselves for the Council's use of their private assets. Payments must be authorised by one-up approval by a manager with delegated financial authority.

Private use of TDC suppliers

- 16.13 Council, in limited circumstances, enables staff to obtain goods or services from a supplier on the same or similar basis to Council, and staff are thus able to obtain the goods or services at a discounted price not otherwise available to them. This is treated as the private use of official procurement processes.

- 16.14 The selection of suppliers must be in Council's interest and not affected by the availability or possibility of purchasing privileges for staff.
- 16.15 Staff may make moderate use of any preferential access to goods or services through Council's suppliers under the following conditions:
- Staff involved in the selection of preferred suppliers completes a Conflict of Interest form in accordance with **TDC's Procurement Policy**.
 - All orders are to be used on a cash sale basis only and the staff member must pay in full for the goods and services directly to the supplier at time of supply.
 - Staff may not use Council purchasing privileges on behalf of any third party. This includes family members or friends.
- 16.16 In rare circumstances a Council order may cover expenditure with a personal component e.g. travel or accommodation booking. In this case payment to Council for the personal component must be made on the confirmation of the cost or the receipt of the invoice from the supplier [whichever is the earlier].
- 16.17 Elected members may have preferential access to goods or services through Council's suppliers on the same basis as staff, provided there is no real or perceived conflict of interest.
- 16.18 TDC staff are authorised to obtain goods or services from a supplier on the same or similar basis to Council at discounted rates, where they receive discounts up to a cumulative amount of \$100 per annum per supplier.

Sale of surplus assets to staff

- 16.19 When a TDC asset become obsolete, worn out, or surplus to requirements TDC may dispose of it.
- 16.20 When disposing of an asset staff will do so in a manner that maximises return for TDC or is for charitable purposes. Assets are not to be disposed of at a discounted rate to staff if TDC can achieve better value through another method of disposal.
- 16.21 Assets are to be disposed of at a justifiable market rate. For significant assets this may require a valuation or tender. Significant is defined as assets likely to be over \$1,000 in value.
- 16.22 Information Technology assets that are fully depreciated (have no book value) may be disposed of by donating to charitable organisations that specialise in supporting community organisations with IT equipment.
- 16.23 Staff disposing of the assets will not benefit from the disposal.
- 16.24 If the TDC is unable to sell or find an alternative use for its assets, assets may be offered to staff rather than being taken to a landfill.

17. Staff support and wellbeing expenditure

- 17.1 Public organisations can provide for staff support and wellbeing in various ways, in a way that benefits both TDC and staff.

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- 17.2 To support staff wellbeing, Council holds two organisation wide social functions each year. Each event is to have a maximum budget of \$20 per head per invited employee or Elected Member, to be spent within discretion of the Chief Executive.

Financing TDC social club activities

- 17.3 Council may make a prudent and reasonable monetary contribution to a social club[s] events where they support organisational development and staff wellbeing. This may be in the form of an all-purpose grant towards the club's annual budget, or it may be a grant or subsidy for a specific event. Any social club contributions will be at the Chief Executive's discretion.

Sponsorship of staff

- 17.4 Staff taking part in an activity that is not part of their job – such as a sporting event – may be sponsored by Council through the provision of, or payment for, goods or services (for example, a t-shirt or an entry fee).
- 17.5 Sponsorship should have a justified business purpose, which could include both publicity for the Council and its objectives and organisational development. The cost to Council must be moderate and conservative. If the sponsorship does not have justified business purpose, the cost is a donation.
- 17.6 Sponsorship will be provided through a club rather than directly to the staff member if required
- 17.7 Sponsorship of people who are not staff must be undertaken in a manner that is transparent. It is also preferable that, if non-staff are sponsored, the sponsorship is of an organisation they belong to, rather than directly of the individual.

Clothing

- 17.8 Council will pay for health and safety related clothing e.g. Personal Protective Equipment. Other clothing and uniform expenses will be in accordance with TDC's Uniform Policy.

Care of dependants

- 17.9 Care of dependants is a personal and private expense of staff members. In exceptional circumstances, the Chief Executive may authorise the reimbursement of actual and reasonable costs. Examples of this might include when a staff member is unexpectedly required to perform additional duties at very short notice, or when a dependant unexpectedly requires additional care that the staff members cannot provide at that time due to the nature of their duties.

18. Donations, Koha and Gifts

Donations

- 18.1 A donation is a payment (in money, goods, or services) made voluntarily and without expecting reciprocation.
- 18.2 TDC requires donations to be:

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- Lawful in all respects.
- Disclosed in aggregate in the Council's annual report.
- Appropriately documented in TDC's Enterprise Management System (CiA).
- Made to a recognised organisation by normal commercial means [not to an individual].
- Not in cash.
- Non-political.

Koha

18.3 Koha is a thought, a contribution, an expression of manaakitanga and aroha to the marae or kaupapa. In the context of the TDC, the giving of koha upholds tikanga Māori and is generally given by way of a financial contribution.

Koha is **not** a form of payment for goods or services, nor reimbursement for specific costs associated with hosting an event at a marae. Reimbursement of these costs should occur upon receipt of an invoice. See TDC's **Remuneration for Māori Cultural Expertise Policy** (A1385286) for further advice.

18.4 When giving koha on behalf of TDC ensure:

- The activity or event associated with koha has a justifiable business purpose.
- That koha is given transparently.

18.5 Koha as a financial contribution may be in the form of cash or direct credit, with direct credit being preferable. The Finance Team require 5 working days' notice to process a direct credit payment. If the koha is by direct credit it is good practice to print a remittance slip to be presented in an envelope at the time of the event.

18.6 When applying for koha from the TDC Finance Team use the **TDC Koha Approval Form**.

18.7 The amount of koha given on behalf of Council should reflect the occasion and the prestige of Council in its relations with Tangata Whenua and approved by the relevant Group Manager on advice from the Iwi and Co-Governance Manager.

The following is a guide to help determine the types of activity where koha may be given:

Marae visit – The koha from council will depend on the reason for the visit.

- If the marae visit is for a notable occasion, it is appropriate for council to provide a koha. This may range from \$200 – \$350.
- If the marae visit is for a kaupapa that is business as usual or runs over one or more visits and requires an initial pōwhiri to welcome staff, the initial marae visit koha may be around \$100 - \$150. Following the initial visit, subsequent visits will not usually require a koha, but costs associated with that kaupapa are reimbursed.

- If the marae visit is to wānanga council staff learning it may be appropriate in addition to the above koha from council; for individual council staff to contribute a small personal koha should they wish to do so.

Tangihanga – the koha will depend on the person being farewelled and their relationship with the TDC.

- 18.8 TDC does not usually give koha to an individual person. Should koha be given to an individual it must be given when the Council (the payer) gets no benefit or advantage in return. If the Council gives koha in exchange for services or goods the receiver is liable to pay **income tax** on the koha and TDC is obliged to deduct withholding tax prior to payment to the individual.
- 18.9 For guidance on how to give koha following tikanga Māori see TDC's **te reo Māori me ōna tikanga strategy and guideline**.

Gifts

- 18.10 Gifts usually take the form of a tangible object, but might also be in the form of, for example, free use of a corporate box at a sporting event, meals or hospitality or privileged access to goods or services.
- 18.11 The giving of gifts must be appropriate, transparent and reasonable.
- 18.12 All gifts, as defined in 18.10, given or received by staff or elected members exceeding \$100 should be recorded on the **TDC Gift Register** with a record of the recipient, the person/organisation gifting, and the reason for the gift.

Giving Gifts

- 18.13 Gifts may be given in appropriate circumstances such as:

- Thank you for giving a speech or presentation.
- Farewells.
- As an expression of support or sympathy.
- To promote international relations when gift-giving is customary.
- Or other circumstances as approved by the Chief Executive.

- 18.14 Expenditure on farewells and retirements includes spending on functions, gifts and other items and should not be extravagant or inappropriate to the occasion and be pre-approved by the Group Manager. For further explicit guidance on Council providing hospitality and entertainment refer to section 15.

- 18.15 TDC may offer an expression of support or sympathy and cover the cost of flowers or a gift basket, up to the value, including courier charges, of \$125 in the following cases: on the occasion of an employee's serious illness, hospitalisation, or accident, a bereavement of an employee or employee's immediate family such as parent or child, birth of an employee's baby. Gifts for other events (including engagements, weddings, birthdays, Easter and Christmas) will not be paid for by TDC.

- 18.16 A **thank you** gift for a speech or presentation should not exceed \$100.

18.17 TDC acknowledges **long-service** from staff through increases in annual leave in accordance with the individual's employment contract and through the giving of cards. No other gifts or recognition are funded by Council, although the relevant manager may arrange a staff collection at their discretion.

18.18 When staff with less than 5 years' service leave council's employment, the relevant manager may arrange a staff collection at their discretion.

18.19 When staff who have more than 5 years' service leave TDC's employment, the following applies:

Years of Service	Leaving Function and Present
5 – 10 years	Council morning tea.
10 – 14 years	Council morning tea and \$100 towards leaving gift.
15 – 19 years	Council morning tea and \$150 towards leaving gift.
20+ years	Council morning tea and \$200 towards leaving gift.

18.20 Purchase gifts in accordance with the thresholds outlined in 18.17 and 18.19. These purchases should be pre-approved by a one-up manager. Gifts exceeding these thresholds, or outside of the above criteria, requires the approval of the relevant Group Manager.

18.21 Gifts may be given to promote international relations when gift-giving is customary, or when the Mayor has assessed the specific purpose or occasion warrants gift-giving. The value of the proposed gift must not be inappropriate or excessive to the occasion or reason for it being given.

Receiving Gifts

18.22 The receiving of a gift is not strictly sensitive expenditure however it nevertheless is a sensitive issue.

18.23 Gifts may be accepted by Taupō District Council, its staff or elected members except when acceptance could be perceived as a means of influencing a council decision-making process. Gifts may only be accepted infrequently and if they are inexpensive and openly distributed to suppliers and clients. Infrequent is defined as no more than three times in any 12 months period and inexpensive as having a monetary value of less than \$100. In all instances staff must inform their manager or supervisor that they have received a gift for service or appreciation.

18.24 From time to time elected members or staff may be invited to social events so that they can build appropriate business relationships. The decision as to whether to accept the invitation requires consideration of whether attendance would:

- Benefit a business relationship of Taupō District Council;
- Be consistent with the guiding principles of this policy set out in part one; or
- Could be perceived as a means of influencing a Council decision-making process.

Members/staff must be aware of the line between appropriate relationship building and compromise, and should consult with the Mayor or relevant General Manager cases of doubt as to whether to accept an invitation to an event.

18.25 Before accepting a gift or accepting an invitation, staff and elected members should consider whether it is appropriate to accept the gift in light of 18.22 and 18.24. Where it is necessary, in the circumstances, to decline a gift, the following steps should be taken in order to preserve the relevant working relationships of Taupō District Council and the person or organisation involved:

- Thank the person or organisation for the gesture of the gift and acknowledge Taupō District Council's appreciation; and
- Explain that due to Taupō District Council's policy, the gift cannot be accepted.

18.26 If, upon review of the Gift Register, it is identified that staff or an elected member has received gifts that may be perceived as intended as influence Council, the matter will be escalated to the relevant Group Manager for review and, if necessary, investigation.

18.27 In no circumstances should elected members or staff accept cash or solicit a gift by virtue of their position. Refer also to the Code of Conduct for Elected Members, "Benefits, Expenses and Resources". Staff Receiving Gifts

18.28 The acceptance and retention of any gift with an estimated monetary value exceeding \$100 by Council staff must have the express approval of the relevant Group Manager and be recorded in Taupō District Council's Gift Register [A911421].

Pōhiri and Mihi Whakatau

18.29 A departing staff member may be offered a pōhiri/pōwhiri or whakatau, by the organisation they are joining. A pōhiri/pōwhiri is a formal Māori welcoming ceremony that usually takes place on a marae. In more recent times, pōhiri/pōwhiri have also been held in other locations e.g. a workplace when welcoming a new kaimahi (employee) to their workplace.

18.30 A whakatau is similar to a pōhiri/pōwhiri though slightly less formal, and can be held at any location including the marae, workplace, public spaces, etc.

18.31 It is customary for TDC colleagues to travel to the receiving organisation to participate in the pōhiri/pōwhiri or whakatau and formally 'hand over' the departing staff member. This can often involve Council expense in terms of time, travel, accommodation as well as a koha (where required) as part of the pōhiri/pōwhiri or whakatau process.

18.32 Under this Policy the manager, colleagues and direct reports (if any) of the departing staff member are authorised to attend mihi whakatau but any associated expenditure should be in keeping with the remainder of this policy.

Part 3 – Training, monitoring & reporting, & review

19. Training of this Policy

- 19.1 It is the responsibility of each manager to ensure new staff members are explicitly made aware of this policy, confirm that new staff have read the policy, and manage staff compliance with this policy.

20. Monitoring and reporting

- 20.1 Council will monitor compliance to assure itself that this policy is being appropriated adhered to.
- 20.2 Internal compliance reviews will be undertaken by someone independent to those responsible for implementing the controls.
- 20.3 Reviews of sensitive expenditure will be undertaken as detailed in **Table 4** below and the findings reported at least twice yearly TDC's Risk and Assurance Committee.

Table 4 – Monitoring and assurance activities.

Type of expenditure	Monitoring and reporting
Credit card use	<p>Credit card expenditure is considered at high risk for misuse.</p> <p>Credit card transactions will be reviewed and reported monthly to the General Manager responsible for the finance function.</p> <p>The review will:</p> <ul style="list-style-type: none"> I) Seek to confirm that no private expenditure has been placed on credit cards (clause 13.12). II) Seek to confirm that there have been no inappropriate cash withdrawals (clause 13.13). III) Seek to confirm credit card transactions have been authorised by a more senior person with the correct delegated financial authority as per (clause 13.14).

Type of expenditure	Monitoring and reporting
	IV) Seek to confirm credit card transactions have been supported by original documentation (invoices, receipts) and that the business reason and attending parties are recorded (clause 13.15).
Travel expenditure	<p>Travel expenditure will be reviewed and reported monthly to the General Manager responsible for the finance function.</p> <p>The review will:</p> <ul style="list-style-type: none"> I) Check that any cash advances required for international travel have been appropriately authorised and reconciled (clauses Error! Reference source not found. and 14.5). II) Check that air travel required has been booked for the appropriate class of travel, appropriately authorised, and reconciled (clauses Error! Reference source not found. and 14.5). III) Check that all associated accommodation costs have been appropriately approved (clauses 14.19 to 14.27). IV) Spot check reimbursement mileage claims for use of private vehicle to confirm that no Council vehicle was available or suitable and appropriate approvals (clause 14.29,14.34 - 14.38). V) Check that amounts loaded onto taxi card have received manager's preapproval prior to issue by Business Support (clause 14.31). VI) Confirm the business purpose of taxi trips have been adequately recorded by undertaking spot checks (clause 14.31). VII) Check the hire of rental cars has been appropriate (clause 14.32 and 14.33). VIII) Check that claims for reimbursement of meals while travelling are appropriate (clauses 14.39 to 14.40). IX) Check that 'other travel consideration' e.g. use of personal phones while travelling, guidance has been appropriately followed (clause 14.44 to 14.47).
Entertainment and hospitality	<p>Entertainment and hospitality expenditure will be reviewed and reported monthly to the General Manager responsible for the finance function.</p> <p>The review will:</p>

Type of expenditure	Monitoring and reporting
	<ul style="list-style-type: none"> i) Confirm that pre-approval was attained in accordance with clause 15.6 and that meal and beverage claims do not exceed the amounts specified in clause 15.7 and 15.10. ii) A random sample of specific individuals will be taken to test whether the frequency of hospitality and entertainment claims do not exceed the frequency specified in clause 15.9.
Loyalty rewards and prizes.	<p>The receipt of loyalty rewards and prizes will be reviewed and reported monthly to the General Manager responsible for the finance function.</p> <p>The review will:</p> <ul style="list-style-type: none"> i) The Procurement Manager will review TDC's gift register to confirm there are no recorded conflicts with current or upcoming procurements (clause 16.2).
Private use of TDC assets	The private use of TDC assets will be managed on a by exception basis, i.e. if staff are observed inappropriately using council assets this will be escalated to their manager (clauses 16.6-16.9).
TDC use of private assets	<p>TDC use of private assets will be reviewed and reported monthly to the General Manager responsible for the finance function.</p> <p>The review will:</p> <ul style="list-style-type: none"> i) Take a random sample of mobile phone reimbursement claims to confirm the amount claimed is consistent with the business use and have been appropriately approved.
Private use of TDC suppliers	<p>Staff may sometimes obtain goods or services from a supplier on the same or similar basis to Council, and staff are thus able to obtain the goods or services at a discounted price not otherwise available to them. E.g. Torpedo 7 discounts.</p> <p>Such purchases are made by the staff member at point of sale and cannot practically be monitored. However, staff are required to declare conflicts of interest through TDC's Procurement Policy. No monitoring is proposed under the Sensitive Expenditure and Gifts Policy.</p>
Sale of surplus assets to staff	<p>Appropriate disposal of TDC assets will be reviewed and reported monthly to the General Manager responsible for the finance function.</p> <p>The review will:</p>

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Type of expenditure	Monitoring and reporting
	<ul style="list-style-type: none"> i) Randomly review recently disposed assets to confirm accordance with clauses 16.20-16.24.
Other expenditure	<p>Monitoring of 'other expenditure' will be reviewed and reported monthly to the General Manager responsible for the finance function.</p> <p>The review will:</p> <ul style="list-style-type: none"> i) Randomly sample donations to confirm adherence to clause 18.2.
Koha	<p>As koha is often made as a cash contribution it is considered high risk.</p> <p>The giving of koha will be reviewed and reported monthly to the General Manager responsible for the finance function.</p> <p>The review will:</p> <ul style="list-style-type: none"> i) Confirm the quantity of koha given is in accordance with clause 18.7.
Gift register	<p>Staff and elected member receipt of gifts will be reviewed and reported monthly to the General Manager responsible for the finance function.</p> <p>The review will:</p> <ul style="list-style-type: none"> i) third tier managers will be emailed to ask if they are aware of any gifts or event invitations that they or their staff have received over the previous month. The responses will be compared against entries in the gift register. ii) review the previous twelve months' entries in the TDC gift register to identify any potential emerging areas of concern and ensure policy outlined in clauses 18.23 and 18.24.

21. Fraudulent activity

- 21.1 In the event that an elected member or staff have acted inconsistently with the principles or procedures within this policy, the matter may be escalated and managed in accordance with TDC's [Fraud Policy](#).

22. Review of this policy

- 22.1 This policy will be updated on a three-yearly basis by the document Custodian, reviewed by the Executive Team and approved by the Chief Executive. Reviews may occur more frequently should the internal assurance processes described in Section 20 identify the need to do so.

23. Other relevant policies and guidelines

- Asset Disposal Policy [A2441376] - Jeanette/Aaron?
- Catering Expenses – Guidance document for staff [A3147268]
- CE Financial Delegations to Staff (A2931287)
- Code of Behaviour Policy
- Code of Conduct (elected members) [A2621954]
- Conflict of Interest Guideline (staff) [A2668257]
- Expenses Policy 2022-2025 (XYZ)
- Fraud Policy 2021 (XYZ)
- Information Management Policy (XYZ)
- Making a Protective Disclosure
- **Remuneration for Māori Cultural Expertise Policy** (A1385286)
- Vehicle Policy [A3250186]

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.

Koha Approval Form

Fill this form in with reference to TDC's **Sensitive Expenditure and Gifts Policy** and submit to Finance 5 working days prior to needing koha.

Name of person requesting koha:	
What and where:	[Name of the occasion/event and location]
When:	[Date of occasion / event]
Name of recipient:	[of organisation receiving koha]
Koha requested:	[State the koha type and amount – refer to the sensitive expenditure and gifts policy and guidance note below].
Method of Koha:	[- direct credit (preferred) - provide creditor or proof of bank account details and request a hard copy of remittance advice - cash or petrol vouchers can be arranged in exceptional circumstances]
Reviewed by Iwi and Co-Governance Manager:	[Sign and date]
Group Manager Approval:	[Sign and date]
GL and Activity codes:	

Guidance Note: The amount of koha given on behalf of Council should reflect the occasion and the prestige of Council in its relations with Tangata Whenua and approved by the relevant Group Manager on advice from the Iwi and Co-Governance Manager. The following is a guide to help determine the types of activity where koha may be given:

Marae visit – The koha from council will depend on the reason for the visit.

- If the marae visit is for a notable occasion, it is appropriate for council to provide a koha. This may range from \$200 – \$350.
- If the marae visit is for a kaupapa that is business as usual or runs over one or more visits and requires an initial pōwhiri to welcome staff, the initial marae visit koha may be around \$100 - \$150. Following the initial visit, subsequent visits will not usually require a koha, but costs associated with that kaupapa are reimbursed.
- If the marae visit is to wānanga council staff learning it may be appropriate in addition to the above koha from council; for individual council staff to contribute a very small personal koha should they wish to do so.

Tangihanga – the koha will depend on the person being farewelled and their relationship with the council.

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Taupō District Council Koha Approval Form to be read in conjunction with the Sensitive Expenditure and Gifts Policy

Document Custodian: Risk Advisor

Next Review Date: May 2027

Non-Financial Performance Measures

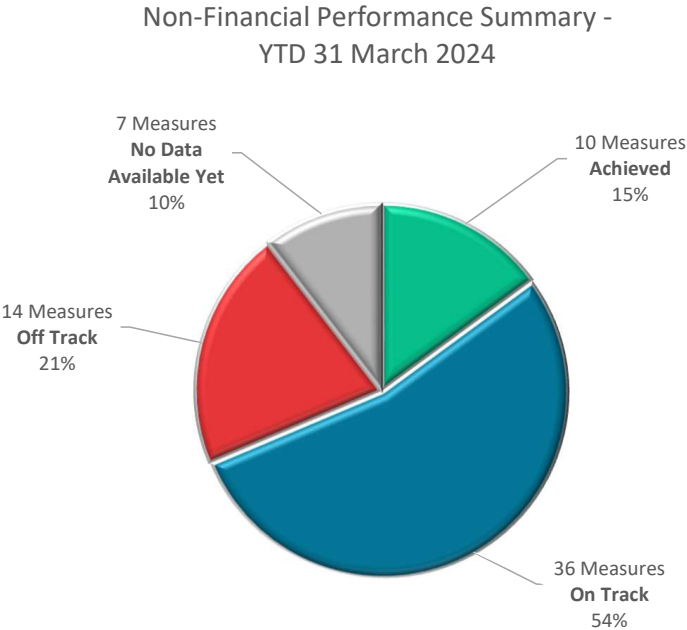
Q3 Report
31 March 2024



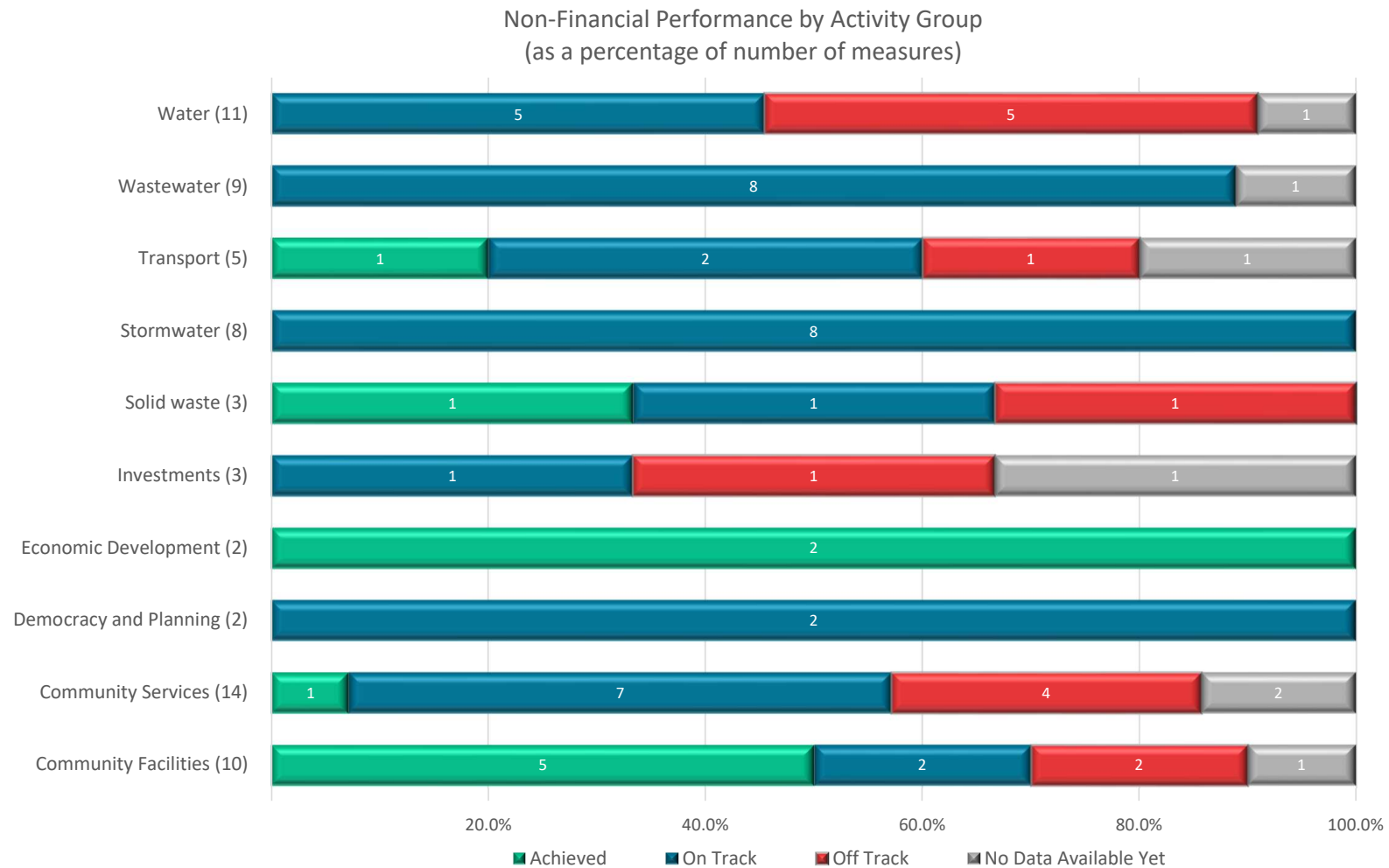
taupodc.govt.co.nz

Non-Financial Performance Overview

- Every three years, as part of its Long-Term Plan development, Council establishes a set of non-financial performance measures for each of its activities. This dashboard report summarises Taupō District Council's performance against these measures.
- The Non-Financial Performance Summary graph below shows our performance against these measures for the first three quarters (9 months) of the financial year, i.e. **July 23-March 24**.
- Our performance is grouped by the number of measures we're on track to achieve, those already achieved, and measures where we're off track. In some cases, performance data is not available due to the relevant information only being available on an annual basis or for other reasons.
- The term 'off track' represents measures that are behind target and need attention in order to be achieved by financial year-end, or at a minimum to bring them closer to target.
- TDC has either achieved or is 'on track' for 69% of its performance measures, with approximately a fifth (21%) being 'off track'. For each performance measure that is 'off track', further explanation regarding why this is occurring and actions to correct this, are provided later in this report.

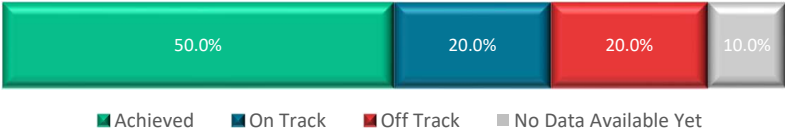


Non-Financial Performance By Activity Group



Off Track Measures Report - Community Facilities

Community Facilities (10)



2 of 10 measures off track

Key Performance Indicator Off Track

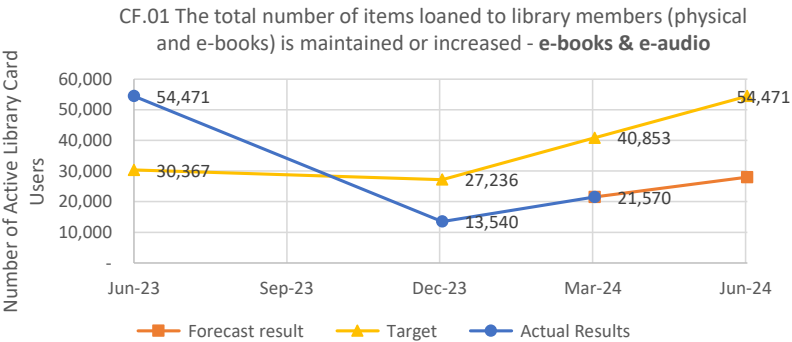
CF.01 The total number of items loaned to library members (physical and e-books) is maintained or increased.

Target

At least 236,406 physical items, and 54,471 e-books/e-audio items loaned.

Discussion & Action Taken to Improve Result

Physical book loans are well up on targets (33,000 above YTD target), however, electronic lending is approximately half of the YTD target. The Libraries team reports there was an error with the e-book/e-audio statistics reported in the 2022/23 Annual Report, resulting in higher results being published (54,471 reported vs 20,416 actual). Previous years' results drive future years' targets. The Library team plans to promote online platforms to try and increase electronic loans.



Key Performance Indicator Off Track

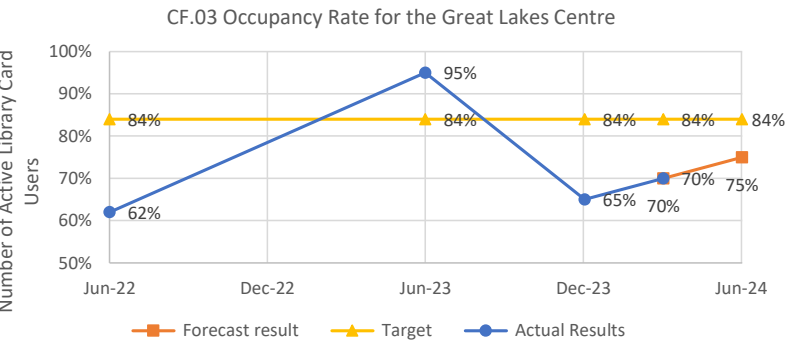
CF.03 The occupancy rate of the Great Lake Centre and Taupō Events Centre.

Target

The Great Lake Centre and Taupō Events Centre are occupied at least 84 percent of the time.

Discussion & Action Taken to Improve Result

We saw drops in Nov and Dec at the GLC bookings significantly during Nov & Dec 2023 with: some events shifted months, a large conference did not return, and Ironman not using the GLC in Dec (75hr loss just from Iron Man). In the last quarter GLC numbers have increased with a year to date average of 75%, however the 84% occupancy target for 23/24 is unlikely to be achieved and this is exacerbated by holding the venue for the week of Supercars, limiting our ability to sell the venue.



Off Track Measures Report - Community Services

Community Services (14)



■ Achieved ■ On Track ■ Off Track ■ No Data Available Yet

4 of 14 measures off track

Key Performance Indicator Off Track

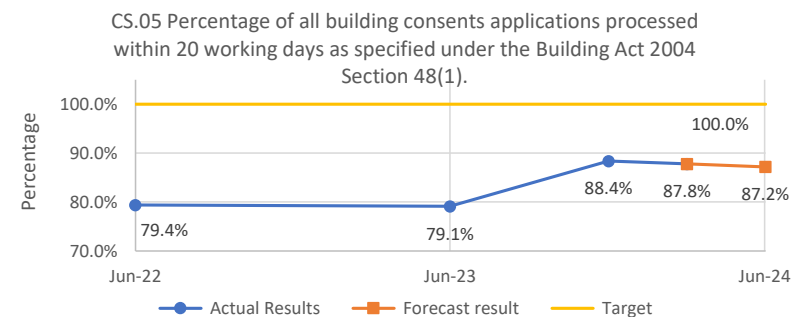
CS.05 Percentage of all building consents applications processed within 20 working days as specified under the Building Act 2004 Section 48(1).

Target

100 per cent.

Discussion & Action Taken to Improve Result

TDC is working to reduce Building Consent processing times by introducing Objective Trapeze to the entire team (software to streamline processes) and adding a further 0.25 FTE to the processing team.



Key Performance Indicator Off Track

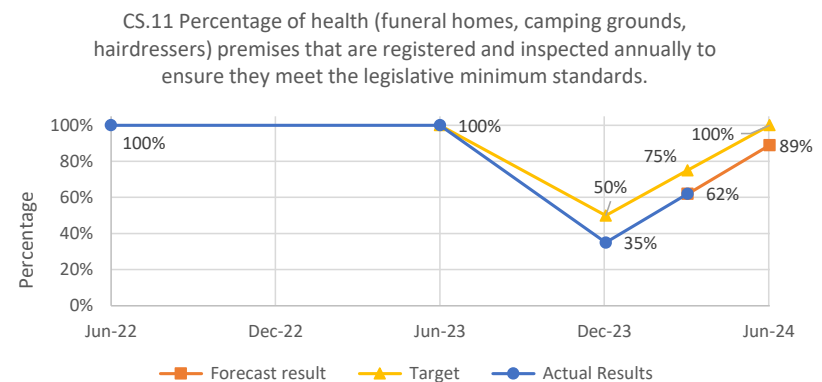
CS.11 Percentage of health (funeral homes, camping grounds, hairdressers) premises that are registered and inspected annually to ensure they meet minimum legislative standards.

Target

100 per cent.

Discussion & Action Taken to Improve Result

Inspections of health premises are not undertaken evenly throughout the year. Although we have not yet inspected 75% of health premises, there are 24 inspections to complete during the last quarter of the financial year and the Environmental Health team is confident this will be achieved based on previous years' experience.



Off Track Measures Report - Community Services

Key Performance Indicator Off Track

CS.12 Percentage of food premises that are registered and inspected/audited as required to ensure they meet minimum legislative standards.

Target

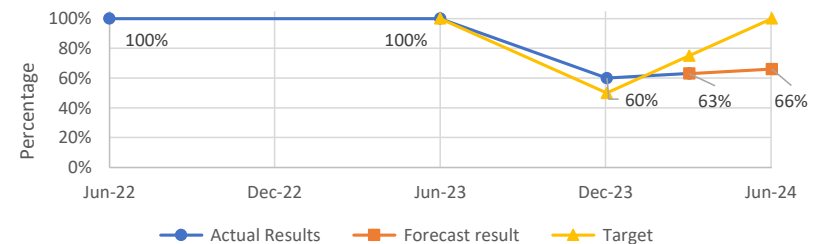
100 per cent.

Discussion & Action Taken to Improve Result

Inspections of food premises are not undertaken evenly throughout the year.

The Environmental Health team are confident that they will have 100% of food premises inspected by the end of the year.

CS.12 Percentage of food premises that are registered and inspected/audited annually to ensure they meet minimum legislative standards.



Key Performance Indicator Off Track

CS.13 Percentage of liquor premises that are registered and inspected annually to ensure they meet the legislative minimum standards.

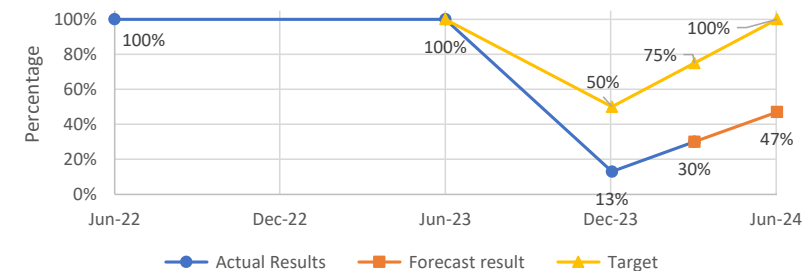
Target

100 per cent.

Discussion & Action Taken to Improve Result

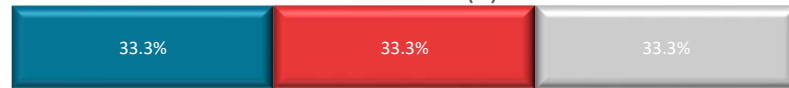
These are being completed at a rapid rate, however there are significant barriers to the completion of this goal, namely the large amount of special licences and hearings associated with opposed licences.

CS.13 Percentage of liquor premises that are registered and inspected annually to ensure they meet the legislative minimum standards.



Off Track Measures Report - Investments

Investments (3)



■ Achieved
 ■ On Track
 ■ Off Track
 ■ No Data Available Yet

1 of 3 measures off track

Key Performance Indicator Off Track

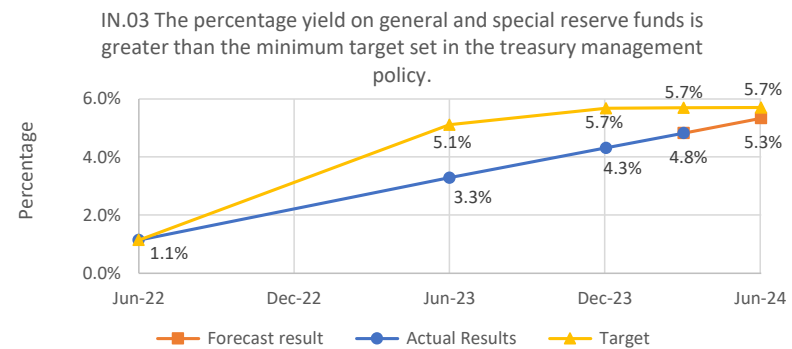
IN.03 The percentage yield on general and special reserve funds is greater than the minimum target set in the treasury management policy.

Target

Target being 50.0 per cent 6-month BKBM mid-rate (average of reporting month) 50.0 per cent 6-month BKBM midrate, six months ago (average of month).

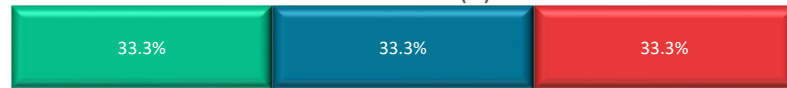
Discussion & Action Taken to Improve Result

The yield return is largely determined by market fluctuations outside of TDC control. The draft 2024-34 LTP proposes more appropriate performance indicators that are not based on yield.



Off Track Measures Report - Solid Waste

Solid waste (3)



■ Achieved ■ On Track ■ Off Track ■ No Data Available Yet

1 of 3 measures off track

Key Performance Indicator Off Track

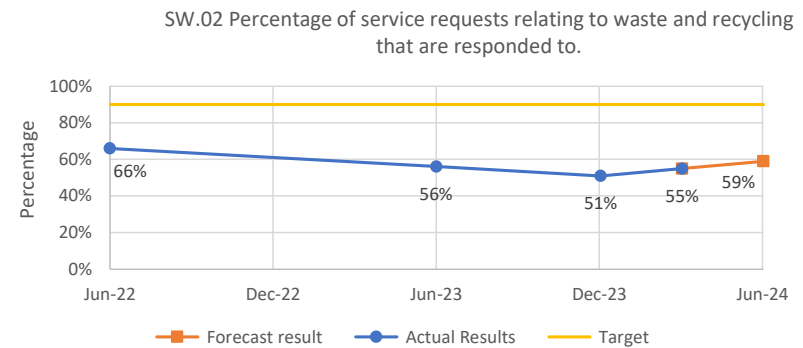
SW.02 Percentage of service requests relating to waste and recycling that are responded to.

Target

At least 90 per cent responded to within two working days.

Discussion & Action Taken to Improve Result

The Environmental Impacts Manager will liaise with TDC contractors to ascertain how response times can be increased.



Off Track Measures Report - Transport

Transport (5)



■ Achieved
 ■ On Track
 ■ Off Track
 ■ No Data Available Yet

1 of 5 measures off track

Key Performance Indicator Off Track

TR.05 Percentage of customer service requests relating to roads and footpaths that are responded to within five working days.

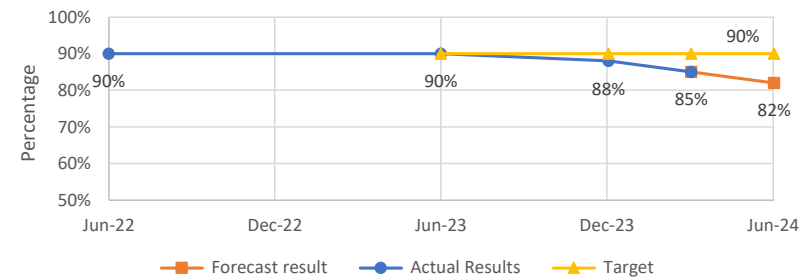
Target

At least 90 per cent.

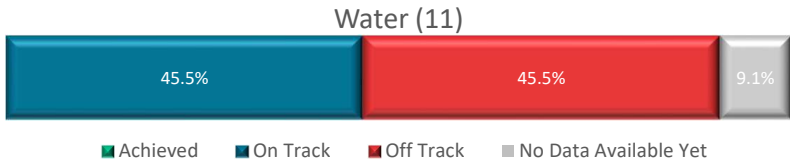
Discussion & Action Taken to Improve Result

Number of service requests continue to be high for the team. Slight decrease in responding due to current three vacancies in the team. We have a consultant to assist in order to bring this figure back on target.

TR.05 Percentage of customer service requests relating to roads and footpaths that are responded to within five working days.



Off Track Measures Report - Water



5 of 11 measures off track

Key Performance Indicator Off Track

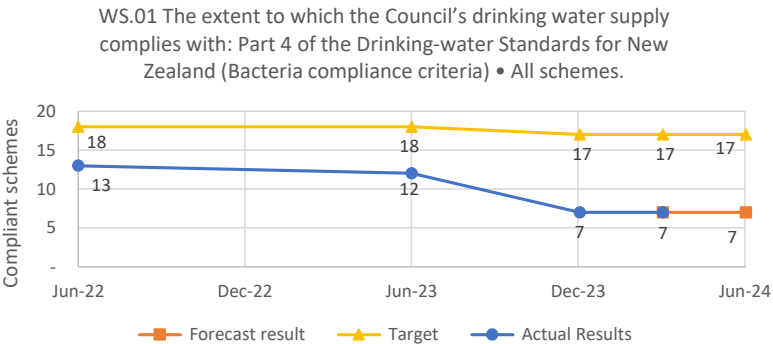
WS.01 The extent to which the Council’s drinking water supply complies with: Part 4 of the Drinking-water Standards for New Zealand (Bacteria compliance criteria) • All

Target

All schemes compliant with Part 4 of the DWSNZ.

Discussion & Action Taken to Improve Result

Turbidity non-compliances will be dealt with through treatment plant upgrades alongside protozoal treatment (planned for in the LTP). Monitoring non-compliances are being worked through with our contractor and review of monitoring programme.



Key Performance Indicator Off Track

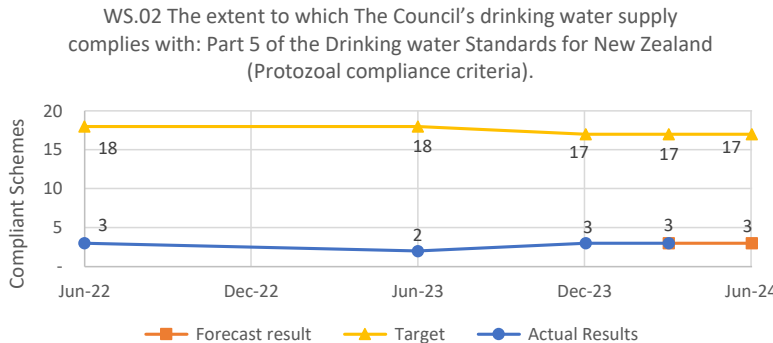
WS.02 The extent to which The Council’s drinking water supply complies with: Part 5 of the Drinking water Standards for New Zealand (Protozoal compliance criteria).

Target

All schemes are compliant with Part 5 of the DWSNZ as per upgrade plan

Discussion & Action Taken to Improve Result

Have a significant capital programme in place to upgrade all of our schemes to put in place protozoal barriers which is budgeted for in the Long-Term Plan.



Off Track Measures Report - Water

Key Performance Indicator Off Track

WS.03 The extent to which Council's drinking water supply complies with: Part 8 of the Drinking-water Standards for New Zealand (chemical compliance criteria).

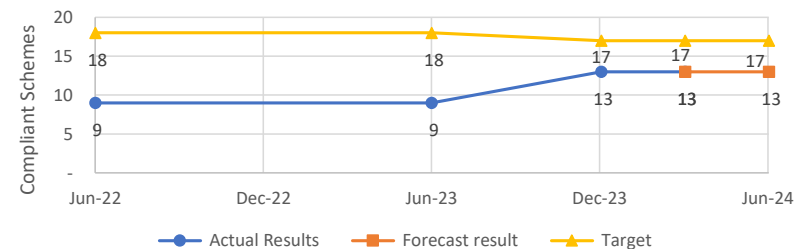
Target

All schemes excluding Motutere are compliant with Part 8 of the DWSNZ as per upgrade plan.

Discussion & Action Taken to Improve Result

Have a significant capital programme in place to improve treatment to remove arsenic where non-compliant. This is budgeted for in the Long-Term Plan.

WS.03 The extent to which Council's drinking water supply complies with: Part 8 of the Drinking-water Standards for New Zealand (chemical compliance criteria).



Key Performance Indicator Off Track

WS.05 Median time for attendance for urgent callouts: from the time that Council receives notification to the time that the service personnel reach the site.

Target

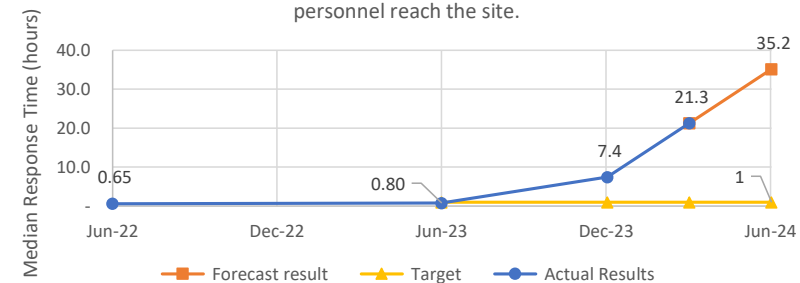
Less than one hour.

Discussion & Action Taken to Improve Result

For after hour call outs the response is logged in real time on the Downer system, but is not updated in TDC's system (AssetFinda) until the next working day, which can result in significant delays in the response being captured on TDC's system, even though the response has occurred promptly in practice (staff estimate that this target is met in practice).

TDC is currently upgrading AssetFinda which will enable TDC's contractor to directly access the system and resolve the issue of delayed recording.

WS.05 Median time for attendance for urgent callouts: from the time that Council receives notification to the time that the service personnel reach the site.



Off Track Measures Report - Water

Key Performance Indicator Off Track

WS.07 Median time for resolution of urgent callouts: from the time that the local authority receives notification to the time that the service personnel confirms

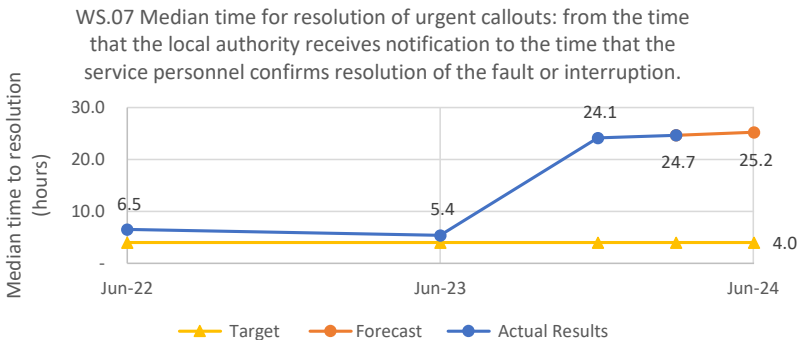
Target

Less than four hours.

Discussion & Action Taken to Improve Result

For after hour call outs the response is logged in real time on the Downer system, but is not updated in TDC's system (AssetFinda) until the next working day, which can result in significant delays in the response being captured on TDC's system, even though the response has occurred promptly in practice (staff estimate that this target is met in practice).

TDC is currently upgrading AssetFinda which will enable TDC's contractor to directly access the system and resolve the issue of delayed recording.



Taupō District Council Audit Improvement - Open

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
External	Annual Report	2016/17	Service Request/Work Order System The District Council improves its service request system to ensure that data is valid and complete.	June 2023: The various systems used by the District Council do not integrate with each other. We note the District Council has signed an agreement with TechOne and the switch to the TechOne system for performance development was meant to go live during the 20/21 financial year however, due to unforeseen circumstances, TechOne is yet to fully go live. Matter progressing	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. <i>Forecast completion brought forward from Dec 24 to July 24.</i>	Jul-24
External	Annual Report	2017/18	Water supply and wastewater median resolution times Enhance controls and review processes to ensure that attendance and resolution times are recorded accurately in their customer service request system.	June 2023: We followed up on progress made during our 2023 audit, noting that the District Council is still working to resolve this issue. Matter outstanding.	Urgent	TDC's Three Waters Team mapped existing processes for lodging and recording customer service requests and response times. The root cause of issues relating to the capture of resolution times have been established and these are the inability of the after hours contractor to log calls directly into AssetFinda. TDC is planning the upgrade of AssetFinda to version 4 (expected before end of 2024) this will provide the technology improvements needed to make it possible for Downers to log priority jobs directly into AssetFinda eliminating the problem. Matter progressing. <i>Delayed from March 24 until Dec 2024.</i>	Dec-24
External	Annual Report	2018/19	Develop and test organisational business continuity (BCP) Develop and test organisational business continuity plans with each of its departments to ensure that services continue to be provided after an event.	June 2023: The District Council expected that business continuity and resilience planning will be advanced in the current financial year; however, we note this has not been the case. Matter progressing	Necessary	Business Continuity Policy is currently on hold due to staff vacancies. Matter progressing.	Sep-24

Taupō District Council Audit Improvement - Open

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
External	Annual Report	2019/20	Valuer's recommended improvements – roading assets 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"> consider running future valuations within the RAMM asset register using the RAMM Valuation Module; where culvert components are partly wooden, identify these components separately from other materials to give more accuracy to culvert remaining lives; 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; 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 continue to update construction costs to provide up to date information for future valuation updates. 	June 2023: We note the valuer has made some similar recommendations in the 30 June 2023 valuation. Matter outstanding	Necessary	Roading revaluation has been completed (Aug 23) and is currently being incorporated into RAMM. Matter progressing. <ul style="list-style-type: none"> consider running future valuations within the RAMM asset register using the RAMM Valuation Module; matter progressing. where culvert components are partly wooden, identify these components separately from other materials to give more accuracy to culvert remaining lives; matter progressing. 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; staff consider matter complete. 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; Retaining wall/bridge asset condition data complete; drainage assets condition matter progressing. continue to update construction costs to provide up to date information for future valuation updates. staff consider matter complete. 	Jun-24
External	Annual Report	2019/20	Long service leave calculation (actuarial) Implement a reporting function within the payroll system to generate data to be able to confirm the long service leave calculation.	June 2023: The calculation is run outside payroll by a predefined system calculation process. The District Council will investigate if there is a system logfile it can access which shows the calculation. Matter progressing	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. Matter progressing Delayed from June to Dec 2024.	Dec-24
External	Annual Report	2020/21	Implement a policy regarding capitalisation of internally generated cost 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.	June 2023: Management planned to implement a management policy in respect of capitalised staff time before the end of the 2022/23 financial year, however, during our annual audit, and based on our discussions with management, we note the policy was not developed and implemented. Matter outstanding	Necessary	Staff need to prepare a draft management policy in respect of capitalised staff time before the end of the 2023/24 financial year. Matter progressing Delayed from June to July 2024.	Jul-24

Taupō District Council Audit Improvement - Open

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
External	Annual Report	2020/21	Asset capitalisation process 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.	June 2023: We continue to note that District Council has not implemented a formalised process around asset capitalisations. For the 2022/23 financial year, we also noted that assets work in progress invoices were not recorded in the correct period. We recommend the District Council review its cut-off procedures in terms of financial year-end, to ensure that all transactions and capitalisations are captured in the correct financial year. Matter outstanding	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 Project Quality Assurance 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. Matter progressing.	Dec-24
External	Annual Report	2020/21	High annual leave balances We recommend the District Council to encourages employees to use their annual leave and maintain individual leave balances of less than six weeks .	June 2023: 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. Matter outstanding.	Necessary	The annual leave policy has been revised and took effect from 1 April 2024. There are still high leave balances so each third tier manager is required to have a leave plan in place for staff that have over 40 days of leave by the 30th June with balance to be 30 or below by 31st December. Matter progressing. Forecast completion delayed from Feb 24 to Dec 24.	Dec-24
External	Annual Report	2020/21	Depreciation not in line with policy 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.	June 2023: We continue to note that some of the depreciation rates utilized were not in line with District Council's policy. Additionally, during our current year audit we noted there were asset classes that District Council did not provide a fixed asset register breakdown on an asset-by-asset basis for (infrastructure); this is challenging because we were unable to perform a sense check on an asset-by-asset basis and had to perform our substantive audit work through alternative means. We recommend that District Council prepares fixed asset register on an asset-by-asset basis for infrastructure assets. Matter outstanding	Necessary	Staff plan to update the policy to reflect current depreciation rates. Current rates were applied in the development of the 2024/34 LTP. Asset details are held in AssetFinda and RAMM which provides the depreciation expense for the year which is manually journalled into the Fixed Asset Register. These asset management systems provide the necessary functionality to enable appropriate asset management, not just capture of finance data, and Council does not propose to move all asset data from these systems into its Fixed Asset Register in the near future and may not for roading as RAMM is the industry standard for asset data. Matter progressing Delayed from June to Aug 2024.	Aug-24

Taupō District Council Audit Improvement - Open

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
External	Annual Report	2020/21	Sensitive Expenditure: independence of approver 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.	June 2023: We continue to note instances where one-up approvals were not always used. During our current year audit, we encountered three items of expenditure that were not approved on a one-up basis. Matter outstanding	Necessary	It is already our practice to attain one-up approval for such transactions. The Sensitive Expenditure Policy is currently being updated to provide greater clarity of expectation and this will be supported by training across the business. Matter progressing	Jun-24
External	Annual Report	2020/21	Sensitive Expenditure Policy improvement 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.	June 2023: From our review of the updated sensitive expenditure policy in 2022 audit, we identified recommendations to further strengthen the Policy and to ensure the policy is in line with good practice. From our review of the sensitive expenditure policy during 2023, we note majority of the matters raised are not yet addressed. Matter outstanding	Beneficial	The Sensitive Expenditure Policy has been updated against the Office of the Auditor General Guide and will be presented to Risk and Assurance Committee's July 2024 meeting for adoption. The update addresses the points raised by Audit. Matter complete subject to Risk and Assurance Committee adoption of updated Sensitive Expenditure Policy and audit approval.	Jul-24
External	Annual Report	2021/22	Use of generic accounts 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.	June 2023: The District Council has a Privileged Account Access Policy and implemented Securden software to manage privileged accounts and the risk associated with those accounts. The District Council is yet to amend the policy to include the use of generic accounts. The implementation of TechOne will enable the District Council to review and reduce the generic accounts. Matter progressing	Necessary	Implementation of the new CIAnywhere revenue system will remove the requirement for generic accounts being used in financial transactions (roll-out forecast for Aug 2024). In the meantime an exception has been added to the Privileged Access Management Policy to help manage generic accounts. <i>8. Exception:</i> <i>8.1. Until Sept 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 Sept 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> Matter progressing Forecast Completion delayed from March 24 to Sept 24.	Sep-24

Taupō District Council Audit Improvement - Open

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
External	Annual Report	2021/22	Capitalisation date of vested assets We recommend that Council aligns their capitalisation dates for vested assets to the date the relevant 224c Certificates are signed.	June 2023: While performing our audit procedures during our 2023 audit we noted, for transport assets, that ASBUILTS are submitted in bulk and sometimes long after they have been dated. There was also a time when the District Council had not filled the Asset Data Specialist - Transport role which created backlogs. These both resulted in multiple cut-off issues being found in addition to the issues with the ASBUILT dates being used. Matter progressing	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. Matter progressing.	Jun-24
External	Annual Report	2022/23	Inaccuracies and non-compliance identified in the draft service performance reporting provided for audit We recommend that the District Council implement enhanced quality control and oversight processes before the draft service performance information is provided for audit.	N/A - New matter	Urgent	Staff supplying performance against non-financial measures will be asked to have results for current and previous year independently checked before supplying content to the Policy team or Audit. Matter complete, pending audit approval.	Dec-24
External	Annual Report	2022/23	Completeness and accuracy of vested assets We recommend that the District Council implements a robust process to ensure all vested assets are recognised in the correct financial year.	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. Matter progressing.	Sep-24
External	Annual Report	2022/23	Incorrect accounting treatment for non-current assets held for sale The District Council should design and implement clear policies and procedures to guide the accounting of assets as held for sale to ensure alignment with the accounting standards to avoid potential errors in the future.	N/A - New matter	Necessary	Property transactions of this nature that caused this audit point are relatively rare. A formal assessment process will be implemented for all property held within the 'Held for sale' reporting classification. Matter progressing.	Sep-24
External	Annual Report	2022/23	Inadequate processes in place for the physical verification of operational property, plant and equipment We recommend that a periodic physical verification exercise be performed for all classes of operational property, plant and equipment.	N/A - New matter	Necessary	TDC has restructured fixed asset responsibilities within the team which distributes this responsibility among the team so that fixed asset stock takes can occur. Matter progressing.	Jun-25

Taupō District Council Audit Improvement - Open

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
External	Annual Report	2022/23	Fully written down assets included in the fixed asset register The District Council should periodically review all assets with a zero net book value to inform their assessment of useful lives. Assets no longer in use should be removed from the fixed asset register based on the approved policies and procedures.	N/A - New matter	Necessary	From the assets identified in the 2022/23 audit council staff will be writing those assets off and then will reassess the remainder by the 30th Sept 2024. Matter progressing.	Sep-24
External	Annual Report	2022/23	Footpath condition rating not carried out on a regular basis We recommend that District Council carries out footpath condition ratings regularly to ensure compliance with the PBE FRS 48 standard and best practice.	N/A - New matter	Necessary	The 24-34 LTP has proposed resources to enable regular assessment of footpath condition. Matter complete, pending LTP adoption and audit approval.	Sep-24
External	Annual Report	2022/23	Expenditure transactions are not approved timely We recommend that all expenditure, including sensitive expenditure, be approved for processing/payment in a timely manner, such as monthly.	N/A - New matter	Necessary	Instance related to approval of transaction by non-staff. Some system/process complexities have presented themselves in the approval workflow process by individuals outside the organisation. Staff are also currently reviewing processes for managing and approval of credit card expenditure. Matter progressing.	Dec-24
External	Annual Report	2022/23	Enhancement of the sensitive expenditure policy required to ensure compliance with OAG guidance and best practices We recommend that: •the meaning of “reasonable and moderate” in relation to alcohol purchases is communicated clearly at all levels, and that the sensitive expenditure policy is updated to provide guidance in this regard as well as when specific approvals are required for unique events; and •clear guidance and pre-approval processes are included in the policy to govern travelling and other sensitive expenditure for specific unique events like a mihi whakatau.	N/A - New matter	Necessary	The Sensitive Expenditure Policy has been updated against the Office of the Auditor General Guide and will be presented to Risk and Assurance Committee's July 2024 meeting for adoption. The update addresses the points raised by Audit. Matter complete subject to Risk and Assurance Committee adoption of updated Sensitive Expenditure Policy and audit approval.	Jul-24
KPMG Health and Safety Review							
Internal	KPMG	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 are currently being identified and improvements initiated. Matter progressing. Delayed from February to Dec 2024.	Dec-24
Internal	KPMG	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	Matter has been delayed due to vacancy in H&S Manager role and extended recruitment period. Now looking at additional consultancy resource to progress this work. Matter progressing.	Dec-24
Internal	KPMG	Aug-23	R2.1 Conduct job specific or departmental risk assessments in all areas of Council.	N/A - New matter	High	Delayed due to H&S Manager vacancy and extended recruitment period. Looking to progress with additional consultant resource. Matter progressing. Delayed from March until Dec 2024.	Dec-24
Internal	KPMG	Aug-23	R2.2 Increase awareness at the management level of the	N/A - New matter	High	H&S awareness being actively discussed at Executive and ELT.	Sep-24

Taupō District Council Audit Improvement - Open

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
Internal	KPMG	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	Risk assessment underway for critical risks. This will include identification of any other potential risk controls for critical risks. Review and validation of risk controls delayed due to vacancy but is being progressed with consultant resource. Matter progressing. Delayed from March to Dec 2024.	Dec-24
Internal	KPMG	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	Delayed due to vacancy in H&S Manager position and extended recruitment period. Now looking at additional consultancy resource to progress this work. Matter progressing. Delayed from Feb 24 until Dec 24 - current vacancy in H&S Manager role.	Dec-24
Internal	KPMG	Aug-23	R4.2 Establish independent assurance processes.	N/A - New matter	Medium	Will be progressed when resourcing in place. Matter progressing. Delayed from February until Sept 2024.	Sep-24
Internal	KPMG	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	High level guidance provided in Procurement Procedures (which replace the Procurement Guidelines). This will be supplemented by the Health and Safety in Procurement document which is at Final draft stage. Finalisation has been delayed due to vacancy in H&S Manager position and extended recruitment period. Now looking at additional consultancy resource to progress this work. Matter progressing. Delayed from Jan 24 to Aug 24.	Aug-24
Internal	KPMG	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	Vault Check (Damstra) site audit templates developed. Training delayed due to vacancy in H&S Manager position and extended recruitment period. Now looking at additional consultancy resource to progress this work. Matter progressing. Delayed from Jan 24 to Sept 24.	Sep-24
Internal	KPMG	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	Delayed due to vacancy in H&S Manager position and extended recruitment period. Now looking at additional consultancy resource to progress this work. Matter progressing. Delayed from April 24 to Sept 24.	Sep-24
Internal	KPMG	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	Data on site audits and inspections being captured. Organisation would benefit from the establishment of KPIs outlining expected site audit frequency (refer to H&S Quarterly report elsewhere on the agenda). Delayed due to vacancy in H&S Manager position and extended recruitment period. Now looking at additional consultancy resource to progress this work. Matter progressing. Delayed from April 24 to Sept 24.	Sep-24

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Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
Internal	KPMG	Aug-23	5.5 Finalise the draft Contractor Health and Safety Handbook and communicate the requirements to stakeholders.	N/A - New matter	Medium	Final draft of contracting to council guidance prepared. Delayed due to vacancy in H&S Manager position and extended recruitment period. Now looking at additional consultancy resource to progress this work. Matter progressing. Matter progressing. Delayed from Jan 24 to Aug 24.	Aug-24
Internal	KPMG	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	Security Risk Registers for Customer Service teams' locations completed and front-line workers prioritised. Control recommendations, including implementing an education campaign, now being progressed to Executive Team for consideration. Matter progressing. Delayed from Jan 24 until July 24.	Jul-24
Internal	KPMG	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	Implementation of an education campaign considered an important control measure to reduce consequences from high risk scenarios. Will require development to roll out later in 2024. Matter progressing. Delayed from Feb 24 until July 24.	Jul-24
Internal	KPMG	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	Delayed due to vacancy in H&S Manager position and extended recruitment period. Now looking at additional consultancy resource to progress this work. Matter progressing. Delayed from Feb 24 until July 24.	Jul-24
Internal	KPMG	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. Matter progressing.	Mar-25
Internal	KPMG	Aug-23	7.2 Implement physical security protocols that align to the New Zealand Government Protective Security Requirements.	N/A - New matter	Medium	Security Risk Registers for Customer Service teams' locations completed. Other Council building assessments have begun. These registers have been completed to align with the Protective Security Requirements: These registers have identified people, information and assets that require appropriate protective measures. The risks and consequences have been assessed and considered for the likelihood and impact of each alongside Council's Risk Appetite, while also understanding our Health and Safety requirements to take all reasonable steps to protect people. Site-specific analysis has been completed with consideration to the PSR guidelines i.e. - How many people are working at a given location e.g. lone workers or multiple; Identify specific risks that are unique to a building and the activities performed there e.g. security measures for the Museum or Swimming Pool require an individual approach; Aspects such as cash handling, storage of tools, and threats arising from certain locations were all considered as per PSR PHYSEC1 requirements; The PSR requires measures are put in place to minimise/remove risks - recommendations for control measures now being progressed and to be presented to the Executive Team for further action. Matter progressing. Delayed from Dec 23 until July 24.	Jul-24

Taupō District Council Audit Improvement - Open

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
Internal	KPMG	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. As part of the Security Risk Registers, an education campaign is a control measure identified as important to minimise risks across key buildings. Initial work on an education plan started but needs further progress for; 1.How we will communicate key security protocols - develop internal comms, branding, newsletter, training, writing comms for 12 months ahead, 2.Topics to cover e.g working alone/remotely, tailgating and access points, closing doors, managing threats. 3.Getting relevant security protocols into the Induction Day programme. 4. Ensuring training/reminders are ongoing and regular. Will require involvement across the organisation including P&C, Customer Services, Facilities and potentially use Health & Safety Reps to help roll out across all teams, building security into team meetings as BAU. Matter progressing.	Jul-24
Internal	KPMG	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. Seek to implement once H&S Manager vacancy filled. Matter progressing. Delayed from Jan until Sept 2024.	Sep-24
Internal	KPMG	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	Delayed due to vacancy in H&S Manager position and extended recruitment period. Now looking at additional consultancy resource to progress this work. Matter progressing. Delayed from April 24 to Sept 24.	Sep-24
Internal	KPMG	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	Will be a part of the internal H&S Engagement Plan. Will progress when new H&S resourcing in place. Matter progressing. Delayed from Feb to Aug 2024.	Aug-24
Internal	KPMG	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	Will progress when new H&S resourcing in place. Matter progressing. Delayed from Dec 2023 to August 2024.	Aug-24
Internal	KPMG	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 progressed once H&S resourcing in place. Matter progressing. Delayed from Dec 2023 to Aug 2024.	Aug-24
Internal	KPMG	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 once health and safety resourcing in place. Matter progressing. Delayed from Mar 2024 to August 2024.	Aug-24
Internal	KPMG	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	Ongoing engagement with the broader business regarding the need to report incidents and near misses. To be emphasised through implementation of engagement campaign. Matter progressing. Delayed from Jan 2024 to August 2024.	Aug-24

Taupō District Council Audit Improvement - Open

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
Internal	KPMG	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	All procedures currently being collated into a H&S library, which includes an assessment of the currency of existing procedures. Will progress further when new H&S Manager resource in place. Matter progressing. Delayed from Feb 2024 to Sept 2024.	Sep-24
LTP 21-31 Audit							
External	Audit NZ	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	Increased funding had been approved for consultation in the draft LTP. It is also subject to NZTA funding. Matter progressing.	Jun-24
Drinking Water Standards Audit							
External	WaiComply	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 – In construction, estimated completion expected Sept 2024. Bonshaw Park - Connect to Taupō scheme – In construction, estimated completion June 2024. Centennial Drive - Connect to Taupō scheme - at preliminary design - completion due June 2026. Temporary protozoa barrier to be installed by Dec 24. Hatepe Village - new membrane treatment plant - contract awarded, awaiting land acquisition - estimated completion TBC (previously estimated June 2026). Temporary protozoa barrier to be installed by Dec 24. Kinloch - New membrane treatment plant - contract awarded - estimated completion September 2025. Motuoapa - New membrane treatment plant - contract awarded - estimated completion June 2026. Motutere - temporary protozoa barrier to be installed by Dec 24 – 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 – in construction, highly complex build and at this stage completion estimated at March 2025. Waihaha - New UV treatment plant - contract awarded - estimated completion Oct 2024. Whakamoenga - Connect to Taupō scheme by Dec 2024. Currently out for Tender, estimated completion Dec 2024 Whareroa - New UV treatment plant – contract awarded, estimated completion Dec 25. Matter progressing.	Various
External	WaiComply	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. Matter progressing.	As above.
External	WaiComply	Nov-23	Ensure new treatment plant process allows adequate retention times.	N/A - new matter	N/A	Being addressed through treatment plant upgrades. Matter progressing.	As above.
External	WaiComply	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 March 2025. Matter progressing.	Mar-25

Taupō District Council Audit Improvement - Open

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
NZTA Procedural Audit							
External	NZTA	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	Documentation provided to Waka Kotahi. Matter closed.	Jun-24
Council MARK							
Internal	Council MARK	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 2023 and Risk Appetite adopted in March 2024. Council has started a deep dive into these strategic risks, and the first of the strategic risk profiles is presented elsewhere on this July agenda. Matter progressing. <i>Delayed from June 2024 until Dec 2024.</i>	Dec-24
Internal	Council MARK	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. Matter progressing. <i>Delayed from Jan 24 until Aug 24.</i>	Aug-24
Internal	Council MARK	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. Matter progressing.	Jun-24
Internal	Council MARK	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 has updated its Procurement Policy and supporting procedures which are presented to the Risk and Assurance Committee elsewhere on this agenda (July 2024 agenda). The Procurement Procedure has introduced additional controls, one of which is a Procurement Approval Memo which requires all key aspects of the procurement to be documented following procurement but before purchasing. Procurement Evaluation software has also been introduced which provides significantly more robustness in evaluation and associated record keeping. Matter progressing. <i>Delayed from Jan to July 2024.</i>	Jul-24
Internal	Council MARK	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. Council is also implementing new software (IBIS) which will simplify forecasting and provide better reporting. The IBIS system will be in place by the end of June 2024 however further work is required to embed good forecasting practices into the business. Matter progressing. <i>Delayed from June to Dec 2024.</i>	Dec-24
Internal	Council MARK	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. Matter progressing.	Jun-24

Taupō District Council Audit Improvement - Open

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
Internal	Council MARK	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: <ul style="list-style-type: none"> · 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. The LTP is expected to be approved in September 2024 and the projects will be completed in the scheduled year of the LTP 2024/2034. Matter Completed subject to projects remaining in the LTP.	Sep-24
Internal	Council MARK	Apr-22	Undertaking better operational analysis of Council's community facilities – patronage, cost of operations etc	N/A - New matter	N/A	TDC analysed revenue obtained from council facilities over recent years. This analysis was used to propose increases to the fees and charges of our facilities as part of the LTP development. Finance will continue to work with business to refine estimates of utilisation for better forecasting. Matter progressing. Delayed from Jun to Dec 2024.	Dec-24
Internal	Council MARK	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	A draft 'Community Funding Policy (2024)' and 'Community Funding Eligibility and Assessment Framework (2024)' has been endorsed by Elected Members for consultation alongside the LTP. Matter Progressing. Delayed from June 2024 to Sep 2024 as LTP approval delayed.	Jun-24
Internal	Council MARK	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. Matter progressing. Delayed from June to December due to vacancies in the Business Excellence Team.	Dec-24
Internal	Council MARK	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. Matter progressing.	Oct-24
Building Accreditation							
Environmental Health Recognised Agency Reassessment (food health)							
External	IANZ	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 contractor 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. Matter progressing.	Jun-24

Taupō District Council Audit Improvement - Open

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
External	JASANZ	Feb-24	Obs1. Completing a mock directed importer verification.	N/A - New matter	Observation	Staff plan to undertake a mock importer verification. Matter progressing.	Jun-24
External	JASANZ	Feb-24	Obs2. Updating Council's in house competency framework.	N/A - New matter	Observation	Staff plan to refine the competency framework to make it a little more concise. Matter progressing.	Dec-24

Taupō District Council Audit Improvement - Closed

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
External	Annual Report	2014/15	Project Management We recommend improvements are made with regards to: <ul style="list-style-type: none"> • Further refinement to the Strategic Plan. • Refinement of strategic mapping matching projects to benefits, outcome, and strategy. • The use of business cases is currently a work in progress. Currently, business cases are typically only used for large projects, however the expectation would be that there are business cases for all projects.	June 2023: We note a Senior Business Analyst has been appointed to support the development of more detailed business cases for strategic projects. As the District Council is currently completing Asset Management Plans for the business, business cases are being prepared to support the next LTP (2024-2034). Matter closed	Necessary	Further refinement to the Strategic Plan (LTP); The use of business cases is currently a work in progress. Currently, business cases are typically only used for large projects, however the expectation would be that there are business cases for all projects: 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. All business cases are stored in our document management system Objective. Refinement of strategic mapping matching projects to benefits, outcome, and strategy. 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 but in some case community outcomes) 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.	Closed
External						The development of a full scale software solution for project management is planned for LTP 24 Year 1 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. Matter Closed.	Closed - confirmed by 2022/23 Audit Report.

Taupō District Council Audit Improvement - Closed

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
External	Annual Report	2014/15	Procurement & Contract Management The procurement guidelines and practices are updated to include the following points: <ul style="list-style-type: none"> • include guidance on the use of Contract Management Plans, what to do when contract performance obligations and expectations are not being met; and • 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. 	June 2023: The programme of review of current contracts is done through the Contract Management module within CIAnywhere. Matter closed.	Beneficial	TDC has reviewed its Procurement Policy and supporting procedures and it is on the July Risk and Assurance agenda for adoption. Across business training on the new policy and supporting procedures are underway, and this includes 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. Matter closed.	Closed - confirmed by 2022/23 audit report.
External	Annual Report	2016/17	Centralised Contracts Register 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.	June 2023: During our current year audit, we obtained a copy of the Centralised contracts register including items highlighted in our recommendations, confirming it was implemented. We note District Council continues to develop its usage and ensure consistency across all contracts in the register. Matter closed.	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. Matter closed.	Complete - confirmed by 2022/23 audit report.
External	Annual Report	2019/20	Water supply and wastewater median resolution times 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. Matter closed.	Complete
External	Annual Report	2019/20	Review of payroll masterfile changes Payroll masterfile maintenance reports are independently reviewed by individuals who are unable to make changes in the payroll system.	June 2023: During our 2023 audit, we followed up on the prior year issue regarding payroll Masterfile maintenance reports not being independently reviewed by individuals who are unable to make changes in the payroll system. We identified instances where the payroll Masterfile maintenance reports were reviewed by an individual who can make Masterfile changes. Additionally, there was no evidence of review of the Masterfile maintenance report for one payrun selected for audit. We understand the lack of evidenced review was due to the time taken to establish systems processes upon migrating to the TechOne payroll system. Matter outstanding	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. Staff consider matter closed pending Audit approval.	Closed pending audit approval.

Taupō District Council Audit Improvement - Closed

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
External	Annual Report	2020/21	Incomplete Interest Register 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).	June 2023: During our current year audit, we have noted some instances where interests within our searches were not documented on the interest declarations register by members. The risks of the District Council not meeting their obligations under the Members Interests Act increase with undisclosed interests. Matter outstanding	Necessary	TDC Governance team requests all elected members declare interests as part of induction process and annually thereafter. Going forward staff will also send reminders on a quarterly basis to Elected Members encouraging them to proactively disclose any interests. 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. Staff consider the matter closed.	Complete pending audit approval 30/06/2023
External	Annual Report	2021/22	Lack of formal approval for all salary increases 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	June 2023: We have performed work over salary and wage increases during the 2023 audit. As part of our audit procedures, we requested for approvals of increases from ELT/those charged with governance. Based on our discussion with management, we identified that there is no formal approval evidence for salary increases given during the year. Matter outstanding	Necessary	Final approval for 2023 increases was completed through email by Julie Gardyne on 11/7/2023 - filed in the HR confidential files. Staff consider matter complete.	Complete 11/07/2023
External	Annual Report	2021/22	Journal segregation of duties We recommend a one-up approval process for journals posted.	June 2023: As part of our work over the risk of management override of controls during the current audit we performed journal testing. We identified instances where journals were not approved on a one-up basis, but rather on a peer review basis. Matter outstanding	Necessary	From the point of Audit bringing this to our attention we have corrected the process. Staff consider matter complete.	Complete 30-06-24
External	Annual Report	2021/22	Assessment of recoverability of general debtors 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.	June 2023: During our current year audit, we noted the District Council is addressing outstanding receivables that have accumulated since the onset of Covid-19. Due to the implementation of a new system and staffing shortages, the process is anticipated to take some time. Matter progressing	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. Matter complete, pending audit approval.	Complete pending audit approval 30/06/2024
External	Annual Report	2022/23	Lack of formal approval documentation for property, plant and equipment (PPE) purchases We recommend the District Council retains formal and proper evidenced approval documents for all property, plant and equipment purchases before the assets are purchased.	N/A - New matter	Necessary	Capital purchases are approved via an annual plan/LTP process in the first instance. Then, depending on the asset, the mechanics of the purchase authority is either via a contract claim (whereby someone with suitable DFA approves a contract in its entirety – usually the CEO), or on a purchase order where the system delegation limits prohibit all approvals except those with DFA. Staff consider the matter closed.	Closed pending audit approval.

Taupō District Council Audit Improvement - Closed

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
External	Annual Report	2022/23	Employment agreement letters of key management personnel (KMP) not approved We recommend that the District Council ensures that adequate policies and procedures are in place to sign off contract letters for executives to ensure those appointments are formalised before salary payments take place.	N/A - New matter	Necessary	The usual practice is to have contract letters approved before salary payments are made. The People and Culture team will ensure future lapsed do not occur. Matter closed, pending audit approval.	Closed pending audit approval.
External	Annual Report	2022/23	Expenditure items incorrectly coded in the general ledger We recommend that appropriate review and coding of expenditure take place to ensure the accuracy of the general ledger account used to enable appropriate reporting and monitoring.	N/A - New matter	Necessary	Finance periodically review GL coding each month for miscodes, we currently process around 35k transactions per month, and while every effort is made to ensure they are coded correctly it is not practical to review every transaction in detail. While ideally there would be no instances of miscoding, there is no evidence to suggest this is a systematic issue. Staff consider the matter closed.	Closed pending audit approval.
KPMG Health and Safety Review							
Internal	KPMG	Aug-23	R1.1 Define what is a critical risk.	N/A - New matter	High	TDC has defined a critical risk as: Risk arising from activities regularly undertaken by a PCBU that if not adequately controlled could result in a significant injury or fatality.	Complete
Internal	KPMG	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 registers established for 12 critical risks with existing controls identified. The adequacy of these controls are being reviewed as part of an ongoing review and assurance process. Matter complete.	Completed 31/05/2024
Internal	KPMG	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	Council's standard 5 x 5 risk matrix and risk register now being applied across Health and Safety. Matter complete.	Complete 31/05/2024
Internal	KPMG	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 was progressed with the development of TDC's Enterprise-wide risk appetite - Risk Appetite Statements adopted by Risk and Assurance at its March 2024 meeting. Matter Complete.	Complete 30/04/2024
Internal	KPMG	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. Matter complete.	Complete
Internal	KPMG	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	Monthly audit of TDC employee induction in place. Number of outstanding inductions continues to decrease each month (subject to number of new hires). Matter complete.	Complete 31/03/2024
Internal	KPMG	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'. Matter complete.	Complete
Internal	KPMG	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	Outstanding health and safety improvement actions are regularly reported to Risk and Assurance via this report. It is not considered necessary to also report to full Council. Due in Jan 2024 in accordance with H&S Improvement Plan. Matter complete.	Complete

Taupō District Council Audit Improvement - Closed

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
Internal	KPMG	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 which has been distributed to H&S Representatives. Matter complete.	Complete 31/03/2024
Internal	KPMG	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 adopted and rolled out to Health and Safety Representatives. Matter complete.	Complete 31/03/2024
Internal	KPMG	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. Matter Complete	Closed
Internal	KPMG	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 Matter complete.	Complete
Internal	KPMG	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. Matter complete	Complete
Internal	KPMG	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). Matter complete.	Complete
Internal	KPMG	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. Matter complete.	Complete
Internal	KPMG	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. Matter closed	Complete
LTP 21-31 Audit							
External	Audit NZ	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. Matter closed.	Complete

Taupō District Council Audit Improvement - Closed

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
Drinking Water Standards Audit							
External	WaiComply	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. Matter closed.	Completed April 2023.
External	WaiComply	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. Matter closed.	Completed. 31/12/2024
External	WaiComply	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. Matter progressing.	As above.
External	WaiComply	Nov-23	Ensure new treatment plant process allows adequate retention times.	N/A - new matter	N/A	Being addressed through treatment plant upgrades. Matter progressing.	As above.
External	WaiComply	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). Matter complete.	Completed Q3 2022.
External	WaiComply	Nov-23	Implement schedule of membrane filter testing and cleaning/replacement.	N/A - new matter	N/A	Membrane controls and monitoring have been upgraded 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. Forecast completion brought forward from Dec 24 to Mar 24. Matter Closed	Closed. 31-3-24
NZTA Procedural Audit							
External	NZTA	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. Staff recommend matter be closed.	Complete
External	NZTA	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 has been renewed with a top tier contractor. Staff consider item a) to be closed. b) Data quality continues to improve and recognised improvements are incorporated into the AMP. Work still to be done to improve maintenance contractor performance. Including KPIs as part of retendering for 1 July 2024. Staff consider item b) to be closed.	Complete
External	NZTA	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. Staff recommend matter be closed.	Complete
External	NZTA	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. Staff recommend matter be closed.	Complete

Taupō District Council Audit Improvement - Closed

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
External	NZTA	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	Council system is configured that anything processes at the work order level rolls up automatically to the project and that finance periodically check that the total in the project equates to the total in the work orders. Staff consider the matter closed.	Closed pending audit approval.
External	NZTA	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. Staff recommend matter be closed.	Complete 1/07/2022
External	NZTA	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. Staff recommend matter be closed.	Completed - 1/07/2022
External	NZTA	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. Staff recommend matter be closed.	Completed - 30/08/2022
External	NZTA	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. Staff recommend matter be closed.	Complete
Council MARK							
Internal	Council MARK	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. Matter closed.	Complete
Internal	Council MARK	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. Staff consider matter complete.	Complete May 2023
Internal	Council MARK	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. Staff consider matter complete.	Complete Aug 2023

Taupō District Council Audit Improvement - Closed

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
Internal	Council MARK	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	<p>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.</p> <p>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.</p> <p>Staff consider matter complete.</p>	Complete
Internal	Council MARK	Apr-22	Increased and appropriate level of resources with the capacity and skills required for managing contracts.	N/A - New matter	N/A	<p>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.</p> <p>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.</p> <p>Staff consider matter complete.</p>	Complete
Internal	Council MARK	Apr-22	Considering additional technical expertise to support the Compliance team.	N/A - New matter	N/A	<p>Compliance and Monitoring role developed and filled.</p> <p>Staff consider matter complete.</p>	Complete
Internal	Council MARK	Apr-22	Simplification and more action orientation in the Recreation Strategy.	N/A - New matter	N/A	<p>A new & simplified Recreation and Sports Strategy was adopted by Council in April 2023.</p> <p>Staff consider matter complete.</p>	Complete
Internal	Council MARK	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	<p>Subsequent to the CouncilMARK review TDC has established its Community Engagement and Development Team, who are available to guide and assist them in achieving their aspirations in collaboration with, or independently of Council.</p> <p>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.</p> <p>Staff consider matter complete.</p>	Complete
Building Accreditation							

Taupō District Council Audit Improvement - Closed

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
External	IANZ	Mar-23	GNC 1 - 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. Auditor noted GNC is now closed.	Complete
External	IANZ	Mar-23	GNC 2A - 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 raised as part of GNC 2A and this part was resolved on-site 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. Auditor noted GNC is now closed.	Complete
External	IANZ	Mar-23	GNC 2B - 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. Auditor noted GNC is now closed.	Complete
External	IANZ	Mar-23	GNC 3 - 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. Auditor noted GNC is now closed.	Complete
External	IANZ	Mar-23	GNC 4A - 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 Auditor noted GNC is now closed.	Complete
External	IANZ	Mar-23	GNC 4B 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 Auditor noted GNC is now closed.	Complete
External	IANZ	Mar-23	GNC 4C - 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. Auditor noted GNC is now closed.	Complete
External	IANZ	Mar-23	GNC 4D - 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. Auditor noted GNC is now closed.	Complete

Taupō District Council Audit Improvement - Closed

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
External	IANZ	Mar-23	GNC 5 - 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. Auditor noted GNC is now closed.	Complete
External	IANZ	Mar-23	GNC 6 - 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. Auditor noted GNC is now closed.	Complete
External	IANZ	Mar-23	GNC 7 - 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. Auditor noted GNC is now closed.	Complete
External	IANZ	Mar-23	GNC 8 - 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. Auditor noted GNC is now closed.	Complete
External	IANZ	Mar-23	GNC 9 - 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. Auditor noted GNC is now closed.	Complete
External	IANZ	Mar-23	R1 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. Matter complete.	Complete
External	IANZ	Mar-23	A1 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. Matter complete.	Complete
External	IANZ	Mar-23	A2 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. Matter complete.	Complete
External	IANZ	Mar-23	A3 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. Matter complete.	Complete

Taupō District Council Audit Improvement - Closed

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
External	IANZ	Mar-23	A4 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. Matter complete.	Complete
External	IANZ	Mar-23	A5 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. Matter complete.	Complete
External	IANZ	Mar-23	A6 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. Matter complete.	Complete
External	IANZ	Mar-23	A7 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. Matter complete.	Complete
External	IANZ	Mar-23	A8 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. Matter progressing.	Complete
External	IANZ	Mar-23	A9 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. Matter complete.	Complete
Environmental Health Recognised Agency Reassessment (food health)							
External	IANZ	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. Staff consider matter closed.	Complete
External	IANZ	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 and will monitor. Staff consider matter closed.	Complete
External	IANZ	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 auditors recommendation and consider template to be fit for purpose. Staff consider matter closed.	Complete
External	IANZ	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. Staff consider matter closed.	Complete
External	IANZ	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. Staff consider matter closed.	Complete

Taupō District Council Audit Improvement - Closed

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	JUNE 2024 Management Status update	Target Completion Date
External	JASANZ	Feb-24	Obs3. Clarify in verification reports what the topic outcomes are. i.e. what is a Non-compliance and what is a Non-conformance.	N/A - New matter	Observation	Staff have made updates to report to provide further clarity. Matter complete.	Complete

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MEMO

TO: Executive Team
FROM: Beth Hole
REVIEWED BY: Nigel McAdie, Acting General Manager Organisation Performance
DATE: 13 June 2024
SUBJECT: Purchase order over-receipting and over-invoicing

Executive summary

This memo is to follow up on the 1 February memo to Council's Executive team about an issue with the Council's purchase order (PO) system. Subsequent to the memo and the report to the Risk and Assurance Committee I can confirm that the additional expenditure over and above the amounts the POs were raised for has been verified and approved, with the exception of four transactions that were unable to be validated as they were processed by a former member of staff (Philip King).

Discussion

As a recap, in January 2024 Council officers found that there was a problem with Council's purchase order system controls and POs had been receipted for more than the approved amount, and in some cases subsequently paid. The total amount of the overspend is \$678,217.43 (GST exc).

Actions taken for verification of the expenditure and system configuration correction:

- Each executive member was provided with the overspend invoices associated with their areas.
- Executive members reviewed all the invoices and have each verified that:
 - i) the given transaction was for a valid and justifiable business purpose.
 - ii) there were no instances of a supplier being overpaid.
 - iii) no instances of fraud occurred.
- The updated system configuration is working as it should and is periodically checked to ensure that this continues.

All four transactions that could not be validated related to highly reputable suppliers, and the difference between the original purchase order values and the receipted amounts had a combined total of less than \$10,000.

Order	Date Created	Approval Date	Order Amount (Excl GST)	Receipt Amount (Excl GST)	Invoice Amount (Excl GST)	Order - Receipt	Order - Invoice	Requisition User	Supplier Name
TDC0000632	28-Oct-2021	28-Oct-2021	26,863.39	28,483.00	28,483.01	-1,619.61	-1,619.62	PKING	Twenty Two Independent Property Advisers Limited
TDC0001137	28-Oct-2021	28-Oct-2021	30,000.00	30,222.13	30,222.13	-222.13	-222.13	PKING	Bell Gully
TDC0001570	10-Jan-2022	10-Jan-2022	25,000.00	31,546.22	31,546.22	-6,546.22	-6,546.22	PKING	McKenzie & Co Consultants Ltd t/a Central Surveys
TDC0001755	30-Nov-2021	30-Nov-2021	32,000.00	32,832.92	32,832.92	-832.92	-832.92	PKING	Context Architects Limited

Figure 1 – Summary of transactions not validated.

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**Proposed timeline for review and adoption**

This matter was reported to the March 2024 Risk and Assurance Committee and it would be beneficial to be able to report at the next meeting that no items are outstanding and all is in order. The Risk and Assurance agenda has officially closed, however the Governance and Legal team have advised they will accept a report on this matter if delivered before the 21 June.

Summary of Executive Team decision(s) sought and or recommendation(s)

Decision sought	Yes	No
That each Executive member attest that all invoices have been reviewed and are appropriate by the signing of this memo (in lieu of system approval by someone with appropriate financial delegation).		
That the Executive Team support submission of a report to Risk and Assurance confirming that this matter has been resolved.		

Signatures:

Julie Gardyne – Chief Executive

Date:
21 June 2024Signature: *Julie Gardyne*

Libby O'Brian – GM People & Community Partnerships

Date:
21 June 2024Signature: *Libby O'Brien*

Nigel McAdie – Acting GM Organisation Performance

Date:
20 June 2024Signature: *Nigel McAdie*

Tony Hale – Acting GM Operations & Delivery

Date:
25 June 2024Signature: *THale*

Warrick Zander – GM Strategy & Environment

Date:
21 June 2024Signature: *Warrick Zander*



TAUPŌ DISTRICT COUNCIL

PERFORMANCE REPORT

May 2024

May 2024

JULIE GARDYNE

TUMU WHAKARAE | CHIEF EXECUTIVE

I am delighted that the Long Term Plan has been through the audit review, the required changes have been made and the LTP is now ready to go out for community consultation. Now we wait for the submissions to roll in! We have various TDC teams engaging with the community in numerous pop-up events throughout the Rohe, to ensure people know the different ways they can have their say on the Long Term Plan. Once the consultation period is over at the beginning of July, the submissions will be collated and prepared for hearings and deliberation at the council table.



May also saw the CDEM annual exercise being run at the Event's Centre, with over 40 trained Taupō District Council staff involved in the event. This was a great time to review our current processes and to get the larger Civil Defence team working together in a mock scenario (that did once actually occur). From this they will debrief to look at what future training is required.

Some well-earned awards were received in May, with Te Kapua Papa Takaro in Turangi picking up three national awards. The papa tākaro was joint winner of the Te Karanga o Te Tui Supreme Award at the recent New Zealand Institute of Landscape Architects Awards and also won an award for excellence in the play spaces category. Following on from these successes, the papa tākaro then went on to win a merit award in the Playspace of the Year category at the 2024 Recreation Aotearoa Parks Awards. What an awesome achievement for everyone involved.

Ngā mihi

Julie



May 2024

SARAH MATTHEWS

KAIWHAKAHAERE MATUA -
WHAKATUTUKI WHAKAHAERE
ORGANISATION PERFORMANCE
GENERAL MANAGER



What were your group highlights of the month?

During National Privacy Week, which took place from May 13th to 17th, the Legal and Governance Team orchestrated a series of activities to elevate awareness and assist staff in comprehending our privacy legislation obligations. The initiatives included a quiz, a video, webinars, and informative content.

The Finance team have been working with the digital solutions team to deliver system upgrades such as the new fixed assets system. They are also working on enhancements to internal reporting capabilities, to prepare for the forthcoming financial year to facilitate reporting and budget monitoring.

The Business Excellence team has reviewed the Sensitive Expenditure Policy to ensure consistency with the guidance provided by the Office of the Auditor General. The policy will be presented to the Risk and Assurance Committee in July for adoption. Council's preferred supplier panels are also undergoing a triennial review, including new categories. The market briefing has received a lot of interest, with over 160 proposals received for the Professional Services Panel alone.

Project Quantum is making significant progress, with the Financial Assets Register and TAA leases and licenses now operational. The team is currently conducting user acceptance testing and is preparing for the revenue functions to go live in August.

The AI trial (CoPilot Pilot group) is actively testing the benefits of AI integration. Alongside this, there are ongoing security enhancements being made to the network, access, and control systems to ensure robust protection.

What were your group challenges of the month?

In the coming months, the Finance Business Partner team will face a demanding period as they navigate the complexities of the Annual Report, Long-Term Plan, and audits. Our Rates & General Accounting teams are gearing up for a busy season, managing the transition in rates, cash management, and general year-end tasks.

The current vacancies for the Risk Advisor and Health and Safety Manager positions present a resourcing challenge, and the substantial number of proposals received for the establishment of TDC supplier panels mean the Procurement Manager and subject matter experts will be dedicating considerable effort to the evaluation process.

As we approach the go-live date for Project Quantum, there is a noticeable increase in fatigue among the team and stakeholders. The team is implementing strategies to manage workload and support well-being effectively.

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

The Legal and Governance Team is anticipating the subsequent steps regarding the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Bill following the completion of the Select Committee process.

The focus for the Business Excellence team will shift towards providing training and integrating recently approved key policies and frameworks into the organisation.

The Microsoft licensing renewal is underway, ensuring continued access to necessary software. The CAB procurement process is actively sourcing hardware to support our operations. Efforts are being made to protect our information assets, which include reducing paper usage and conducting a digital cleanup to streamline our data management.

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LIBBY O'BRIEN

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

What were your group highlights of the month?

Our team has successfully completed the 2024 dog registration for 7,595 dogs within our region. With a digital-first approach, we managed to email 81% of the registrations, aligning with our commitment to minimise costs for ratepayers on printing and postage.

In the recruitment space we've made significant hiring decisions, promoting internal career growth, and filling challenging roles across the organisation.

Staff from across our group visited Tutetawhā Marae for whakawhanaungatanga in May which was a step towards understanding their aspirations for community wellbeing. We also supported Wairakei Community Group in securing funding for community events, fostering connectivity and vibrancy in their community. Celebrating community successes, we supported the opening of the Mangakino basketball court and acknowledged the Te Kapua Park papa tākaro awards in Tūrangi, both projects exemplifying strong community and hapū partnerships.

What were your group challenges of the month?

The increase in LGOIMA requests by 33% compared to last year has put our Business Support team's workflow to the test, yet we've maintained 100% compliance with our response timelines.

As has become a real theme across our rohe, our capacity for community development is under constant pressure as we strive to remain connected with our communities to support their aspirations. The administration of funding applications has also been particularly demanding, as we navigate different systems to process each grant and an ever-increasing number of applications.

The Long-term Plan consultation document's adoption was a milestone, despite the pressure from tight timeframes and rolling changes during the audit review. Feedback from hapū regarding the volume of material for consultation has highlighted a misalignment with our feedback processes.

Battling misinformation on social media continues to be a regular challenge, but we saw positive feedback to posts leading up to June and the pre-LTP consultation period.

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

Looking ahead, our focus will be on educating and supporting our customers through dog registration and the Long-term Plan consultation. We will continue to support managers with the annual salary review processes and move into the next phase of critical role



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identification and succession planning. The Long-term Plan will dominate our efforts across all team aspects.

In the community, we're collaborating with Volunteer Great Lake Taupō for the ComaVol Community & Volunteer Expo, providing a platform for organisations to showcase their work and for attendees to learn about community involvement opportunities. Additionally, we'll facilitate another funders' forum to discuss significant community-led projects, engage in the Motutere Reserve Management Plan review, and continue emergency management community response planning.

Communication efforts for the Long-term Plan will be ongoing until early July, followed by targeted communications regarding the new rates instalment plan for the 2024/25 year. Engagement with iwi partner entities and support for iwi/hapū/marae submissions to the Long-term Plan will be a great opportunity to ensure we are getting as many submissions as possible from across the rohe.

Infrastructure works along Lake Terrace will also be a focus, with ongoing communications to residents about the project's impact.

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WARRICK ZANDER

KAIWHAKAHAERE MATUA - RAUTAKI, TAIAO
STRATEGY AND ENVIRONMENT
GENERAL MANAGER

What were your group highlights of the month?

Reporting line changes to balance the workload and responsibilities mean that the parks and reserves will remain within the strategy and environment group on a permanent basis, along with the Taupō Airport now forming part of the team.

Airport terminal redevelopment won silver in the 2024 New Zealand Commercial Project awards. Te Kapua papa tākaro was a joint winner of the Te Karanga o Te Tui Supreme Award at the recent New Zealand Institute of Landscape Architects Awards. If that was not enough, the papa tākaro also won an award for excellence in the Playspace of the Year category >\$500k at the 2024 Recreation Aotearoa Parks Awards.

The policy team has worked through the hearings and deliberations on the Animal Control, Dog Registration and Food Licencing fees, and the Solid Waste Bylaw. Plan Changes 38 and 40-43 were adopted by the council and officers were directed to notify. A submission was prepared within a very short timeframe on the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Bill.

The Long-term Plan consultation document and supporting information were adopted by the council end of May, after a review by Audit New Zealand.

The average time to process a building consent is 10 days, and 98 percent of them are being completed in 20 working days or less. The team has collaborated with some of the big commercial builds in the area to ensure a fast and effective process, which has led to great feedback.

Waikato Regional Council held a workshop on 15 May in Hamilton about containing invasive freshwater clams (gold clams) in the Waikato region. It had representatives from TDC, Iwi, Biosecurity New Zealand, and Department of Conservation. The workshop aimed to talk about and plan how to stop the clams from spreading. This was the first workshop in the series and there will be more to talk about how to keep invasive freshwater clams out of other parts of Aotearoa. Taupō District Council could provide eight signs in the district to raise awareness for people travelling in the region, but this is not confirmed yet.

What were your group challenges of the month?

Work is progressing well on the Motutere Reserve Management Plan however there have been further delays on the delivery of a draft for consultation. The committee has sought further information on cultural values assessment and an ecological assessment to help them to assess a range of different options for management of the reserve. At this point the adoption of the new reserve management plan is still anticipated by the end of 2024.



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A substantial amount of work will be required to prepare for the Long-term Plan hearings and deliberations at the end of July. There are ongoing discussions with Audit New Zealand over the deliverability of council's proposed work programme in the Long-term Plan as well as the appropriateness of using customer satisfaction performance measures.

Core samples of the airport apron show that the surface is reaching the end of its useful life. Some form of surface treatment will be required to extend the life for another five to seven years before reconstruction is required.

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

The Future Development Strategy will be moving into the next phase with a council workshop on 18 June.

The parks and reserves team is continuing with their winter maintenance programme across the district, including pavement and furniture cleaning, replanting of the older gardens, and reserve maintenance involving crown lifting of trees. Planning is also prominent at this time of the year to ensure the team is well prepared for the coming months and events such as Ironman 70.3 Worlds.

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TONY HALE

KAIWHAKAHAERE TUKU MAHI
OPERATIONS AND DELIVERY GENERAL MANAGER
(ACTING)



What were your group highlights of the month?

Recruitment is underway for the permanent general manager. There have been some changes to the reporting lines and the role is now called general manager community infrastructure and services. Taupō Airport has moved across to the strategy and environment portfolio. The events and venues will continue to report to the chief executive until the permanent appointment is made, at which stage they will move over.

Further on the recruitment front, three replacement staff appointments have been made in the transport asset team, with the new staff members starting over June and July. Two of these positions have been vacant since mid-last year due to the challenging recruitment market for roading engineers. Three waters has a full team again for the first time since early 2022.

The new five-year road maintenance contract award to HEB Construction was approved by the council on 28 May for a tendered sum of approximately \$79 million. The new contract commences on 1 August and includes road maintenance, renewals, and some capital works such as seal extensions, rural road widening and pavement rehabilitations.

The 2023-24 transport projects have been largely completed. The new Wairakei Drive roundabout has been sealed, with finishing works occurring during June.

The phase 1 of the Southern Trunk sewer main installation has been completed. Fulton Hogan is shifting over to the phase 2 and will start drilling and excavating from Kara Place pump station, past Woolworths, towards Richmond Avenue.

What were your group challenges of the month?

The change-over of the road maintenance contractors requires a lot of work from the transport operations team, winding-up one contract and setting up the new, along with building the new relationships.

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

The Long-term Plan consultation and engagement process will be supported by the subject matter experts across the portfolio, particularly in the solid waste area. Taupō residents are being invited to have their say on a new rubbish and recycling collection system that could see bags replaced with wheelie bins. If adopted, the council would aim to implement the new bin system in the 2025-2026 rates year.

The NZTA road pavement maintenance subsidy has been increased for the 2024-27 period. This is a much-needed boost and will be added to the new programme. The remaining NZTA

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transport subsidy for non-pavement maintenance has been increased at the rate of construction inflation.

The development engineering team is expecting increase in activity now that the new District Plan changes have come through, and ahead of the development contribution and fees changes in the Long-term Plan. House building has been holding steady at traditional levels of activity and the demand for housing remains strong, although some construction contractors are now finding forward work harder to get.

Omori water main construction is expected to be completed end of July, and the last round of piling for Kinloch Water Treatment Plant will commence mid-June.

Three projects (Te Kapua papa tākaro, Te Mataapuna and Waiora House) have been nominated for awards at the upcoming Taituarā (Local Government) Excellence Awards in June.

The team is starting the road mapping and resource capacity planning for the Long-term Plan year 1 infrastructure projects, should they be approved to go ahead.

Local Water Done Well bill is expected to be introduced to the parliament, and we were waiting for confirmation on the timeframe for submissions.



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FINANCIAL SUMMARY

REVENUE & EXPENDITURE PERFORMANCE

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

Revenue overall is significantly ahead of forecast. In particular, our subsidies and grants revenue is higher than forecast because of revenue from central Government in relation to Turangi Kerb & Channel funding \$3.375m, Better-off Funding carried forward of \$484k, 3 waters transition funding \$128k, and funding for the weighbridge at Turangi of \$103k. This is partially offset by an unfavourable variance due to a timing difference of NZTA grant revenue of \$472k.

Development Contribution revenue is significantly ahead of forecast by \$2.2m, mainly due to timing of when we estimated the contributions would fall due.

Revenue from fees and charges is also tracking higher than forecast by \$1,331k. This is mainly due to building consents revenue being higher by \$422k with higher consent numbers than forecast, resource consents higher than forecast by \$158k, solid waste revenues being ahead of forecast by \$288k, AC Baths & Turtle Pool revenue being ahead of forecast by \$173k due to timing, TEC/AC Baths membership revenues ahead of forecast by \$126k, and venue hire being ahead of forecast by \$120k.

Other revenue is ahead of forecast by \$663k, this is due to insurance recoveries of \$125k, infringements & fines ahead of forecast by \$146k and gains on financial assets of \$346k.

\$000	YTD Actual	YTD Forecast	YTD variance	Full year Annual	Full Year Forecast
REVENUE					
Rates	86,327	85,874	453	92,517	93,681
Subsidies and Grants	10,107	6,699	3,408	7,786	7,786
Development	6,809	4,656	2,153	5,079	5,079
Fees and Charges	12,779	11,448	1,331	12,449	12,449
Finance Revenue	6,083	6,439	(72)	7,024	7,024
Other Revenue	3,030	2,367	663	8,487	8,487
TOTAL REVENUE	125,135	117,483	7,652	133,342	134,506
EXPENDITURE					
Personnel Costs	28,205	28,177	(28)	30,311	30,739
Depreciation	27,324	27,321	(3)	29,804	29,804
Finance Costs	10,737	10,708	(29)	11,681	11,681
Other Expenses	49,202	47,096	(2,106)	50,461	51,377
TOTAL OPERATING	115,468	113,302	(2,166)	122,257	123,601
NET SURPLUS	9,667	4,181	5,486	11,085	10,905

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

Total operating expenditure is greater than forecast year to date by \$2.2m. Personnel costs are broadly in line with forecast, with churn from unfilled roles during the year offsetting additional costs for summer students. Other expenses are \$2.1m higher than forecast. There are favourable and unfavourable variances across all expense types. The variances of significance are; 3 waters maintenance being higher than budget by \$1,213k, \$125k of costs related to insurance claims (offset overall with insurance proceeds revenue). We have also

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net losses on financial assets of \$866k driven primarily by shares sold by Forsyth Barr as part of the rebalancing of the TEL portfolio, partially offset by some unrealised gains.

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CHANGES TO YEAR-END FORECAST

Changes to forecast reported in prior months:

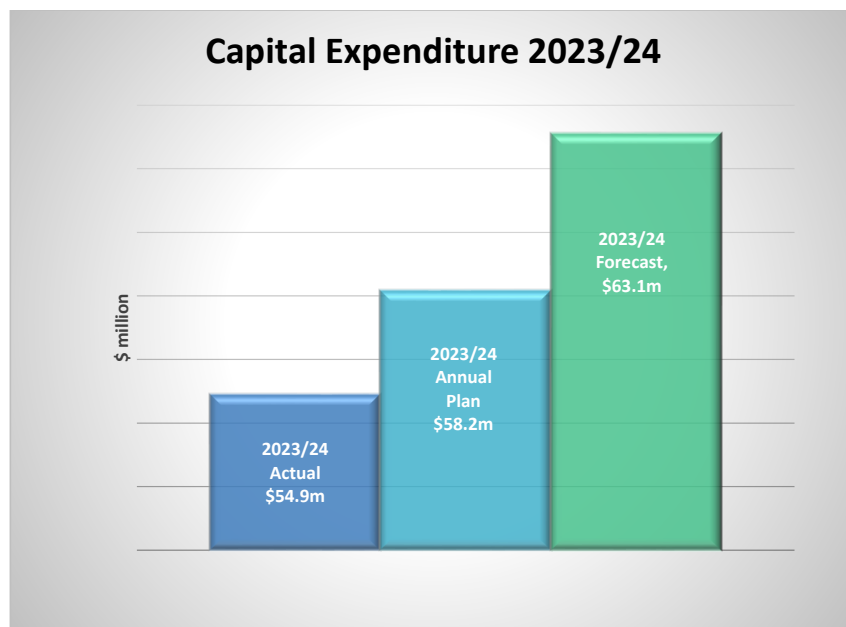
Increase in rates	1,164,000
Business Excellence team	(48,000)
DGLT support (budget error)	(107,000)
Supercars support	(480,000)
Engineering issue	(569,920)
Riskpool further call	(138,871)
Net increase/(decrease) in surplus	(179,791)

CHANGES TO FORECAST IN CURRENT MONTH: Nil

The effect of these forecasted changes decreases our 2023/24 Annual Plan surplus by \$179,791

CAPITAL INVESTMENT PERFORMANCE:

We have deployed \$54.9m of capital expenditure for the eleven months to 31 May 2024. The Annual Plan budget for 2023/24 of \$58.2m plus an estimated carry forward from 2022/23 of \$52m, giving a total capital budget for 2023/24 of \$111m.



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TREASURY REPORT

TREASURY COMPLIANCE

Owing to a change of staff the Treasury report is not yet available and we will aim to update you at the meeting.

CEO DELEGATIONS REPORTING

CEO approval of budgeted expenditure over \$500,000: NIL to report

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

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<div><div><div><div></div><div></div></div><div><div>GREAT LAKE TAUPŌ</div><div>Taupō District Council</div></div></div><div>PORTFOLIO UPDATE</div></div>								
PROJECT	OVERALL	TIME	COST	SCOPE	KEY UPDATES	UPCOMING MILESTONES	% COMPLETE (Life Budget)	LIFE BUDGET
Community Facilities								
Mangakino Lakefront Upgrade Project (phase 1)	<div></div>	<div></div>	<div></div>	<div></div>	On hold - Phase 2 will be dependent on LTP outcome.		<div><div></div></div> 79%	<div></div> \$0.4M
Owen Delany Park upgrade	<div></div>	<div></div>	<div></div>	<div></div>	Site blessing being arranged before PURE LED (contractor) commence on the 17th & design for heart space building continues.	Breaking ground during the week of 17th June for field lighting upgrade.	<div><div></div></div> 3%	<div></div> \$8.5M
Tūrangi Recreation & Activities Centre (TRAC)	<div></div>	<div></div>	<div></div>	<div></div>	On-hold until the outcome of LTP is known.		<div><div></div></div> 20%	<div></div> \$1.3M
Democracy & Planning								
Long Term plan	<div></div>	<div></div>	<div></div>	<div></div>	Consultation started on 4 June, will finish on 5 July. Engagement events over the next month booked in with community and specific hui with iwi/hapū partners. Hearings and deliberations scheduled for week of 29 July. Dates to be confirmed by end of June when submission numbers are clearer.		<div><div></div></div> 0%	<div></div> \$0.0M
Parks & Reserves								
Erosion control-Taupo Bay, Lake Tce Cliffs & Tapuaeharuru Bay	<div></div>	<div></div>	<div></div>	<div></div>	The concept design report has been supplied from Tonkin & Taylor and the project team are currently reviewing the report.	Meeting with Ngā Kaihautu to discuss options.	<div><div></div></div> 64%	<div></div> \$0.9M
Property								
Civic Administration Building - Fit out	<div></div>	<div></div>	<div></div>	<div></div>			<div><div></div></div> 89%	<div></div> \$1.0M
Reform, Investments								
204 Crown Road - subdivision earthworks & Civil	<div></div>	<div></div>	<div></div>	<div></div>	TDC resource consent has been granted and ready to commence site works on June 10th.	Sign contract with civil contractor and commence site works.	<div><div></div></div> 12%	<div></div> \$3.5M
3 Waters Reform Activities	<div></div>	<div></div>	<div></div>	<div></div>	Local Government (Water Services Preliminary Arrangements) Bill introduced 30th May. Short timeline for submissions. Outlines the requirements for a Water Services Delivery Plan but doesn't clarify what the proposed new class of CCO options will be, nor details of what the economic regulator may require. These details are expected in the second bill later in the year.	13 June - Bill Submissions Due 20 June - Elected Members Workshop	<div><div></div></div> 59%	<div></div> \$0.8M
EUL Stage 1 Lot 20 -Earthworks & Civil	<div></div>	<div></div>	<div></div>	<div></div>	First TDC resource consent lodged & procurement process for civil contractor underway	Lodge second resource consent. Civil contractor selection.	<div><div></div></div> 20%	<div></div> \$7.6M
Project Quantum & Tech One	<div></div>	<div></div>	<div></div>	<div></div>	Phase 3 replanning for go live underway. Phase 4 planning underway to determine scope and budget Time: Red - adjustments to timeframe for go live date due to complications with data migration. New phase 3 go live date to be confirmed.	Go live of Taupō Airport Authority leases and licenses 10 June. Go live of financial assets by 10 June.	<div><div></div></div> 81%	<div></div> \$10.1M
Transport								
Northern Access Investigation	<div></div>	<div></div>	<div></div>	<div></div>	Stage 1 Report is complete and issued. Stage 2 report to follow in July based on the indicative preferred option. Time: Changed from amber to green, as revised timeline is satisfactory and Stage 1 is complete.	Stage 2 report due in June.	<div><div></div></div> 72%	<div></div> \$0.3M
Tūrangi Street Revitalisation	<div></div>	<div></div>	<div></div>	<div></div>	All work is completed in Te Rangitautahanga Road, with a 4 space car park procured and awaiting start date from Contractor. This will be constructed next to the new Playground.	Contractor has poured 65% of the kerb & channel in Te Takinga Street and are progressing well with demolition and the prep work for the remaining concrete pours.	<div><div></div></div> 88%	<div></div> \$5.7M
Wairakei Dr & Huka Falls Rd Roundabout	<div></div>	<div></div>	<div></div>	<div></div>	Asphalt completed, all street lights are up. Continuing with reinstatement works. Lighting is still needing to be activated by Unison.	Works on track to be completed by end of June 2024.	<div><div></div></div> 22%	<div></div> \$2.5M
Whangamata Road improvements	<div></div>	<div></div>	<div></div>	<div></div>	Design is finalised, and tender package will be released to the market early June. Scope: Changed from Amber to Green due to the scope being finalised prior to the project going to the market.	Award Contract.	<div><div></div></div> 18%	<div></div> \$2.1M

GREAT LAKE TAUPŌ

Taupō District Council

PORTFOLIO UPDATE

PROJECT	OVERALL	TIME	COST	SCOPE	KEY UPDATES	UPCOMING MILESTONES	% COMPLETE (Life Budget)	LIFE BUDGET
Wastewater								
SCADA Upgrade	▲	▲	●	▲	Whareroa Water scheme converted to FTView.		<div><div></div></div> 66%	\$4.6M
Taupo Wastewater Treatment Plant Primary Clarifier 3	●	▲	●	●	Design consultant is currently scoping the project to commence design.	Start of detailed design.	<div><div></div></div> 0%	\$1.0M
Taupo WW Southern Trunk Main Upgrade Stage 1	●	●	▲	●	All pipe is installed for Phase 1 and reinstatement is underway. Contractor will be filling sections of pipe for pressure testing purposes.	Contractor has commenced open trenching and directional drilling of phase 2 from Kara Place pump station towards Countdown.	<div><div></div></div> 22%	\$10.4M
View Road Stage 2 LDS Expansion	▲	▲	▲	●	Final defects are being worked through, with the Stage 1 integration underway, but proving challenging.	Final completion due for July.	<div><div></div></div> 88%	\$5.4M
Water								
Bonshaw Park Drinking Water Standards NZ project	●	●	●	●	The complete length of pipe has been installed and all road crossings. Pump station tested and ready for commissioning.	Complete installation of the air valves and scour hydrants at agreed locations.	<div><div></div></div> 51%	\$2.7M
Kinloch Drinking Water Standards NZ Upgrade	▲	●	◆	●	Final piles have arrived and piling will recommence in mid-June, foundation ground beams for the "tank farm" are currently being constructed. Cost: 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 LTP for next financial year.	Complete last portion of piling and construct foundation beams.	<div><div></div></div> 85%	\$14.1M
Motuoapa Drinking Water Standards NZ Upgrade	◆	◆	◆	●	Contractor is working on early geotech design with workshop booked for mid-June with all associated parties Time: Red due to the flow on impact from the delays with Kinloch & Omori being the same contractor and their availability for resource. New programme from the contractor has been supplied, project team are currently reviewing this Cost: Costs are expected to be higher due to inflation and geotech design - Additional funds are requested in the LTP for next financial year.	Submission of design report from Contractor and the submission of an extension of time.	<div><div></div></div> 24%	\$3.9M
Omori Drinking Water Standards NZ Upgrade	▲	●	◆	●	Detailed design report has been submitted and TDC have reviewed this, awaiting final submission back from Contractor to approve the final report. Full civil/foundation works will commence in July Cost: Costs are expected to be higher due to inflation and geotech design - Additional funds are requested in the LTP for next financial year.	Acceptance of detailed design report and civil works planned for June & July.	<div><div></div></div> 49%	\$6.0M
Tauhara Ridge Reservoir & Airport Connection	▲	◆	●	●	Reservoir pipeline and airport pipelines have been awarded and construction starting in June. Reservoir tender in final stages of preparation before release to market. Pump station also nearing tender stage. The reservoir designation has been submitted, pending outcome. Time: Red due to delays in design.	Reservoir tender to market, and the pump station design being finalised.	<div><div></div></div> 15%	\$2.0M

KEY

●

Low Risk

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Risk Decreased (Amber/Red to Green)

▲

Medium Risk

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Risk Decreased (Red to Amber)

◆

High Risk

↗

Risk Increased (Green to Amber)

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On Hold (waiting LTP)

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Risk Increased (Amber/Green to Red)

89%

Almost Complete

\$1.0M

Smaller Value Project

12%

Low Spend to Date

\$8.5M

High Value Project

% Complete = \$ Spend to Date / Life Budget

\$ Life Budget

R & A Committee Work Stream	1 5 March 2024	2 11 June 2024	3 17 September 2024	4 9 December 2024
Risk Management				
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)	●	●	●	●
Taupō East Urban Lands (EUL) Development Risks Update		●	●	
Legislative Compliance Attestations (Subject to implementation of 'Comply With' software)				●
Health and Safety at Work	●	●	●	●
Internal Audit Programme				
Confirmation of 2024 internal audit programme		● → ●		
Sensitive Expenditure Review		● → ●		●
Non-Financial Performance Measures Report NEW		●	●	●
Risk Related Policy/Reviews				
Risk Management Policy & Framework	●			
Business Continuity Policy & Framework		● → ●		
Review of Procurement Policy		●		
Review of Fraud Policy		● → ●		
Review of Sensitive Expenditure Policy NEW		●		

Insurance				
2023 – 24 Insurance Update (AON insurance summary)			●	
AON Insurance Strategy		●		
2024 – 2025 Insurance Placements				●
External Audit and Accountability				
Audit Arrangements Letter	● LTP	● Annual Report		
Annual Audit Report – Review and recommend adoption by Council			● →	●
Outstanding Audit Recommendations	●	●	●	●
Taupō District Council Food Safety Verifier QMS audit		●		
PoolSafe audit of Taupō and Tūrangi pool complexes NEW		●		
Litigation Matters (Public Excluded)				
Litigation Matters Update	●	●	●	●
Other				
Review Risk and Assurance Committee Workplan	●	●	●	●
Chief Executive Update	●	●	●	●
Review of Performance and Effectiveness of Risk and 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).