

ATTACHMENTS

Risk and Assurance Committee Meeting

17 September 2024

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Risk and Assurance Committee Meeting Minutes

2 July 2024

**TAUPŌ DISTRICT COUNCIL
MINUTES OF THE RISK AND ASSURANCE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, 107 TE HEUHEU STREET, TAUPŌ
ON TUESDAY, 2 JULY 2024 AT 1.00PM**

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

IN ATTENDANCE: Mayor David Trewavas (for items 5.16 onwards)
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), Business Excellence Manager (L Chick), Legal and Governance Manager (N McAdie), Finance Manager (J Paenga), Environmental Services Manager (J Sparks), Digital Solutions Manager (T May), Communications Manager (L McMichael), People and Culture Manager (L Nienhuser), Policy Manager (N Carroll), Project Management Office Manager (P Fletcher), Acting Manager Housing and Property Investment (C Haskell), District Aquatics Manager (P Ramsay), Senior Policy Advisor (K Goode), Senior Policy Advisor (P Caruana), Programme Manager (J Walton, via MS Teams), Procurement Manager (S Rugg), Governance Quality Manager (S James)
Audit New Zealand representatives, Messrs Athol Graham and Kayode Oloro

MEDIA AND PUBLIC: Nil

1 KARAKIA

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

2 WHAKAPĀHA | APOLOGIES

RACC202407/01 RESOLUTION

Moved: Mr Bruce Robertson
Seconded: Cr Danny Loughlin

That the apologies 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 RACC202407/01 above.

3 NGĀ WHAKAPĀNGA TUKITUKI | CONFLICTS OF INTEREST

In relation to agenda item 5.4 (JASANZ Recognised Food Verification Agency Quality Management System Surveillance Audit 2024), independent chairperson Mr Bruce Robertson advised that he was the chair of the Ministry for Primary Industries' risk committee. The declaration was noted, with no action required or taken as a result.

In relation to agenda item 5.2 (Audit Plan for 2023-24 Annual Report Audit), Cr Danny Loughlin declared his interest in Te Whare Hono ō Tūwharetoa Limited Partnership, the developer constructing the Civic Administration Building. The declaration was noted, with no action required or taken as a result.

4 WHAKAMANATANGA O NGĀ MENETI | CONFIRMATION OF MINUTES

4.1 RISK AND ASSURANCE COMMITTEE MEETING - 5 MARCH AND 2 MAY 2024

Both sets of minutes (5 March and 2 May 2024) were considered.

The minutes of the meeting held on 5 March 2024 were amended, to delete the last sentence of the narration of item 5.12 (Chief Executive update) and replace with: "He added that the current council-controlled organisation model did not provide balance sheet separation, but this was expected to be rectified in due course."

RACC202407/02 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Anna Park

That the minutes of the Risk and Assurance Committee meetings held on Tuesday 5 March and Thursday 2 May 2024 be approved and adopted as true and correct records, as amended.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202407/02 above.

4.2 RISK AND ASSURANCE COMMITTEE MEETING - 2 MAY 2024

See above.

5 NGĀ RIPOATA | REPORTS

5.1 AUDIT MANAGEMENT REPORT FOR 2022-23

Mr Athol Graham, Audit New Zealand noted that the report contained a number of outstanding items. In relation to the recommendation for Council to receive advice about the accounting treatment for the Civic Administration Building, that advice had been obtained and Audit New Zealand was working with management to implement it.

The following points were noted during questions, answers and related discussion:

- Staff were asked to provide an update for the next Risk and Assurance Committee meeting on the water supply and wastewater median response times issue.
- Management comments were recognised as being appropriate responses to Audit New Zealand recommendations.
- 11 new issues had been raised. 18 issues remained open. Although a big number, plans were in place to resolve issues and reduce the number reported in future audit reports.

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2 July 2024

- In relation to issue 4.8 (lack of formal approval documentation for property, plant and equipment purchases), the General Manager Organisation Performance advised that assets could be made up of multiple contracts/multiple purchasers, and while all expenditure was correctly approved, there was no one source available to view approval of all asset capitalisation transactions. She did not believe it was mandatory for councils to have such a source in place.

RACC202407/03 RESOLUTION

Moved: Mr Anthony Byett
Seconded: Cr Rachel Shepherd

That the Risk and Assurance Committee receives the Audit Management Report for the year ended 30 June 2023.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202407/03 above.

5.2 AUDIT PLAN FOR 2023-24 ANNUAL REPORT AUDIT

Mr Graham summarised the plan for the audit of Taupō District Council's 2023-24 Annual Report. In answer to a question, he confirmed that timelines may be tweaked if required, but his expectation was that everything would be concluded prior to December, to allow any issues to be resolved in time to meet the deadline.

The General Manager Organisation Performance advised that the biggest challenge was asset capitalisation.

In answer to another question, the Finance Manager confirmed that all fair value assessments of assets had been received and sent to Audit New Zealand.

It was noted that accounting opinions on the Civic Administration Building and the treatment of the sale of the old Council building site would be taken into account.

The approach to materiality set out on page 75 of the agenda was also noted, with overall parent materiality set at \$181m and specific parent materiality at \$2.79m.

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

- Council's senior financial accountant had been assigned project manager for the audit, supported by team members responsible for various elements.
- Time for quality control procedures had been built into the plan. It was reiterated that asset capitalisation was a challenge and the team expected to be working on that aspect of the audit right up to the deadline.

Chairperson Mr Bruce Robertson requested an opportunity for the Risk and Assurance Committee to review the draft prior to presentation to Council.

RACC202407/04 RESOLUTION

Moved: Cr Danny Loughlin
Seconded: Cr Rachel Shepherd

That the Risk and Assurance Committee approves the Audit Plan for the 2024 Annual Report Audit.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202407/04 above.

5.3 LONG-TERM PLAN 2024-34 UPDATE

The Senior Policy Advisor provided a brief update on progress preparing Council's Long-term Plan 2024-34. Approximately 716 submissions had been received to date, with consultation closing on Friday 5 July. Kerbside rubbish and recycling was of particular interest to submitters. Most risks outlined in the report were process risks.

In summary, the Senior Policy Advisor confirmed that uncertainty was decreasing on the whole and although there was still a lot of work to complete, including hearings and deliberations, the team was confident the Long-term Plan 2024-34 would be adopted by 30 September.

RACC202407/05 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Anna Park

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202407/05 above.

5.4 JASANZ RECOGNISED FOOD VERIFICATION AGENCY QUALITY MANAGEMENT SYSTEM (QMS) SURVEILLANCE AUDIT 2024

The Environmental Services Manager presented the report. The Chairperson asked her to pass the Committee's congratulations on to the environmental health team on such a good report.

RACC202407/06 RESOLUTION

Moved: Cr Danny Loughlin

Seconded: Mr Anthony Byett

That the Risk and Assurance Committee receives the outcome of the JASANZ Surveillance Audit Report 2024.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202407/06 above.

5.5 POOLSAFE AUDIT - TAUPŌ AND TŪRANGI POOL COMPLEXES

The District Aquatics Manager presented the two PoolSafe audit reports. In answer to questions, she confirmed that the auditor was external to Taupō District Council; and that no corrective actions had been issued i.e. all components audited had been achieved.

Members congratulated the District Aquatics Manager and the team on the good audit results. The Chairperson noted the reference contained in the Health, Safety and Wellbeing report (agenda item 5.16) to the WorkSafe visit to AC Baths on 29 May 2024, which provided additional assurance of overall performance.

RACC202407/07 RESOLUTION

Moved: Mr Bruce Robertson
Seconded: Cr Kevin Taylor

That the Risk and Assurance Committee receives the PoolSafe Accreditation Audit Report for the Taupō and Tūrangi Pool Complexes dated February 2024.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202407/07 above.

5.6 PROJECT QUANTUM UPDATE

The General Manager People and Community Partnerships and the Digital Solutions Manager summarised the report and answered questions. The following points were noted:

- A key focus was looking after Council staff working on Project Quantum. It was important to balance long hours and staff well-being with getting things done.
- Progress was being made, including going-live with the asset system and Taupō Airport Authority leases and licences.
- The majority of the \$10.2m project budget was allocated to data migration.
- "Quantifiable acceptance criteria" (risk 054 on the risk register) related to the criteria to be met for each project phase, before entering the next project phase.
- "Mandatory data not available from source" (risk 066 on the risk register) related to the mis-match between data fields in current systems and in the new system, which contained mandatory data fields.
- The project team was very driven, working long hours with challenging stakeholders. Fatigue could become an issue over time for people working under such conditions.
- The budget remained adequate, however there was a possibility an additional \$200k may need to be sought via the Long-term Plan process.
- The team was on track to complete the project by the end of 2025. Council's IANZ building consent authority audit was due to take place in April 2025, so some parts of the project would have to wait until after that process was complete.
- The rates module would not go-live until the team was certain it would operate exactly as it should.
- The project team had a good relationship with TechnologyOne. TechnologyOne would not however assist with data preparation. The team was liaising with other councils for support and sharing of information.

The Chairperson summarised the core themes as being time; cost; and quality. There had been delays to ensure no issues at go-live. The cost was currently neutral/on track, with the project team managing the contract with TechnologyOne closely to ensure value; and some benefits had been realised, with staff having trust in the system.

RACC202407/08 RESOLUTION

Moved: Cr John Williamson
Seconded: Cr Danny Loughlin

That the Risk and Assurance Committee receives the update on Project Quantum.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202407/08 above.

5.7 EAST URBAN LANDS

The Acting Manager Housing and Property Investment summarised the report and clarified that Council had approved the sale of land required for Stage 1A.

In answer to a question, the General Manager Organisation Performance confirmed that the sale of the land required for Stages 1B and 2 was subject to Long-term Plan 2024-34 consultation.

The General Manager Organisation Performance and the Acting Manager Housing and Property Investment answered questions of clarification. In relation to risk control, the agreement with the developer would contain protections for Council, including exit clauses. An independent review of the budget would also be obtained.

RACC202407/09 RESOLUTION

Moved: Cr Danny Loughlin

Seconded: Mr Anthony Byett

That the Risk and Assurance Committee receives the East Urban Lands Affordable Housing Area Report dated 2 July 2024.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202407/09 above.

5.8 RISK MANAGEMENT QUARTERLY UPDATE

The Business Excellence Manager summarised the report.

RACC202407/10 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Rachel Shepherd

That the Risk and Assurance Committee receives the Risk Management Quarterly Update.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202407/10 above.

5.9 STRATEGIC RISK UPDATE

The strategic risk being examined was 'attracting and retaining a competent workforce'.

The People and Culture Manager answered questions and the following points were noted:

- A variety of factors affected turnover figures in particular teams. These factors included workflow; assignment of work; pay; and level of interaction with the community.
- Turnover was just one indicator monitored by management.
- The figures were comparable to previous years.
- The figures included permanent staff members (including casual-on-call staff), but excluded fixed term / seasonal workers.
- It was important not to over-pay compared to market rates, because that then had a flow-on to middle management.
- Working conditions could be examined and possible improvements explored for teams with higher turnover.
- Turnover was a lag indicator. It was hoped that recent and ongoing work would result in improved

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2 July 2024

figures. This work included new leadership training to support managers to build flourishing team environments; and role mapping, critical role identification and succession planning.

- In relation to supporting public-facing team members, the actions taken included:
 - o Council's customer charter had been updated;
 - o Learning and development opportunities had been implemented for new employees to support them to cope with challenging interactions; and
 - o Bespoke work within teams.

Committee members endorsed the strategies in place and proposed to control the strategic risk 'attracting and retaining a competent workforce'.

RACC202407/11 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Danny Loughlin

That the Risk and Assurance Committee receives the Strategic Risk Update.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202407/11 above.

The meeting adjourned at this point (3.05pm) and reconvened at 3.13pm.

5.10 PROCUREMENT POLICY AND PROCEDURES ADOPTION

The Procurement Manager presented the Procurement Policy and Procedures.

In answer to a question, Audit New Zealand representative Mr Athol Graham advised that procurement policies were of interest to Audit New Zealand, but not a core part of work auditing councils.

In answer to another question, the Procurement Manager advised that the Financial Threshold guide had been updated to include reference to the requirement to obtain at least two quotes for procurement between \$20,000-\$100,000.

RACC202407/12 RESOLUTION

Moved: Cr Kevin Taylor

Seconded: Cr Anna Park

That the Risk and Assurance Committee adopts the 2024 Procurement Policy and Procurement Procedures.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202407/12 above.

5.11 SENSITIVE EXPENDITURE POLICY REVIEW

The Business Excellence Manager presented the proposed updated Sensitive Expenditure and Gift Policy and the following points were noted:

- The old policy relied heavily on subjective interpretation of the principles behind sensitive expenditure, whereas the new policy included more quantifiable measures to guide staff.
- The new policy was more detailed and contained more control around cultural expenditure, including koha.
- A section had been included in the new policy, including the monitoring and reporting regime to be applied.

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2 July 2024

- A summary of the policy had also been prepared.

RACC202407/13 RESOLUTION

Moved: Cr Anna Park

Seconded: Cr Danny Loughlin

That the Risk and Assurance Committee receives and adopts the proposed *Sensitive Expenditure and Gift Policy*.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202407/13 above.

5.12 NON-FINANCIAL PERFORMANCE MEASURES REPORTING

The Business Excellence Manager presented the report.

Chairperson Mr Bruce Robertson pointed out that a lot of measures were on track.

RACC202407/14 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Rachel Shepherd

That the Risk and Assurance Committee receives the Non-Financial Performance Measures Q3 2023/24 Report.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202407/14 above.

5.13 COUNCIL INSURANCE STRATEGY

The Business Excellence Manager summarised the insurance strategy and attachments to the report. The information was provided for the Committee's receipt only. There would be an opportunity for the Committee to discuss insurance further at the 17 September meeting.

RACC202407/15 RESOLUTION

Moved: Cr Anna Park

Seconded: Cr Danny Loughlin

That the Risk and Assurance Committee receives the Insurance Strategy.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202407/15 above.

5.14 OUTSTANDING AUDIT AND IMPROVEMENT ITEMS

The Business Excellence Manager summarised the report. The General Manager Organisation Performance added that a number of actions would not be resolved until Project Quantum was complete. The Chairperson suggested that a column be added to the table to indicate Project Quantum-related items.

RACC202407/16 RESOLUTION

Moved: Cr John Williamson
Seconded: Mr Bruce Robertson

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 RACC202407/16 above.

5.15 PURCHASE ORDER CONTROL ISSUE - UPDATE**RACC202407/17 RESOLUTION**

Moved: Cr Anna Park
Seconded: Cr Rachel Shepherd

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202407/17 above.

5.16 HEALTH, SAFETY AND WELLBEING - QUARTERLY UPDATE

The Business Excellence Manager presented the health, safety and wellbeing update and advised that the vacancy in the team had been filled, with the new health, safety and wellbeing staff member due to start on 29 July. In response to questions, she advised that:

- The interim health, safety and wellbeing resource had worked throughout the organisation and had identified some excellent practices, for example in the water treatment plant and pools teams.
- Some parts of the organisation were more proactive at investigating incidents than others. Training of managers was planned to address this, as managers' engagement was required to close incidents out in a timely manner.
- 'Non-workers' in Table 1, page 240 of the agenda (summary of number of injuries and medical conditions) were members of the public and incidents usually occurred at the district's pools.

RACC202407/18 RESOLUTION

Moved: Cr Kevin Taylor
Seconded: Cr Danny Loughlin

That the Risk and Assurance Committee receives the Health, Safety and Wellbeing Report for March 2024 to June 2024.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202407/18 above.

5.17 TAUPŌ DISTRICT COUNCIL MONTHLY PERFORMANCE REPORT - MAY 2024

In relation to three waters maintenance costs being over budget, the Finance Manager advised that a new contract had been entered into and the coding of invoice payments had not been consistent. The Acting General Manager Operations and Delivery added that nothing abnormal was happening, a more collaborative approach was being taken with the contractor and it was taking time to ensure coding was correct.

Members acknowledged the good report and recent awards received for projects. The Project Management Office Manager advised that the report had been refined over time and that more projects would be on the list in future.

RACC202407/19 RESOLUTION

Moved: Cr Danny Loughlin
Seconded: Cr Rachel Shepherd

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202407/19 above.

5.18 RISK AND ASSURANCE COMMITTEE WORKPLAN UPDATE

RACC202407/20 RESOLUTION

Moved: Mr Bruce Robertson
Seconded: Cr Anna Park

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202407/20 above.

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

The Chief Executive provided an opportunity for members to ask questions.

RACC202407/21 RESOLUTION

Moved: Mr Bruce Robertson
Seconded: Cr Anna Park

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 RACC202407/21 above.

6 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS**RACC202407/22 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	Plain English reason for passing this resolution in relation to each matter
Agenda Item No: 6.1 Confirmation of Confidential Portion of Risk and Assurance Committee Minutes - 5 March 2024	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)(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	There is a need to retain this portion of the minutes in confidence in relation to the sensitive expenditure item, to protect personal privacy of individuals involved in that particular expenditure; and in relation to the litigation update, to maintain legal professional privilege where members have received advice from Council's Legal and Governance Manager relating to potential legal challenges against Council.
Agenda Item No: 6.2 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	To enable members to receive advice from Council's Legal and Governance Manager relating to potential legal challenges against Council.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202407/22 above.

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2 July 2024

The meeting closed at 4.35pm 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 17 September 2024.

.....
CHAIRPERSON



Quarterly Treasury Dashboard

30 June 2024



Economic Commentary

Global (for the June 2024 quarter)

2

It was another bumpy ride for the benchmark US bond market in the June quarter, with the 10-year treasury starting at 4.20%, rising to 4.72% on 27 April, declining back to 4.22% on 20 June, and finishing the quarter at 4.40%. While progress has been made in taming inflation, the progress has been slower than the market and, importantly, what the Federal Reserve ("Fed") had been hoping for, creating concerns that the Fed may keep interest rates higher for longer than anticipated.

The Fed has continued to signal it would begin easing this year, while forecasting higher growth and inflation for 2024. From pricing in 6-7 rate cuts at the start of the year, market pricing currently reflects two cuts by the end of the year, complicated by the 5 November US election.

While progress has been made in the battle against inflation globally, that progress has been uneven across different geographies. Persistent core inflation pressures in several developed countries, including the UK, U.S., and Eurozone, contributed to overall inflation rates exceeding central bank targets. Australia remains an outlier and, based on market pricing, faces a real possibility of further interest rate hikes after a poor May CPI release.

In early June, the European Central Bank ('ECB') 'hawkishly' cut its key interest rates by 25bps to lower its main refinancing operation rate to 4.25% and its deposit facility rate to 3.75%. The move did come with a warning after ECB President Christine Lagarde announced, *"Domestic inflation remains high, and wages are rising at an elevated pace. We will need more data to constantly confirm the disinflationary path. We cannot confirm that the dialling back process is underway."*

It was a different story in Switzerland, though, after the Swiss National Bank ("SNB") reduced its key interest rate by 25bps to 1.25% following its March cut. The rate cut caught the market off guard, which saw the Swiss franc fall sharply, although officials sought to provide comfort, announcing they remain prepared to intervene if required.

China increased the pace of monetary, fiscal, and regulatory easing measures to support growth. These efforts have contributed to some cyclical stabilisation, but whether they will translate into a full-blown economic reacceleration remains uncertain.

Looking ahead to the US elections in November, the election result will determine who decides on the roughly \$3.5 trillion of 2017 personal income tax cuts scheduled to expire at the end of 2025. Based on projections, the fiscal deficit is expected to remain relatively large over the next several years (5%–6% of GDP), partly due to rising interest-rate payments on federal debt. The election result could see materially different approaches to tariffs, global trade, immigration, taxes and even the shape of monetary policy.

Economic Commentary

New Zealand as at 30 June

3

	OCR	90 day	2 years	3 years	5 years	7 years	10 years
31 March 2024	5.50%	5.63%	4.80%	4.51%	4.38%	4.38%	4.46%
30 June 2024	5.50%	5.63%	4.96%	4.68%	4.45%	4.44%	4.50%
Change	0%	0%	+0.16%	+0.17%	+0.07%	+0.06%	+0.04%

The June 2024 quarter saw a continuation of the poor economic data that has characterised 2024, with a growing chorus of 'survive until 25' being heard. New Zealand is undergoing a painful reset, with economic indicators suggesting the economy has weakened further over the last quarter. Further forward-looking indicators for the remainder of 2024 show an economy stuttering at ongoing near or actual recessionary levels. Evidence continues that the Reserve Bank of New Zealand ("RBNZ") has largely done its job in suppressing aggregate demand, and the labour market is clearly softening.

While the signs of a faltering economy are clear, the timing of when this will lead to lower inflation and, more importantly, when the RBNZ can ease its grip on the economy by reducing rates remains uncertain. Another variable is whether the RBNZ starts cutting rates when inflation falls back within its target range of 1%-3% or when the RBNZ is confident that inflation will fall back to the target midpoint of 2%.

At the 22 May *Monetary Policy Statement* ("MPS"), the RBNZ maintained the OCR at 5.50%, stating that while annual consumer price inflation is expected to return to the Committee's 1%-3% target range by the end of 2024, monetary policy needed to remain restrictive to ensure that the inflation rate returns to the middle of the range within a reasonable timeframe. Of particular note, the RBNZ focused on annual non-tradable inflation, which has only slightly declined to 5.8%, higher than the 5.3% forecast.

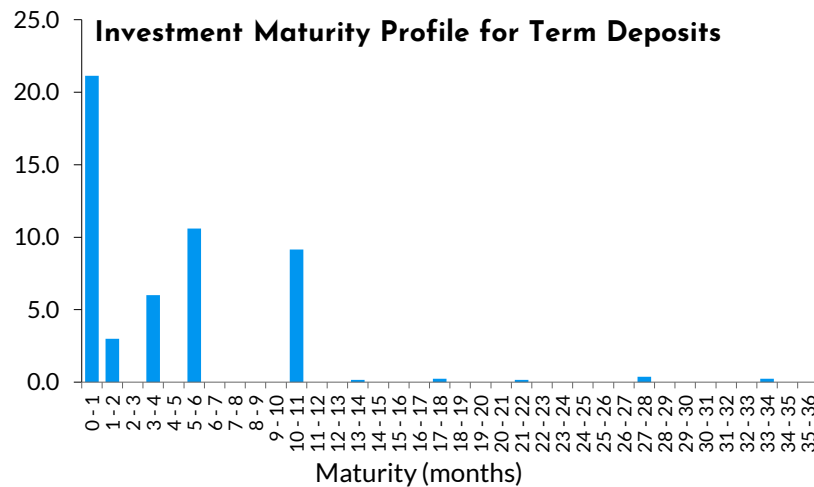
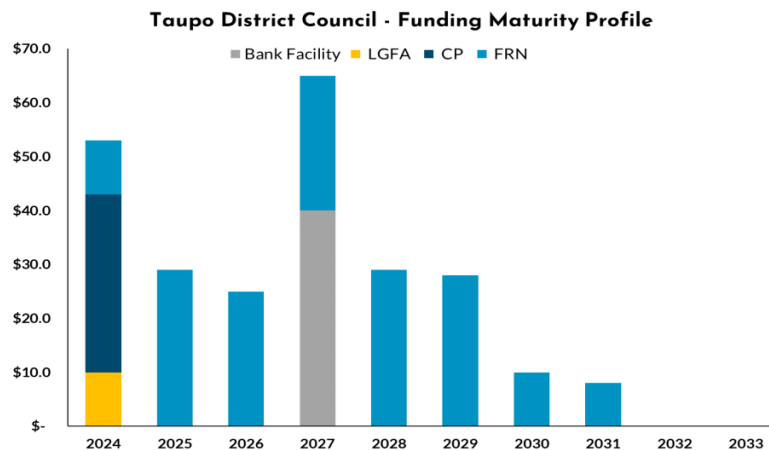
RBNZ projections have the first OCR cut in Q4 2025, with most banks forecasting cuts in February 2025 and Kiwibank forecasting a November 2024 rate cut. By contrast financial market pricing is assigning an 80% probability that the first 25 basis point cut will occur in October 2024 and a 100% probability of it happening in November 2024.

There is an increasing amount of anecdotal evidence backed up by many recent data releases of a rapidly slowing economy. These releases include business and consumer confidence declining sharply as well as construction activity, residential building consents and retail sales all falling markedly. This suggests that the RBNZ should cut sooner than the May MPS review indicated.

Swap rates had a volatile quarter. The 2-year and 5-year swap rates declined from highs of 5.22% and 4.80%, respectively, down to lows of 4.89% and 4.33% before retracing some of the moves down, closing the quarter at 4.96% and 4.45%, respectively.

Liquidity and Funding

4



Debt

\$202.0m

External Council Drawn Debt

LGFA

\$164.0m

Funds Drawn from LGFA

Headroom

\$50.0m

Undrawn Facilities

Bonds, TD'S and
Cash**\$51.19m**Bonds, Term Deposits
and Cash in bank

Liquidity Ratio

150.19%(Cash Reserves + Lines
of Credit + Drawn
Debt)/Drawn Debt

Funding & Liquidity Maturity

Maturity (Years)	Minimum	Maximum	Compliant
0 - 3	15%	60%	Yes
3 - 7	25%	85%	Yes
7+	0%	60%	Yes

Investment Maturity

Maturity (Months)	Minimum	Maximum	Compliant
0 - 3	30%	80%	Yes
3 - 12	20%	70%	Yes
12 - 36	0%	50%	Yes
36 - 60	0%	30%	Yes

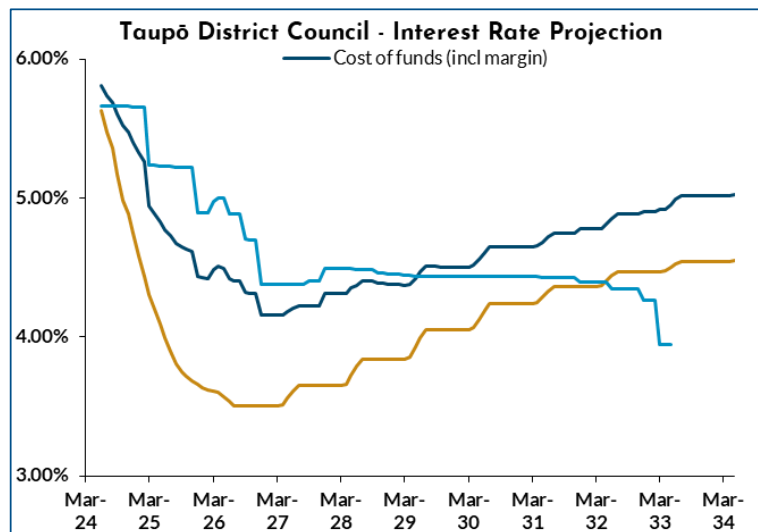
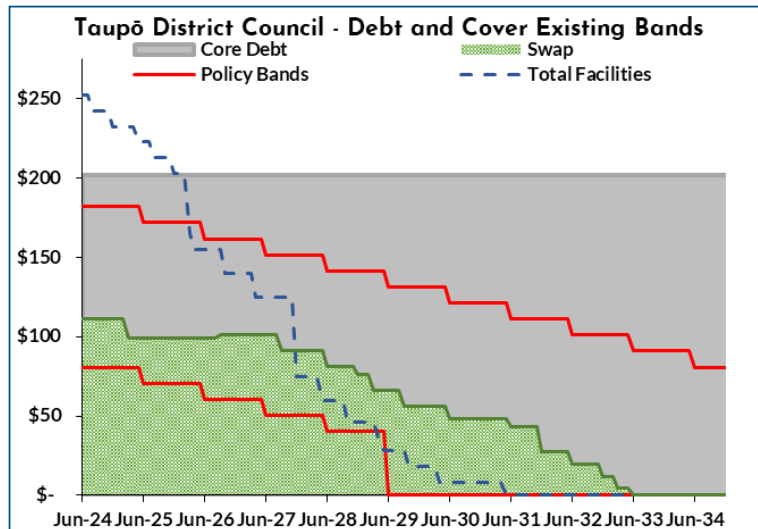
Policy Compliance

Compliant

Have all transactions been transacted in compliance with policy?	Yes
Is fixed interest rate cover within policy control limits?	Yes
Is the funding maturity profile within policy control limits?	Yes
Is liquidity within policy control limits?	Yes
Is the investment maturity profile within policy control limits?	Yes

Interest Rate Risk Management

5



Key Metrics

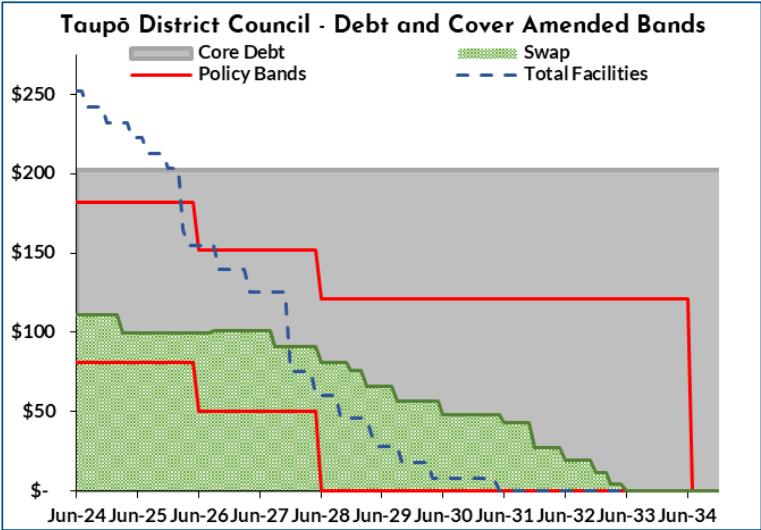
Current % of Debt Fixed	55.1%
Current % of Debt Floating	44.9%
Value of Fixed Rate (m)	\$111.35
Weighted Average Cost of Fixed Rate Instruments	5.77%
Value of Forward Starting Cover	\$68.40
Weighted Average Cost of Forward Starting Cover	3.98%
Value of Floating Rate (m)	\$90.7
Current Floating Rate	5.63%
All Up Weighted Average Cost of Funds Including Margin	5.81%
Total Facilities In Place	\$252.0

Existing Policy Bands

Maturity (Years)	Minimum	Maximum	Compliant
0 – 1	40%	90%	Yes
1 – 2	35%	85%	Yes
2 – 3	30%	80%	Yes
3 – 4	25%	75%	Yes
4 – 5	20%	70%	Yes
5 – 6	0%	65%	Yes
6 – 7	0%	60%	Yes
7 – 8	0%	55%	Yes
8 – 9	0%	50%	Yes
9 – 10	0%	45%	Yes
10 – 11	0%	40%	Yes
11 – 12	0%	35%	Yes
12 – 13	0%	30%	Yes
13 – 14	0%	30%	Yes
14 – 15	0%	30%	Yes

Interest Rate Risk Management cont.

6



Proposed Policy Bands			
Maturity (Years)	Minimum	Maximum	Compliant
0 – 2	40%	90%	Yes
2 – 4	25%	75%	Yes
4 – 10	0%	60%	Yes

Interest Rate Swaps and Funding

7

As at 30 June 2024, TDC had \$202.0m of drawn debt facilities and 23 interest rate swaps, 14 of which were current and 9 forward starting, as detailed below:

Swaps				
Start Date	Maturity Date	Rate	Amount	MTM
30-Mar-15	30-Mar-25	5.15%	10,000,000	22,854.80
30-Mar-15	30-Mar-25	5.74%	5,750,000	-11,927.49
30-Mar-15	30-Mar-25	5.67%	6,200,000	-9,653.89
30-Mar-15	31-Mar-25	6.16%	5,000,000	-25,889.45
30-Mar-15	31-Mar-25	6.16%	7,000,000	-36,245.22
30-Dec-15	30-Dec-25	6.05%	8,000,000	-109,152.87
30-Dec-15	30-Dec-25	6.05%	8,000,000	-109,152.87
30-Dec-15	30-Jun-26	6.02%	4,400,000	-90,520.94
30-Dec-15	30-Sep-26	6.08%	8,100,000	-212,944.99
30-Dec-15	30-Dec-26	6.00%	16,000,000	-462,559.35
28-Jun-19	30-Sep-27	3.70%	10,000,000	273,888.28
28-Jun-24	28-Mar-29	4.05%	10,000,000	172,698.05
28-Jun-24	28-Jun-30	3.95%	7,900,000	195,413.56
28-Jun-24	30-Jun-31	3.97%	5,000,000	137,640.46
Total Current Swaps			\$111,350,000	-\$265,551.92

Forward Starting Swaps				
30-Mar-25	30-Jun-28	4.05%	10,000,000	31,550.46
31-Mar-25	29-Dec-28	4.05%	5,000,000	33,472.89
30-Sep-26	30-Sep-29	3.95%	10,000,000	36,749.08
30-Dec-26	30-Dec-31	3.96%	8,000,000	90,904.56
31-Dec-25	31-Dec-31	4.04%	8,000,000	79,181.25
31-Dec-25	30-Jun-32	4.06%	8,000,000	85,616.97
30-Dec-26	30-Dec-32	3.99%	8,000,000	116,933.19
31-Mar-25	31-Mar-33	4.00%	7,000,000	158,209.44
30-Jun-26	30-Jun-33	3.48%	4,400,000	199,972.76
Total Forward Starting Swaps			\$68,400,000	\$832,590.60

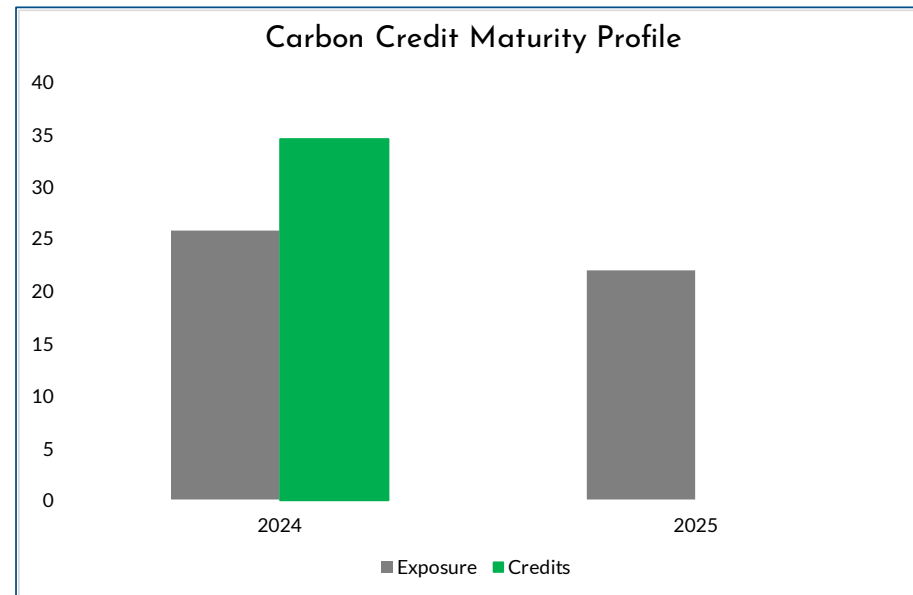
Debt Facilities				
Instrument	Maturity Date	Rate	Margin	Amount
CP	11-Jul-24	5.77%	N/A	3,500,000
CP	11-Jul-24	5.76%	N/A	5,000,000
CP	11-Jul-24	5.77%	N/A	3,500,000
CP	01-Aug-24	5.77%	N/A	12,000,000
CP	04-Sep-24	5.74%	N/A	3,500,000
CP	04-Sep-24	5.74%	N/A	4,900,000
CP	04-Sep-24	5.74%	N/A	4,800,000
CP	04-Sep-24	5.73%	N/A	800,000
FRN	15-Dec-24	6.25%	0.64%	10,000,000
FRN	15-May-25	6.16%	0.52%	9,000,000
FRN	24-Aug-25	6.05%	0.44%	10,000,000
FRN	15-Dec-25	6.06%	0.45%	10,000,000
FRN	15-Apr-26	6.24%	0.59%	10,000,000
FRN	15-Oct-26	6.22%	0.57%	15,000,000
FRN	15-Apr-27	6.14%	0.49%	15,000,000
FRN	15-Dec-27	6.17%	0.56%	10,000,000
FRN	15-May-28	6.14%	0.50%	15,000,000
FRN	15-Oct-28	6.42%	0.77%	14,000,000
FRN	20-Apr-29	6.08%	0.43%	10,000,000
FRN	15-May-29	6.29%	0.65%	8,000,000
FRN	15-Oct-29	6.25%	0.60%	10,000,000
FRN	15-Apr-30	6.09%	0.44%	10,000,000
FRN	15-May-31	6.34%	0.70%	8,000,000
Total				202,000,000

Term Deposits and Carbon Credits

8

As at 30 June 2024, TDC had \$41.5 million of term deposits in the General Fund, with a weighted average rate of 5.86%, and a carbon exposure of 35.4 million tonnes within 0-1 years, as detailed below:

Term Deposits		
Maturity Date	Rate	Amount
10-Jul-24	6.37%	2,500,000
22-Jul-24	5.25%	6,000,000
22-Jul-24	5.20%	2,000,000
1-Jul-24	6.00%	2,000,000
27-Jun-24	5.83%	2,000,000
27-Jun-24	5.61%	2,500,000
31-Jul-24	5.27%	3,000,000
16-Dec-24	6.28%	3,500,000
16-Dec-24	6.22%	4,500,000
16-Dec-24	6.10%	2,000,000
15-May-25	6.10%	9,000,000
10-Jul-24	6.00%	2,500,000
Weighted Average Rate		5.86%
Total Current TDs		41,500,000



LGFA Borrowing Rates

9

Listed below are the credit spreads and applicable interest rates as at the end of the June quarter for Commercial Paper ("CP"), Floating Rate Notes ("FRN") and Fixed Rate Bonds ("FRB"), at which the council could source debt from the Local Government Funding Agency ("LGFA").

Maturity	Margin	FRN (or CP Rate)	FRB
3 month CP	0.15%	5.77%	N/A
6 month CP	0.15%	5.76%	N/A
April 2025	0.29%	5.91%	5.79%
April 2026	0.32%	5.94%	5.34%
April 2027	0.42%	6.04%	5.11%
May 2028	0.54%	6.16%	5.04%
April 2029	0.61%	6.23%	5.02%
May 2030	0.68%	6.30%	5.05%
May 2031	0.77%	6.39%	5.13%
April 2033	0.83%	6.45%	5.22%
May 2035	0.92%	6.54%	5.34%
April 2037	1.00%	6.62%	5.48%

Disclaimer

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Strategic Asset Allocation

Taupo District Council - 6000004

21 September 2023 to 30 June 2024

	Actual Allocation (NZ\$)	Actual Weight	Target Allocation (NZ\$)	Target Weight
Cash	6,197,986	8.8%	5,650,039	8.0%
Fixed Interest	24,229,831	34.3%	22,600,157	32.0%
Income Assets	30,427,817	43.1%	28,250,196	40.0%
Minimum Income Asset Exposure				30.0%
Property	3,630,642	5.1%	3,531,275	5.0%
Equity NZ	5,818,075	8.2%	7,062,549	10.0%
Equity AU	6,871,945	9.7%	7,062,549	10.0%
Equity International	23,877,011	33.8%	24,718,922	35.0%
Growth Assets	40,197,673	56.9%	42,375,294	60.0%
Maximum Growth Asset Exposure				70.0%
Total	70,625,490	100.0%	70,625,490	100.0%

Performance Summary

Taupo District Council - 6000004

21 September 2023 to 30 June 2024

Opening Market Value	-
Transfers In	67,272,183
Transfers Out	-
Realised Gain/Loss	112,672
Realised FX Gain	104,691
Realised Price Gain	7,981
Unrealised Gain/Loss	2,052,536
Unrealised FX Gain	52,600
Unrealised Price Gain	1,999,936
Net Income	1,008,310
Closing Market Value	70,625,490
Return Before Tax, After Fees	7.97%

Source: SecuritEase

Note: This performance summary is calculated as the portfolio's internal rate of return (IRR) and is shown on a before tax but after fees basis. Asset allocation weightings are shown as at the period ended. Fixed Interest asset class performance may include NZ Fixed Interest and Global Fixed Interest securities.

Disclaimer: This report summarises and groups the main portfolio cash flows for the period specified. Whilst the return provided is a reflection of all cash flows, the report itself should not be treated as a cash flow statement, as not all cash flows may be separately listed. This report is interim only and some of the figures included may be subject to change due to some data being unprocessed at the time this report is created. The information shown in this report is obtained from various sources believed to be reliable and while every effort has been made to ensure accuracy, no liability is accepted for any errors or omissions.



Ethical Screen

- We reviewed alignment of the portfolio to the exclusions outlined in the TDC's Responsible Investment Policy

We attest that there were no breaches

- We also gave consideration to whether any holdings may:
 - undertake activities that are materially detrimental to the environment
 - have “severe” level media controversies
 - lack compliance with the UN Global Compact;
 - have “severe” level ESG risk.

We attest that there were no breaches

NB. Screening powered by Sustainalytics

Page 2

 FORSYTH BARR

Impact investment

- No impact investments reviewed over the quarter

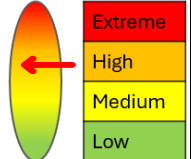
Externally managed funds

- There were *no changes* to the externally managed (active) funds in the portfolio over the quarter under review
- The following externally managed (active) funds are in the TDC portfolio:

Hunter Global Fixed Interest Fund (PIE)
Daintree Core Income Trust NZD
Stewart Investors Worldwide Leaders Sustainability Fund (PIE)
AB Sustainable Global Thematic Equities Fund
GMO Quality Trust
GMO Climate Change Trust

We attest that we have reviewed the ESG policies for all external funds have not identified any mis-alignment with TDC’s RI Policy.

STRATEGIC RISK PROFILE.

Strategic Risk	Risk 8 Maintaining effective ICT Systems and Secure Records	Risk Rating	
Description	IT systems and Council data are vulnerable to system failures and cyberattacks impacting Councils' operations and reputation.	Within TDC Risk appetite?	N
Owner	Sarah Matthews	Risk trend	<div> <div>↑</div> <div>↔</div> <div>↓</div> </div> <div> <div>✓</div> <div></div> <div></div> </div>
Last reviewed	August 2024		
Next review	Feb 2025		

Commentary and Emerging issues.

The rapid shift to digital business, driven by cloud-based and AI technologies, is accelerating and introduces several operational risks to TDC's technology landscape. Dependence on a few major third-party vendors increases the exposure to disruptions and potential vendor lock-in.

The rise in cyberattacks, targeting the public sector, further heightens security concerns. Legacy systems at TDC, lacking security updates, remain vulnerable to outages and attacks. Change programs are underway but incomplete, and staff resistance to new technologies, coupled with the rapid pace of technological change, complicates the transition.

Effective risk management is essential to overcoming these challenges and ensuring secure, resilient digital service operations and service delivery

Risk drivers / causes.

- Cybersecurity Threats and Awareness:** The Council faces increasing risks from sophisticated cyber-attacks, particularly ransomware, which target public sector organisations. These threats are compounded by the potential for staff to inadvertently or deliberately expose systems to breaches through phishing attempts, which increases reliance on adequate cybersecurity training and awareness.
- Legacy Systems and Shadow IT:** The continued use of unsupported legacy IT systems creates significant vulnerabilities, as they cannot integrate with modern security solutions and are prone to system and hardware failures. Additionally, the use of 'Shadow IT' unauthorised applications by staff increases the of risk data breaches and compliance violations due to unverified and adequality secured systems.
- Data Protection:** Our information is an important Council and community asset, as kaitiaki (guardians) we need to ensure its managed and protected, to avoid data breaches and losses that can have severe legal, financial, and reputational repercussions. Insecure systems and staff errors can lead to accidental deletion, hardware failures, and cyber-attacks, impacting the Council's ability to deliver services and maintain public trust.
- Change and Resource Management:** Increased change fatigue due to the volume of workloads (BAU and Projects) leading to change resistance, missed training opportunities and benefits not being fully realised. Managing security risks is challenging due to rising workloads, budget constraints, and difficulties in recruiting technical specialists.
- Supplier and Contractor Management:** Dependence on key suppliers poses operational risks, such as service outages (power, connectivity, SaaS hosted applications), and insufficient vetting of third-party vendors can lead to partnerships with organisations that fail to meet security standards. Inadequate offboarding of contractors and poorly defined roles can result in unauthorised access and gaps in security oversight.
- Emerging Technologies:** The rapid pace of technology advancements like AI, driving societal expectations for Council staff and systems to do more, faster, can introduce unforeseen vulnerabilities and compliance challenges if not adequately assessed. The ability to respond is limited by capability, capacity and legacy systems constraints.

STRATEGIC RISK PROFILE.

Possible key impacts to TDC should the risk materialise.	
Plausible scenario	Worst case scenario
<ul style="list-style-type: none"> • Council operational processes are halted or slowed as Council increasingly relies on its digital backbone. • Regulatory and compliance requirements are not met or are delayed. • Council reputation is damaged as service levels and customer interactions are reduced or halted due to impacted website / Council systems, or a release of private information. • Data loss - Risk of accidental deletion or corruption • Unauthorised Access – Risk of sensitive information being accessed. • Isolated phishing and ransomware attacks that result in a minor financial impact. 	<ul style="list-style-type: none"> • Sustained Council IT system impacts due to loss of power, connectivity (fibre) or ransomware attack, natural disaster that significantly disrupts Council operations for a prolonged period. • Breach of privacy as customer, staff or stakeholder private information is released • Non-compliance with statutory requirements, inability to deliver on contractual obligations result in fines for Council. • Sustained loss of confidence from customers, staff, and key stakeholders as consequences from system disruptions or data breach negatively impact on trust. • Data breach of TDC customer information
What are we tracking to understand this risk [Risk Indicators]	
<ul style="list-style-type: none"> • <u>Incident Reports</u>: Frequency and severity of reported cyber incidents, including phishing attempts and malware infections. • <u>Threat Intelligence</u>: Information on emerging cyber threats and vulnerabilities relevant to Council. • <u>System Monitoring and Alerts</u>: Security alerts and notifications from intrusion detection systems, firewalls, and other security tools. • <u>Security Training Compliance</u>: Participation rates and effectiveness of cybersecurity training for staff and contractors. • <u>Access and Audit Logs</u>: Monitoring for unusual or unauthorised access attempts, auditing changes and reviewing access controls. • <u>Third-Party Assessments</u>: Security practices and compliance of third-party vendors and partners. • <u>Compliance Audits</u>: Results from internal and external audits assessing adherence to cybersecurity standards, policies and regulations. 	
How we are addressing this risk now.	
<ul style="list-style-type: none"> • Training for staff from induction, ongoing awareness training and regular “tips and tricks” to support staff doing the right thing. Building capability and redundancy within the IT team to reduce single points of failure. Targeted and tailored training for high-risk teams (HR and Finance). • Clear IT and Information Management (IM) Policies and Procedures. Standard Operating Procedures (SOPs) to support consistent delivery of IT processes. Cross Waikato Incident planning. Ongoing exercises to test processes and capability. Defined BCP arrangements for system disruption. Debriefing IT incidents and capturing post incident corrective actions. Privacy Governance Group in place. • Implemented Change Control processes to ensure peer review and facilitate controlled, efficient changes to the IT systems and enterprise applications. • New Council building IT infrastructure will minimise some key risk. Projects to migrate legacy network design to reduce vulnerability. • Increasing information security and data loss prevention measures. 	
Future actions to manage the risk more effectively.	
<ul style="list-style-type: none"> • 24 hr external IT System monitoring and remediation. • Assessment of systems and data to determine what systems people are using and why. Identifying and retiring of legacy and non-compliant IT systems. 	

STRATEGIC RISK PROFILE.

- Network redesign as part of move to new Council building to increase resilience and redundancy
- Risk based prioritisation of work programme.
- Development of Council wide Business Continuity Planning to determine critical business processes. Will support to prioritising IT Disaster recovery plan (service restoration) in a widespread disruption.
- Robust third-party vendor management strategy / plan.
- Development of training plan to support continued generic and targeted staff training to raise awareness of risk. Overarching contractor management programme to ensure appropriate system access and off-boarding at end of contract.
- Review and strengthen of system controls.
- Digital Cleanup into centralised management information system, cleanup and closure of network drives, move to OneDrive, configuration and roll out of ECM alongside CiAnywhere implementation.

Connection to other Risks?

- Strategic Risk 3 | Financial Strategy (unplanned expenditure to cover costs of fines or ransomware demands).
- Strategic risk 4 | Critical Infrastructure (disruption to critical software associated with key critical infrastructure such as water treatment plants).
- Strategic risk 5 | Zero harm (disruption to hardware or software that provides additional security to staff or lone workers such as bodycams, panic buttons, sole worker devices, security systems).
- Strategic risk 6 | Non-Delivery of Projects (capacity and budget to deliver projects and services required to mitigate risk)
- Strategic risk 7 | Compliance and legal liabilities (disruption to systems results in statutory timeframes not being met such as LOGOIMA requests, consent timeframes etc.)

STRATEGIC RISK PROFILE.

Strategic Risk	Risk 6 Non-Delivery of Projects		
Description	If the Council does not deliver the projects it has funded within the planned timeframes, then this has a negative flow on effect for future planning and funding for the organisation and delivery for the community		
Owner	Tony Hale	Risk Rating	
Last reviewed	August 2024	Within TDC Risk appetite?	
Next review	Nov 2024	Risk trend	

Commentary and Emerging issues.

The PMO plays a lead role in the delivery of key infrastructure capital projects, approximately 60% of capital projects are delivered through the PMO. The PMO also provides technical support to projects managed outside of the PMO and non-capital projects.

The volume of projects planned for delivery increases each year.

There is a risk that some will not be completed within the planned financial year. Some of these risks are external environmental factors (such as contractor availability, high inflation or weather conditions) and some are internal, such as data quality, process or engagement.

An increasing capital delivery plan, coupled with 3 years of “shovel ready” funding (2020-2023) has resulted in an increase in carry-over of capital. This has made the challenge of deliverability increase each year. The issue of deliverability and its solution sits with multiple teams across Council, not merely the PMO.

In summary, there are opportunities to improve the deliverability of Council's capital programme.

Risk drivers / causes.

1. Decision making and prioritisation – At the front end of the LTP process, defining our delivery limits [based on our track record in a similar market with similar resources] our expected carry-forward could be used as a limit to our capital projects. Not attempting to do too much across the organisation, not just capital projects. Often playing catch-up managing delayed and planned projects within same financial year. Trying to do too much slows down the whole organisation.
2. Siloed project planning - Disconnected project planning which doesn't always account for dependencies such as appropriate iwi/hapu engagement or community consultation, or wider environmental factors.
3. Hidden work – specialist project management staff supporting delivery of smaller projects or emergency non-capital project detracts from management of large capex projects.
4. Engagement bottlenecks caused by fragmented approaches. Failure to engage with key stakeholders at the right time to get best project outcomes causes delays in the project further downstream.
5. Capability – inconsistent project management practice across wider portfolio. Lack of project reporting systems enabling portfolio oversight and the lack of accountability
6. Constrained delivery window – financial year budgeting does not align with project delivery timeframes causing delays in spend and increasing bow-wave. Key event moratorium on project activities extends timeframes and slows completion.
7. Consultant/technical knowledge bottleneck – limited expertise across NZ in key areas (i.e. scada/telemetry) can cause delays in delivery while TDC queues with other bigger councils for delivery.
8. Lack of a clear understanding with what the PMO's role is for the organisation and how best to use them.

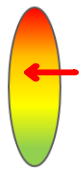
STRATEGIC RISK PROFILE.

Possible key impacts to TDC should the risk materialise.	
Plausible scenario	Worst case scenario
<ul style="list-style-type: none"> • Growth slows due to lack of infrastructure capacity quality, and/or completion of projects within financial year not met causing knock-on delivery issues in subsequent financial years. • With lack of clear capital project timeframes, suppliers may leave the local market. • Loss of external funding streams to support project delivery. • Reputational damage – “TDC projects are always delivered late”. 	<ul style="list-style-type: none"> • Growth halted as infrastructure capacity impedes ability to service growth. • Major infrastructure failure as investment in renewing assets leaves them vulnerable to disruption. • Fines and other regulatory sanctions as statutory standards are not met. • Breach of Treaty obligations • Loss of public and stakeholder trust and confidence as expectations fail to be met.
What are we tracking to understand this risk [Risk Indicators]	
<ul style="list-style-type: none"> • Regular reporting to Council on key projects. • Internal project risk reporting and Project Quality Assurance process. • Monitoring project expenditure against budget and forecasted expenditure. 	
How we are addressing this risk now.	
<ul style="list-style-type: none"> • Improving and maturing project management practices – including early planning; improving resource planning and flow of work; stronger emphasis on forecasting and tracking, and stronger connection with the finance team to align finance processes. • Building an organisational view of capital delivery – including capex projects delivered outside of the PMO and smaller non-capex projects where the PMO provide support. A clearer comprehensive picture of project delivery will help Council make informed decisions around resourcing, delivery and community benefit. • Building project management capability – this includes maintaining connection with PMO’s within the Waikato, building internal TDC project management skills through training with business units, and the use of the Project Quality Assurance group to have oversight on key strategic projects. Continue to develop project management capability and understanding across the organisation as projects will continue to be developed outside the PMO. • Securing suppliers – improving supplier panel and engaging with suppliers early to enable future forecasting and scheduling. • Sponsor & governance training. 	
Future actions to manage the risk more effectively.	
<ul style="list-style-type: none"> • PMO scope clarity - clear roles and responsibilities with defined PMO objectives that support more effective prioritisation of effort. Improved reporting for PMO hours (including capitalised and non-capitalised). This includes clear roles and responsibilities in project delivery of other parts of the business (i.e. lwi/co-governance, community engagement, finance, parks & reserves, asset information team etc) • Organisational perspective of projects - Continued focus on having an ‘organisation wide’ perspective on project volume, delivery and benefits, including PMO and non-PMO delivered projects. • Increasing accountability for ensuring milestone and outputs are delivered within financial year. • Strengthened reporting - Having the ability to track spend against budget, and reforecasting where required. Introducing reporting that captures wider benefits rather than focusing on spend. Improve project risk reporting, labour capitalisation timeliness, asset capitalisation • Investment in technology solution to support better project management, oversight and reporting. • Investment in dedicated finance resource (business partner) to support connection between PMO to track project spend and delivery. 	

STRATEGIC RISK PROFILE.**Connection to other Risks?**

- Strategic risk 2 | Ineffective relationships (within TDC, service providers, central government, suppliers, elected members, iwi partners and ratepayers. Failing to coordinate impacts on the community).
- Strategic risk 3 | Financial Strategy (rating for projects too soon; failure to deliver against budget forecast; variances due to delayed projects).
- Strategic risk 4 | (failure to deliver critical infrastructure projects on time extending key vulnerabilities).
- Strategic risk 7 | Compliance and Legal liabilities (failure to meet key regulatory standards e.g. drinking water standards, due to unfunded or delayed projects).
- Strategic risk 10 | Underperforming Council (failing to meet political expectations, Diversion of resources to meet increased scrutiny. Political pressure to manage community disruption slows delivery of key projects).

STRATEGIC RISK PROFILE.

Strategic Risk		Risk 3 Financial Strategy					
Description	If Council does not have sufficient liquidity and/or funding, then delivery of service levels and ability to fund key projects may be significantly impacted. This could include not having adequate borrowing headroom, growth being different to projections and modelling, planned asset sales being delayed, funding required for unforeseen event such as a disaster.	<div>Risk Rating</div> <div><table><tr><td>Extreme</td></tr><tr><td>High</td></tr><tr><td>Medium</td></tr><tr><td>Low</td></tr></table></div>	Extreme	High	Medium	Low	
Extreme							
High							
Medium							
Low							
Owner	Sarah Matthews						
Last reviewed	August 2024						
Next review	Feb 2025						
		<div>Within TDC Risk appetite?</div>	<div>N</div>				
		<div>Risk trend</div>	<div><div>↑</div><div>↔</div><div>↓</div></div> <div><div>✓</div></div>				

Commentary and Emerging issues.

Council is in a strong position to cope with emerging financial pressures, both as a result of its financial status, and from its solid policies and practices underpinned by robust internal capability and external support, e.g. external management of TEL funds.

Recently undertaken Risk Tolerance Analysis indicated Council could withstand financial losses of up between \$20M (when analysed against revenue measures) to \$145M (when analysed against asset, liability and debt measures). Also, Council's strong Standard and Poors credit rating as recently been confirmed as AA+.

However, like all organisations, Council is subject to national and global drivers for economic shifts in inflation / interest rates and wider cost of living consequences on communities. These macro-economic impacts may affect the efficacy of Council's Financial Strategy.

Council can be seen as last line of liability, particularly in the building and regulatory environment, exposing it to financial risk, e.g. in the case of the 'leaky buildings' Auckland Council received claims of more than \$250M. Council is also perceived as having 'deep pockets', making it further exposed to claims.

Increasing severe weather events and other emergencies are placing pressure on Council to 'get ahead' with resilience improvements to Council assets, while also being exposed to the management of other costs in responding to these unplanned events.

With the increase in the extremity and occurrence of significant weather events, there is increased pressure on Council's ability to maintain insurance and increasing costs of cover. Councils below ground assets are one example of where assets have been self-insured.

Risk drivers / causes.

1. Poor decisions or inadequate forecasting – based on poor investment advice or inaccurate economic forecasting – including Council providing financial security to CCOs.
2. Mismanagement of funds – either deliberate or unintentional.
3. Financial payouts - due to fines (such as failing to meet drinking water standards, major Health and Safety at Work Act, or Privacy breaches). Payment of ransomware demands.
4. Growth that is significantly outside of planning assumptions.
5. Economic Climate – shifts in global or national monetary policy that drive inflation / interest rises and cost of living.
6. Central Government reforms based on sector issues or decisions. Failure of other entities where Council is last layer of liability.
7. Significant disaster – widespread impacts to Council infrastructure and in the community that require remediation, replacement or retirement.

Possible key impacts to TDC should the risk materialise.

Plausible scenario	Worst case scenario
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STRATEGIC RISK PROFILE.

<ul style="list-style-type: none"> • Rate increases that outstrip community affordability. • Inability to meet regulatory requirements (such as water standards). • Council struggles to deliver services or meet community expectations. Amalgamation of key Council services. • Impact on Council credit rating. Difficulty in borrowing funds for key projects. • Damage to Council reputation. • Political tension, loss of elected members. 	<ul style="list-style-type: none"> • Significant impacts to Council and community assets with little option to repair/replace. • Inability to borrow funds for infrastructure needs. Council operations significantly affected. Council bankrupt. • Commissioners in place to run Council • Extreme loss of public and stakeholder confidence. • Potential reforms from Central Government.
What are we tracking to understand this risk [Risk Indicators]	
<ul style="list-style-type: none"> • Ongoing benchmarks including Prudence benchmark, annual credit rating. • Quarterly Treasury Management report, and monthly investment and financial reporting to Council. • Annual planning process and ongoing forecasting. • Legal and compliance updates to Risk and Assurance Committee. • CCO reporting requirements. • Regular internal auditing programme; external audit on LTP and Annual Report. 	
How we are addressing this risk now.	
<ul style="list-style-type: none"> • Large investment portfolio acts as self-insurance for underground assets (including investment funds and land assets). Strong debt head room. High credit rating. • Robust financial policies, guidelines, and controls (including Treasury Policy and Investment Guidelines) that supports Council funding appropriate spending. • Strong internal and external capability (including staff capability and external advisors). • Regular budget reviews / forecasting support good financial assumptions. Regular reporting to Council. Strong financial benchmarks. • Internal and external auditing and strong governance oversight. 	
Future actions to manage the risk more effectively.	
<ul style="list-style-type: none"> • Application of the newly introduced IBIS financial system which will enable easier forecasting and reporting against budget. This will be supported by budget manager training to ensure continued development of Council's financial forecasting maturity. • The above will support strengthened reporting to TDC Executive and tier 3 managers and governors. Increased focus on financial accountability will in turn drive improved financial management performance. • Embed recent structural changes in the Finance Team. These changes will promote greater collaboration across the business to support financial processes and reporting. • Stronger asset management processes, particularly regarding capitalisation – enabling a more comprehensive Council understanding of its assets, which is crucial for planning renewal costs and managing insurance. • Continued refinement through actioning improvements identified through audit recommendations. 	
Connection to other Risks?	
<ul style="list-style-type: none"> • Strategic risk 1 Attracting and retaining a competent workforce (unable to offer competitive salaries to secure key skills) • Strategic risk 4 Critical Infrastructure failure (inability to secure funds to restore / replace key infrastructure assets) • Strategic risk 6 Non-delivery of projects (lack of capital reduces ability to deliver on projects, although to date the availability of Council capital has exceeded Council's ability to deliver projects, as illustrated through a significant 'carry-forward' budget). 	

STRATEGIC RISK PROFILE.

- Strategic risk 7 | Compliance and legal liabilities (failure to fund assets that result in regulatory requirements e.g. drinking water standards; fines imposed on Council for regulatory breaches, although to date Council has been able to fund all necessary asset improvements).
- Strategic risk 10 | Underperforming Council (should a significant financial situation arise this would increase friction between elected members and creates a perception that Council is not managing finances for the good of the community. In extreme circumstances this may lead to having Commissioners instated).

Quarterly Strategic Risk Overview report | August 2024

Insights and Emerging Issues.		Strategic Risk Summary using plausible risk scenario.											
<p>A softening employment market has contributed to reduced staff turnover and resulted in a risk reduction.</p> <p>Ongoing government reforms, the impacts of historically high inflation, and increased frequency of extreme weather events are contributing to increased challenges to our Financial Strategy. Council's capital delivery programme is seeing the ongoing impacts of 3 years of "shovel ready" funding (2020-2023) which increased our capital delivery plan and resulted in an increase in carry-over of capital.</p> <p>Maintaining effective ICT systems and secure records is becoming increasingly challenging with rapid digital technology advancements (AI and Cloud-based tech) and dependence on a few major third-party vendors. The impacts of failure of one vendor were recently observed during the CrowdStrike outage estimated to cost over a \$1B USD.</p>		LIKELIHOOD	Almost Certain	Medium	① High	⑧ ⑥ Extreme	Extreme	Extreme	August 2024				
				Likely	Medium	High	High	Extreme	Extreme	1 Attracting and retaining a competent workforce			
					Possible	Low	Medium	High	③ High	Extreme	2 Ineffective relationships		
						Unlikely	Low	Medium	Medium	High	High	3 Financial strategy	
							Rare	Low	Low	Low	Medium	Medium	4 Critical infrastructure failure
								Insignificant	Minor	Moderate	Major	Severe	5 Zero harm
					CONSEQUENCE		10 Underperforming Council						
Strategic Risk Summary. [based on a plausible scenario]													
Strategic Risk	1	2	3	4	5	6	7	8	9	10			
	Attracting and retaining a competent workforce	Ineffective relationships	Financial strategy	Critical infrastructure failure	Zero harm	Non-delivery of projects	Compliance and legal liabilities	Maintaining effective ICT systems and secure records	Effects of climate change	Underperforming Council			
	High		High			Extreme		High					
	No		No			No		No					
	↓		↑			↔		↑					
	TBA		Feb 2025			Nov 2024		Feb 2025					
Risk Owner	GM People & Community Partnerships	GM People & Community Partnerships	GM Organisational Performance	Acting GM Operations & Delivery	GM Organisational Performance	Acting GM Operations & Delivery	GM Organisational Performance	GM Organisational Performance	GM Strategy & Environment	Chief Executive			

Taupō District Council Audit Improvement - OPEN

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	SEPT 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 delayed from July 24 to Dec 24.</i>	Dec-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 on hold until Risk Advisor commences.	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	SEPT 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 as we continue to work with Colab on a Regional Roding Asst Valuation (RRAVP) to provide consistency and greater accuracy. 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. The team is working on this and expect the policy to be developed and in place from year 1 of the LTP. Matter progressing Delayed from June to September 2024.	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	SEPT 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. When assets are built, projects run by the PMO prepare Project Close out reports which include a trigger for capitalisation of the asset. When projects are not run by the PMO, this responsibility largely rests with the Asset Manager and delivery team. PMO projects are reinforced by the 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 PQA Group receives a Project Close out report. This group includes finance. The process where this report triggers the Finance and Asset Information teams to review the project costs is still being bedded down. This could ensure all costs are captured and then initiates componentisation of costs against assets, as the first step of capitalisation. The Asset Information teams advise the Finance team the value capitalised from the project by the class of asset and advised the commissioning date. Finance process the capitalisation against the high level assets held in the Accounting Fixed Asset Register and credits the appropriate project ensuring the whole balance as been allocated. 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

Taupō District Council Audit Improvement - OPEN

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	SEPT 2024 Management Status update	Target Completion Date
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
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 Sept 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 Oct 24.	Oct-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 progressing.	Dec-24

Taupō District Council Audit Improvement - OPEN

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	SEPT 2024 Management Status update	Target Completion Date
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	The 3 Waters Asset Information Team has put in place a robust process to capture all TDC 224c approvals, dates and 3W assets to ensure these are recognised in the correct financial year where possible. 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. We have also asked for accounting advice on this matter (at the request of audit). 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
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 2022/33 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	We have identified regular condition assessments of our footpaths every 3 years in our AMP and we have Colab arrange these to occur on our behalf. Matter complete, pending LTP adoption and audit approval.	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	SEPT 2024 Management Status update	Target Completion Date
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. For internally approved sensitive expenditure transactions, Council has implemented checking of sensitive expenditure item approvals on a monthly basis. Staff are also currently reviewing processes for managing and approval of credit card expenditure. Matter progressing.	Dec-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	Work is progressing with arrival of Health and Safety Manager. Matter progressing. Delayed from Feb 24 until Dec 24.	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	Work is progressing with arrival of Health and Safety Manager. Matter progressing. Delayed from March until Dec 2024.	Dec-24
Internal	KPMG	Aug-23	R2.2 Increase awareness at the management level of the importance in managing health and safety risks to prevent harm to workers and how practical solutions and processes can support work being done safely.	N/A - New matter	High	H&S awareness being actively discussed at Executive and ELT. Executive has commenced health and safety walks being undertaken throughout the business, and focussing on Critical Risks. Planned Management training for People leaders had been delayed due to vacancy in Health and Safety Manager position and extended recruitment period, but is now underway again. Matter progressing. Delayed from March until Sept 2024.	Sep-24
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 now being progressed with commencement of new Health and Safety Manager. 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. Matter progressing. Delayed from Feb 24 until Dec 24 - current vacancy in H&S Manager role.	Dec-24

Taupō District Council Audit Improvement - OPEN

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	SEPT 2024 Management Status update	Target Completion Date
Internal	KPMG	Aug-23	R4.2 Establish independent assurance processes.	N/A - New matter	Medium	Delayed due to vacancy in H&S Manager position and extended recruitment period. Matter progressing. Delayed from February until Dec 2024.	Dec-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 guidance given within Council's a contractor management framework being developed. Finalisation has been delayed due to vacancy in H&S Manager position and extended recruitment period. Matter progressing. Delayed from Jan 24 to Dec 24.	Dec-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, but can now get underway with the arrival of the new Health and Safety Manager. Matter progressing. Delayed from Jan 24 to Oct 24.	Oct-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 Oct 24.	Oct-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 and these are being developed with the arrival of the new H&S Manager. Matter progressing. Delayed from April 24 to Sept 24.	Sep-24
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 is currently being progressed. Matter progressing. Delayed from Jan 24 to Sept 24.	Sep-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 and front-line workers completed. Control recommendations, including implementing an education campaign, on hold due to other priorities. Will seek to align completion with arrival in the new CAB building. On hold. Delayed from Jan 24 until Mar 25.	Mar-25
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 in early 2025. Matter progressing. Delayed from Feb 24 until Mar 24.	Mar-25
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. On hold due to other priorities. On hold. Delayed from Feb 24 until Mar 25.	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	SEPT 2024 Management Status update	Target Completion Date
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. Matter on hold due to other priorities. On hold. Delayed from Dec 23 until Mar 25.	Jul-24
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 will likely occur in the Q1 2025 to align with relocation to the new Civic Administration Building. 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.	Mar-25
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. This will require reconfiguration of our Safety Incident Management System to enable better insights into incidents. Matter progressing. Delayed from Jan until Jun 2025.	Jun-25
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. Will align with updated reporting dashboard, which will require reconfiguration of Council's Safety Incident Management System. Matter progressing. Delayed from April 24 to June 25.	Jun-25
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 continually seek to improve engagement and performance of HSR meetings. Some initiatives already in place, but further specific initiatives being considered to reinvigorate this role include: - two monthly meetings rather than quarterly, with catering provided. - 100% attendance to be recognised at annual staff awards with \$50 voucher. - six-monthly workshop day for HSR development & bonding. - conference attendance for HSRs. Matter progressing. Continued improvement to change culture of these meetings. Aim to have HSR being highly desirable position by June 2026.	Ongoing until June 2026.

Taupō District Council Audit Improvement - OPEN

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	SEPT 2024 Management Status update	Target Completion Date
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 Nov 2024.	Nov-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 Nov 2024.	Nov-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 Council's Health and Safety Incident Management System. Promoting recording of incidents will form a part of an internal engagement plan to be rolled out now health and safety resourcing in place. Matter progressing. Delayed from Mar 2024 to Nov 2024.	Nov-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 and through roll-out of leader training. Matter progressing. Delayed from Jan 2024 to Oct 2024.	Oct-24
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	We have received an indicative funding letter from NZTA which does show some shortfall in renewals but still waiting on confirmation (due end of August). We expect we will need to rescope some or reprioritise projects and we may need to make these decisions through Council and/or Annual plan process. As part of the LTP deliberations, Council have made the decision to fund the full local share. Matter progressing.	Jun-24
Drinking Water Standards Audit							

Taupō District Council Audit Improvement - OPEN

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	SEPT 2024 Management Status update	Target Completion Date
External	WaiComply	Nov-23	Reduce protozoal failures by installing at protozoal barrier or treatments at the following schemes: - Ātiāmuri 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: Ātiāmuri Village - New UV Treatment Plant – In construction, estimated completion expected Sept 2024. Bonshaw Park - Connect to Taupō scheme – In construction, estimated completion August 2024 (previously estimated 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 July 2025 (previously March 2025) . Waihaha - New UV treatment plant - contract awarded - estimated completion Nov 2024 (previously March 2025) . Whakamoenga - Connect to Taupō scheme by Dec 2024. Currently out for Tender, estimated completion Feb 2025 (previously Dec 2024) . Whareroa - New UV treatment plant – contract awarded, estimated completion Dec 25. Matter progressing.	Various
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.	Ongoing - 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
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							

Taupō District Council Audit Improvement - OPEN

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	SEPT 2024 Management Status update	Target Completion Date
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 four of Council's strategic risk profiles are presented elsewhere on this Sept agenda. Matter progressing. Delayed from June 2024 until Dec 2024.	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 Jun 25. This delay reflects the Incident Management System requires reconfiguration in order to obtain better quality data. Matter progressing. Delayed from Jan 24 until Jun 25.	Jun-25
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.	Sep-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. Delayed from June to Dec 2024.	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
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: · 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

Taupō District Council Audit Improvement - OPEN

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	SEPT 2024 Management Status update	Target Completion Date
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	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		Dec-25
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	On hold pending resourcing of Business Excellence Team. 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 reviewed within the context of 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 the first quarter of 2025. Matter progressing.	Apr-25
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 contactor for, especially if the competency for that sector is not within the agency.	N/A - New matter	Recommendation	Another verifier employed and TDC is progressing this recommendation. Matter progressing.	Jun-24
External	JASANZ	Feb-24	Obs1. Completing a mock directed importer verification.	N/A - New matter	Observation	Staff plan to undertake a mock importer verification. Mock verification complete. Matter closed.	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
Abridged Property Process and Function Review Summary							

Taupō District Council Audit Improvement - OPEN

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	SEPT 2024 Management Status update	Target Completion Date
External	The Property Group	Jun-24	The 2024 Asbestos Management Plan (AMP) review is underway and which when completed is to have content align with industry best practice. Land, as well as buildings, to be addressed within the AMP.	N/A - New matter	N/A	The Asbestos Management Plan has been updated and is being reviewed by the Health and Safety Manager. This will be supported by a Standard Operating Procedure to advise staff what to do in the event that previously unidentified asbestos is discovered, either in buildings or in green or brownfields land. Council's Asbestos Register (which records which buildings have asbestos) was updated in July 2024. Going forwards Council will ensure any land contaminated with asbestos is added to its Asbestos Register. Matter progressing	Oct-24
External	The Property Group	Jun-24	TDC's engagement of officers with experience and knowledge aligned with the property role and provided with training and on-going risk and H&S management will assist with informing and maintaining competency of those potentially involved in asbestos identification and management thereof.	N/A - New matter	N/A	The Property and Development Manager role has been filled by a manager experienced in the management of health and safety risk in the property and construction sector. The health and safety team is working closely alongside the broader Property Team to support them in implementing good health and safety practices. Specific training on identification of asbestos and appropriate management responses is still required. Matter progressing	Sep-24
External	The Property Group	Jun-24	Key Performance Indicators (KPIs) to be used to encourage currency and competency, and measure adherence.	N/A - New matter	N/A	Key Performance Measures will be developed for all of Council's critical health and safety risks, of which asbestos is one. A health and safety assurance plan is also being developed, which is scheduled to be completed by Mar 2025. Specific property related KPI's will be progressed in 2024/25. Matter progressing	Mar-25
External	The Property Group	Jun-24	Complete a review and update of the Supplier Panel. Have the review include the conveyance to suppliers of the requirements and expectations of TDC in all regards; H&S, scope, fees, contract and performance. These to be in accordance with TDC's Procurement Policy 2024.	N/A - New matter	N/A	Supplier panels have been reviewed and finalised. Contractor requirements are being reviewed by the Health and Safety Manager any necessary changes communicated to supplier panel members. Training is currently being developed and will be rolled out in the 2024 calendar year. Matter progressing	Dec-24
External	The Property Group	Jun-24	Implement KPIs to encourage processes and role responsibilities adherence and measure through internal checks and audit.	N/A - New matter	N/A	Key Performance Measures will be developed for all of Council's critical health and safety risks, of which asbestos is one. A health and safety assurance plan is also being developed, which is scheduled to be completed by Mar 2025. Matter progressing	Mar-25
External	The Property Group	Jun-24	Reinforce desired culture of TDC to TDC officers and suppliers through TDC leading by example and therefore complying with the Procurement Policy, regardless of time and delivery pressures.	N/A - New matter	N/A	New Procurement Policy and Procedures have been implemented and staff training has been ongoing. Staff training will be formalised through a Procurement micro-training module which will issue digital certificates on completion. This is under development. Matter progressing	Sep-24
External	The Property Group	Jun-24	Property Strategy. This will categorise TDC's strategic and non-strategic properties, provide a masterplan for the Property Team to work to and give direction and understanding of wider property expectations and outcomes sought.	N/A - New matter	N/A	Officers are currently developing the scope for the Property Strategy and a detailed plan for its creation. A deadline will be provided at the next Risk and Assurance Committee meeting. Matter progressing.	TBA
External	The Property Group	Jun-24	Acquisition and Disposal Policy. To provide guidance to TDC officers when acquiring and disposing of properties, derisking and enabling clear due process steps to be followed.	N/A - New matter	N/A	Officers are currently developing the scope for the Acquisition and Disposal Policy and a detailed plan for its creation. A deadline will be provided at the next Risk and Assurance Committee meeting. Matter progressing.	TBA
External	The Property Group	Jun-24	Housing for the Elderly Policy. Provide clarity on the basis of the provision of TDC's elder housing and qualifying criteria for tenants.	N/A - New matter	N/A	Officers are currently developing a detailed plan for the review of this policy. A deadline will be provided at the next Risk and Assurance Committee meeting. Matter progressing.	TBA
External	The Property Group	Jun-24	Concessional Lease Policy. Provide clarity, consistency and ease of application for use of TDC's non-commercial properties.	N/A - New matter	N/A	Officers are currently developing the scope for the Concessional Lease Policy and a detailed plan for its creation. A deadline will be provided at the next Risk and Assurance Committee meeting. Matter progressing.	TBA

Taupō District Council Audit Improvement - Closed

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	SEPT 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	SEPT 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 these were adopted by the Risk and Assurance Committee on 2 July 2024. 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	SEPT 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. Matter complete, pending audit approval.	Complete pending audit approval 30/06/2024
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 was adopted at the July 2024 Risk and Assurance Committee meeting. The update addresses the points raised by Audit. Matter complete, pending audit approval.	Complete pending audit approval
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. We have a system in place and our expectation is the matter will be closed. Matter complete, pending audit approval.	Complete pending audit approval 30/06/2024

Taupō District Council Audit Improvement - Closed

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	SEPT 2024 Management Status update	Target Completion Date
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. Matter complete, pending audit approval.	Completed 11/07/2023, pending audit approval
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. Matter complete, pending audit approval.	Complete 30-06-24, pending audit approval
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 30/06/2024, pending audit approval
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. Matter closed, pending audit approval.	Closed pending audit approval.
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 lapses do not occur. 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	SEPT 2024 Management Status update	Target Completion Date
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 adopted by the Risk and Assurance Committee at its July 2024 meeting. The update addresses the points raised by Audit. Matter complete, 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. Matter complete, pending audit approval.	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

Taupō District Council Audit Improvement - Closed

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	SEPT 2024 Management Status update	Target Completion Date
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
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 have.	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 discussed with business operations and agreed best approach for PPE management within different teams. 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	SEPT 2024 Management Status update	Target Completion Date
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
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 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 i.e.. 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 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

Taupō District Council Audit Improvement - Closed

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	SEPT 2024 Management Status update	Target Completion Date
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. Matter closed, pending audit approval.	Closed pending audit approval.
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. Matter closed, pending audit approval.	Closed pending audit approval.
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. Matter closed, pending audit approval.	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

Taupō District Council Audit Improvement - Closed

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	SEPT 2024 Management Status update	Target Completion Date
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
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	The TEL fund is being managed by an external investment advisory company. To assist with Council's Housing for the Elderly Estate, independent consultants were engaged to develop a s17A review, and independent property advisors supported us through a procurement process to seek an external party/entity to take ownership. The process resulted in Council electing to continue to manage the elderly housing portfolio as it currently does and continue to explore an alternative Elderly Housing Future State Strategy. To assist with the EUL development, external property development advice comes from independent property advisors, independent legal advisors, and various other property specialists, e.g. contract managers, architects, surveyors, etc. Matter closed.	Complete
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 were adopted by the Risk and Assurance Committee in July 2024. 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 complete. Delayed from Jan to July 2024.	Complete

Taupō District Council Audit Improvement - Closed

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	SEPT 2024 Management Status update	Target Completion Date
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	In October 2022 TDC provided 3910 contract management training to approximately 28 of its staff across the Three Waters, Rooding and Project Management teams, and key consultants that provide contract management services. There has been increased visibility on the contracts mgmt module (in Ci Anywhere) through running a complete data cleansing and re-training of key staff in this system ready for the 22/23 Financial Year end. The changes over the last 18 months within the Project Management Office whereby project management training has been rolled out across the organisation, increased numbers of project managers in the group (with a significant focus on infrastructure and three waters our biggest areas) and robust processes around project governance such as the development of our Portfolio Control Team. Large or high value projects tend to be managed by the PMO and standardised, repeatable programmes such as seal extension/resealing are run by internal team members who are deeply experienced in this space. The Procurement Manager role has moved from the PMO to the Business Improvement team to ensure a broader view across all contracts in the organisation. On the ground examples of improvement include traffic management plan approval and corridor access requests with a specialist qualified representative and an active auditing programme. The renewal of the 3W maintenance contract and subsequent management and governance teams along with refinement of the claim review process is underway. Staff consider matter complete.	Complete
Internal	Council MARK	Apr-22	Considering additional technical expertise to support the Compliance team.	N/A - New matter	N/A	Compliance and Monitoring role developed and filled. Staff consider matter complete.	Complete
Internal	Council MARK	Apr-22	Simplification and more action orientation in the Recreation Strategy.	N/A - New matter	N/A	A new & simplified Recreation and Sports Strategy was adopted by Council in April 2023. Staff consider matter complete.	Complete
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 new 'Community Funding Policy (2024)' and 'Community Funding Eligibility and Assessment Framework (2024)' was adopted by Council on 1 August 2024 Staff consider matter complete.	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	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. 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. Staff consider matter complete	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	SEPT 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	SEPT 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	SEPT 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

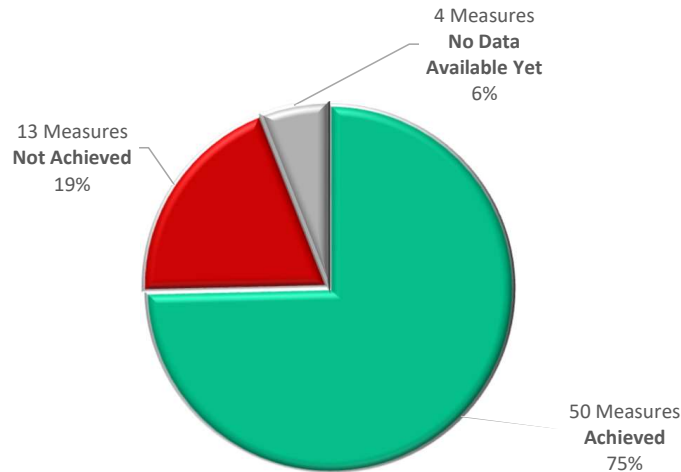
Taupō District Council Audit Improvement - Closed

Audit Category	Audit Source	Audit Date	Audit/review recommendation	Most Recent Audit Status	Priority given by auditor	SEPT 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
Abridged Property Process and Function Review Summary							

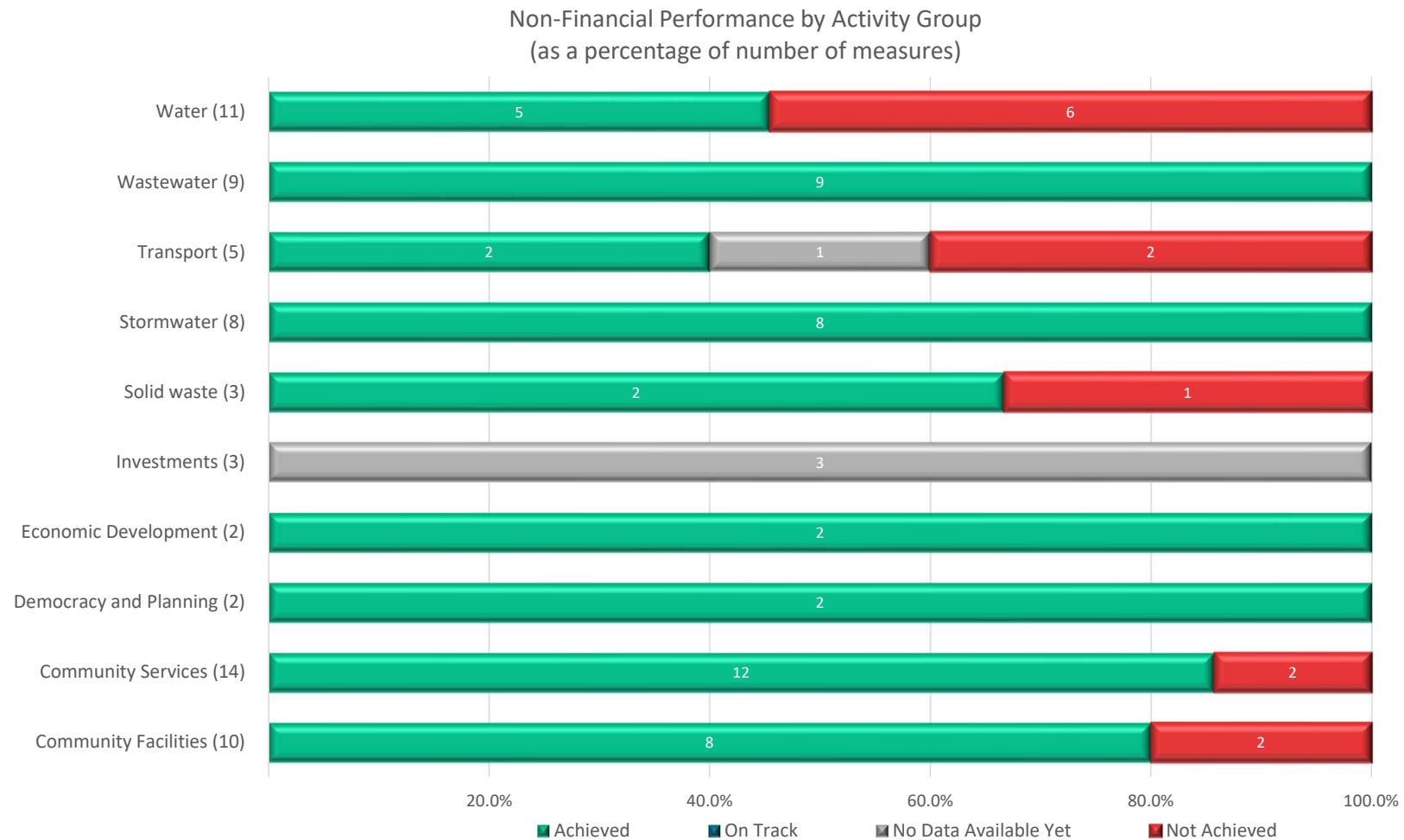
Non-Financial Performance Overview

- Every three years, as part of its Long-Term Plan development, Taupō District Council (Council) establishes a set of non-financial performance measures for each of its activities. This dashboard report summarises Council's performance against these measures.
- The Non-Financial Performance Summary graph below shows our performance against these measures for the period **1 July 2023-30 June 2024**.
- Our performance is grouped by the number of measures we've achieved, not achieved, or where data is still being received.
- We have achieved 75% of our performance measures, with approximately a fifth (19%) not achieved. Activities where targets have not been achieved are summarised on next page. For each performance measure that was not achieved, further explanation regarding is provided later in this report.
- Staff are still collating data to inform our performance against Investment and some of the Transport activities, namely:
 - *The value of the TEL Fund is maintained relative to inflation.*
 - *The percentage yield on the TEL fund is greater than 1% above the 90- day bill rate.*
 - *The percentage yield on general and special reserve funds is greater than the minimum target set in the treasury management policy.*
 - *80% of the district's footpaths have a displacement less than or equal to 10mm in urban areas.*

Non-Financial Performance Summary -
1 July 2023 - 30 June 2024



Non-Financial Performance By Activity Group



Off Track Measures Report - Community Facilities

Community Facilities (10)



Achieved On Track Off Track No Data Available Yet Not Achieved

2 of 10 measures not achieved

Key Performance Indicator Off Track

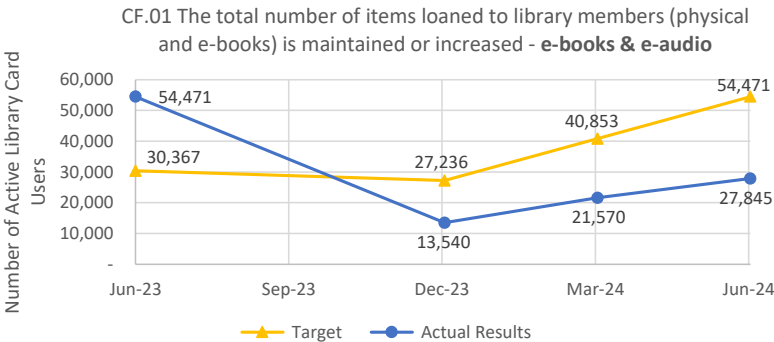
CF.01 The total number of items loaned to library members (physical and e-books) is maintained or increased.

Target

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

Discussion & Action Taken to Improve Result

281,707 physical items and 27,845 e-book/e-audio items were loaned for the period 1 July 2023 to 30 June 2024. This is a total of 309,552 items loaned. Although the number of e-books loaned does not achieve the target, overall the number of books loaned is greater than the previous year's (up 6%).



Key Performance Indicator Off Track

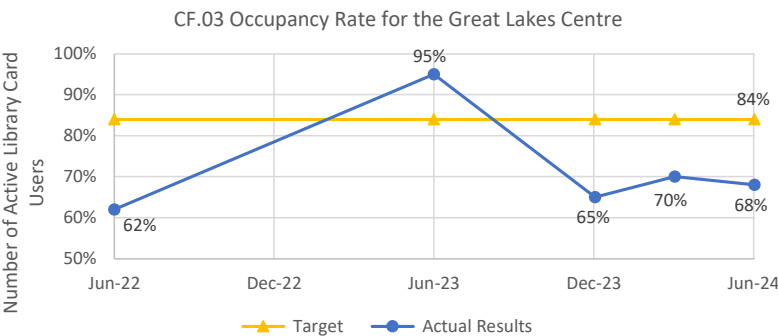
CF.03 The occupancy rate of the Great Lake Centre and Taupō Events Centre.

Target

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

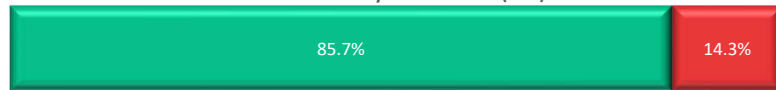
Discussion & Action Taken to Improve Result

Bookings significantly dropped during Nov & Dec 2023 with a large conference not returning and Ironman not using the GLC (75hr loss just from Iron Man). We were also impacted by holding the venue for the week of Supercars, limiting our ability to hire out the venue.



Off Track Measures Report - Community Services

Community Services (14)



■ On Track ■ Off Track ■ No Data Available Yet ■ Achieved ■ Not Achieved

2 of 14 measures not achieved

Key Performance Indicator Off Track

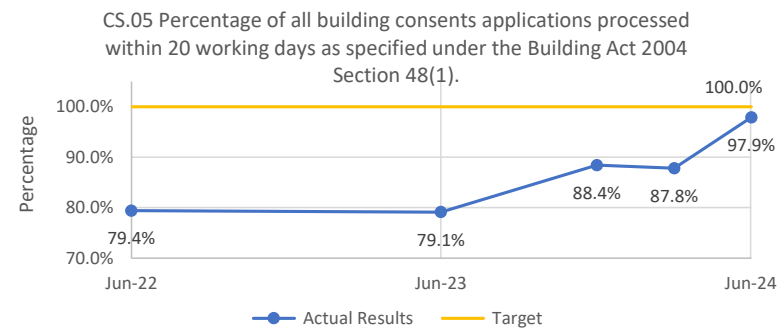
CS.05 Percentage of all building consents applications processed within 20 working days as specified under the Building Act 2004 Section 48(1).

Target

100 per cent.

Discussion & Action Taken to Improve Result

Building consent processing times have improved significantly over the quarter - 97.9% were processed within 20 working days, up from 87.8%. This reflects Objective Trapeze has been made accessible to more team members and a 0.25 full-time equivalent staff member has joined. Despite these gains, the 100% KPI was not achieved due to ongoing challenges, such as high application volumes that strain processing capacity and complex projects requiring extensive RFIs. These factors, even with the support of external contractors, have led to occasional delays in meeting the target.



Key Performance Indicator Off Track

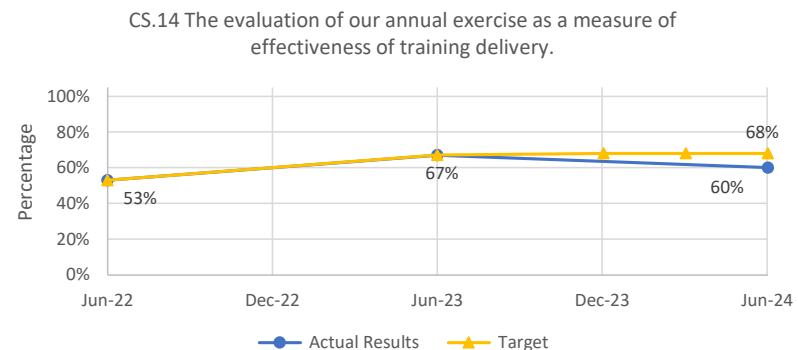
CS.14 The evaluation of our annual exercise as a measure of effectiveness of training delivery.

Target

Increasing trend.

Discussion & Action Taken to Improve Result

Staff evaluation of the annual exercise did not improve on the previous year's score, as per the target. However, this year's annual exercise was particularly challenging as it involved a full day, fully staffed Emergency Operation Centre exercise, involving a number of newly trained staff. Last year a much smaller number of staff were involved for a half day (Incident Management Team only). CDEM staff will continue to take feedback received from annual exercises to improve our response capability.



Off Track Measures Report - Solid Waste

Solid waste (3)



■ Achieved
 ■ On Track
 ■ Off Track
 ■ No Data Available Yet
 ■ Not Achieved

1 of 3 measures not achieved

Key Performance Indicator Off Track

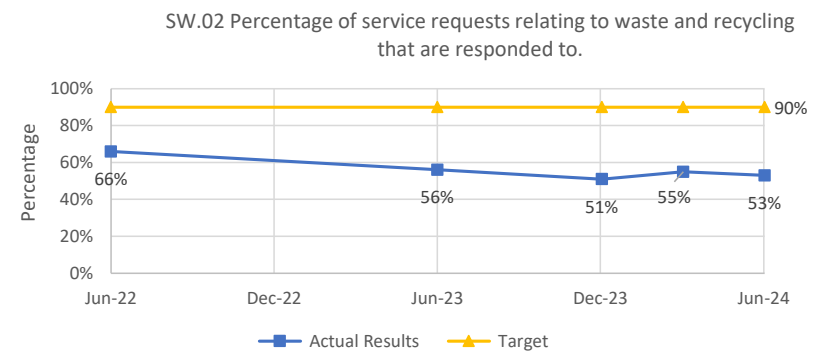
SW.02 Percentage of service requests relating to waste and recycling that are responded to.

Target

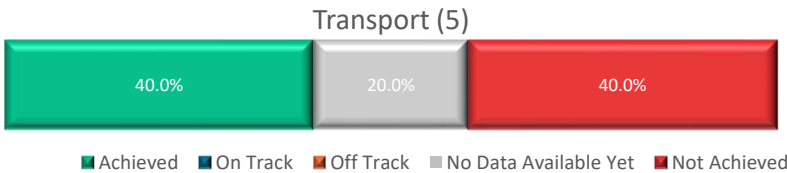
At least 90 per cent responded to within two working days.

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



2 of 5 measures not achieved

Key Performance Indicator Off Track

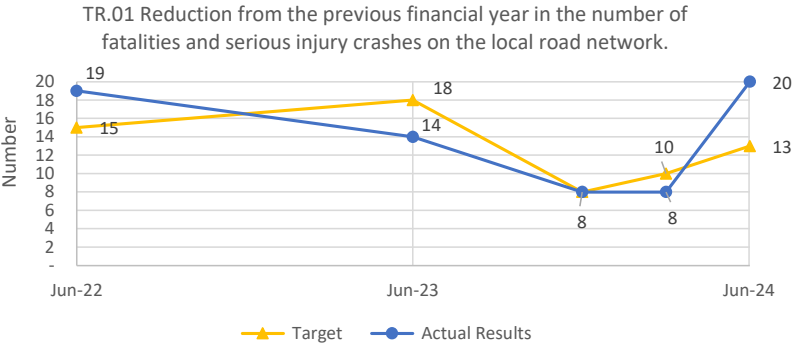
TR.01 Reduction from the previous financial year in the number of fatalities and serious injury crashes on the local road network.

Target

Decrease from previous year.

Discussion & Action Taken to Improve Result

2023/24 Not Achieved (3 deaths and 17 serious crashes). In total there were 6 more serious crashes/deaths than the previous year.



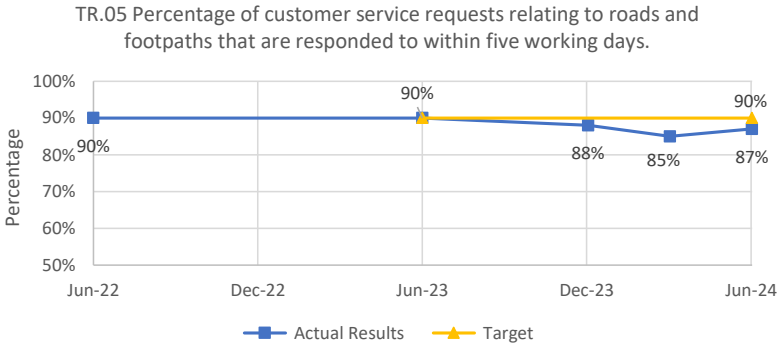
TR.05 Percentage of customer service requests relating to roads and footpaths that are responded to within five working days.

Target

At least 90 per cent.

Discussion & Action Taken to Improve Result

The number of service requests continue to be high for the team and three vacancies within the team have resulted in the target not being achieved. These vacancies have now been filled and we expect to see improved response times to customer service requests.



Off Track Measures Report - Water

Water (11)



Achieved On Track Off Track No Data Available Yet Not Achieved

6 of 11 measures not achieved

Key Performance Indicator Off Track

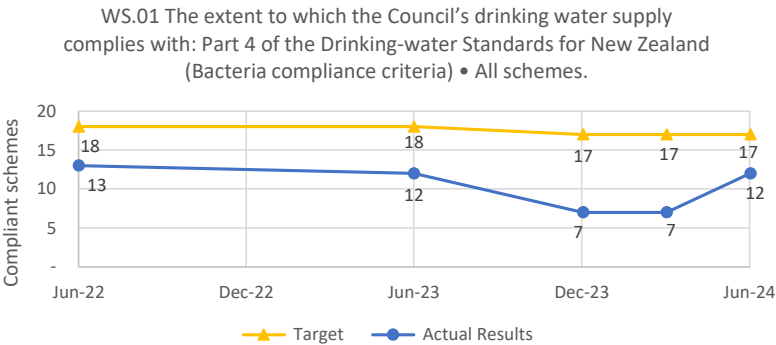
WS.01 The extent to which the Council’s drinking water supply complies with: Part 4 of the Drinking-water Standards for New Zealand (Bacteria compliance criteria) • All schemes.

Target

All schemes compliant with Part 4 of the DWSNZ.

Discussion & Action Taken to Improve Result

Turbidity and contact time non-compliances will be dealt with through treatment plant upgrades alongside protozoal treatment (planned for in the LTP). NOTE: Non-compliances are now assessed to the Draft Drinking Water Quality Assurance Rules (2022) and are not applicable to Part 4 of DWSNZ (2018).



Key Performance Indicator Off Track

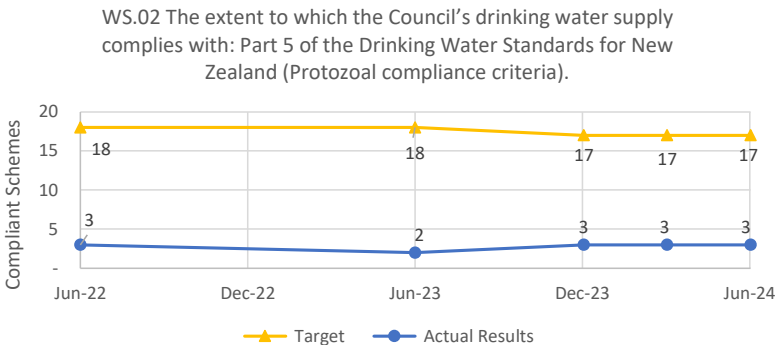
WS.02 The extent to which the Council’s drinking water supply complies with: Part 5 of the Drinking Water Standards for New Zealand (Protozoal compliance criteria).

Target

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

Discussion & Action Taken to Improve Result

Council has a significant capital programme planned to upgrade all of our schemes to put in place protozoal barriers. The schemes yet to be upgraded are budgeted for in the Long-Term Plan.



Off Track Measures Report - Water

Key Performance Indicator Off Track

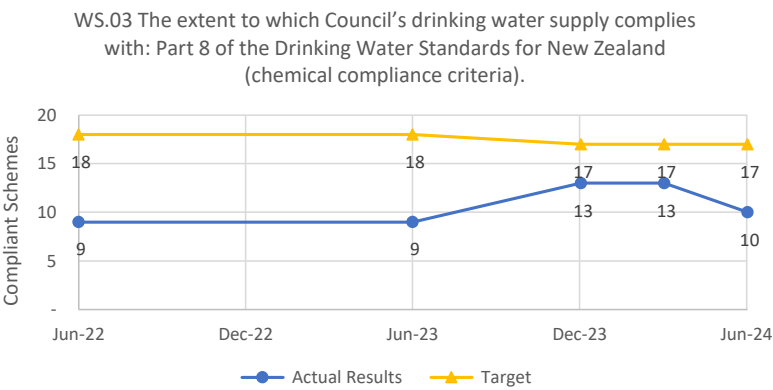
WS.03 The extent to which Council’s drinking water supply complies with: Part 8 of the Drinking Water Standards for New Zealand (chemical compliance criteria).

Target

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

Discussion & Action Taken to Improve Result

Council has a significant capital programme planned to upgrade treatment to remove arsenic where non-compliant (Lake Taupō supplies excluding Taupō and Bonshaw Park). This is budgeted for in the Long-Term Plan.



Key Performance Indicator Off Track

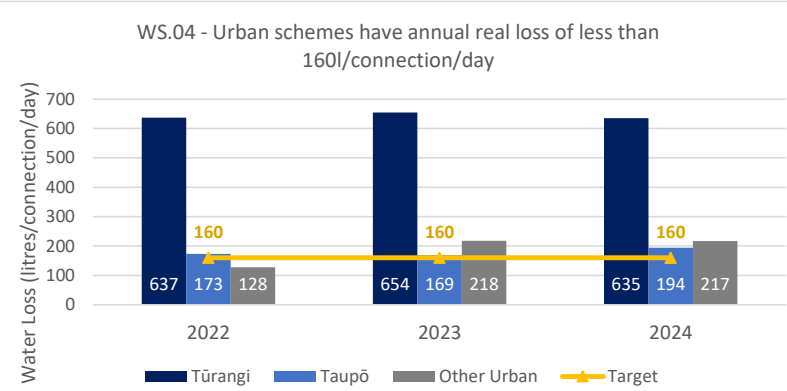
WS.04 Percentage of real water loss from the Council’s networks reticulation system. Methodology in line with Water NZ “Water Loss guidelines”.

Target

Urban Schemes – Target Current Annual Real Loss = 160 l/connection/day
Rural Schemes – Target Current Annual Real Loss = 4.2 m3/km watermain/day

Discussion & Action Taken to Improve Result

Urban connections: Taupō, Tūrangi and Other Urban areas did not achieve the water loss target of < 160 litres/connection/day. Rural connections: The average rural network improved significantly, reducing water losses from an average of 6.3 m3/km watermain/day in 2022/23 to 3.3 in 2023/24, below the target of 4.2. Council has a significant pipeline renewals programme budgeted for in the Long-Term Plan. This will improve water loss performance across the District.



Off Track Measures Report - Water

Key Performance Indicator Off Track

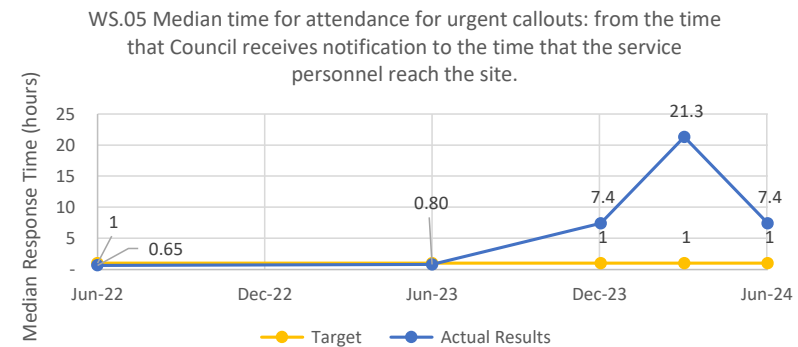
WS.05 Median time for attendance for urgent callouts: from the time that Council receives notification to the time that the service personnel reach the site.

Target

Less than one hour.

Discussion & Action Taken to Improve Result

For after-hours callouts the response is logged in real time on the Council's maintenance contractor system, but is not updated in TDC's system (AssetFinda) until the next working day. This can result in significant delays in the response being captured on TDC's system, even though the response has occurred promptly in practice. So 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.



Key Performance Indicator Off Track

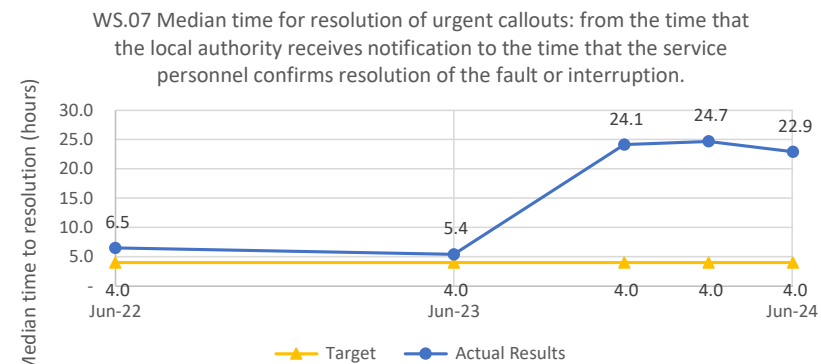
WS.07 Median time for resolution of urgent callouts: from the time that the local authority receives notification to the time that the service personnel confirms resolution of the fault or interruption.

Target

Less than four hours.

Discussion & Action Taken to Improve Result

For after-hours callouts the response is logged in real time on the Council's maintenance contractor's system, but is not updated in TDC's system (AssetFinda) until the next working day. This can result in significant delays in the response being captured on TDC's system, even though the response has occurred promptly in practice. So 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.





DOCUMENT CONTROL

VERSION	DATE	COMMENTS	DOC REFERENCE
DRAFT	20 May 2024		
Version 1.0	2 July 2024	Approved by Risk and Assurance Committee	Doc ID Set: 009
Version 2.0	17 Sept 2024	<i>Subject to Risk and Assurance Committee approval</i>	Doc ID Set: 009

DOCUMENT APPROVALS

	NAME	SIGNATURE	DATE
REVIEWER	General Manager - Organisation Performance Sarah Matthews	<i>Subject to Risk and Assurance Committee approval</i>	17-Sept-2024
APPROVER	Risk and Assurance Committee Chair Bruce Robertson	<i>Subject to Risk and Assurance Committee approval</i>	17-Sept-2024

DOCUMENT CUSTODIAN AND REVIEW DATE

	NAME	REVIEW PERIOD	NEXT REVIEW DATE
CUSTODIAN	Risk Advisor	3 yearly	Sept-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 13-18:
 - 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.

- 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 13-18, 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"/>

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.

daEntertainment 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](#) 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 (A911421)** 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: i) an employee's serious illness, hospitalisation, or accident; ii) a bereavement of an employee or employee's immediate family such as parent, child or sibling, iii) birth of an employee's baby; iv) the passing of an individual of significant civic standing or someone who has made a significant contribution to the Taupō District. 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 the giving of greeting and gift cards. When staff have been employed by TDC for longer than 5 years' the following applies:

Years of Service	Long Service Recognition
5 years and 10 years	Greeting card.
15 years	Greeting card and \$100 gift card.
20 years	Greeting card and \$200 gift card.
25 years	Greeting card and \$250 gift card.
>25 years	At Chief Executive's 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 – 9 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, it's 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 inexpensive and openly distributed by 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 14.4 and 14.5). II) Check that air travel required has been booked for the appropriate class of travel, appropriately authorised, and reconciled (clauses 14.6 - 14.12). 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	<p>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).</p>
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>

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.

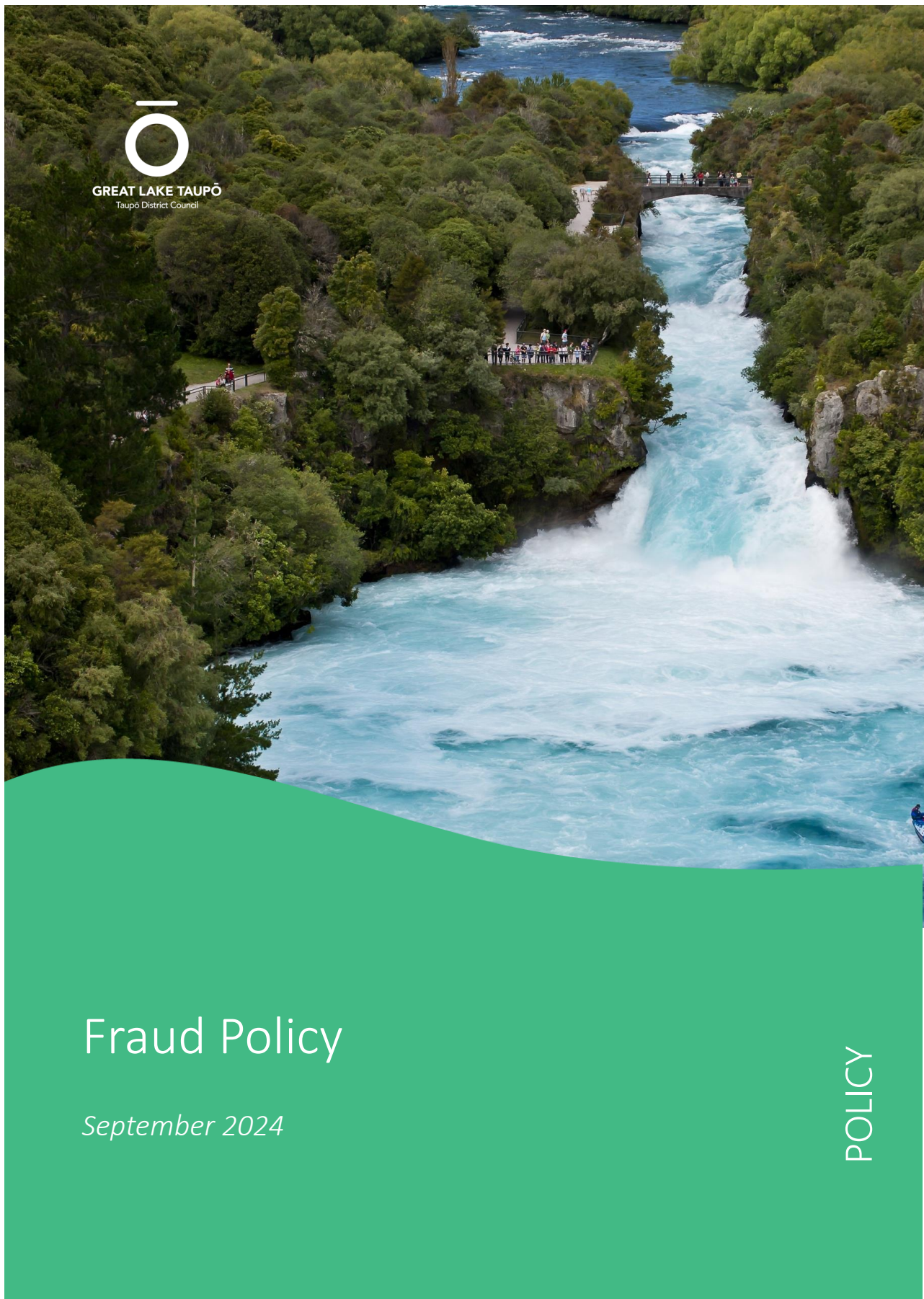
23. Other relevant policies and guidelines

- [Asset Disposal Policy](#) [A2441376]
- [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](#)
- [Fraud Policy 2021](#)
- [Information Management Policy](#)
- [Making a Protective Disclosure](#)
- [Remuneration for Māori Cultural Expertise Policy](#)
- [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.



Fraud Policy

September 2024

POLICY

DOCUMENT CONTROL

VERSION	DATE	COMMENTS	DOC REFERENCE
DRAFT	2 August 2024		
Version 1.0	17 Sept 2024	Approved by Risk and Assurance Committee	Doc ID Set: 008

DOCUMENT APPROVALS

	NAME	SIGNATURE	DATE
REVIEWER	General Manager - Organisation Performance Sarah Matthews		17-Sep-2024
APPROVER	Risk and Assurance Committee Chair Bruce Robertson		17-Sep-2024

DOCUMENT CUSTODIAN AND REVIEW DATE

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

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1. Policy Statement

- 1.1 Unauthorised possession (theft/robbery), unauthorised use, misappropriation, fraud, corruption, impropriety and dishonesty are unacceptable at the Taupō District Council (Council). The Council treats this behaviour seriously and will investigate all suspected instances whether these involve Council employees or representatives, or external parties.

2. Purpose

- 2.1 The purpose of this policy is to provide high level guidance for the prevention, detection and response to ensure that any cases of suspected fraud or corruption are dealt with appropriately, in order to protect the assets, reputation and staff of the Taupō District Council.

3. Scope

- 3.1 This policy applies to all Council elected and appointed 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.
- 3.2 This policy applies to all fraud or corruption incidents, whether suspected or proven that are committed against Taupō District Council by employees, suppliers or other persons (defined by section 2 of the Crimes Act 1961 and section 29 of the Interpretation Act 1999) or committed by Taupō District Council employees or representatives against any third party (including another Council employee in a private capacity).
- 3.3 This policy should be read alongside the Council's Protected Disclosures Policy.

4. Principles

- 4.1 Employees and representatives of Council must have, and be seen to have, the highest standards of honesty, propriety and integrity in discharging their obligations to the community.
- 4.2 Taupō District Council will treat all suspected instances of fraud or corruption by Council employees, representatives or external parties very seriously, and:
 - Will investigate all suspected instances of fraud or corruption by Council employees, representatives or external parties. All proven instances of fraud or corruption will be treated as serious misconduct and/or serious breach (as applicable) and may result in summary dismissal of an employee, or the immediate termination of a representative's contract with the Council.
 - Will seek to recover funds/assets lost through this behaviour.
 - Where the behaviour could amount to an illegal activity, Council will refer all such activities to the NZ Police at an appropriate time during the investigation process and/or any subsequent disciplinary process.

- In every case of suspected fraud, impropriety or dishonesty the Council will make every effort to gather sufficiently reliable evidence to support a criminal prosecution.
- Is committed to developing and maintaining processes and procedures to prevent and detect fraud and corruption.

5. Definitions

- 5.1 **Fraud:** is the deliberate practice of deception in order to receive unfair, unjustified or unlawful gain and, for the purpose of the policy, includes forms of dishonesty. Within this definition, examples of fraud may include, but are not limited to:
- Unauthorised possession or use, or misappropriation of funds or other assets whether the Council's or a third party's.
 - Deliberate mishandling of or misreporting of money or financial transactions.
 - Unauthorised access and misuse of Council's systems and information for unfair, unjustified or unlawful gain.
 - Deliberate misuse of Council resources (including work time, internet, cell phones, photocopiers, computers, vehicles and mail services for unfair, unjustified or unlawful gain.
 - Forgery or alteration of any financial instrument for unfair, unjustified, or unlawful gain.
 - Forgery or alteration of any document or computer file/record belonging to the Taupō District Council for unfair, unjustified, or unlawful gain.
 - Bribery, corruption or coercion.
 - Destruction, removal or inappropriate use/disclosure of records, data, materials, intellectual property or assets for gain.
 - Any similar or related inappropriate conduct.
- 5.2 **Corruption:** is the lack of integrity or honesty (especially susceptibility to bribery) or the use of position of trust for dishonest gain. It includes actual or attempted bribery, coercion, destruction, removal or inappropriate use or disclosure of records, data, materials, intellectual property or assets, or any similar or related inappropriate conduct.
- 5.3 Examples of corrupt conduct include:
- A public official improperly uses, or tries to improperly use, the knowledge, power or resources of their position for personal gain or taking advantage of others.
 - Knowingly providing, assisting or validating by the provision of false, misleading, incomplete or fictitious information to circumvent Council procurement processes and procedures to avoid further scrutiny or reporting.

- Accepting or seeking anything of material value from contractors, vendors, or persons providing services or materials to the Council (also refer to the Council's Sensitive Expenditure and Gift Policy).
- A public official acts dishonestly or unfairly, or breaches public trust.
- A member of the public influences, or tries to influence, a public official to use his or her position in a way that is dishonest, biased or breaches public trust.
- This policy distinguishes between fraud and error. Within this definition, "error" refers to an unintentional misstatement of information, such as financial information, including the omission of an amount or a disclosure.
- If there is any question as to whether an action constitutes fraud, unauthorised possession or corruption, contact the Legal and Governance Manager.

5.4 **Representative:** For the purpose of this policy, a representative of Taupō District Council includes:

- Former employees;
- Elected and appointed members of Taupō District Council;
- Any contractor or consultant working for or acting as an agent of Taupō District Council;
- Temporary staff supplied through an agency while working for Taupō District Council;
- Seconded personnel while working for Taupō District Council;
- Volunteers while working for Taupō District Council.

5.5 All agreements for/relating to all agency staff, seconded personnel, contractors and consultants shall contain an express obligation on them to comply with Council's Fraud Policy.

6. ROLES AND RESPONSIBILITIES

All employees and representatives	<ul style="list-style-type: none"> • Adherence and compliance with this Policy. • Advise their line manager and the Legal and Governance Manager as soon as they become aware of, or suspect fraud or corruption. • Undertake due diligence checks when engaging suppliers, contractors, and consultants prior to engaging them.
People managers	<ul style="list-style-type: none"> • Undertake due diligence checks when recruiting or promoting staff to sensitive positions. • Ensure all new personnel and existing personnel are made aware of and have read this Policy.

	<ul style="list-style-type: none"> Promote the principles of this Policy.
Legal and Governance Manager	<ul style="list-style-type: none"> Offer advice as to whether an incident or behaviour constitutes fraud or corruption or is in conflict with this Policy. Where fraud or corruption is suspected: notify the appropriate line management up to the Chief Executive; notify the People and Culture Manager. Where investigation required notify Business Excellence Manager and request that investigation be initiated with the support of the relevant teams. Participate in investigation if required. Have regard to all relevant employment law principles, including the concepts of natural justice, the right to reply, and guidelines for the collection of evidence. Manage the reporting of breaches of this policy to the NZ Police and/or Serious Fraud Office, and Council's Insurers where applicable. Lead legal processes that seek to recover funds/assets lost through this fraudulent or corrupt actions.
People & Culture Manager	<ul style="list-style-type: none"> Be involved in any investigation of alleged fraud and corruption concerning an employee, by providing advice and guidance. Have regard to all relevant employment law principles, including the concepts of natural justice, the right to reply, and guidelines for the collection of evidence. Include information on the Fraud Policy for all staff inductions.
Finance Manager	<ul style="list-style-type: none"> Overall responsibility for financial controls and processes, as holder of the finance portfolio. Addresses any deficiencies or improvements required in financial controls highlighted through internal or external assurance activities. Ensure Finance team support of any investigation of alleged fraud and corruption, where further information from Council's financial system is required.
Business Excellence Manager	<ul style="list-style-type: none"> Overall responsibility for fraud controls, processes, and investigations, as holder of the risk portfolio. Ensure the Fraud Policy is regularly reviewed and there is widespread awareness of this policy. Provide adequate training, where required.

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	<ul style="list-style-type: none"> • Provide regular assurance of internal controls through provision of appropriate internal audit programme and risk management activities. Provide regular reporting on the results of these and any external assurance activities. • Recommend appropriate course of action to the appropriate General Manager and/or Chief Executive.
Risk Advisor	<ul style="list-style-type: none"> • Develop, consult, and seek approval of the policy for the development of fraud and corruption responses for Taupō District Council. • Where necessary establish and lead an investigation team in response to suspected fraud or corruption. Administer requirements of policy/process relating to fraud and corruption response, including investigation in liaison with People & Culture (where appropriate). • Report any significant instances of fraud or corruption to the Risk and Assurance Committee. • Have regard to all relevant employment law principles, including the concepts of natural justice, the right to reply, and guidelines for the collection of evidence. • Monitoring adherence to this policy and procedure and reporting on this where required.
All process owners and senior officers (including people managers)	<ul style="list-style-type: none"> • Ensure appropriate controls are in place at all times to safeguard against fraud and corruption and take action to implement and maintain controls. • Maintain awareness and understanding of this Policy. • Regularly view transactions, and activities that may be susceptible to fraud and/or corruption.

- 6.1 Employees and representatives should make themselves familiar with Taupō District Council policies, procedures, guidelines and business rules, particularly those who govern and guide processes and functions in relation to their specific role. Ignorance of the Council's policies is not an acceptable excuse if a breach occurs.

7. Process

PREVENTION

- 7.1 Procedures and checks will be developed and used when recruiting or promoting employees to sensitive positions, including thorough and independent checks of the potential employee's employment history to ensure the applicant is suitable for the position.
- 7.2 Due diligence checks will be carried out on all suppliers, contractors and consultants prior to commencement of any business arrangement.
- 7.3 All new staff and members will complete an induction process that includes information about this Fraud Policy
- 7.4 Segregation and/or system controls are in place for supplier Masterfile maintenance, invoice processing, purchasing, clearance of duplicate invoices, accounts payable payment authorisation and payroll/HR data.
 - Appropriate evidence is to be provided for any supplier bank account changes. Secondary verification of these changes will be performed by contacting the supplier by phone using the phone number held on file or another appropriate source independent of the change request. Advances in technology and/or processes used by the banking sector for verification of bank account numbers will be regularly considered by the finance manager.
 - Segregation and/or system controls are in place for issuance of credit notes and refunds in accounts receivable.
- 7.5 Reconciliations for billing accuracy and completeness will be undertaken.
- 7.6 Validations of portable and mobile fixed assets are scheduled on a rolling 2-year cycle by asset class.
- 7.7 Access to online banking, accounts payable, payroll, bank reconciliation, rates and debtors only with appropriate approval which will be reviewed annually.
- 7.8 Accounting systems and procedures will be in accordance with generally accepted accounting principles.

INVESTIGATIONS

- 7.9 The Risk Advisor has the primary responsibility for investigation of all suspected unauthorised possession, fraudulent or corrupt acts or behaviour as defined in this policy.
- 7.10 Where the suspected fraud or corruption involves an employee, the People & Culture Manager will be advised of the suspected act immediately so that they may provide advice and guidance. Any investigation carried out should be in conjunction with People & Culture where appropriate. Any investigative activity will be conducted without regard to the suspected wrongdoer's length of service, position/title or relationship to Council.
- 7.11 Decisions as to when to refer the investigation results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made by the Chief Executive after discussions

with the relevant General Manager, Legal and Governance Manager, People & Culture Manager. The Business Excellence Manager and Risk Advisor are to be notified if the matter is referred for independent investigation required.

- 7.12 This policy has limited application in the case of unauthorised possession of money or goods by any person not employed by Taupō District Council, e.g. robbery of a cash collection point. A robbery or unauthorised possession must be immediately reported to the NZ Police, Legal and Governance Manager and the appropriate General Manager must also be notified as soon as possible and be kept informed of any Police investigation.
- 7.13 An annual review of areas identified as potentially susceptible to fraud will be included in an internal audit programme and reported to Council's Risk and Assurance Committee.

DOCUMENTATION OF FRAUD INVESTIGATION

- 7.14 Documentation of any suspected fraud, impropriety or dishonesty will include the following:

- Name and position of suspected individual(s);
- A summary of the nature of the suspected fraud;
- The timing and extent of the suspected fraud;
- Details of public funds involved;
- An actual or estimated dollar value of the suspected fraud;
- Details of the method by which the suspected fraud was committed;
- Any breakdowns or weaknesses in the internal control systems which may have contributed to the suspected fraud having taken place;
- Any other reason(s) that may have enabled the suspected fraud to be perpetrated;
- Interim steps taken to prevent further suspected fraud occurring in this way;
- What law enforcement agency or agencies have been informed of the suspected fraud, or are intended to be informed;
- What other steps, if any, have been taken to manage the suspected fraud.

RIGHT OF ACCESS FOR RISK AND ASSURANCE

- 7.15 The Risk Advisor, Business Excellence Manager, and Legal and Governance Manager (and anyone acting on behalf) have:
- Free and unrestricted access to all Taupō District Council records and premises.
 - The authority to examine, copy and/or remove all or any portion of the contents of files, desks, cabinets and other storage facilities on the premises without prior knowledge or consent of any

individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.

REPORTING PROCEDURES

- 7.16 Great care will be taken during an investigation of suspected fraud or corruption to avoid mistaken accusation or alerting suspected individuals that an investigation is underway.
- 7.17 Reporting will be guided by the following:
- The employee or other complainant or person reporting the activity/behaviour may remain anonymous;
 - If the allegation amounts to a protected disclosure under the Protected Disclosure Act 2000 the employee or other complainant may follow the process set out in the Council's Protected Disclosure policy;
 - All enquiries concerning the activity under investigation from the suspected individual, his or her lawyer or representative, or any other enquirer must be directed to the Business Excellence Manager;
 - No information concerning the status of an investigation will be disclosed, except through the Chief Executive, Business Excellence Manager, Legal and Governance Manager or People & Culture Manager in cases where an employee is suspected of unauthorised possession or fraud. The proper response to any enquiry is "I am not at liberty to discuss this matter".
 - The Risk and Assurance Committee will receive quarterly reports on significant instances (both in terms of severity and frequency) of fraud as required.
 - Fraud perpetrated against Taupō District Council will be reported to the Council's insurers, Audit New Zealand and Serious Fraud Office/NZ Police as required.
- 7.18 The reporting individual will be informed of the following:
- Not to contact the suspected individual in an effort to determine facts or demand resolution; and
 - Not to discuss the case, facts, suspicions or allegations with anyone unless specifically asked to do so by the Business Excellence Manager, Legal and Governance Manager or the Chief Executive.

CONSEQUENCES OF AN INVESTIGATION

- 7.19 An investigation may result in a recommendation to terminate a supplier's or consultant's or contractor's contract, or, in the case of an employee, the commencement of a disciplinary process, the outcome of which may be dismissal of the employee where appropriate, or in the case of an elected or appointed member, may result in Code of Conduct proceedings or removal of the appointee from Council committees.
- 7.20 The following applies as appropriate:

- Any decision to begin a disciplinary process, or to terminate an employee's employment at the conclusion of that process, will be made in conjunction with the People & Culture Manager.
- Fraud or corruption perpetrated against Taupō District Council will be reported in the first instance to the appropriate line manager and the Legal and Governance Manager who will in turn report to management, as appropriate.
- Where external suppliers are involved, any recommendation from the Business Excellence Manager will be put forward and reviewed with the Chief Executive and appropriate General Manager, before any action is taken.
- Where instances of fraud or corruption are substantiated, any decision to take no action, or to take action that is seen as appropriate by the Business Excellence Manager, will be referred to the Chief Executive and the relevant General Manager for authorisation.

8. RELATED POLICIES

8.1 This policy should be read in conjunction with the:

- **Code of Conduct.** This policy is required under clause 15(1) of Schedule 7 of the Local Government Act 2002 and provides standards of general behaviour for elected (and appointed) members and how breaches should be addressed.
- **Protected Disclosures Policy.** This policy is mandatory under the Protected Disclosures (Protection of Whistleblowers) Act 2022. The policy provides procedures to ensure protection for employees (including elected members, contractors, former employees, volunteers and persons on secondment to the organisation) in disclosing information about serious wrongdoing in or by the organisation.
- **Sensitive Expenditure and Gift Policy.** Provides processes to control sensitive expenditure.
- **Procurement Policy.** Details the correct procedures for procurement and includes sections on conflicts of interest and ethics prohibiting a number of activities meeting the definition of fraud under this policy.
- **Code of Behaviour policy and Disciplinary policy.** Both set out the expectations and guiding principles for appropriate workplace behaviour and how matters such as allegations and/or complaints made about a staff member, a breach or breaches of policies and procedures including unacceptable behaviour are dealt with.

9. RELATED LEGISLATION

9.1 This policy should be read in conjunction with the:

- Crimes Act 1961
- Protected Disclosures (Protection of Whistleblowers) Act 2022

10. Distribution and communication

- 10.1 This policy will be published on Council's intranet.
- 10.2 The Council reserves the right to review, amend or add to this policy at any time upon reasonable notice to employees and representatives.

NEED HELP?

If you need help don't hesitate to reach out to the
TDC Business Excellence Manager.



Taupō District Council

Abridged Property Process and Function Review Summary

August 2024



1.0 Background and review focus

Taupō District Council (TDC) engaged The Property Group Limited (TPG) to undertake a Property Process and Function Review (The Review) following an asbestos contamination matter on TDC owned properties located at 204 Crown Road and 30 Mahoe Street, and Taupō Landscape Supplies.

TDC requires its properties to be appropriately managed, operated and optimised from all stakeholder's perspectives, and within risk parameters acceptable to a local authority, and therefore to TDC.

A selection of TDC policies, processes and matters were reviewed, discussed, and considered.

TPG issued a full and comprehensive report titled '*Taupō District Council Property Process and Function Review*' dated May 2024.

2.0 Conclusions and Recommendations

TDC commissioned KPMG to complete a Health and Safety (H&S) review in 2023 as part of increased focus on H&S, Risk, and Procurement. KPMG provided TDC with a good explanation of TDC's H&S gaps and corresponding risks. The Executive Business Plan Tracker and BET Improvement Plan illustrates officers are focussing on addressing the actions, and matters are well progressed.

Property Team structure, resourcing and H&S responsibilities are covered in full in the report titled '*Taupō District Council Property Process and Function Review*'.

Table One provides an abridged summary of TPG's conclusions and recommendations. Matters discussed and addressed in KPMG's H&S review are not duplicated within Table One.

Table One: Abridged Property Process and Function Review Conclusions and Recommendations Summarised

KEY CONSIDERATION ONE	Asbestos Management
CONCLUSIONS AND RECOMMENDATIONS	<p>Property industry publications and media coverage on identification, risk and management of asbestos has resulted in asbestos being a well understood contaminant by those in property maintenance and management roles.</p> <ul style="list-style-type: none"> • TDC's Asbestos Management Plan (AMP) was first adopted in 2018. • The 2024 AMP review is underway and which when completed is to have content align with industry best practice. • Land, as well as buildings, to be addressed within the AMP. • TDC's engagement of officers with experience and knowledge aligned with the property role, and provided with training and on-going risk and H&S management will assist with informing and maintaining competency of those potentially involved in asbestos identification and management thereof. • Key Performance Indicators (KPIs) to be used to encourage currency and competency, and measure adherence.
KEY CONSIDERATION TWO	Supplier Panel
CONCLUSIONS AND RECOMMENDATIONS	<p>Excerpt from '3.1 Core concepts' section with the Procurement Policy 2021 is to be understood by all those with procurement responsibilities: <i>'Good practice isn't just mechanically applying the Rules. It's about developing a strong understanding of all of the aspects of the procurement lifecycle and skilfully applying these to deliver the best results. While you still need to comply with the Rules, you should design your process proportionate to the value, risk and complexity of the procurement. It's about applying sound commercial judgement to achieve the best value for money, which isn't always the cheapest price, and drive innovation and performance.'</i></p> <ul style="list-style-type: none"> • Complete a review and update of the Supplier Panel. • Have the review include the conveyance to suppliers of the requirements and expectations of TDC in all regards; H&S, scope, fees, contract and performance. These to be in accordance with TDC's Procurement Policy 2024.

- Implement KPIs to encourage processes and role responsibilities adherence and measure through internal checks and audit.
- Reinforce desired culture of TDC to TDC officers and suppliers through TDC leading by example and therefore complying with the Procurement Policy, regardless of time and delivery pressures.

It is noted that a Request for Proposal was issued by TDC in May 2024 seeking responses from parties interested in being on TDC's Supplier Panel.

KEY CONSIDERATION THREE

Development of new policies

CONCLUSIONS AND RECOMMENDATIONS

The following policies to be developed:

- **Property Strategy.** This will categorise TDC's strategic and non-strategic properties, provide a masterplan for the Property Team to work to and give direction and understanding of wider property expectations and outcomes sought.
- **Acquisition and Disposal Policy.** To provide guidance to TDC officers when acquiring and disposing of properties, derisking and enabling clear due process steps to be followed.
- **Housing for the Elderly Policy.** Provide clarity on the basis of the provision of TDC's elder housing and qualifying criteria for tenants.
- **Concessional Lease Policy.** Provide clarity, consistency and ease of application for use of TDC's non-commercial properties.

At the time of TPG undertaking this review, TDC Property Team officers advised the aforementioned policies would be developed after Long Term Plan (LTP) matters had been finalised.

Prepared by:



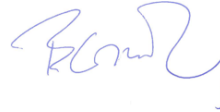
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Risk Register

Significant Projects Risk Register												
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Date Last Updated:										2/09/2024		
Project	Risk Title	Risk Causes	Risk Consequences	Risk Owner	Current Likelihood	Current Consequence	Current Risk Rating	Risk Controls / Treatments	Control / Treatment Owner	Residual Likelihood	Residual Consequence	Residual Risk Rating
Long Term plan	Time - missing the 30th Sept adoption deadline	Audit process may cause delays with achieving this deadline.	If this deadline is missed then TDC will be unable to strike rates, there will be annual plan delays & no council funding.	Sponsor	Possible	Severe	Extreme	The project manager is working closely with audit to ensure any issues are managed and closed out.	Project Manager	Unlikely	Severe	High
Project Quantum & Tech One	Service Delivery and Regulatory - challenges with data compatibility	Poor system practice and data integrity in our current system, and the lack of data compatibility.	This could result in being unable bill our customers correctly and being unable to meet Local Government requirements.	Sponsor	Possible	Severe	Extreme	Additional data runs, working with TechOne consultants, project team and finance to audit records and reconcile. Where issues are identified we are fixing the data at source.	Project Manager	Unlikely	Major	High
Erosion control - Taupo Bay, Lake Tce Cliffs & Tupuaeharuru Bay	Environmental - continued erosion	Delays and challenges around arranging stakeholder meetings.	Continued erosion without mitigation and a risk of significant impact to the environment and surrounding infrastructure. This also produces a financial risk as delays and potential damages could increase costs.	Sponsor	Possible	Major	High	Meetings with key stakeholders have now been arranged. However, there are further stakeholder to engage with.	Project Manager	Possible	Major	High
3 Waters Reform Activities	Performance & Service Delivery - single or multi council owner CCO.	Decision to split water services into a single or multi council owner CCO.	This could result in diminished viability of council, leading to increased overheads and decreased capabilities to deliver other outcomes.	Sponsor	Unlikely	Severe	High	The project manager is currently tracking this - the risk will be weighed up during the decision making process.	Sponsor	Unlikely	Severe	High
View Road land disposal Stage 2	Regulatory - not adhering to resource consent for WW disposal	Challenges with integration of stage 2 into SCADA has resulted in the stage 2 pivots only being able to be run manually.	TDC may incur penalties and/or abatement notices from WRC if we breach our consent conditions.	Sponsor	Possible	Moderate	High	A process has been implemented with Operations to run the stage 2 pivots manually, and the project team are aiming to prioritise the work with the TDC integrator.	Sponsor	Likely	Minor	High
Kinloch Drinking Water Standards NZ upgrade	Financial - insufficient project budget	Inflation being higher than anticipated, geotechnical challenges resulting in additional scope and a raw water pipe upgrade required	Due to the cost increases and additional scope items the project will be significantly overbudget at completion.	Sponsor	Almost Certain	Severe	Extreme	The asset manager has requested additional funds in the LTP to cover this shortfall.	Sponsor	Rare	Severe	Medium
SCADA Upgrade	Time - delays with project delivery resulting in compliance challenges	Challenges with current integrator.	Delays may result in additional time working with old SCADA systems where we cannot prove compliance to Taumata Arowai.	Sponsor	Likely	Moderate	High	The project manager is currently working through an alternative plan.	Project Manager	Unlikely	Moderate	Medium
Omori Drink Water Standards NZ Upgrade	Financial - insufficient project budget	Inflation is higher than anticipated and the project has suffered delays.	Due to the cost increases the project may be over budget at completion.	Sponsor	Possible	Moderate	High	The asset manager has requested additional funds in the LTP to cover this shortfall.	Sponsor	Unlikely	Minor	Medium
Tauhara Ridge Reservoir & Airport Connection	Performance & Service Delivery	Delays in the project related to the design.	If the reservoir is not completed in a timely fashion, there will be level of service issues in the new Wharewaka development areas.	Sponsor	Possible	Major	High	Project manager is currently monitoring the project closely. Design is delayed, awaiting completion of the reservoir tender process and the pipeline construction.	Project Manager	Unlikely	Moderate	Medium
Motuoapa Drinking Water Standards NZ Upgrade	Financial - insufficient project budget	Inflation being higher than anticipated, geotechnical challenges resulting in additional scope and a raw water pipe upgrade required	Due to the cost increases and additional scope items the project will potentially be overbudget at completion.	Sponsor	Likely	Moderate	High	The asset manager has requested additional funds in the LTP to cover this shortfall.	Sponsor	Unlikely	Moderate	Medium
204 Crown Road - subdivision earthworks & Civil	Financial - rework	Contact Energy are reviewing the site contours within their easement and they may require changes to the design.	As a result, rework may be required which would add additional costs to the project.	Sponsor	Possible	Moderate	High	The project manager is currently monitoring this closely and working with Contact Energy.	Project Manager	Unlikely	Minor	Medium
All Drinking Water Standards NZ Projects	Regulatory & Service Delivery - risk of operating uncompliant water treatment plants from both a legal perspective and a public health perspective.	Delays with projects.	If there are significant delays Taumata Arowai may impose legal action and/or the public could be negatively impacted.	Sponsor	Unlikely	Major	High	The asset manager is communicating process and updates to Taumata Arowai and DWSNZ projects are ongoing.	Asset Manager	Unlikely	Moderate	Medium
Taupo Wastewater Treatment Plant Primary Clarifier 3	Financial - insufficient project budget	Consultant have suggested that the budget might be too low.	Additional budget may be required to complete work.	Sponsor	Possible	Moderate	High	The project manager is currently monitoring this closely. This is to be confirmed at the end of stage 2 works.	Project Manager	Unlikely	Moderate	Medium
3 Waters Reform Activities	Performance & Service Delivery - not opting into a regional water services entity.	Decision to not opt into a regional water services entity and remain with status quo.	As a result, council could struggle to engage internal and/or external resources to deliver our capital works programme - we could be viewed as less attractive / lower priority.	Sponsor	Possible	Moderate	High	The project manager is currently tracking this - the risk will be weighed up during decision making process.	Sponsor	Unlikely	Moderate	Medium
Whangamata Road Improvements	Financial - uncertainty around costs	Uncertainty around contractor pricing as the tenders haven't been evaluated.	If the tendered costs come in higher than anticipated the project may not have enough budget to complete the works	Sponsor	Unlikely	Minor	Medium	Tenders are currently being reviewed. This will determine if additional funds need to be requested. This could also create delays.	Project Manager	Unlikely	Minor	Medium
EUL Stage 1A Lot 20 -Earthworks & Civil	Financial - uncertainty around costs	Uncertainty around civil contractor pricing as the tenders haven't been evaluated.	If the tendered costs come in higher than anticipated the project may not have enough budget to complete the works	Sponsor	Unlikely	Moderate	Medium	ROI/tenders are currently being reviewed - the outcome of this will determine the financial impact on the project.	Project Manager	Unlikely	Minor	Medium
Taupo WW Southern Trunk Main Upgrade Stage 1	Financial - delays and change in details	Ground conditions and some design challenges.	This could result in additional costs for delays and updated engineering details. However, the current contingency can cover this. If delays occur this could lead to reputational and service delivery risks as well.	Project Manager	Possible	Minor	Medium	The project manager is currently monitoring this closely with the contractor. Designs have been changed to accommodate the ground issues.	Project Manager	Unlikely	Minor	Medium
204 Crown Road - subdivision earthworks & Civil	Time - extension of time related to civil works	Challenges with Unison leading to delays.	Timeline for delivery will be extended	Sponsor	Possible	Minor	Medium	The project manager is currently monitoring this closely and working with Unison.	Project Manager	Possible	Minor	Medium
Te Whare - Fit out	Time - delays on base build/fit out	Delays concerning the base build and fit out of the new building.	Delays could result in a later date for moving into the new building for council. This could also result in additional costs related to extension of time and costs for leasing of offices for TDC staff.	Sponsor	Unlikely	Moderate	Medium	Regular reporting being provided by the base build contractor and management company - currently, they are ahead of schedule. PM has a stage lease exit strategy.	Project Manager	Unlikely	Minor	Medium
Northern Access Investigation	Cultural - engagement with mana whenua	There is the risk that if iwi and hapū are not brought into the project during its early phases, it may create a challenging process when council do engage with them.	This may result in loss of trust with mana whenua and could create significant challenges with the project.	Sponsor	Unlikely	Moderate	Medium	Informally, this project has been discussed with mana whenua and the early phases of the project are only dealing with understanding the transport and modelling requirements. TDC need to ensure that iwi/hapū are brought in to the project as early as possible during the next phase	Project Manager	Unlikely	Insignificant	Low
Owen Delany Park upgrade	Financial - project quality	Concerning the current level of work within the PMO department, the project manager has taken on a considerable amount of projects and has overextended himself.	Poor project management could result in an unsatisfactory project outcomes for all his projects	Project Manager	Possible	Minor	Medium	The project manager will avoid taking on any additional projects from year 1 of the LTP and limiting any additional operational work. Consider geographical locations of projects to improve efficiency of site visits.	Project Manager	Rare	Minor	Low

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				Defer until 2025
Review of Procurement Policy		●		
Review of Fraud Policy			●	
Review of Sensitive Expenditure and Gift Policy		●	●	

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		●		
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).