

**TAUPŌ DISTRICT COUNCIL  
MINUTES OF THE RISK AND ASSURANCE COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBER, 107 TE HEUHEU STREET, TAUPŌ  
ON MONDAY, 9 DECEMBER 2024 AT 10.15AM**

**PRESENT:** Cr Danny Loughlin (in the Chair), Mr Bruce Robertson (via MS Teams), Mr Anthony Byett, Cr Anna Park, Cr Rachel Shepherd (from 10.18am), Cr Kevin Taylor, Cr John Williamson

**IN ATTENDANCE:** Chief Executive (J Gardyne), General Manager Organisation Performance (S Matthews), General Manager Strategy and Environment (W Zander), General Manager Community Infrastructure and Services (T Hale), General Manager People and Community Partnerships (L O'Brien), Legal and Governance Manager (N McAdie), Finance Manager (J Paenga), Communications Manager (L McMichael), Business Excellence Manager (L Chick), Project Management Office Manager (P Fletcher), Community Engagement and Development Manager (H Tattle), Environmental Services Manager (J Sparks), Digital Solutions Manager (T May), People and Culture Manager (L Nienhuser), Health and Safety Manager (T Lastinger), Property and Development Manager (C Haskell), Senior Policy Advisor (P Caruana), Legal and Governance Coordinator (D Periam), Governance Quality Manager (S James)

**MEDIA AND PUBLIC:** Messrs Leon Pieterse and Kayode Oloro, Audit New Zealand (via MS Teams)  
Mr Matthew Wilson, Aon (via MS Teams)

**1 KARAKIA**

**2 WHAKAPĀHA | APOLOGIES**

**RACC202412/01 RESOLUTION**

Moved: Cr John Williamson

Seconded: Mr Anthony Byett

That the apologies received from Cr Rachel Shepherd (for lateness) and His Worship the Mayor, David Trewavas (for absence) be accepted.

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202412/01 above.*

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

Cr Danny Loughlin noted his interest in the fitout of the civic administration building, Te Whare.

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

**4.1 RISK AND ASSURANCE COMMITTEE MEETING - 17 SEPTEMBER 2024**

**RACC202412/02 RESOLUTION**

Moved: Mr Anthony Byett

Seconded: Cr Anna Park

That the minutes of the Risk and Assurance Committee meeting held on Tuesday 17 September 2024 be approved and adopted as a true and correct record.

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202412/02 above.*

## 5 NGĀ RIPOATA | REPORTS

### 5.1 RECOMMENDATION TO ADOPT THE ANNUAL REPORT 2023/24

Messrs Leon Pieterse and Kayode Oloro from Audit New Zealand were present online via MS Teams.

Deputy Chairperson Cr Danny Loughlin announced that the draft Annual Report 2023/24 and associated documents had not been circulated to members.

*Cr Rachel Shepherd entered the meeting at this point (10.18am).*

The Finance Manager and the Senior Policy Advisor addressed the Committee. They advised that Audit New Zealand had not issued verbal clearance. Outstanding issues included investment property valuation; measurement of water and wastewater quality compliance; and movement of road network.

In answer to a question, the Senior Policy Advisor explained that the water and wastewater compliance recording had been raised by Audit New Zealand every year in recent times, but transport / road network was a new issue.

Mr Pieterse confirmed that Audit New Zealand was not in a position to give final clearance on Taupō District Council's Annual Report 2023/24. The team was working at speed and was on track to complete the audit in time for adoption by Council on 17 December 2024. A meeting had been scheduled for the auditors to meet with valuers and Council management to discuss the accounting treatment of the East Urban Lands (EUL) and investment properties.

Independent Chairperson Mr Bruce Robertson advised that Mr Pieterse had kept him informed about the progress of the audit. Council staff were working hard to complete the non-financial measures reporting, in addition to the financial reporting. He suggested that the Committee delegate authority to him as Chair along with the Deputy Chair, to review the draft Annual Report 2023/24 and associated documents, and recommend adoption to Council. Members agreed with this approach.

### RACC202412/03 RESOLUTION

Moved: Cr Anna Park

Seconded: Cr Rachel Shepherd

That the Risk and Assurance Committee:

1. Receives the report of Jeanette Paenga, Finance Manager, entitled Recommendation to Adopt the Annual Report 2023/24;
2. Delegates authority to Chairperson Bruce Robertson and Deputy Chairperson Cr Danny Loughlin to review the Annual Report 2023/24, and recommend its adoption (together with any amendments) to Council; and
3. Delegates authority to Chairperson Bruce Robertson and Deputy Chairperson Cr Danny Loughlin to review the Statements of Compliance and the Letters of Representation and recommend signing by the Mayor and the Chief Executive after adoption on 17 December 2024.

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202412/03 above.*

## 5.2 INSURANCE RENEWAL UPDATE 2024-25

The Business Excellence Manager advised that the Professional Indemnity and Public Liability Excess Layer insurance increase had incorrectly been noted on the agenda as a \$335% increase. The correct figure was an increase of 19%.

Mr Matthew Wilson, Aon's National Manager – Local Government Risk Practice was present online via MS Teams. He made a PowerPoint presentation (A3683276), providing an update on the current insurance market and renewal outcomes and answering questions. The following points were noted:

- There had been a change of emphasis to secondary 'natural catastrophes' over the last four years, with weather events dominating.
- Taupō District Council was part of the Bay of Plenty Local Authority Shared Services group, which was beneficial from an insurance point of view.
- Council representatives travelled to local, London and Singapore markets to secure the best possible coverage and premiums for 1 November renewals.
- The insurance market was starting to soften for the first time in seven years.
- The \$45m limit for Building Act claims applied to 37 councils. The formula for claiming had not yet been clarified, but Aon would update Taupō District Council once this issue had been resolved.
- Information about loss from space weather was not available but could be provided following the meeting.
- Insurance capacity varied from region to region. The balance between capacity and cost was an ongoing discussion with the insurers.
- Although some categories seemed to overlap, for example cyber and crime, Mr Wilson confirmed that the categories were clearly delineated in the insurance documentation.

### RACC202412/04 RESOLUTION

Moved: Cr Danny Loughlin

Seconded: Mr Anthony Byett

That the Risk and Assurance Committee receives the insurance renewal update 2024-25.

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202412/04 above.*

## 5.3 FINANCIAL STRATEGY UPDATE AND SIGNIFICANT PROJECTS RISKS REPORT

The Finance Manager and the Project Management Office Manager presented the financial strategy update and significant projects risks report.

Members asked why the residual risk for the SCADA upgrade project was 'extreme'. The Project Management Office Manager explained that risks associated with this project had increased since the adoption of Council's Long-term Plan 2024-34 (LTP). SCADA telemetry was the 'backbone' of Council's water, wastewater and stormwater systems. The number of capital projects in the LTP had increased. The project risk was rated 'extreme' because the overall quality of documentation relating to sites was low. Current state analysis was ongoing. The cost to update documents would not be high, but it would take time to complete functional instrumental documentation reviews for individual upgrades. Drinking water and wastewater upgrades across the district would continue while documentation was updated.

In response to another question, the Project Management Office Manager advised that there was still a reasonable amount of time before the Broadlands Road transfer station consent renewal was due. In the meantime, Council needed to discuss with iwi and investigate other options.

**RACC202412/05 RESOLUTION**

Moved: Cr Kevin Taylor

Seconded: Cr Anna Park

That the Risk and Assurance Committee receives the Financial Strategy Update (A3675931) and the Significant Projects Risks Report (A3675930).

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202412/05 above.*

**5.4 RISK MANAGEMENT QUARTERLY UPDATE**

The Business Excellence Manager provided a brief overview of risk management activities at Taupō District Council. These included ongoing training of staff (sensitive expenditure and procurement); insurance renewals; and management of crushed concrete at the landfill. Council's new Risk Advisor was due to start work mid-January 2025.

The General Manager Organisation Performance added that a proposal to insure underground assets was being presented to Council the following day, to address increased risk exposure.

**RACC202412/06 RESOLUTION**

Moved: Mr Bruce Robertson

Seconded: Cr John Williamson

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 RACC202412/06 above.*

**5.5 STRATEGIC RISK UPDATE**

The Business Excellence Manager advised that three of Council's 10 strategic risks had been 'workshopped' since the last Risk and Assurance Committee meeting, with analysis from two of those workshops included on the agenda (ineffective relationships; and compliance and legal liabilities). An update on attracting and retaining a competent workforce had also been provided, and the People and Culture Manager was present to answer any questions arising from that.

Members commented on aspects of some of the strategic risks.

In answer to a question, the Environmental Services Manager advised that turnover in the building consent processing team was low. Turnover in the compliance/animal control team was slightly higher, but staff were well trained when onboarded. There was no undue risk from turnover in those areas.

In answer to another question, the Chief Executive advised that she was the executive team sponsor for the underperforming Council strategic risk from a reporting perspective, it was acknowledged that the risk was a governance risk.

**RACC202412/07 RESOLUTION**

Moved: Mr Bruce Robertson

Seconded: Cr Anna Park

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 RACC202412/07 above.*

## 5.6 PROJECT QUANTUM UPDATE

The Digital Solutions Manager advised that Council had 'gone live' with the revenue module. Project Quantum had been ongoing for over five years and was continuing to pose significant challenges. The team was working hard to resolve those challenges. There was also a commitment to doing things differently going forward.

The General Manager Organisation Performance answered questions about the revenue module:

- The system was built and implemented at the same time. Parts of the process were tested successfully in isolation before go-live, but issues had arisen once the whole process was in place in the live system.
- It was no longer feasible to strike rates in the previous rates system, so it was critical to move to the new revenue module prior to Council adopting the LTP and striking the rates.
- Implementation had taken longer than expected.
- Risks had been mitigated post-go-live by obtaining extra resourcing from the vendor, but it had taken six weeks to resolve issues and correct rates.
- Other issues had also been encountered, including slower banking transactions; and an inability to process rates rebates.
- Management was continuing to monitor staff well-being and support everyone on the journey. The team had worked very hard on the revenue module go-live.

In answer to another question, the Digital Solutions Manager advised that Taupō District Council and other councils had been keeping the pressure on TechnologyOne to deliver.

The Chief Executive acknowledged Project Quantum team members' hard work.

## RACC202412/08 RESOLUTION

Moved: Cr John Williamson

Seconded: Cr Rachel Shepherd

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

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202412/08 above.*

## 5.7 SIX-MONTHLY PROGRESS UPDATE ON COUNCIL'S DEVELOPMENT PROJECTS

The Property and Development Manager answered questions of clarification.

## RACC202412/09 RESOLUTION

Moved: Cr Danny Loughlin

Seconded: Cr Rachel Shepherd

That the Risk and Assurance Committee receives the six-monthly update on Council's development projects.

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202412/09 above.*

## 5.8 HEALTH, SAFETY AND WELLBEING UPDATE

The Health and Safety Manager summarised her report and answered questions. The following additional points were noted:

- The health and safety investigative learning teams which had recently been soft-launched would enable faster identification of key points following incidents, taking learnings forward and therefore avoiding future incidents.
- Staff were diligent in reporting aggression incidents, however some events may not have been reported due to the subjective nature of identifying an incident as aggressive. Training would be put in place to support staff to understand the definition. Frontline staff would continue to be trained in de-escalating and preventing situations.
- A 'critical risk standard' working draft had been discussed with Council's health and safety representatives. The next step was to obtain worker representative input into the document, to ensure good health and safety controls are in place, promoted to the organisation and working as they should be.
- A risk-based approach was taken to prioritising the implementation of commitments made in the Health, Safety and Wellbeing Strategy.
- In relation to the commitment 'response to incidents is proactively managed', 20% indicated progress towards having processes in place, it was not a percentage indicator of incidents not being followed up. The aim was to follow up after every incident logged, ensuring robust discussions were had and learnings taken forward. The learning teams had been set up for this purpose, and these teams would in turn support health and safety representatives to perform their role effectively.

Independent Committee Chairperson Mr Bruce Robertson suggested that it would be beneficial for the Committee to receive an update on the operation of health and safety committees at Taupō District Council.

### RACC202412/10 RESOLUTION

Moved: Cr Kevin Taylor

Seconded: Cr John Williamson

That the Risk and Assurance Committee receives the Health, Safety and Wellbeing update for the period from August to mid-November 2024.

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202412/10 above.*

## 5.9 SENSITIVE EXPENDITURE REVIEW - 1 JULY 2024 - 30 SEPTEMBER 2024

The Business Excellence Manager introduced the Legal and Governance Coordinator, who was responsible for collating and reviewing sensitive expenditure data. She advised that:

- There were no areas of serious concern identified during the first quarter of the 2024-25 financial year.
- There were still some opportunities for improvement. Timely conversations with staff were key to addressing issues and supporting a deeper understanding of the policy.
- There had been good uptake of the sensitive expenditure micro-learning module.
- Audit New Zealand had commented that Council's monitoring of sensitive expenditure was improving and although compliance was not perfect, it was trending in the right direction.

**RACC202412/11 RESOLUTION**

Moved: Cr Anna Park  
Seconded: Cr John Williamson

That the Risk and Assurance Committee receives the Sensitive Expenditure Review for the period 1 July 2024 to 30 September 2024.

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202412/11 above.*

*The meeting adjourned at this point (11.52am) and reconvened at 12.02pm.*

**5.10 NON-FINANCIAL PERFORMANCE MEASURES REPORTING**

It was noted that the TR.03 (percentage of the sealed local road network resurfaced) target was unlikely to be met due to the external funder's position, however some resealing would be done.

**RACC202412/12 RESOLUTION**

Moved: Mr Bruce Robertson  
Seconded: Cr Danny Loughlin

That the Risk and Assurance Committee receives the Non-Financial Performance Measures Q1 2024/25 Report.

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202412/12 above.*

**5.11 OUTSTANDING AUDIT AND IMPROVEMENT ITEMS**

The Business Excellence Manager presented the outstanding audit and improvement items report. She advised that an organisation improvement group would be established to drive closure of outstanding items.

**RACC202412/13 RESOLUTION**

Moved: Cr Danny Loughlin  
Seconded: Cr Kevin Taylor

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

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202412/13 above.*

## 5.12 ANNUAL REVIEW OF RISK AND ASSURANCE COMMITTEE PERFORMANCE

The Business Excellence Manager noted that there were only seven respondents, so results were indicative only.

### **Question 10 – what areas can you identify where the Risk and Assurance Committee should focus more attention or where there is a need for more support?**

One of the responses to this question was: “Management of social media and misinformation. Need a better way to communicate with communities.” Members discussed this comment, considering whether the Committee should apply its attention to risks arising from use of social media and misinformation. Council’s Code of Conduct and Standing Orders were tools which could be used to manage risks arising from inappropriate elected member use of social media and the spread of misinformation. These documents could be strengthened by Council, however they needed to be applied consistently and limitations would always remain.

### **Question 11 – do you see any opportunities to improve communication and awareness of risk management between the Risk and Assurance Committee and the wider Council?**

Independent Committee Chairperson Mr Bruce Robertson offered to provide six-monthly briefings to full Council about key matters considered and dealt with by the Risk and Assurance Committee. He did not agree that risk and assurance committees always worked best as ‘committees of the whole’, as was suggested by at least one survey respondent.

Other suggestions were noted as follows:

- If the Risk and Assurance Committee was not a ‘committee of the whole’, non-member councillors should attend at least one meeting per triennium.
- More explanation about the role of the Risk and Assurance Committee as part of the post-election induction programme, and more regular communication to Council to reinforce understanding of the Committee’s role.
- Committee minutes to be made available to all members post-meetings.

### **Question 12 – what aspects of the work of the Risk and Assurance Committee do you think have produced the most value to you in your role with Taupō District Council?**

Members discussed Question 12 with input from the Chief Executive. The following points were noted:

- It was sometimes challenging to understand the extent to which risks are due to the operating environment, or whether they are coming to the Committee’s attention because monitoring had increased.
- Committee members wanted to know what more they could do to support staff.
- The Chief Executive update had been removed from the Risk and Assurance Committee agenda, due to the extensive reporting via other agenda items.
- The Risk and Assurance Committee had come a long way since the 2019-22 term of Council.
- The Committee supported Council to manage risks and provided opportunities for the Chief Executive to share information as part of her ‘no surprises’ approach.
- Council should consider how it could take opportunities, within existing rules, to benefit the public and Council customers.

## **RACC202412/14 RESOLUTION**

Moved: Cr Danny Loughlin

Seconded: Cr Anna Park

That the Risk and Assurance Committee receives the annual review of Risk and Assurance Committee performance.

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202412/14 above.*



### 5.13 RISK AND ASSURANCE COMMITTEE WORKPLAN UPDATE

Independent Committee Chairperson Mr Bruce Robertson suggested that a workshop should be scheduled to enable members to discuss Taupō District Council's insurance strategy. He would discuss this with the Business Excellence Manager prior to the next meeting.

#### RACC202412/15 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Mr Anthony Byett

That the Risk and Assurance Committee receives the Workplan for the 2025 calendar year.

**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202412/15 above.*

## 6 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS

#### RACC202412/16 RESOLUTION

Moved: Cr Anna Park

Seconded: Cr John Williamson

#### RESOLUTION TO EXCLUDE THE PUBLIC

I move that the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48[1] of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution	Plain English reason for passing this resolution in relation to each matter
<b>Agenda Item No: 6.1</b> Confirmation of Confidential Portion of Risk and Assurance Committee Minutes - 17 September 2024	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 to maintain legal professional privilege where members have received advice from Council's Legal and Governance Manager relating to potential legal challenges against Council.
<b>Agenda Item No: 6.2</b> Litigation Update	Section 7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which	To protect communications between the Council and its solicitor which are subject to legal professional privilege.

		good reason for withholding would exist under section 7	
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**CARRIED**

*Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202412/16 above.*

**The meeting closed at 1.03pm with a closing karakia led by Cr Anna Park.**

**The minutes of this meeting were confirmed at the Risk and Assurance Committee Meeting held on 17 March 2025**

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**CHAIRPERSON**