

**I give notice that
a Risk and Assurance Committee Meeting will be held on:**

Date:	Tuesday, 2 July 2024
Time:	1.00pm
Location:	Council Chamber 107 te Heuheu Street Taupō

AGENDA

MEMBERSHIP

Chairperson Mr Bruce Robertson
Deputy Chairperson Cr Danny Loughlin

Members Mr Anthony Byett
Cr Anna Park
Cr Rachel Shepherd
Cr Kevin Taylor
Mayor David Trewavas
Cr John Williamson

Quorum 4

**Julie Gardyne
Chief Executive**

Order Of Business

1	Karakia	
2	Whakapāha Apologies	
3	Ngā Whakapānga Tukituki Conflicts of Interest	
4	Whakamanatanga O Ngā Meneti Confirmation of Minutes	
4.1	Risk and Assurance Committee Meeting - 5 March 2024	3
4.2	Risk and Assurance Committee Meeting - 2 May 2024.....	4
5	Ngā Ripoata Reports	
5.1	Audit Management Report for 2022-23.....	5
5.2	Audit Plan for 2023-24 Annual Report Audit.....	6
5.3	Long-term Plan 2024-34 Update.....	7
5.4	JASANZ Recognised Food Verification Agency Quality Management System (QMS) Surveillance Audit 2024	9
5.5	Poolsafe Audit - Taupō and Tūrangi Pool Complexes.....	11
5.6	Project Quantum Update	12
5.7	East Urban Lands	17
5.8	Risk Management Quarterly Update.....	22
5.9	Strategic Risk Update	24
5.10	Procurement Policy and Procedures Adoption	29
5.11	Sensitive Expenditure Policy Review.....	32
5.12	Non-Financial Performance Measures Reporting.....	34
5.13	Council Insurance Strategy.....	35
5.14	Outstanding Audit and Improvement Items	39
5.15	Purchase Order Control Issue - Update.....	42
5.16	Health, Safety and Wellbeing - Quarterly Update.....	43
5.17	Taupō District Council Monthly Performance Report - May 2024	50
5.18	Risk and Assurance Committee Workplan Update.....	51
5.19	Chief Executive Update to Risk & Assurance Committee - Current Risks	52
6	Ngā Kōrero Tūmataiti Confidential Business	
6.1	Confirmation of Confidential Portion of Risk and Assurance Committee Minutes - 5 March 2024	53
6.2	Litigation Update	53

4.1 RISK AND ASSURANCE COMMITTEE MEETING - 5 MARCH 2024

Author: Shainey James, Governance Quality Manager

Authorised by: Nigel McAdie, Legal and Governance Manager

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the minutes of the Risk and Assurance Committee meeting held on Tuesday 5 March 2024 be approved and adopted as a true and correct record.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Risk and Assurance Committee Meeting Minutes - 5 March 2024

4.2 RISK AND ASSURANCE COMMITTEE MEETING - 2 MAY 2024

Author: Shainey James, Governance Quality Manager

Authorised by: Nigel McAdie, Legal and Governance Manager

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the minutes of the Risk and Assurance Committee meeting held on Thursday 2 May 2024 be approved and adopted as a true and correct record.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Risk and Assurance Committee Meeting Minutes - 2 May 2024

5.1 AUDIT MANAGEMENT REPORT FOR 2022-23

Author: Jeanette Paenga, Finance Manager

Authorised by: Nigel McAdie, Legal and Governance Manager

TE PŪTAKE | PURPOSE

To present the final audit management report which outlines outstanding management report items and details audit recommendations, most recent audit status, and the priority of the recommendation (from audit).

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

At the completion of Council's interim and annual report audits, Audit New Zealand normally prepare an Audit Management Report which outlines any outstanding matters and any new recommendations for issues identified.

At the commencement of the 2022-23 Final Audit there were 22 outstanding recommendations, these have reduced to 18 and there are 11 new recommendations giving a total of 29 recommendations. Note although Audit NZ performed an interim audit there was not an interim report for 2022-23 prepared.

The report is **attached** for receipt.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Audit New Zealand report to Taupō District Council on the audit for the year ended 30 June 2023

5.2 AUDIT PLAN FOR 2023-24 ANNUAL REPORT AUDIT

Author: Jeanette Paenga, Finance Manager

Authorised by: Nigel McAdie, Legal and Governance Manager

TE PŪTAKE | PURPOSE

Audit New Zealand will present their Audit Plan for the 2024 Annual Report engagement.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

Each year Audit New Zealand prepare an Audit Plan which outlines:

- key areas of risk to be focussed on
- the audit process
- reporting protocols
- audit logistics

This Committee's role is to approve the plan to enable His Worship the Mayor to sign the appropriate documentation for the audit engagement.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Audit Plan for the Year Ended 30 June 2024

5.3 LONG-TERM PLAN 2024-34 UPDATE

Author: Kendall Goode, Senior Policy Advisor

Authorised by: Nick Carroll, Policy Manager

TE PŪTAKE | PURPOSE

The purpose of this report is to provide a quarterly update on the development of Taupō District Council's (TDC's) Long-term Plan 2024-34 (LTP) and associated risks. It is provided for information purposes and does not require any decision-making on the part of Committee members.

NGĀ KŌRERORERO | DISCUSSION

Several milestones have been achieved in the previous three months. This includes Council approving the draft consultation document and supporting information to be reviewed by Audit New Zealand, completing the Audit review process, adopting the consultation document and supporting information for public consultation on 31 May and public consultation starting on 4 June 2024. These achievements are a positive sign of being able to adopt the Long-term Plan on 30 September 2024 as planned.

Audit Review of Draft Consultation Document and Supporting Information

On 2 May, the Risk and Assurance Committee endorsed the draft consultation document and supporting information to be reviewed by Audit New Zealand. The review was scheduled for three weeks, however the auditors returned for an additional week to finalise some matters. No Audit opinion was provided at the end of the review, this is because Council opted out of the formal audit process as provided for by changes to legislation in February.

Throughout the Audit review, changes to documents were discussed and a list of misstatements was provided from Audit New Zealand. A list of the changes made to documents as a result of the review was provided to Council prior to adoption of the consultation document and supporting information at the meeting on 31 May 2024. A copy of the changes is attached to this report (Attachment 1), note this does not include changes to the consultation document. A tracked changed version of the consultation document is also attached to illustrate changes incorporated (Attachment 2).

Capital deliverability and the inclusion of customer satisfaction performance measures are two matters that staff and Audit did not resolve and will form part of the Long-term Plan audit in August. As a result of these discussions, staff included an additional paragraph in the consultation document outlining the ambitious capital programme and how Council will work to achieve this over the next ten years. It was also recognised that the consultation process and Council deliberations may result in changes to the capital programme. It was agreed to change the significant assumption for capital delivery from medium to high uncertainty. Officers are continuing discussions with Audit staff around the appropriateness of utilising customer satisfaction performance measures in the Long-term Plan.

Public Consultation

Consultation is still underway but as of 21 June we had received 492 submissions. An update on submission numbers will be provided at the meeting on 2 July, which is the last week of public consultation, the final day for submissions being 5 July 2024.

Engagement events have been organised around the district during public consultation, including specific hui with iwi partners and hapū.

Upcoming Milestones/Timeframes

While public consultation is underway, several workstreams will be progressing in parallel to ensure hearings and deliberations are able to occur at a time that allows for the final audit to commence on 19 August. This includes preparing the draft Long-term Plan. Upcoming key milestones are noted below.

- 29 July to 2 August: Hearings and deliberations (dates to be confirmed and will depend on the number of submissions received)
- 19 August: Final Long-term Plan audit begins
- 16 September: Hot Review of Long-term Plan (date to be confirmed)
- 30 September: Adoption of Long-term Plan

Risk Management

The LTP Risk Register has been kept active by the LTP Project team and an updated risk register is provided in Attachment 3. The register remains relatively the same, however some changes have been made reflecting the current process. Commentary on how key and current risks are being managed is provided below.

Key Risks

LTP 002 Reliance on Key Staff (Change from high to medium)

Public consultation began on 4 June 2024 and will close on 5 July 2024. During this time staff have been attending engagement events around the district, summarising submissions, preparing reports for hearings and deliberations and drafting the Long-term Plan. There is less than two weeks to prepare responses to submissions and complete hearings and deliberations reports after public consultation closes. A robust process led by the corporate policy team has been developed to mitigate risks and ensure the required reporting is delivered. This risk analysis also reflects that the finance team will need to focus on the Annual Report 2023/24 over June, July and August. Despite that, key staff will be available to address any submission matters, support the hearings and deliberations process and deliver the draft Long-term Plan requirements for Audit.

LTP 004 Insufficient Engagement (change high to medium)

Council will meet the legal requirement of no less than one calendar month for public consultation under the Local Government Act 2002. The consultation document provides an overview of the key issues and information for the public. The community development and engagement team have developed an engagement programme of some 33 events across the district and at various times, including evenings and weekends to ensure as many people could attend. This programme will provide opportunities for the community to discuss and better understand the draft Long-term Plan with elected members and staff.

LTP 015 Iwi Engagement (no change – remains high)

Similar to the above, while Council will meet the legal requirement of no less than one calendar month for public consultation under the Local Government Act 2002, we are aware that legislative timeframes create challenges for iwi/hapū to develop submissions. Staff have been engaging with hapū regularly at hapū cluster hui that are organised through Te Kotahitanga O Ngāti Tūwharetoa (TKNT). These hui have provided staff the opportunity to keep hapū up to date with the Long-term Plan process. Staff have also provided draft material as early as possible, however this has not always been successful due to internal timing constraints. The iwi-co governance team have also organised specific hui with iwi partners during consultation which will include senior staff and subject matter experts attending to ensure matters associated with the Long-term Plan are able to be discussed in detail.

LTP 024 Asset Management Plans (AMPs) – three waters (change from medium to low)

The risk register identifies concerns that robust AMPs may not be developed due to timing challenges associated with the repeal of the Affordable Waters Reform. AMPs were delivered and were reviewed through the audit process. Audit commented that the work around the AMPs went well and that the work was completed with no major issues, noting that this was an area Audit identified a number of issues with other council audits.

WHAKAKAPINGA | CONCLUSION

Key milestones have been achieved and this provides a positive outlook for the remainder of the Long-term Plan process. Timeframes for next phases do however remain tight, and processes have been developed to mitigate these risks as much as possible to ensure that material for hearings and deliberations is prepared and available before the week starting 29 July.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Changes to draft Long-term Plan 2024-34 supporting information (under separate cover 1) [⇒](#)
2. Draft Long-term Plan 2024-34 consultation document (tracked changes) (under separate cover 1) [⇒](#)
3. Long-term Plan 2024-34 risk register (under separate cover 1) [⇒](#)

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

Author: Bryan Brett, Environmental Health Team Leader

Authorised by: Jessica Sparks, Environmental Services Manager

TE PŪTAKE | PURPOSE

To update the Risk and Assurance Committee on the outcome of the Recognised Food Verification Agency audit undertaken by JASANZ on 20 February 2024. This audit was a surveillance audit to determine ongoing compliance with Taupō District Council's Quality Management System (QMS).

NGĀ KŌRERORERO | DISCUSSION

Taupō District Council was originally recognised in 2019 under the Food Act 2014 to undertake verifications of food businesses in our district and beyond. This recognition requires a Quality Management System (QMS) to be implemented to provide the consistency expected of a recognised verification agency.

This audit is part of the routine monitoring of compliance undertaken by an external accreditation agency, in this case JASANZ (Joint Accreditation System of Australia and New Zealand). Due to our excellent history of compliance with the requirements of this accreditation, the Ministry for Primary Industries (MPI) have only required Taupō District Council to complete these surveillance assessments once per approval cycle rather than twice (the approval cycle is 3 years, and is next full assessment is due in 2025).

General Findings

The audit report is attached. Note that registration number and organisation details from the random selection of files have been redacted pursuant to s7(2)(c)(i) of the Local Government Official Information and Meetings Act 1987. The reason for this is that there are confidentiality requirements that apply to verification information (including reports) under the Food Regulations 2015 and Councils Quality Management System for food. The verification reports contain confidential information that business owners provided to Council as part of the registration process. Making the information publicly available would be likely to prejudice the supply of similar information in the future. A full copy of the information has been provided to members.

Note also that the audit report refers to "CARs" which are corrective action requests; and observations [also known as Areas for Improvement (AFIs)].

The audit found all areas of the QMS were being well implemented. This audit considered factors such as changes to the QMS, staffing levels, resourcing, reporting, record keeping, management of non-compliances and corrective actions, complaints, internal management, performance management and contracts. Various reports were also reviewed as part of the assessment.

As with our previous assessments, no non-conformances were identified during this audit and only a small number of observations were made. These included:

- Completing a mock directed importer verification (planned);
- Updating our in house competency framework; and
- Clarifying in verification reports what the topic outcomes are.

Report Recommendations

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

WHAKAKAPINGA | CONCLUSION

This surveillance audit confirmed that Taupō District Council continues to work at a high standard in relation to the QMS. While this audit is less detailed than the full reapproval assessment it confirms that we remain on track with our compliance and are in a good position for our full agency reapproval audit which is scheduled for April 2025 (understood to be with JASANZ).

The audit resulted in Council retaining its recognised agency status with MPI as well as retaining our directed importer recognition.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

ATTACHMENTS

1. JASANZ TDC Surveillance Audit Report

5.5 POOLS SAFE AUDIT - TAUPŌ AND TŪRANGI POOL COMPLEXES

Author: Penelope Ramsay, District Aquatics Manager

Authorised by: Steve Giles, Events and Venues Manager

TE PŪTAKE | PURPOSE

The purpose of this item is to present the results of the annual PoolSafe accreditation audit for the Taupō (AC Baths) and Tūrangi (Turtle Pools) pool complexes.

NGĀ KŌRERORERO | DISCUSSION

PoolSafe accreditation is a Long-term Plan performance measure for both the Taupō and Tūrangi pools. Assessors will review operational standards and procedures against actual day to day activities. This assessment is carried out annually by independent industry professionals. PoolSafe accreditation has been deemed by previous councils as a vehicle to minimise injury and harm in what is a relatively high-risk environment. Accreditation has again been granted for both pool complexes.

WHAKAKAPINGA | CONCLUSION

PoolSafe accreditation is an important part of the pools operations to minimise risk to its users and Council's staff. There is high risk of serious injury and harm, but accreditation has provided a basis for sound training and operational procedures to minimise that risk, although risk is still ever present.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. PoolSafe Audit 2024 - AC Baths
2. PoolSafe Audit 2024 - Turtle Pools

5.6 PROJECT QUANTUM UPDATE

Author: Tracey May, Digital Solutions Manager

Authorised by: Libby O'Brien, General Manager People and Community Partnerships

TE PŪTAKE | PURPOSE

To provide the Risk and Assurance Committee with an update on Project Quantum.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

This report provides the Risk and Assurance Committee with an update on Project Quantum and its progress. The project has been advancing steadily toward its final stages, with successful delivery of the initial two phases. Currently, phase three is in the final stages of preparation for its imminent go live, while phase four is in the early stages of planning.

Over the last 12 months of the project, several risks have been heightened, particularly in areas related to people such as change management and wellbeing, along with complex data migration processes. These risks are being actively managed to mitigate any further impacts and project delays. The project governance team is committed to ensuring that these risks do not hinder the achievement of the project's intended goals and benefits. By maintaining a proactive approach, the project team is working diligently to ensure that Project Quantum meets its objectives and delivers the anticipated value to the organisation.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

TE WHAKAMAHIKI | BACKGROUND

A project update has been before the Risk and Assurance Committee at a prior meeting 13 September 2023.

Project Quantum is a four phase, multi-year programme of work with a revised completion date of late 2025. The project replaces our core Enterprise Resource Planning (ERP) systems used for all core functions, such as finance, rates and revenue, regulatory and customer management functions along with associated documentation.

The project is also an organisation-wide change to the way Taupō District Council (TDC) operates and interacts with our customers and each other, allowing us to get on with what we do best: supporting our district of connected communities to thrive and embrace opportunities. While technology improvements form the core of the project, Project Quantum is not just about technology, being more about business transformation.

High level programme benefits include:

- Sustainable: enhancing business capabilities, costs reduction, streamlining processes, efficiency gains, mitigation of risk
- Regulatory and legislative compliance: meeting compliance and audit obligations
- Community: improving outcomes for the community
- Customer experience: improving the quality of our products and services and online interactions with customers
- Workforce and culture: moving to a more digitally enabled workforce, improving staff development and cultural enablement.

Benefits realised to date include:

- Automation of manual processes ie: automated reminders notices
- One source of the truth – no spreadsheets or adhoc systems and processes
- Assets data cleanup and risk mitigation (outdated system, single person risk)

- Improved reporting and analytics – HR and Finance

The first two phases of the project have been completed and we are nearing completion of phase three, focussing on a new way of working with the property and ratings (revenue) space. The financial asset management and Taupō Airport leases and licences modules from phase three, have been delivered and the remaining modules are scheduled to go live on 8 August 2024, including:

- Rates and water billing
- Animal management
- Infringements
- The way we charge and collect money
- The way we manage our content
- Sending information from CiAnywhere back to MagiQ to keep the remaining modules going until phase four is complete.

Phase four planning commenced in June and is tentatively scheduled to run until late 2025 focusing on compliance activities, covering:

- How requests are managed
- TDC leases and licenses
- Building and resource consents
 - Note: implementation cannot happen until after the IANZ audit in early 2025
- Development contributions
- Permits for food, health and liquor, compliance enforcement
- LIMs, PIMS and Online property files
- The final move from our old content management system into CiAnywhere ECM.

NGĀ KŌRERORERO | DISCUSSION

One of the biggest risks for the project is the internal buy-in and capacity for the organisation to adopt changes. Because of this, change management, including communications and training have also been strengthened to assist our people with adopting the changes.

In managing a project of this magnitude, the health and wellbeing of our team and stakeholders remains a priority. We are actively addressing increased risks around people (project, business and vendor) including the impact of other ongoing business activities (such as the delayed Long-term Plan), fatigue, illness, and stress, all of which have contributed to delays in the project's completion.

The ongoing data migration presents difficulties due to the unstructured nature of data in our legacy system, leading to data quality issues, information gaps, and ambiguous data ownership. These issues contribute to hold-ups in both delivery and testing. We're evaluating different strategies, including the potential benefits of AI and automation, to aid in the fourth phase.

Whilst delays have occurred due to the complexity of the project (especially data and people) we have progressed continuous improvement work alongside Project Quantum which includes reviews, improvement roll outs and upgrades of all systems currently in use. We recognise our systems and technology landscape is constantly evolving and requires continual improvement to ensure it is up to date, secure and continues to meet our changing business needs.

NGĀ HĪRAUNGA | CONSIDERATIONS

Ngā Aronga Pūtea | Financial Considerations

The financial impact of the proposal is estimated to be \$10,202,966 (budget).

<i>Data</i>	\$	1,099,595.34
<i>People (Staff capitalisation)</i>	\$	4,096,792.50
<i>Implementation (incl licencing)</i>	\$	3,025,465.90

<i>Other (ie: legal, audit, change management)</i>	\$ 289,390.41
Spend to date:	\$ 8,511,244.15

Ngā Tūrarū | Risks

Key risks and mitigation activities have been identified in the table below, a full list of project risks and appropriate risk management activities are contained in the attached project risk register.

Key risks are identified as risk considered to be 'high' and include:

Risk Theme	High, Med, Low	Risk Mitigation
<p>Business Risk – Legacy Systems</p> <p>The current solutions (MagiQ and Objective) have been in place for several decades. Both systems are in the sunset phase of software lifecycle with technical support coming to an end soon. Neither system has been upgraded since 2017.</p> <p>There is the risk of additional costs and extended timeline if we were to upgrade these systems now, but the data they contain is business critical.</p>	High	<p>Implementing the remainder of CiAnywhere will significantly reduce the risk associated with the aging systems. CiAnywhere will remove the reliance of the business processes currently in MagiQ and will also act as a content and data repository to replace Objective.</p> <p>Further business continuity discussions are underway including data warehouse opportunities.</p>
<p>Data Migration</p> <p>As we migrate to new system data migration issues are expected. Legacy data quality and process adherence within the current legacy system is very poor. This coupled with prolonged timeframes to transform and move the data across into CiAnywhere for testing is causing significant risk to timeframes, and the quality of the rollout.</p>	High	<p>Early identification of legacy systems and associated data undertaken, and review of quality performed.</p> <p>Consolidation of migration using proposed Data Migration tools to introduce consistency to the process and data.</p> <p>Clean data where possible. Migrate only what is necessary.</p> <p>Parallel Runs / Processes used to compare “like-for-like” expected.</p> <p>Data Migration test scripts to clearly define expected outcomes.</p> <p>Verification sample sets broad enough to cover all known / expected scenarios.</p> <p>Agreement and documented process on whether data will be updated / improved in legacy system, as part of migration process, or in new system.</p> <p>Inclusion of 3 rounds of data migration processes as part of project testing phases to baseline migration timeframe which will be incorporated into the project schedule.</p> <p>Ensuring a Change Freeze is applied to project and data migration environments following final data migration test process.</p> <p>Documented “roll-back” and contingency plan, including alternative timeframes and detailed communication plan.</p>
<p>Resourcing - Business</p> <p>Business representatives required for key</p>	High	<p>The project delivery approach has changed in a response to the lessons learnt for the first 2 phases.</p>

Risk Theme	High, Med, Low	Risk Mitigation
parts of the project may not be available due to increase in BAU workloads and resourcing shortages, delaying design input, test execution and training.		<p>Project planning considers and avoids periods of peak activity in affected teams.</p> <p>Key staff have been identified and are involved but are not expected to do configuration.</p> <p>Steering committee change now consists of people leaders involved in the phase three and phase four roll out. Steering committee championing the changes and assigning resources to the project.</p> <p>Project manager working with people leaders and project team to organise work in advance to allow for backfill planning.</p> <p>Regular discussion with business owners to manage BAU workloads, leave and timelines so deadlines can be met.</p>
<p>Resourcing – Project Team</p> <p>Key project team roles are not adequately resourced resulting in delays to data migration, integration, test execution and reduction in quality due to inability to support the business through other phases.</p>	High	<p>Team roles identified in advance to ensure right skills on board to deliver project.</p> <p>Report on capacity and/or capability issues as soon as identified to Steering.</p> <p>Contract out key pieces of work as necessary to maintain quality and timelines where possible.</p> <p>Actively hiring for additional team roles as required throughout the project.</p> <p>Opportunities being investigated to share knowledge and expertise across councils doing the same project.</p> <p>Actively manage wellbeing of our people through regular check ins and watching for signs of burnout, stress and performance changes. Managing work/life balance, regular leave and celebrating small successes/milestones as they occur.</p>
<p>Resourcing – Vendor</p> <p>Challenges with resource availability from the vendor Technology One, to support the project and system configuration.</p> <p>Any movement in deadlines risks not having the support when and where needed.</p> <p>Heavy demand on vendor resources as other councils are undertaking ERP change or upgrades.</p>	High	<p>Ensure we have the best consultants working on the project that know NZ legislation, meet deadlines and challenge us to review our processes to ensure we make the best use of the system.</p> <p>Regular planning to ensure resource bookings are when we need them, so consultants are adding value at the right time.</p> <p>Upskill Digital Solutions and project team to reduce the reliance on Technology One.</p> <p>Look for opportunities to standardise and share business processes, configuration and people expertise between councils to offset vendor resources.</p> <p>Technology One to monitor the wellbeing of consultants working with us, watching for signs of burnout, stress and performance changes and for TDC to also provide feedback if we observe any potential issues.</p>
<p>Service Level Risk</p> <p>Whenever a new system goes live there is</p>	Med	<p>Change to staged implementation to reduce risk of service level impacts and have time to bed the</p>

Risk Theme	High, Med, Low	Risk Mitigation
<p>risk of drop in service level as staff get used to new ways of doing job and system issues are identified and resolved.</p> <p>Many processes have been designed around a legacy system, in silos and have not been reviewed in many years.</p>		<p>system in before moving onto the next phase.</p> <p>Ensure staff are trained and comfortable with using the CiAnywhere and the new processes.</p> <p>Ensure appropriate level of on-site consultant support post go-live.</p> <p>Large support community for break/fix issues processes in place.</p> <p>Application Management Support (AMS) contract in place to provide remote assistance up to 40 hours per month – to be increased as more modules go live.</p> <p>Review processes to ensure they are efficient and effective. Align with change management and training to ensure they are understood and adopted by staff.</p>

WHAKAKAPINGA | CONCLUSION

This report serves as an update on Project Quantum progress and risks.

Despite the difficulties, risks, and dependencies involved in such a complex and ambitious programme, we have continued to ensure our people and data are aligned, risks identified and are being managed effectively and proactively, with clear communication and contingency plans to ensure that the project outcomes are achieved.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Project Quantum Risk Register

5.7 EAST URBAN LANDS

Author: Chris Haskell, Acting Manager Housing and Property Investment

Authorised by: Louise Chick, Business Excellence Manager

TE PŪTAKE | PURPOSE

This report provides an update on the status of the East Urban Lands (EUL) Affordable Housing Area (AHA).

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

The East Urban Lands (EUL) is a Council owned piece of land (253 hectares) that was purchased from Landcorp in the early 1990's for \$4.3 million, with the intention that this land would be used to support the district's growth.

Council and the community have expressed a strong desire to address housing issues in the Taupō district. These have been well-canvassed with the community, including throughout development of Council's Housing Strategy in 2023.

Average house prices in Taupō township are \$971,000, which is unaffordable for many buyers, and there is also a shortage of rental housing options. Anecdotally, housing challenges can be a deterrent for employers looking to grow capability in the region.

Officers were directed to explore different options to relieve the shortage of homes, after which an East Urban Land Release Plan was compiled. Following on from this Plan, an East Urban Land Development Business Case was presented as part of the 2023-24 Annual Plan process, where Council decided to invest in consenting, design, earthworks, and civil works for a 6ha portion of the EUL (Stage 1A). This investment came from Council's strategic property reserve, not rates, and was primarily aimed at increasing the value of the land and opening options for future use of the land.

A procurement process for a suitable development partner was completed in 2023 to assess whether a partnership approach to development of the EUL was possible. Following a detailed procurement assessment, a preferred development partner was chosen and is a consortium incorporating Penny Homes Limited, Tūwharetoa Settlement Trust, and Classic Builders. Commercial terms have been agreed for Stage 1A/1B, including the agreed application of market value sale price at the time of sale, but Stage 1B and 2 are subject to community consultation and LTP approval processes.

Under the proposed partnership model Council is the enabler of the development but is not the developer, nor is it carrying all the typical development risk. This model does not put any pressure on Council's rates, and limits pressure on Council's debt.

Under this model:

- i) Council will sell land required for Stages 1A/1B to the partnership consortium (approved by Council at its 23 April 2024 meeting).
- ii) The development partnership consortium will manage the marketing, sale, and building of the homes. Affordable home outcomes will be achieved by the application of eligibility criteria to be applied to potential purchasers. Council officers are preparing a report to the 30 July Council meeting to approve eligibility criteria and ballot system, should a ballot be required.

We are now at the point where we can progress completion of Stage 1 of the EUL development with Council's preferred development partner. Council proposed that by reducing the section size and house area, it enables the delivery of quality homes in keeping with the rest of the nearby area but at a lower market price. The development consortium partnership has undertaken to deliver 42 homes (which would be suitable for first home buyers) priced from \$550,000 for a 2-bedroom home and \$650,000 for a 3-bedroom home. For the 42 homes, there would be an eligibility assessment process which Council would determine at the July 2024 Council meeting. The remaining homes (circa 65%) would sit outside of the Council's affordability criteria and be made available to the general market to purchase.

A working group involving Council officers, elected members and external experts as required has been established to provide governance and input into how the Affordable Housing Area will be developed. This includes expressing views on designs; assisting with communications to the community and stakeholders; monitoring progress; monitoring risks; and monitoring expenditure within budgets.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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



Figure 1 – render demonstrating look and feel of proposed Affordable Housing Area.

TE WHAKAMAHIKI | BACKGROUND

One of the priorities of the Long-term Plan (LTP) 2021-31 included Council addressing housing issues.

When Council developed its Housing Strategy in 2022-2023 it became clear that the Taupō district had a severe shortage of suitable first-home buyer housing. In response, Council began a process to test the market to see if it was possible to deliver housing through an agreement with a builder/development partner, specifically focusing on Council-owned East Urban Lands.

At a meeting held on 19 December 2023, Council received a report entitled East Urban Lands (EUL) Progress Update and resolved to:

- direct officers to continue to progress negotiations with the preferred building/development partner in relation to affordable housing for only stages 1A, and 1B, and 2 of the EUL;
- direct officers to report back to Council to determine options for facilitating delivery of affordable housing within the EUL, which will include an agreement with the building/development partner that would be subject to Council's Long-term Plan process.

This paper outlines the options for the method of sale of the developed EUL sections, to be formally consulted on in the LTP 2024-34.

Annual Plan

Through the 2023-24 Annual Plan feedback was sought on whether Council should invest an initial \$7.6M to develop a 6ha area within the EUL (known as Stage 1A) in the 2023-24 financial year. This did not affect rates as it was proposed to be funded through the Strategic Property Reserve from previous property sales. The consultation document said that the \$7.6M would fund consenting, design, earthworks, and some civil construction such as roads, three waters, electricity etc. This work would increase the land's value and provide Council with a range of future options.

Future options could include:

- selling the land for a profit to benefit the community;
- using the land for houses that are not currently being provided by the market (for example, smaller homes suitable for retired people or first-home buyers);
- retaining the land for future growth until the market is stronger;
- a mix of all these options.

During the Annual Plan it was decided that the earthworks and civil works (roading, and other infrastructure such as three waters and electricity) would be completed in two parts, and therefore the funds were to be drawn down across two financial years. For FY23-24, the drawdown for Stage 1A (earthworks and civil works) and for Stage 1B (earthworks) was \$7.646 million. The remaining expenditure required for civil works for Stages 1B and 2 will be drawn down over future financial years, subject to approval in the LTP 2024-34.

NGĀ KÖRERORERO | DISCUSSION

Project progress

Stage 1 of the housing development, approximately 116 lots, is broken into two separate areas, Stage 1A and 1B. Earthworks on Stages 1A and 1B have been completed.

Further development of Stage 1A, including civil works and titles for approximately 62 sections, has been approved through the 2023-24 Annual Plan and started in mid-2024.

Completion of Stages 1B and Stage 2 (and further stages) is dependent on LTP budget approval and is therefore part of the current formal LTP consultation.

The Annual Plan consultation document outlined several risks associated with land development, including cost escalations that may influence the ability for the development to be self-funded, a market downturn which may negatively impact profits, and a delay in returns on the investment.

Risks include:

Risk	Likelihood	Impact	Score
<p>Council incurs a sizeable cost in terms of undertaking the development and this poses a potential financial risk in terms of when the returns will be realised.</p> <p>However, the commercial structures for how Council sees a return on this investment will be recognised when the lots are sold.</p>	Moderate	Medium	3
<p>That development costs are higher than assumed with any new or additional costs requirements identified through detailed design or higher contracting costs.</p> <p>This will be managed through quarterly/annual performance review, with sections sales, pricing, and future development stages adjusted to reflect this.</p>	Moderate	Medium	3
<p>That the variability of the housing market will impact on sale price and period taken to sell. At the other end, market conditions can influence how quickly and easily developed lots are sold.</p> <p>This will be managed through quarterly / annual performance reviews, with section sales, pricing, and future development stages adjusted to reflect this.</p>	Moderate	Medium	3
<p>Contractor procurement risk if the market does not have sufficient capacity at certain times. This will need to be scoped and managed as part of the procurement process, although our current procurement for Stage One of the AHA is likely to provide a more accurate indication of capacity and capability.</p>	Unlikely	Minor	2

The benefits include Council's ability to ensure the delivery of positive outcomes relating to housing, attain profits otherwise realised by developers and was a positive step towards easing the district's severe housing shortage.

Council ran a robust two-step procurement process (outlined below) for a building/development partner which resulted in the Penny Homes Limited, Tūwharetoa Settlement Trust and Classic Builders consortium being selected. Negotiations are well advanced and key commercial terms agreed, with final sign-off for Stages 1B & 2 being dependent on the outcome of LTP 2024-2034 consultation.

To achieve homes suitable for first home buyers, the new build cost for the land and houses has been reduced. The houses will be in keeping with the neighbourhood, look good and be built to a high quality but without the expensive extras found in market homes, such as double garages, larger land size, and multiple bathrooms. Features of the scheme plan and the proposed house types, common in other regions of New Zealand but not yet in Taupō, include:

- A range of section sizes from 77m² to 473m², with an average size of 254m².

- Smaller two-storey homes including terrace housing.
- Single or in some cases no garaging, although dedicated off-street parking for each dwelling will be included.

This is a new type of housing development to the Taupō market and both Council and the development partner are keen for pre-sales to start as soon as possible. The terms are favourable because of the size of the development, however before committing to further extend debt it is appropriate to consult with community via the Long-term Plan process. Our development partner plans to commit significant upfront investment to begin building and generate market interest which will speed up the development process and delivery of homes suitable for first home buyers.

Procurement Process

In December 2022 Council advertised for Registrations of Interest for an affordable housing tender, through Tender Link. Fifteen applications were received and were evaluated by a panel of subject matter experts including advisors from Bell Gully (Legal), TwentyTwo (Property Advisors) and Studio Blewett (Urban Design). Probity assurance was provided by Simpson Grierson.

In June 2023, three of these applications were selected and applicants were asked to submit a Request for Proposal. The aim was to select one builder, or a consortium of builders, able to achieve Council's vision for the EUL (Stages 1A, and subject to LTP consultation 1B, and 2). Notably, the preferred development partner was to understand and react to the newly approved s127 Resource Management Act 1991 application (change to consent conditions) and demonstrate their capability and capacity to deliver up to 300 dwellings in two years. Two submissions were received.

Tenders were evaluated on a weighted attribute basis as shown in the following table.

Table 1 – Summary of evaluation criteria used in the selection of a partner for the development of the EUL lands.

Evaluation Criteria	Weighting
Quality of the proposed solution	35%
Capacity of the Respondent to deliver the development within the specified timeframe (i.e., three years from first lots being released), including how quickly affordable dwellings are delivered to market	10%
Pricing of the proposed solution and approach to settlement	40%
Broader Outcomes – iwi participation (in process vs outcomes for iwi)	5%
Broader Outcomes – environmental stewardship	5%
Broader Outcomes – local procurement	5%
Total weightings	100%

The highest scoring candidate was the Penny Homes Limited, Tūwharetoa Settlement Trust, Classic Builders Consortium (the Consortium). The Consortium includes two established building companies with a proven track record in Taupō and nationally, experienced in delivering homes suitable for first home buyers, and who demonstrated a strong social conscience around delivering first home buyer homes. They demonstrated they have the capacity to deliver the development within two years of construction commencement, and from a broader outcomes perspective. Some of the highlights include:

- Iwi involvement (via Tūwharetoa Settlement Trust).
- Community sponsorship.
- Strong track record of community partnership activities.
- Nurturing sustainable relationships with local suppliers.
- Employment of apprentices to ensure that the capacity in future is not constrained.
- Consistent approach to local subcontractor sourcing and material procurement.

If Council proceeds with the development partnership approach following LTP consultation, the expected outcome will be that the neighbourhood is recognised as an exemplary development of diverse housing including a selection of first home buyer homes. Council officers entered negotiations on the basis that any sale of the sections to the Consortium would be close to or at current market value. The contract will include a requirement for at least 30% of the homes to meet the first home buyer price caps.

Financials

The expected revenue from the 116 lots is circa \$21 million, and the estimated cost of delivering the sections is \$16 million. The expenditure for Stage 1A of the development (\$7.6 million) is currently budgeted for under the 2023-24 Annual Plan. The recommended approach includes further consultation on any associated financial implications for the balance of \$8.4 million.



Figure 2 – Concept neighbourhood plan for the development of Stage 1A and Stage 1B of the EUL. The green circles represent the 42 affordable houses.

WHAKAKAPINGA | CONCLUSION

It is recommended that the Committee receives the update on the status of the East Urban Lands (EUL) Affordable Housing Area (AHA).

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.8 RISK MANAGEMENT QUARTERLY UPDATE

Author: Louise Chick, Business Excellence Manager

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

This paper provides the Risk and Assurance Committee with a quarterly update on risk management activities.

NGĀ KŌRERORERO | DISCUSSION

Despite the Risk Manager position being vacant since November (replacement expected in July) progress has been made in developing the Council's risk management systems and managing specific areas of risk. These are discussed further below.

Risk Management Framework

At its previous meeting on 5 March 2024, the Risk and Assurance Committee adopted Council's new Risk Management Policy and Framework. These, along with risk management tools, are now easily accessible to staff via the Council's new intranet (Tui 2.0). Third tier managers have been briefed and engagement on a team-by-team basis has commenced but is expected to progress at pace following the commencement of the Risk Manager. Feedback has been received that the documents are 'easy to understand' and 'really helpful'.

Strategic Risk Management

Elected Members have identified ten strategic risks. The Business Excellence Team will work across the business to unpack each of these strategic risks to better understand the specific challenges and what else is possible to further mitigate these. The first of these to receive a 'deep dive' is the risk:

Attracting and retaining a competent workforce

The detailed Risk Profile for this risk is discussed in a separate paper elsewhere on this agenda.

Sensitive Expenditure

Council's Sensitive Expenditure Policy has been reviewed and checked for compliance against the Office of the Auditor General's Guidelines. A number of changes are proposed and the updated policy is also presented as a separate paper elsewhere on this agenda.

Procurement Policy and Procedures

Government agencies are required to (and local government expected to) adhere to the Government Procurement Rules along with the *Principles of Government Procurement* as set out by the Ministry of Business, Innovation and Employment. The five procurement principles seek to ensure we:

1. Plan and manage for great results.
2. Be fair to all suppliers.
3. Get the right supplier.
4. Get the best deal for everyone.
5. Play by the rules.

Council's Procurement Policy and Procedures have been reviewed to make clearer Council's expectations regarding our approach to procurement, including introducing new controls. The updated policy and procedures are presented as a separate paper elsewhere on this agenda.

Insurance

Council commissioned Aon to provide advice on how Council can take a more strategic approach to managing its insurance. The resulting 'Insurance Strategy' is presented elsewhere on this agenda for the Committee's consideration.

Health and Safety

Council has engaged an interim resource to support health and safety activities until a permanent staff member joins Council. Significant progress has been made in a number of health and safety areas and these are detailed elsewhere on this agenda.

Asbestos Management

In February minor asbestos contamination was identified at two Council-owned development sites – 10 Māhoe St and 204 Crown Road. Independent testing of these sites was undertaken to sampling densities required by the New Zealand Asbestos Regulations. The contaminated soil content has been removed and appropriately disposed of and the sites retested to confirm no asbestos remains.

Related to this, the Council engaged The Property Group to undertake a review that included looking at the Council's policies, processes and documents related to health and safety, asbestos management, procurement, project management, property strategy, and legal support.

Staff are currently reviewing the report recommendations and developing a plan to address these. A summary of the key findings from the report and actions to address these will be tabled at the next Risk and Assurance Committee meeting (September 2024).

WHAKAKAPINGA | CONCLUSION

Although Council's Risk Manager position is currently vacant there have been several actions taken to continue the improvement in the management of Council's risks. Work will continue and will progress more quickly upon the commencement of the new Risk Manager (expected July 2024).

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.9 STRATEGIC RISK UPDATE

Author: Louise Chick, Business Excellence Manager

Authorised by: Libby O'Brien, General Manager People and Community Partnerships

TE PŪTAKE | PURPOSE

This report updates the Risk and Assurance Committee on progress made in developing risk profiles for Council's Strategic Risks.

NGĀ KŌRERORERO | DISCUSSION

Council and the Executive Team have identified ten strategic risks (Appendix A). The Executive Team prioritised **attracting and retaining a competent workforce** as the first risk to be validated and investigated more deeply.

To this end, a Strategic Risk Workshop was held in May with key members of staff to:

- Capture what the consequences might be in a 'plausible' and 'worst case' situation (Figure 1) on TDC's ability to deliver its Business Plan and Long-term Plan.
- Identify what might be drivers / causes of the risk both inside and outside TDC.
- Outline the current activities in place to help manage the risk.
- Assess the risk and consider if it is within TDC's predefined risk appetite statements, where responsibility for oversight of the risk might sit, and any connections to other strategic risks.
- Consider if there are other actions that may assist in more effectively managing this risk.

The outputs of this workshop are summarised in a Strategic Risk Profile for this risk (Attachment 1) and discussed in more detail below.

Key inputs

Key data inputs into the discussion included turnover statistics for Council and key high-risk teams; engagement data; access to EAP trend data; and People and Culture (P&C) development programmes and targeted engagement.

Turnover: The risk workshop identified that at the overall TDC level, staff turnover is currently sitting at 19.1% over the last 12 months, which is above Council's pre-determined risk appetite (Figure 2). This is a [steady] rate – for the 12 months ending April 2023 turnover was at 18% and in April 2022 it was 19.6%.

	Insignificant 1	Minor 2	Moderate 3	Major 4	Severe 5
People	Permanent staff turnover <15%. Minimal loss of internal capacity and/or capability not affecting operations or service levels.	Permanent staff turnover 15-16%. Minimal specialist skills gaps. Loss of organisational capacity and/or capability in some non-critical areas. Coverage with existing teams (secondments, higher duties) to manage short term workload.	Permanent staff turnover 17-18%. Moderate specialist skill gaps creating gaps in organisational capacity in key areas. Resourcing with consultants may be required to fill the gaps in critical areas.	Permanent staff turnover 18-20%. Major specialist gaps and disruption to business operation. Resourcing with consultants required to fill the gaps in critical areas.	Permanent staff turnover >20%. Major specialist gaps and serious disruption to business operation. Resourcing with consultants required to fill the gaps in critical areas and redeployment of existing staff where feasible.

Figure 1 – Assessment of consequences of this risk – bold type denotes what is driving the consequence assessment of Major (plausible scenario) and Severe (worst case).

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

Figure 2 - TDC's Risk Appetite Statement.

TDC's approach of managing this inhouse diverts P&C capacity away from being able to provide direct support to other teams that may have need for support in terms of value-add work such as talent development and succession planning, leadership development etc.

Engagement: TDC's most recent engagement score overall is 3.89 (out of 5) which is above average (better than 56%) for local authorities in Gallup's comparison database (across New Zealand and Australia). Engagement scores range from 2.93 to 4.63 across council, with teams that have high engagement scores also demonstrating lower turnover and fewer formal HR issues. Conversely teams that have lower engagement scores also tend to have higher turnover, and higher balances of annual leave and higher than usual sick leave taken.

Research from Gallup¹ suggests that a 4:1 ratio of engaged to actively disengaged employees is a reasonable starting point for companies that want to improve performance by increasing engagement. Disengagement can be caused by several factors such as poor job-person fit, unclear expectations, dysfunctional team dynamics or other factors that mean an employee's psychological needs in the workplace are not being consistently met. Several of these factors are noted as key drivers / causes within this risk profile (Attachment 1).

TDC has several programmes in place to generically strengthen engagement scores, but more work could be undertaken to provide more bespoke support to teams that are struggling. While some interventions would be focused on leadership strategies (such as regular team and individual engagement; having clear development and performance plans; building skills to have 'tough' performance conversations), there may be additional approaches needed to help ensure TDC has the right people in leadership roles, including helping some to move into other non-leadership roles.

Staff Wellbeing: Our employee assistance programme (EAP) provides counselling services on a range of topics for our employees. While cyclical and in range year on year, our employees do suffer from a variety of wellbeing issues both personally and in the workplace.

¹ <https://news.gallup.com/businessjournal/124214/driving-engagement-focusing-strengths.aspx>

We also monitor sick leave and annual leave usage and balances, both of which point to high sick leave usage in the areas where we have high turnover. However, high annual leave balances can be found throughout the organisation for a number of reasons.

RISK ASSESSMENT

The rating for this risk following the risk workshop is Extreme, based on considering both ‘plausible’ and ‘worst case’ scenarios (Figure 3). The key factors influencing this rating are highlighted bold in Figure 1. An Extreme risk rating sits outside of TDC’s Risk Appetite recently determined by Elected Members and the Executive Team – note the blue line in Figure 3.

Based on the Extreme risk rating, responsibility to manage this risk resides with the Chief Executive and Elected Members (Figure 4), as is appropriate for risks that exceed Council’s risk appetite.

While TDC staff turnover sits at 19.1%, there are other consequences (highlighted in bold in Figure 1) that are either materialising in council now or would materialise in a plausible / worst case scenario.

There are several approaches in place to support managing staff turnover, engagement, and leadership development, but the high volume of ongoing recruitment for teams with high staff turnover is reducing capacity for more targeted work with other teams.

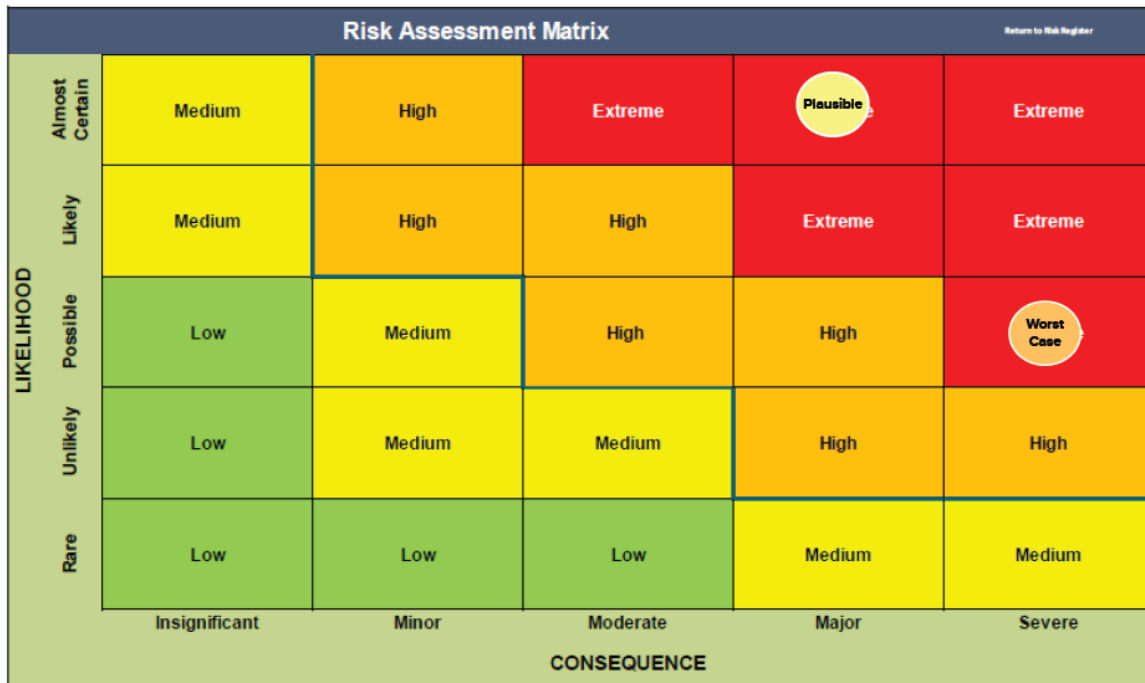


Figure 3 – Assessment of TDC’s Strategic risk relating to attracting and retaining a competent workforce. Blue line represents TDC risk tolerance / acceptability.

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

Figure 4 – Level of responsibility for managing different levels of risk at TDC, based on Residual Risk Rating, as per TDC's recently adopted Risk Management Framework.

RISK CONTROL OPTIONS

Council's P&C team are currently investigating opportunities to implement bespoke solutions targeted at those parts of TDC displaying high turnover or particularly low engagement scores or performance. To start with this will involve investigating root causes of high staff turnover and disengagement, potentially seeking to increase the quality of interviews with current and departing staff. Further work may involve further leadership support, training, coaching, or supporting those not thriving in leadership roles to transition to more suitable positions. Once developed more fully, these proposed controls will be presented to the Executive for their consideration, and then brought to the Risk and Assurance Committee at its next quarterly meeting.

WHAKAKAPINGA | CONCLUSION

The first of Council's strategic risks, ***attracting and retaining a competent workforce***, has been validated and undergoing a 'deep dive'. A summary of this risk (Risk Profile) is presented in Attachment 1.

Assessment of this risk has identified that it is currently rated as Extreme and sits outside of Council's risk appetite. In accordance with Council's Risk Management Framework, responsibility for managing Extreme risks resides with the Chief Executive (CE) and Elected Members. The General Manager People and Community Partnerships will continue to support the CE and work with her teams to identify further opportunities to control this risk further.

The Risk and Assurance Committee will receive an update on this risk at its next meeting.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Strategic Risk Profile - Attracting and Retaining Workforce

APPENDIX A

10.	11. Strategic Risk	12. GM Risk Sponsor
1.	<p>13. Attracting and retaining a competent workforce.</p> <p>14. <i>If the Council is unable to attract and retain competent workers at the required levels, then it would be unable to achieve the required outcomes and objectives.</i></p>	15. Julie Gardyne
2.	<p>16. Ineffective relationships.</p> <p>17. <i>If effective relationships with partners, stakeholders, and the community are not developed and maintained then this could result in delays in consultation and the delivery of projects and services.</i></p>	18. Libby O'Brien
3.	<ul style="list-style-type: none"> • Financial Strategy. <p>19. <i>If Council does not have sufficient liquidity and/or funding, then delivery of service levels and key projects may be significantly impacted.</i></p> <p>20. <i>(including debt levels at limit; inadequate planning for growth & timing of infrastructure; not completing planned asset sales; unforeseen funding required due to unforeseen event such as a disaster).</i></p>	21. Sarah Matthews
4.	<p>22. Critical infrastructure failure.</p> <p>23. <i>If any infrastructure essential for ensuring the safety and wellbeing of the community fails, then there could be adverse effects on public health and environmental outcomes.</i></p>	24. Tony Hale
5.	<ul style="list-style-type: none"> • Zero Harm. <p>25. <i>Significant harm is caused to workers, or others, due to poor or inactive health and safety systems, non-compliance with legislative requirements, or inadequate governance/management of shared health and safety responsibilities with other PCBUs.</i></p>	26. Sarah Matthews
6.	<p>27. Non-delivery of projects.</p> <p>28. <i>If the Council does not deliver the projects, it has funded for 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.</i></p>	29. Tony Hale
7.	<p>30. Compliance and legal liabilities.</p> <p>31. <i>If the Council does not meet its obligations as a territorial authority, then it may be subject to legal action from individuals or enforcement authorities.</i></p>	32. Sarah Matthews
8.	<p>33. Maintaining ICT systems and secure records.</p> <p>34. <i>If the Council's IT system is not maintained and with up-to-date technology, then it may fail to provide the required level of security and performance resulting in loss of functionality and/or record security.</i></p>	35. Sarah Matthews
9.	<p>36. Effects of Climate Change.</p> <p>37. <i>If the current and future effects of climate change are not addressed in the Council's planning and delivery of services, then the impacts of climate change may have significant effects on the community and require additional unbudgeted resources to manage.</i></p>	38. Warrick Zander
10.	<p>39. Underperforming Council.</p> <p>40. <i>If the Council fails to function as a cohesive team, then its ability to provide the governance required can be compromised and creating high levels of uncertainty its ability to achieve its strategic objectives.</i></p>	41. Julie Gardyne 42.

5.10 PROCUREMENT POLICY AND PROCEDURES ADOPTION

Author: Steph Rugg, Procurement Manager

Authorised by: Louise Chick, Business Excellence Manager

TE PŪTAKE | PURPOSE

Taupō District Council's (TDC) procurement policy and guidelines were developed in 2021 and due to be reviewed after three years. This report presents an updated Procurement Policy and introduces a new Procurement Procedure (to replace the previous Guidelines) for Risk and Assurance consideration and adoption.

NGĀ KŌRERORERO | DISCUSSION

A review of TDC's procurement policy and guidelines has been undertaken. The Procurement Policy 2021 is available on TDC's website via [this link](#).

The policy review and development of the procedures has enabled greater clarity regarding financial thresholds and introduced new controls to ensure appropriate procurement procedures are being followed. E.g. Introduced Procurement Approval Memo which needs to be approved by Procurement Manager and Manager with appropriate delegated authority, and use of a Procurement Plan is now no longer discretionary.

The Procurement Procedures use simple language and clearly define what is required of staff during each of the five stages of procurement. It is intended this direction will help to ensure spend is planned out and that procurement is well executed, minimising risk and creating value.

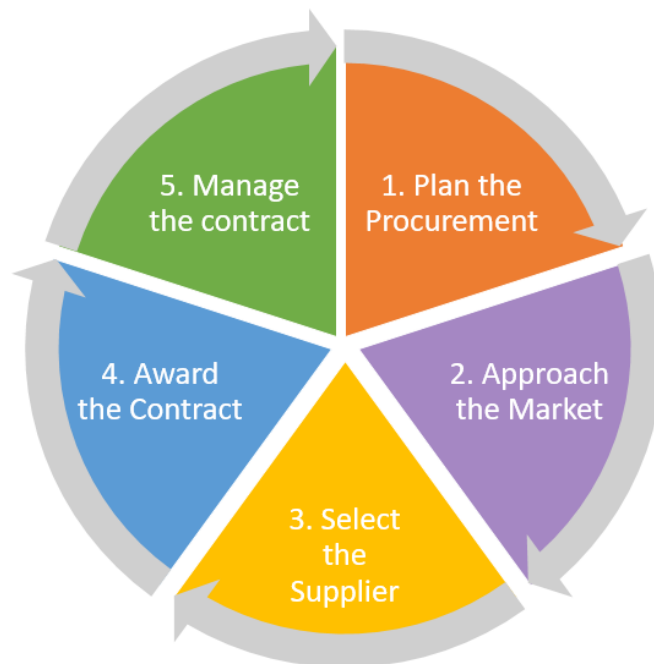


Figure 1 – The five stages of procurement

The key changes introduced in the new Policy and Procedures are:

- Direct procurement threshold increased from \$10,000 to \$20,000 i.e. after obtaining 1-2 quotes staff can procure directly up to a value of \$20,000.
- The requirement for a Lite Procurement Plan for any procurement over \$20,000 (previously only needed above \$100k) and a Detailed Procurement Plan for over \$500,000.

- In order to streamline procurement additional supplier panels have been introduced². In addition to the existing supplier panels (Professional Services, Facilities and Water) which have been refreshed, new panels have been established for:
 - Open spaces
 - Transport
 - Building Construction
- The use of supplier panels is capped at certain financial thresholds. This means that for very large procurements, where there is potential to achieve additional value from the market, staff are required to prepare Request for Tenders/Proposals and receive proposals from the open supplier market.
- Tenders are to be advertised on the free Government Electronic Tender Service (GETS) only, making it easier for suppliers to access free of charge and reducing administrative time for TDC staff.
- Following the receipt of quotes/proposals/tenders a Procurement Approval Memo must be approved for all purchases over \$20,000. The memo outlines what is intended to be purchased, from which supplier, and the procurement process applied. The memo is reviewed by the Procurement Manager and then submitted for approval to the manager with the delegated financial authority (DFA) prior to the supplier being engaged.
- Contract Management Plans and regular meetings are required for Significant Service Contracts; Contracts with durations over 12 months or values over \$500,000 must document:
 - Who is managing the contract.
 - Any issues or changes to the contract.
 - Potential risks.
 - H&S requirements and updates.
 - Contract exit strategy.

The Procurement Manager has been actively engaging with the wider business to introduce the principles of good procurement and encourage the application of tools like the use of Procurement Plans. TDC's procurement requirements and tools are readily available on TDC's new intranet pages.

² In order to get on a Supplier Panel, a supplier submits a proposal or tender at the beginning of the supplier panel term (3 years for TDC). If a supplier is accepted onto a supplier panel it becomes easier for them to receive work as they won't have to prepare a proposal or tender for every job. They can simply submit a price in response to a scope of work issued by TDC. This introduces efficiencies for both the client (TDC) and the supplier.

Stage 1 - Plan the Procurement										
Value	Plan	Procure								
Up to \$20,000	N/A	Direct procurement preferably from TDC panel supplier. Engage using a purchase order. 1 - 2 Quotes							N/A	
\$20,000-\$100,000		Direct procurement preferably from TDC panel supplier, if not using panel supplier provide justification in Procurement Approval Memo. Engage using either a purchase order or a contract.							Procurement Approval Memo	
	Non-Panel	Open Spaces	Professional Services	Facilities	Transport - NZTA	Transport non NZTA	Water	Building		
100,000-120,000	Lite Procurement Plan - low risk	at least 2 quotes from TDC supplier panel or open competition								
120,000-200,000										
200,000-500,000										
>\$500,000 Or any med/high -risk contract regardless of value	Detailed Procurement Plan	Open competitive RFX process unless exemption approved by the Chief Executive.								

Figure 2 – Procurement processes to be applied at different financial thresholds and risk.

WHAKAKAPINGA | CONCLUSION

TDC’s Procurement Policy and Guidelines are due for review. The Procurement Policy has been updated and a new Procurement Procedure introduced to replace the previous Guidelines.

A number of additional controls have been introduced to provide better assurance that the Policy and Procedures are being adhered to.

Additional supplier panels have been created to drive efficiencies in procurement.

The Risk and Assurance Committee is requested to review and adopt the attached Procurement Policy and Procurement Procedures.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Procurement Policy 2024 (under separate cover 1) ⇨
2. Procurement Procedures 2024 (under separate cover 1) ⇨

5.11 SENSITIVE EXPENDITURE POLICY REVIEW

Author: Louise Chick, Business Excellence Manager

Authorised by: Nigel McAdie, Legal and Governance Manager

TE PŪTAKE | PURPOSE

To present an updated Sensitive Expenditure Policy for Risk and Assurance Committee review and adoption.

NGĀ KŌRERORERO | DISCUSSION

Council's Sensitive Expenditure Policy expired in February 2024 and has been reviewed (the proposed policy is Attachment 1). The proposed policy aligns with the Office of the Auditor General's Good Practice Guide as far as practicable. The expired Policy is available on TDC's website via [this link](#).

The following have been considered while reviewing and updating the policy:

- i) Need to provide quantifiable guidance around entertainment and hospitality, alcohol, and gift expenditure.
- ii) Clarification regarding when cultural related expenditure is appropriate, such as koha and pōhiri.
- iii) The need to state the monitoring and reporting regime that will be applied (as per the Office of the Auditor General Guidance).
- iv) The practicability of obtaining assurance around the proposed controls.

Challenges

Some of the challenges encountered when updating the policy included:

- i) The Office of the Auditor General Good Practice Guide is effectively what Council will be audited against and is prescriptive. Consequently, the Policy is long – there is a lot for staff to take in. This has been mitigated by preparing a summary document that summarises the policy elements that are most frequently used by staff, e.g. meal and catering thresholds.
- ii) Balancing the Office of the Auditor General Good Practice Guide expectations against what is practical to control and monitor. In some instances, the cost of gaining assurance outweighs the benefit to Council. e.g. trying to ensure Airpoints are transferred from individuals to Council.
- iii) Drafting a policy that is sufficiently prescriptive to provide clear expectations, but still fit for purpose for a wide range of circumstances.

Key changes

Key changes in the proposed policy include:

- **Title:** It is proposed the *Sensitive Expenditure Policy* be renamed *Sensitive Expenditure and Gift Policy* so that it is obvious to staff where they can find guidance about giving and receiving gifts.
- **Explicit guidance:** The proposed policy continues to apply the principles that guide sensitive expenditure decision making but also provides explicit quantitative guidance to staff for commonly occurring expenditure e.g. catering, meals, giving of gifts etc.
- **Controls:** Introduces a new section (Part 3) that explicitly states the controls and checks that Council will undertake to obtain ongoing assurance around sensitive expenditure.
- **Koha:** Provides additional guidance and controls around giving of koha (Koha Approval Form – Attachment 2).

Next steps

Following the adoption of the Policy and upon commencement of the Risk Manager it is proposed that a series of training events be implemented to staff and management so they are aware of their obligations under the new Policy.

WHAKAKAPINGA | CONCLUSION

TDC's Sensitive Expenditure Policy expired in February 2024 and has been reviewed (the proposed policy is Attachment 1). The proposed policy aligns with the Office of the Auditor General's Good Practice Guide as far as practicable.

The proposed policy provides more explicit guidance and introduces a new section outlining how Council will continue to attain assurance regarding sensitive expenditure.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Proposed Sensitive Expenditure and Gift Policy
2. Koha Approval Form

5.12 NON-FINANCIAL PERFORMANCE MEASURES REPORTING

Author: Louise Chick, Business Excellence Manager

Authorised by: Nigel McAdie, Legal and Governance Manager

TE PŪTAKE | PURPOSE

For the Risk and Assurance Committee to receive a new report on Council's performance against its Non-Financial Performance Measures.

NGĀ KŌRERORERO | DISCUSSION

Through the development of its Long-term Plan, Council establishes Non-Financial Performance Measures. These state measurable levels of performance that Council plans to deliver for each of its key service areas. Non-financial performance measures are considered the commitment we make to our communities in exchange for the rates we take to deliver these services on their behalf. These are one of the key aspects checked by Audit NZ during its review of Council's Annual Report.

In order to provide senior management and Elected Members better visibility of how the Council is delivering against these commitments, a new quarterly report has been created (Attachment 1).

Council currently has 66 non-financial performance measures and each of these have been categorised into one of the following:

- Has already been **Achieved**;
- Is **On Track** to achieve;
- Is **Off Track** and unlikely to achieve the performance measure given performance to date;
- Has **No Data Available Yet**, which occurs in some circumstances where the activity only occurs annually.

The Non-Financial Performance Measure report summarises performance against each activity e.g. how many of the eleven 'Water' activity performance measures are On Track?

For each performance measure that is Off-Track, further commentary is provided as to why this has occurred and what staff are doing to improve the result. Council's historical performance against target is also presented graphically.

WHAKAKAPINGA | CONCLUSION

A new Non-Financial Performance Report has been created and is proposed to be presented to the Risk and Assurance Committee on a quarterly basis.

The report gives early insight into the level of service Council is delivering for its community as illustrated by its performance against non-financial performance measures, which are established through the Long-term Plan.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Non-Financial Performance Measures Report_July 2023-March 2024

5.13 COUNCIL INSURANCE STRATEGY

Author: Louise Chick, Business Excellence Manager

Authorised by: Nigel McAdie, Legal and Governance Manager

TE PŪTAKE | PURPOSE

To present an independently commissioned report that recommends steps Taupō District Council (TDC) can take to become more strategic in its approach to insurance.

TE WHAKAMAHUKI | BACKGROUND

Council owns assets with an approximate book value of \$2 billion³. Not all of these assets are insured as:

- i) TDC, like most other councils, does not insure its roading assets.
- ii) TDC has elected to self-insure its below ground infrastructure assets (primarily reticulation) as it holds the TEL fund in reserve to respond to uninsured losses.

The value of roading, water, wastewater, stormwater and solid waste assets that are self-insured had a 2023 replacement value of roughly \$0.9 billion.

Although the New Zealand Government will pay for 60% of recovery costs above 0.0075% of Council's net capital value, insuring these assets is still a significant cost to Council⁴.

In 2023 Council engaged Aon to prepare a 'Insurance Strategy' (Attachment 1) that sought to achieve the following outcome and objectives:

- *Provide independent and external assurance that appropriate insurance solutions are in place where intended.*
- *Leveraging better understanding of the organisation's exposures and risk management to facilitate constructive negotiations and optimal outcome with insurers.*
- *Building awareness and understanding of the organisation's exposures and risk management to facilitate constructive negotiations and optimal outcomes with insurers.*
- *Presenting strategic recommendations to help the organisation achieve optimal insurance and risk management outcomes, and long-term sustainable risk financing.*

As part of developing the Insurance Strategy, Aon has undertaken:

- Alternative Risk Financing Feasibility Study (Attachment 2).
- Risk Financing Review (Attachment 3).

The key elements of the report and resulting recommendations are discussed below.

NGĀ KŌRERORERO | DISCUSSION

Insurance Strategy document, Section 3 – Risk Tolerance Analysis

Section 3 of the Insurance Strategy discusses the analysis undertaken by Aon to assess Council's risk tolerance. This analysis was done through an Alternative Risk Financing Feasibility study. This study applied two different methodologies to assess risk tolerance (*Risk Bearing Capacity Analysis* and *Quantitative Risk Tolerance Analysis*) to assess Council's Risk Tolerance. These methods use different inputs and emphasis.

In this context Risk Tolerance is defined as:

The level of unbudgeted financial loss the organisation is capable of sustaining based on its financial position and strategic objectives.

The analysis found that Council could sustain financial losses of:

- \$145M using Risk Bearing Capacity (more focussed on assets, liability and debt measures).

³ TDC assets were revalued to the date of June 2023. It is standard practice to have assets revalued every three years.

⁴ TDC's insurance costs for 23/24 are in the order of \$1.5M.

- \$20M-\$40M using Risk Tolerance Analysis (more focussed on revenue measures).

Although Council could sustain the above losses without financially 'falling over', taking an insurance approach that accepts losses of this magnitude exceeds Council's Risk Appetite⁵ as it is believed the community would find it unacceptable for Council to sustain insurable losses of this magnitude given the implications for rates and debt on future generations.

However, the analysis illustrates that Council has the ability to absorb more risk. There is therefore an opportunity to reduce the cost of Council insurance premiums by increasing its deductibles/excess limits. This requires further modelling from Council's insurer to determine at what point increasing deductibles returns a meaningful saving on premiums. Also any increase in deductibles would still need to fit within Council's risk appetite.

Recommendation: Obtain advice from insurer to determine cost of undertaking modelling to determine at what point increasing deductibles returns a meaningful saving on premiums.

Insurance Strategy document, Section 4 – Risk Transfer Optimisation Review

The report recommends that Council would be well placed for each of its potentially insurable assets to assess them against criteria to help determine their priority for insurance, such as:

- Requirement to Insure.
- Community Expectations.
- High Value / Critical Asset.
- Business Interruption Exposure.
- Hazard Exposure.
- Post-Loss Strategy and Basis of Settlement.

This may identify opportunities for reducing the number of insured assets in a risk appropriate way.

Strategy recommendation: Develop a decision-making framework to review potentially insurable assets against and have this methodology approved.

Insurance Strategy document, Section 5 – Asset Selection

The report notes that the Risk Tolerance Analysis (described above) reveals that Council's *risk profile is quite low when compared to the balance sheet, however, the cumulative amount of risk on council's balance sheet would still need to be considered, as it would not appear that a loss modelling exercise had been completed, and the quantum of the total risk is still relatively unknown.*

Strategy recommendation: Council to commission a loss modelling exercise to determine maximum credible loss.

Such a loss modelling exercise would determine what proportion, and therefore value, of our assets would likely be damaged following a large natural disaster; typically earthquake or flooding scenarios are used.

Insurance Strategy document, Section 6 – Recommendations

The Insurance Strategy recommends:

Short-term (1-2 years):

- i) Council to define the level of risk exposure it is prepared to accept, so that it might identify opportunities to increase deductibles and reduce premiums.

Note, Council has set its risk appetite for losses likely to occur within a 10-year period – these are acceptable only if less than \$750,000 or 30% of budget. There is still work to do to determine the level of risk Council is prepared to accept for catastrophic and infrequently occurring events, like a major earthquake. This would be managed through Maximum Credible Loss Modelling described below.

⁵ Note, in setting its Risk Appetite statement, Council considered losses exceeding \$750,000 would only be acceptable if they occurred rarely (unlikely to occur in a 10-year period or only in exceptional circumstances).

Furthermore, Aon is currently undertaking an analysis of councils' claim reports and engaging with underwriters in order to provide advice as to what increase in deductibles would need to occur in order to have a material reduction on policy premiums. This work is ongoing and the results will be shared with councils to help inform and support their decision making prior to this insurance renewal cycle.

- ii) Insurable risk profiling – review insurance risk profiling activity undertaken in 2021.

Note: this basically involves identifying and valuing all assets that are exposed to potential loss, and then applying a risk-based approach to assessing the likelihood of loss. This would be addressed on an asset-by-asset basis by applying the decision making framework described above, which includes consideration of 'hazard exposure'. On a worst case (catastrophic case) basis, this would be addressed by undertaking Maximum Credible Loss Modelling.

Council's assets were independently revalued by a quantity surveyor to 30 June 2023. Each year new assets are added to Council's insurance schedule.

- iii) Consolidate Asset Information – seek to consolidate asset information from all sources within Council to enable sharing with brokers and insurers.

Note: Council's asset data is held in systems that are most suitable to manage those assets, and it is not proposed to change this. This currently involves information being stored in:

- o AssetFinda – three waters assets;
- o RAMM – roading assets;
- o SPM – property and parks assets.

Note, for all asset classes the asset book value is stored in a CIA module.

Medium-term (2-3 years):

- iv) Loss Modelling: proposes that Council commission work to determine what the Maximum Credible Loss is likely to be to inform whether Council's self-insurance reserve fund (TEL fund) is adequate for a credible loss scenario.
- v) Scenario exercises to determine if business interruption⁶ coverage is sufficient.
- vi) Asset selection: develop a decision-making framework to review potentially insurable assets against and have this methodology approved.

Next Steps

Council has commenced work to prepare for renewing its insurance for the next year (insurance 'year' starts 1 November). Aon has advised it is seeking to provide asset schedules and renewal submissions to underwriters by the end of August to enable negotiations with the insurance market to conclude before 31 October 2024, when current policies expire. As part of the renewal process, staff are actively reviewing asset schedules, incorporating newly created assets, reviewing coverage limits, and reviewing valuations in light of the previous year's inflation.

Staff will also seek to incorporate Aon's recommendation regarding using a decision-making framework as far as time and resourcing allows. This is challenging given the new Risk Manager has yet to commence.

Staff will also review policy deductibles upon receipt of Aon's advice regarding at what point increasing deductibles returns a meaningful saving on premiums. Any decisions to increase deductible levels will be determined by the Executive.

⁶ Business Interruption covers protects Council from a loss of income and consequential costs of physical damage to an asset. For example, if the AC Baths were to suffer sufficient physical damage to prevent it from opening, Business Interruption would cover the loss of revenue from entry fees and the costs of paying staff who would normally work at this location.

WHAKAKAPINGA | CONCLUSION

Council's insurer Aon has prepared an Insurance Strategy which makes some short and medium-term recommendations.

Council staff will seek to incorporate as many of these recommendations as possible into the next insurance renewal cycle.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the Insurance Strategy.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Insurance Strategy (under separate cover 1) [⇒](#)
2. Alternative Risk Financing Feasibility Study (under separate cover 1) [⇒](#)
3. Risk Financing Review (under separate cover 1) [⇒](#)

5.14 OUTSTANDING AUDIT AND IMPROVEMENT ITEMS**Author:** Louise Chick, Business Excellence Manager**Authorised by:** Sarah Matthews, General Manager Organisation Performance**TE PŪTAKE | PURPOSE**

For the Risk and Assurance Committee to receive its quarterly report on the status of actions arising from previous external audits, internal audits, and other relevant sources.

NGĀ KŌRERORERO | DISCUSSION

Taupō District Council seeks to deliver the best possible service to its communities, using the most efficient means possible. We continuously seek to improve our service offering and adhere to our legislative responsibilities. Audits and other relevant reviews provide valuable learning opportunities.

This report addresses recommendations arising the audit sources outlined in Table 1 below.

Table 1 – Audit/review sources considered in the development of this report.

Review/Audit	Review Date	Status
Annual Report	November 2023	Outstanding matters – see attachment.
Building Accreditation	March 2023	No outstanding matters. Next audit due March 2025.
Council Mark review	April 2022	Outstanding matters – see attachment.
Drinking Water Audits (WaiComply)	November 2023	Outstanding matters – see attachment.
Environmental Health Recognised Agency Reassessment (food health) – IANZ	May 2022	Outstanding matters – see attachment. Next audit due May 2025.
Environmental Health Recognised Agency (food health) – surveillance audit.	Feb 2024	Outstanding matters – see attachment. Next audit due August 2025.
Health and Safety Review (KPMG)	August 2023	Outstanding matters – see attachment.
LTP Audit (Audit NZ)	March 2021	Outstanding matters – see attachment.
NZTA Investment Audit Report	March 2022	Outstanding matters – see attachment.
Pool Safe	February 2024	No outstanding matters.

Since the previous report was received by Risk and Assurance three new audits have been conducted and recommendations received:

- 2022/23 Annual Report audit report – conducted in late 2023 and final report received June 2024.
- The Environmental Health Recognised Agency – surveillance audit – February 2024.
- Pool Safe Audit – February 2024.

The findings of these are discussed in detail as separate papers elsewhere on this agenda.

For those audits/reviews where there are still open recommendations the number of outstanding items and their priority is summarised in Table 2.

Full details of audit recommendations and their current status is provided in Attachment 1.

Table 2 – Current status of outstanding audit and review recommendations.

		Total recommendations by Priority (number staff believe closed, pending approval)				
Audit type	Audit Source	Urgent/ High	Necessary/ Med	Beneficial/ Low/ Recommended	No priority assigned	Total
External	Annual Report – Audit NZ	3 (1)	25 (8)	5 (3)	-	33 (12)
	Drinking Water Audits	- (n/a)	- (n/a)	- (n/a)	8 (4)	8 (4)
	Environmental Health – reassessment audit	- (n/a)	- (n/a)	6 (5)	-	6 (5)
	Environmental Health – surveillance audit	- (n/a)	- (n/a)	3 (1)	-	3 (1)
	LTP Audit	- (n/a)	2 (1)	- (n/a)	-	2 (1)
	NZTA Investment Audit Report	- (n/a)	2 (1)	8 (8)	-	10 (9)
Internal	Council Mark				19 (8)	19 (8)
	KPMG H&S Review	7 (2)	15 (2)	20 (12)	-	42 (16)
	Completely closed audits	(13)	(1)	(9)	-	(23)
	TOTAL	10 (3)	44 (12)	42 (38)	27 (12)	146 (79)

TDC has been steadily progressing implementation of audit and review recommendations and of the 146 recommendations TDC believe that 79 require no further action (up from 62 on the previous report), however a number of these await a follow up audit/review to formally remove them.

Progress will continue to be monitored and reported at the next Risk and Assurance Committee meeting on 17 September 2024.

WHAKAKAPINGA | CONCLUSION

That the Risk and Assurance Committee receives the report on outstanding audit and business improvement items.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Open audit recommendations
2. Closed audit recommendations

5.15 PURCHASE ORDER CONTROL ISSUE - UPDATE

Author: Louise Chick, Business Excellence Manager

Authorised by: Nigel McAdie, Legal and Governance Manager

TE PŪTAKE | PURPOSE

To update and provide assurance to the Risk and Assurance Committee that the purchase order (PO) control issue raised at its March 2024 meeting has been resolved and affected transactions subsequently reviewed and deemed appropriate, with the exception of four transactions that were unable to be validated as they were processed by a former member of staff.

NGĀ KŌRERORERO | DISCUSSION

In January 2024 while completing checks on Council's purchase orders (POs), Council officers found that there was a problem with Council's purchase order system controls and POs had been receipted for more than the approved amount, and in some cases subsequently paid.

This issue meant that where a PO had been raised, for \$10,000 for example, that it could be receipted for more, e.g. \$11,000, and an invoice for this higher receipted amount could be processed and paid against the PO. This has led to some POs being receipted and paid for an amount higher than the approved value.

Upon realising this issue, every transaction that was invoiced for more than \$50 (GST excl.) greater than the approved PO amount has been reviewed to ensure that:

- i) the given transaction was for a valid and justifiable business purpose.
- ii) there were no instances of a supplier being overpaid.
- iii) no instances of fraud occurred.

Subsequent to the above review each executive team member has confirmed that they are satisfied with the validity of the purchases with the exception of four transactions that could not be validated as the staff member involved has left. However, all four transactions that could not be validated related to highly reputable suppliers, and the difference between the original purchase order values and the receipted amounts had a combined total of less than \$10,000.

The executive team members' delegated authority has been applied via signing of a memo which detailed the actions taken to resolve the issue, and that also refers to the specific transactions.

Furthermore, the PO system has been reconfigured, so it is no longer possible to goods receipt or make payments for amounts greater than the purchase order. The updated system configuration is now working as it should and is periodically checked to ensure that this continues.

WHAKAKAPINGA | CONCLUSION

It is recommended that the Committee receives this information.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Executive Attestation Memorandum dated 13 June 2024 - purchase order over-receipting and over-invoicing

5.16 HEALTH, SAFETY AND WELLBEING - QUARTERLY UPDATE**Author:** Paula Sinclair, Acting Health, Safety and Wellbeing Manager**Authorised by:** Louise Chick, Business Excellence Manager**TE PŪTAKE | PURPOSE**

To provide the Risk and Assurance Committee an update on the progress in implementing improvements to Taupō District Council's Health, Safety and Wellbeing system and update the Committee on health and safety incidents incurred for the quarter March 2024 to June 2024.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ KŌRERORERO | DISCUSSION**Health and Safety Manager**

The Health and Safety Manager position has been vacant since 4 April 2024 which has hindered progress against planned work. Council is in the process of recruiting, but in the interim support has been obtained from a local consultant who has been brought in as acting Health and Safety Manager.

Strategy Implementation

Table 1 below provides an update on progress against delivering on Council's Health, Safety & Wellbeing (HSW) Strategy 2024-27.

Table 1 – Summary of commitments made in TDC's Health, Safety and Wellbeing Strategy and progress against their implementation.

	Commitment	Status %	Next Milestone	Comment
Leadership	Develop schedule of Leadership Safety Walks.	80%	Commence safety walks.	Schedule of safety walks developed and endorsed by Executive. Safety walk audit has been developed in Damstra App and is ready to be trialled.
	Development of roles, accountability, and responsibilities framework (RACI) and implement training to ensure staff understand their responsibilities.	50%	Implement management training of the RACI in conjunction with the development of an internal Stakeholder Engagement Plan.	RACI developed. Next step to implement organisational wide training starting with the Tier 3 managers (ELT).
	Management training will include specific content aimed at helping design mentally healthy work as a means of minimising stress in the workplace and improving staff wellbeing.	10%	Develop training materials for people leaders.	TDC have wellness processes in place for managing stress (EAP, flexible working arrangements), however identifying the workplace risk and hazards leading to declining mental health is a priority.
Engagement	Develop an internal H&S Engagement Plan highlighting that HSW affects everyone, not just construction.	10%	Held kick off workshop to identify creative ways of engaging the wider organisation on health and safety matters.	Progression dependent upon commencement of the Health and Safety Manager.

	Commitment	Status %	Next Milestone	Comment
	People leaders hold their staff to account for HSW matters.	0%	Roll-out training on TDC's HSW Policy and health and safety responsibilities as outlined in the RACI.	
	Develop internal staff surveys to assess TDC culture.	0%	Develop survey questions.	
Safe Systems	Refresh our HSW management system – roles, tools, policies & processes – to ensure enterprise coverage & easy to use.	40%	Policy Statement, Strategy, RACI and Improvement Plan to structure a review of our processes.	Require commencement of Health and Safety Manager to make significant system development progress.
	Integrate HSW outcomes within TDC's procurement processes & supply chain management.	80%	A procedure – H&S in Procurement Procedure is in draft for final.	
	Develop a contractor Health & Safety Management Framework.	80%	Management approval.	Contractor handbook has been reviewed and is awaiting approval and implementation.
	Develop a new Intranet portal that becomes the source of all HSW 'truth'.	100%	Intranet portal established with health initiatives and information, along with TDC policies.	Will continue to be developed and information added as it becomes available.
	Response to incidents are proactively managed.	20%	Implement cross organisational training on TDC's incident management system (DAMSTRA) and roles and responsibilities.	Response to incidents and corrective actions has been a focus and follow ups have been actioned on a number of corrective actions that were outstanding. Still some training to be completed around the use of Damstra.
Improvement	Identify what is important to TDC in the HSW space, develop measures & benchmarked targets & report on these.	10%	Reconfigure Damstra to ensure all relevant information being captured, and can be fed into dashboard report.	Draft dashboard report template developed.
	Develop/rollout Safety Leadership Training for all managers & team leaders.	0%	Complete development of leadership specific training.	Training will be rolled out following commencement of new H&S Manager.
	Develop a HSW Assurance Programme	50%	Develop assurance programme to test controls as identified in the critical risk register.	Business units are being involved in the review of controls, allowing more engagement and ensure the control measures are suitable and effective.

Update on implementation of KPMG Health and Safety Review Report recommendations

In 2023 TDC commissioned KPMG to conduct a review of TDC's health and safety system. The report summarising the findings of this review was presented at the December 2023 Risk and Assurance Committee meeting. A key health and safety focus is to implement the recommendations made by KPMG while following review of TDC's health and safety system.

The KPMG Report summarised KPMG's findings into 15 categories with 7 of the findings considered high and medium.

	High	Medium	Low	Total
Total internal audit findings	2	5	8	15

There were 42 recommendations to support the 15 audit findings.

	High	Medium	Low	Total
Number of recommendations	7	15	20	42
Closed recommendations	2	2	12	16
Open recommendations	5	13	8	26

For each audit finding rated High or Medium, progress updates are provided below.

The Outstanding Audit Recommendations report elsewhere on this agenda specifies forecast completion dates for all recommendations (High, Medium, and Low).

1. Critical Risks not established (High) – now complete.

Critical risks have been established.

2. Risk Registers not in place and controls not evaluated to establish if working as intended (High)

Risk registers are being developed for critical risks and high-risk business units (14 under development currently). The Wastewater Treatment Plant and Parks & Reserves have been provided a draft copy and are currently reviewing the control measures and reviewing the risk ratings to ensure they are relatable and that the controls specified accurately reflect risk management in practice.

We have the ability to monitor critical risks in the form of an audit or inspection in Damstra Check which is App based. Table 1 summarises the different inspections undertaken over the quarter ending June 2024. There is an opportunity to increase the number of inspections carried out by setting KPIs around site audits and inspections.

Table 1 – summary of inspections and audits undertaken in the quarter ending 30 June 2024.

Critical risk/Audit template	Number of Inspections/audits completed
Confined space	1
Contract works/Contractor management	1
Bitumen road sealing (working on or near roads)	2
Traffic management (working on or near roads)	1
Electrical Work	1
Excavation & Trench (underground & overhead services)	1
Roof work (working at height)	4
Site Inspections (Contractor Management)	7
SSSP (Contractor Management documentation)	6
Vehicle Inspections (Driving)	1
Total	25

Critical Risk - Driving

Driving is one of TDC's critical risks. Overspeeds are currently reported to the relevant manager. There is an opportunity to further improve driver behaviours by formalising an escalation process for overspeeds. This process would draw on GPS data that has already been collected. A draft escalation process has been prepared is awaiting management review.

There is also an opportunity to better control risks associated with driving by introducing further training.

It was also highlighted when creating the critical risk register that most drivers do not have an "induction" into the vehicle they are driving, which can create risk if they have never driven that type of vehicle before e.g. vehicles with lane assist. An induction checklist has been created in the Damstra App ready for review by the Fleet Manager.

TDC is also currently running a small pilot trial of "Fleetcoach", an online system where drivers can select relevant modules which cover:

- - Test Drive
 - Stress
 - Fatigue
 - Drugs & Alcohol
 - Distraction & Inattention
 - Rules
 - Speed
 - Slow speed & reversing
 - Loose objects
 - Know your vehicle
 - Electric vehicles
 - 4x4
 - Fuel efficient driving
-

The online system is being trialled by the Fleet Manager and two members of the Parks and Recreation team.

Critical Risk - Asbestos

An asbestos policy has been rewritten in line with the WorkSafe's draft asbestos guidance (September 2023). The updated document is more user friendly and relates more to how TDC manages asbestos and in varying scenarios. As TDC does not specifically work with asbestos the document gives an overview of how TDC as a PCBU manages contractors engaged to manage asbestos in varying forms. Currently the policy is being peer reviewed by the Facilities Manager for approval.

3. Inconsistent Risk Matrix and Ranking (Medium) – now complete.

Council's standard 5x5 risk assessment matrix is being applied across health and safety, which provides consistency to the assessment of risk across Council.

4. Limited formal assurance practices in place (Medium) – 70% underway.

Through the development of the critical risk registers all the existing controls are being mapped and captured in a health and safety document library. This provides a fuller understanding of all the processes and procedures that are in place across the business. Once mapping has been completed a gap analysis will be undertaken.

Assurance tools through Vault Check software have already been put in place for monitoring safety performance in areas of the business where high-risk work is undertaken. E.g. site audits.

5. Understanding health and safety risk and auditing of contractor safety systems (Medium) – 80% underway.

The final draft of the 'Contracting To Council' handbook has been prepared and is awaiting management approval. The handbook places increased emphasis on ensuring new contractors are aware of their health and safety responsibilities and the requirement to obtain a health and safety prequalification prior to being engaged by Council.

To help ensure TDC is engaging contractors with solid health and safety systems, staff are preparing a *H&S in Procurement Procedure* which will give our internal contract and project managers guidance on the H&S expectations from our contractors through the procurement cycle.

6. Emergency drills do not include all scenarios (Medium) – 30% underway.

Fire and evacuation drills are in place across TDC venues and halls, with reports submitted to FENZ to ensure compliance to the registered Fire Evacuation Schemes.

There is further work to do to: i) determine other plausible emergency situations, e.g. chemical spills or bomb threats, ii) design appropriate responses to these situations, and iii) test these using emergency drills.

7. Limited security practices expose workers (Medium) – 60% on security risk assessments across venues.

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 (PSR):

These registers have identified people, information and assets that require appropriate protective measures.

The risks and consequences have been assessed and considered for the likelihood and impact of each alongside Council's Risk Appetite, while also understanding our Health and Safety requirements to take all reasonable steps to protect people.

Site-specific analysis has been completed with consideration to the PSR guidelines i.e. -

- How many people are working at a given location e.g. lone workers or multiple;
- Identify specific risks that are unique to a building and the activities performed there e.g. security measures for the Museum or Swimming Pool require an individual approach;
- Aspects such as cash handling, storage of tools, and threats arising from certain locations were all considered as per PSR PHYSEC1 requirements;

The PSR requires measures to be put in place to minimise/remove risks; recommendations for control measures are now being progressed and will be presented to the Executive Team for further action.

INCIDENT MANAGEMENT

Training for each department will be beneficial to ensure that the data captured is correct and training why and how to assign corrective actions will also improve data review.

There has been a decrease in the number of worker related first aid and medical treatments but injuries to 3rd parties has increased. Most of the injuries are minor first aid treatments due to slips, trips and falls. There were 3 medical treatments for 3rd party where our staff responded very well to members of the public who had minor medical events that led to further treatment.

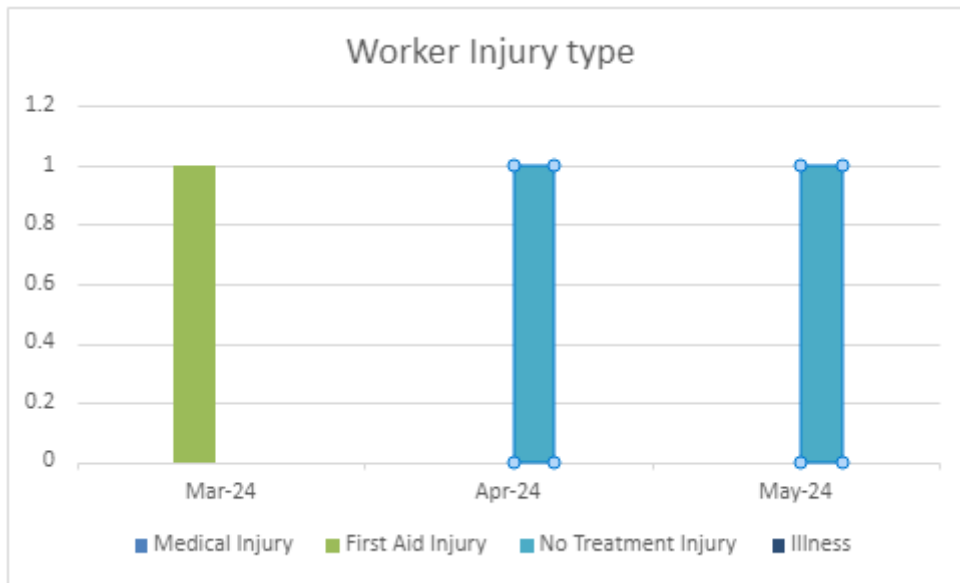


Figure 1 - Worker Injury type

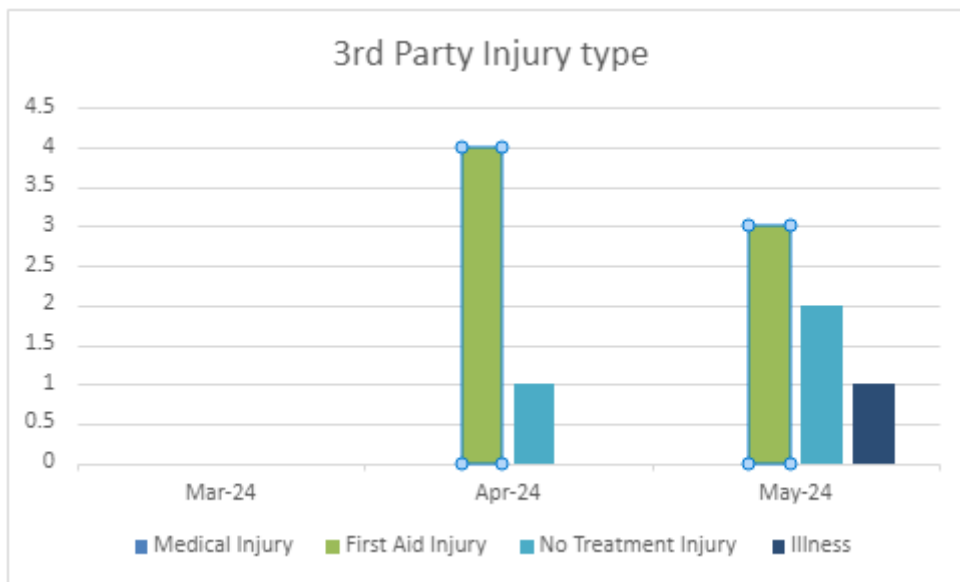


Figure 2 - 3rd party Injury type

Table 1 – Summary of the number of injuries & medical conditions affecting employees, non-workers, and contractors over the three-month reporting period.

INJURIES	Injury – Medical treatment	Injury - First Aid	Injury – No treatment	Total injuries	Illness – Medical Condition
Employee		1	2	3	
Non-worker		7	3		1
Contractor		-	-	-	-
Total		8	5	3	1

Contractors do not report on minor injuries unless associated with a serious near miss (that are reported on).

There were no contractor incident or injuries reported in this period.

NOTIFIABLE EVENTS TO WORKSAFE NZ (3 MONTHS)

Nil.

WORKSAFE VISIT TO AC BATHS

WorkSafe visited AC Baths on 29 May 2024, and the visit involved discussions with management on worker engagement, chemical handling and training, followed by a walk around the complex. WorkSafe noted they were generally happy with the discussions and systems in place and had notified us they were going to issue two improvement notices:

1. PPE for workers using respiratory protection needs to be fit tested and ensure facial hair does not impair the seal of the mask when handling hazardous substances.
2. Guarding around rotating parts in the plant room needs to be updated to cover more area but still allow for the lid to be removed.

Following the visit action has been taken on their suggestions and these are already underway with signage in place for the rotating parts until a suitable guard can be installed. A review of some potential disposal respirators is being researched to either allow for facial hair or discuss with relevant staff members around the need for a clean shaven face to ensure sealing of masks is effective.

AGGRESSION INCIDENTS

There was only one aggression incident reported over the reporting period.

WHAKAKAPINGA | CONCLUSION

TDC continues to proactively implement the opportunities for improvement to its health and safety system recommended in the KPMG Health and Safety Review Report.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.17 TAUPŌ DISTRICT COUNCIL MONTHLY PERFORMANCE REPORT - MAY 2024

Author: Julie Gardyne, Chief Executive

Authorised by: Julie Gardyne, Chief Executive

TE PŪTAKE | PURPOSE

This report provides the Risk and Assurance Committee with an overview of the performance of the organisation including updates from the Executive team, the financial summary and Treasury report, and Significant Projects report.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. May 2024 Performance Report
2. Significant Projects May 2024

5.18 RISK AND ASSURANCE COMMITTEE WORKPLAN UPDATE

Author: Louise Chick, Business Excellence Manager

Authorised by: Nigel McAdie, Legal and Governance Manager

TE PŪTAKE | PURPOSE

To present the Risk and Assurance Committee with an updated Workplan for the 2024 calendar year.

NGĀ KŌRERORERO | DISCUSSION

The Risk and Assurance Committee's *Risk and Assurance Workplan 2024 (July 2024 version)* is attached and includes a few proposed changes. The reasons for these proposed changes are discussed below.

Changes to the Workplan are denoted on the attachment by red dots (meeting that the report was originally scheduled for) and green dots (new proposed reporting time).

Confirmation of Internal Audit Programme

Development of the internal audit programme has been delayed due to the Risk Advisor vacancy. The Risk Advisor is expected to join Council in July and has a depth of audit experience which will be beneficial in developing this programme. Accordingly, it is proposed the Risk and Assurance Committee receive the internal audit programme at its September 2024 programme.

Business Continuity Policy & Framework

The Committee was due to receive an update on the Council's Business Continuity Policy and Framework. However, the Risk Advisor role has been vacant since 21 November 2023, and there has been insufficient resource to progress this work. A new Risk Advisor is due to start work in July 2024.

Review of Fraud Policy

Council's Fraud Policy is due for its three yearly review in July 2024. However, due to resourcing constraints this policy has not been able to be updated for this agenda and has been deferred until the September 2024 meeting.

Annual Report and Audit Opinion

Due to changing Government three waters policy, subsequent extensions to Long-term Plan delivery timescales and the impact of this on Audit NZ availability, the Committee will not receive the Audit NZ opinion on the Annual Report 2023-24 and the Annual Report document until its 9 December meeting.

WHAKAKAPINGA | CONCLUSION

There have been some changes to the Risk and Assurance Committee Workplan for 2024. An updated workplan is attached.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Risk and Assurance Committee Workplan 2024

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

Author: Julie Gardyne, Chief Executive Officer

Authorised by:

TE PŪTAKE | PURPOSE

To enable the Chief Executive to update members of Taupō District Council's Risk & Assurance Committee on any matters she considers appropriate to bring to members' attention.

NGĀ KŌRERORERO | DISCUSSION

This item provides an opportunity for the Chief Executive to brief Risk & Assurance Committee members on any matters posing risks to Taupō District Council as at the date of the meeting, and for members to ask any questions in relation to current risks.

If the Committee wishes to make resolutions beyond the resolution to receive the information, then it would need to follow the procedures set out in the Local Government Official Information and Meetings Act 1987 (LGOIMA) and Standing Orders, to add particular items to the agenda by resolution to be dealt with at the meeting, because they cannot be delayed to a subsequent meeting. The relevant extract from Standing Orders (clause 9.1) is **attached**.

If a matter raised as part of this agenda item is proposed to be discussed with the public excluded, then the requirements of s 48 of LGOIMA must be met. In particular, the Committee must, at a time when the meeting is open to the public, by resolution specify the general subject of each matter to be considered while the public is excluded; explain the reason for the passing of that resolution in relation to that matter (including the particular interest(s) protected by ss 6 and / or 7 of LGOIMA); and the grounds on which the resolution is based. The relevant extracts from Standing Orders (clauses 18.1 and 18.3) are **attached**.

WHAKAKAPINGA | CONCLUSION

It is recommended that the Committee receives the information presented by the Chief Executive.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Extract from Taupō District Council Standing Orders 2022-2025 - Clause 9.1 Items of business not on the agenda which cannot be delayed
2. Extracts from Taupō District Council Standing Orders 2022-2025 - Clause 18 Exclusion of public

6 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution	Plain English reason for passing this resolution in relation to each matter
<p>Agenda Item No: 6.1 Confirmation of Confidential Portion of Risk and Assurance Committee Minutes - 5 March 2024</p>	<p>Section 7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons Section 7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</p>	<p>Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7</p>	<p>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.</p>
<p>Agenda Item No: 6.2 Litigation Update</p>	<p>Section 7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</p>	<p>Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7</p>	<p>To enable members to receive advice from Council's Legal and Governance Manager relating to potential legal challenges against Council.</p>

I also move that *[name of person or persons]* be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of *[specify]*. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because *[specify]*.