

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

Date:	Monday, 9 December 2024
Time:	10.15am
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 - 17 September 2024.....	3
5	Ngā Ripoata Reports	
5.1	Recommendation to Adopt the Annual Report 2023/24	4
5.2	Insurance Renewal Update 2024-25	6
5.3	Financial Strategy Update and Significant Projects Risks Report	13
5.4	Risk Management Quarterly Update.....	14
5.5	Strategic Risk Update	15
5.6	Project Quantum Update	24
5.7	Six-monthly Progress Update on Council's Development Projects	28
5.8	Health, Safety and Wellbeing Update	31
5.9	Sensitive Expenditure Review - 1 July 2024 - 30 September 2024.....	37
5.10	Non-Financial Performance Measures Reporting.....	40
5.11	Outstanding Audit and Improvement Items	41
5.12	Annual Review of Risk and Assurance Committee Performance.....	44
5.13	Risk and Assurance Committee Workplan Update.....	50
6	Ngā Kōrero Tūmataiti Confidential Business	
6.1	Confirmation of Confidential Portion of Risk and Assurance Committee Minutes - 17 September 2024.....	51
6.2	Litigation Update	51

4.1 RISK AND ASSURANCE COMMITTEE MEETING - 17 SEPTEMBER 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 17 September 2024 be approved and adopted as a true and correct record.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Risk and Assurance Committee Meeting Minutes - 17 September 2024

5.1 RECOMMENDATION TO ADOPT THE ANNUAL REPORT 2023/24

Author: Jeanette Paenga, Finance Manager

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

To review the Annual Report and Summary of the 2023/24 Annual Report to enable the Committee to recommend that Council adopts these documents at its meeting to be held on 17 December 2024.

NGĀ KŌRERORERO | DISCUSSION

The Annual Report is the key public accountability document that compares Council's actual performance for the year against its forecast and targets in the Annual Plan.

Council must adopt its Annual Report and Summary of the Annual Report by 31 December 2024. This year's deadline is later than in previous years, due to delayed Long-term Plan adoption, as provided for by Schedule 1AA, Clause 47 of the Local Government Act 2002.

Council's draft Annual Report and Summary of the Annual Report 2022/24 were not available at the time the agenda was produced, but will be separately circulated prior to the meeting. Changes to the documents may be tabled at the Committee meeting as officers are still working through the Audit process and are awaiting verbal clearance from Audit New Zealand.

The Terms of Reference for this Committee include the oversight of the preparation of key formal external accountability documents, such as the Annual Report, to ensure the integrity of the documents and disclosures made. The Terms of Reference require that prior to adoption by Council, the draft Annual Report be considered by the Committee and a recommendation made to Council for its adoption, subject to any amendments required. Likewise, it is also proposed that the Summary of the Annual Report be considered and recommended for adoption by Council.

In terms of financial performance, the Statement of Comprehensive Revenue and Expense shows a Group Operating Surplus of \$28.5 million against a budget of \$11.1 million. There are variances from budget and where significant these are explained in Note 34 of the Annual Report.

Performance measures for each group of activities indicate whether Council met its target levels of service. Performance measures usually relate to the quality, quantity, timeliness, or customer satisfaction for Council's key services. Council achieved 47 out of its 67 performance measures which is an improvement over last year's result of 46 out of 67. Details of achievement of performance measures by group of activities and the reason for unachieved measures are detailed on pages 18 and 19 of the Annual Report.

Further commentary on the Annual Report will be provided at the meeting with opportunity for discussion.

WHAKAKAPINGA | CONCLUSION

The Risk and Assurance Committee is asked to receive the Annual Report and Summary of the Annual Report for 2023/24 and to recommend to Council that the documents be adopted.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee:

1. Receives the report of Jeanette Paenga, Finance Manager, entitled Recommendation to Adopt the Annual Report 2023/24;
2. Receives and considers the draft Taupō District Council Annual Report 2023/24, including any amendments tabled at the meeting, along with the modified opinion received from Audit New Zealand and the representation letter and recommends the draft Annual Report 2023/24 to Council for adoption and publication pursuant to section 98 of the Local Government Act 2002;
3. Receives and considers the draft Taupō District Council Summary Annual Report 2023/24, including any amendments tabled at the meeting, along with the modified opinion received from Audit New Zealand and the representation letter and recommends the draft Summary Annual Report 2023/24 to Council for adoption and publication pursuant to section 98 of the Local Government Act 2002;
4. Recommends that the Mayor and the Chief Executive sign the Statements of Compliance and the Letters of Representation after adoption on 17 December 2024.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.2 INSURANCE RENEWAL UPDATE 2024-25

Author: Louise Chick, Business Excellence Manager

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

To update the Risk and Assurance Committee on the 2024-25 insurance renewal, including key market changes, the cost of renewal against budget and associated limits placed by insurers.

TE WHAKAMAHUKI | BACKGROUND

Council's insurance programme is purchased as a collective through the Bay of Plenty Local Authority Shared Services (BOPLASS) to provide increased negotiating power and deliver economies of scale.

NGĀ KŌRERORERO | DISCUSSION**Insurance Market Commentary**

Council's broker, Aon issues a quarterly 'Global Insurance Market Insights' report, which includes commentary specific to the Pacific and New Zealand insurance markets. Their New Zealand market insights Q3 report is presented in Appendix A.

Generally, there is sufficient insurance capacity, although there are still some challenges in the natural catastrophe and higher-hazard Property risks.

Aon advises that the insurance market, across all markets and all classes, is shaped by the frequency and severity of significant weather events and has advised that flood modelling has become very important for insurers reflecting significant losses off the back of the 2023 Auckland Anniversary Floods and Cyclone Gabrielle (USD \$7.1b).

Insurers continue to require detailed risk information, including how insured parties are controlling and managing these.

Insurance limits set by insurers have largely remained static in the Pacific market, as have deductibles and the extent of insurance cover.

The stabilising of the insurance market is a welcome change following around 7 years of purchasing in a difficult market, although there are specific challenges in the Property and Liability markets, described further below.

Specific changes for the BOPLASS placements are described below.

Council 2024/25 Insurance Policy Renewal

Council's insurances, procured through BOPLASS, were renewed on 1 November 2024. Council's current policies, premium costs, and cost increases from last year are summarised in Table 1 below.

Overall, premiums have increased 18% compared to last year's premiums. This is primarily due to increases in the cost of:

- providing liability cover as a result of increased insurance rates from the market,
- material damage and business interruption cover driven by increased scope of cover (including key bridges and other assets not previously insured),
- fine arts insurance costs, driven by inclusion of new assets and valuation adjustments.

Table 1 – Summary of Council insurance 2024/25 policies held and premium cost inclusive of levies and fees but exclusive of GST.

Policy Name	Purpose	2023/24 Insurance Cost	2024/25 Insurance Cost	Percentage increase
Airport Owners Liability Insurance	To pay third party in the event of damage arising from airport operations.	10,300	10,300	0%
Commercial Motor Vehicle Insurance		77,500	74,800	-3%
Crime		22,900	23,500	3%
Cyber	From actual or suspected breach of computer systems, extortion threat, restricted access to network.	14,500	14,500	0%
Employers Liability	Protects against settlements or damage, including defence costs resulting from an employee suffering bodily injury in the course of their employment not covered by ACC.	4,500	4,500	0%
Fine arts	Physical loss or damage to fine arts.	6,900	14,100	104%
Forestry/Standing Timber coverage	Loss or damage to standing timber from defined events.	11,700	14,000	20%
Material Damage & Business Interruption	Damage to property/assets listed in Schedule. Loss from interruption as a consequence of damage to insured property/assets.	899,200	1,071,000	19%
Professional Indemnity	Covers against claims for breach of professional duty or negligence in the performance of services.	316,400	345,500	9%
Public Liability	Protection against third party property damage and personal injury.	47,700	52,900	11%
Professional Indemnity & Public Liability Excess Layer	Covers Council for unintentional breaches of statutes which may result in prosecution.	13,600	59,200	335%
Statutory Liability	Covers Council for unintentional breaches of statutes which may result in prosecution.	17,400	19,200	10%
Sub-Total		1,442,600	1,703,500	18%
Annual Contract Works Insurance – Three Waters	Cover is provided for the cost of repairing or redoing project work in progress where there is damage due to an insured event such as fire, flood, storm, vandalism, or theft during the construction period.	-	23,400	N/A
Total		1,442,600	1,726,900	

Physical Damage Policies

Property

Material Damage and Business Interruption cover is purchased for assets listed on Council's property schedule with cover extending beyond natural disasters to include other perils including but not limited to fire, theft, and vandalism. The property asset schedule is primarily comprised of buildings, pools, and above ground water assets. These are insured for their full replacement value.

Under its Material Damage and Business Interruption Policy, Council has an insured sum of \$560M up from \$471M for 2023/24's placement reflecting increases driven by both inflation which has impacted asset value (approx. 6.5%), completed capital work, and also the inclusion of a number of strategic assets not previously insured e.g. key bridges.

Council's resulting premium has increased 19% to \$1.07M, about 7% below budget. This has been driven mostly by increased total declared asset values, rather than increases in the actual rate per dollar insured,

which is a welcome relief after approximately 7 years of increasing costs. There has been no change in deductibles or policy terms and conditions. This easing of the insurance market reflects increasing capacity.

Commercial Motor Vehicle

Motor vehicle premiums rates have remained flat and Council's overall premium costs have reduced approximately 3% in line with reduced declared values. Council is actively seeking to reduce the size of its vehicle fleet in line with its new Vehicle Policy which comes into effect in June 2025.

Fine Arts Policy

Council holds a Fine Arts Policy which provides cover for Taupō Museum's collections, and fine art assets through various district buildings (e.g. libraries) and sculptures and street art throughout the district. The cost of Council's Fine Arts insurance policy has doubled reflecting an increase in total sum insured (32% increase) as a result of the addition of a number of new high value assets and also an underlying increase in the insurance rates.

Forestry/Standing Timber

Council's 1,020 hectares of standing timber investments has been insured for 14,000 a 20% increase on the previous year's premium.

Liability Policies

Council's liability risks are offset by five liability policies: Professional Indemnity Primary Layer, Public Liability Primary Layer, Professional Indemnity and Public Liability Excess Layer, Statutory Liability and Employers Liability cover.

Professional Indemnity covers against claims for breach of professional duty or negligence in the performance of services.

Public Liability provides protection against third party property damage and personal injury.

The Excess layer provides a higher level of cover over and above the limit provided by the primary insurance policy. When a claim is made, the primary policy covers costs up to its limit. If the claim exceeds that limit, the excess layer insurance policy takes over and covers the remaining amount up to its limit.

Statutory liability covers Council for unintentional breaches of statutes which may result in prosecution.

Employers Liability Cover provides protection against settlements or damage, including defence costs resulting from an employee suffering bodily injury in the course of their employment not covered by ACC.

Obtaining liability cover for NZ's local government sector is becoming increasingly challenging as the global insurance markets are concerned around the level of exposure NZ councils carry, particularly regarding claims arising from the Building Act. Consequently, insurers have applied an annual aggregate cap of \$45M to the Primary Layer for losses arising from the Building Act to be shared amongst 37 New Zealand councils, excluding Auckland Council and Wellington City Council. Council's broker (Aon) is still working through the primary insurer (Berkshire Hathaway) as to how the application of this cap amongst various councils will be managed, e.g. first come first served basis, or pro-rated etc. Once a methodology is agreed, Aon expect that this will need to be reflected in a Memorandum of Understanding to be signed by all 37 participating councils.

Professional Indemnity

Council's Professional Indemnity primary layer policy provides for up to \$15M of losses (for one claim or in the aggregate) and has had a 9% increase in premium costs.

Public Liability

Council's Public Liability primary layer policy provides for up to \$15M of losses and has had a 11% increase in premium costs.

Professional Indemnity and Public Liability Excess Layer

Council purchases an excess layer of \$145M to cover losses above \$15M. This is shared amongst 37 other NZ councils excluding Auckland City Council and Wellington City Council. Securing excess layer insurance has proven challenging with about 70% of the global insurance market walking away from NZ's local government sector. Through provision of 10 years of claim data, statistics about various types of building consents, and various other data Aon were able to secure a new London based insurer, with secondary support from the Australian and NZ insurance markets.

As a result of the loss of market support for NZ's local government sector, Excess Layer premiums have increased 335% for Taupō District Council, up to \$59,200 from \$13,600.

Staff expect that pressure on liability insurance will continue and as a result are proposing a broadening of insurance cover to help balance Council's overall risk profile. This is considered in more detail on separate paper elsewhere on this agenda.

Statutory Liability

Council has seen a 10% increase in premiums for its Statutory Liability cover.

Employers Liability

There has been no premium increase for this cover, with costs remaining at \$4,500.

Other Insurance

Airport Owners Liability Insurance

Airport Owners Liability Insurance covers Council in the event of damage arising from airport operations, and premiums have remained flat at \$10,300 this year.

Crime

Premiums for provision of Crime cover have varied depending upon each Council's internal controls that are in place. Some councils have experienced up to a 10% increase. Taupō District's premiums have increased 3% up to \$23,500.

Cyber

Cyber insurance protects Council from actual or suspected breach of computer systems, extortion threat, restricted access to network. There has been a significant increase in Cyber market capacity which has meant despite the increasing sophistication of cyber-attacks Council's premium has remained flat at \$14,500.

Infrastructure

Taupō District Council has been self-insuring its below ground infrastructure for some time, knowing that the TEL fund is available to offset losses. However in light of upcoming water reforms and increasing difficulty in securing liability insurance, staff are proposing that cover be obtained to help offset its increasing risk in the Building Act sector and to provide early financial separation in preparation for Local Waters Done Well.

WHAKAKAPINGA | CONCLUSION

Council's annual insurance cover was successfully renewed for all insurance classes on 1 November 2024. Generally, the insurance market is easing after around 7 years of restricted market capacity, however there have been notable constraints in the liability sector with NZ's local government sector seen as particularly exposed in relation to potential Building Act claims. Insurers have applied an annual aggregate cap of \$45M to the primary layer Professional Indemnity and Public Liability policies for losses arising from the Building Act. This is to be shared amongst 37 New Zealand Councils, which exclude Auckland Council and Wellington City Council.

Council's broker also notes that the easing of the insurance market could rapidly turn around with the occurrence of another significant NZ weather event and they strongly encourage councils to continue to gather relevant information, e.g. flood modelling, to support future insurance placements.

Increases in insurance rates are also observed in Forestry insurance (20% increase) and Statutory Liability (10%).

Other notable increases in premiums are observed in Council's Material Damage and Business Interruption (19%) and Fine Arts (104%) but these increases reflect increases in cover provided rather than the cost of insurance (per dollar insured).

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

APPENDIX A – INSURANCE MARKET INSIGHTS

The following is extracted from Aon's [Q3 2024 Global Insurance Market Insights report](#) released at the end of October 2024.

New Zealand Market Insights

Executive Summary

- More favorable reinsurance conditions and a benign claims environment are alleviating pricing pressures.
- The Property market is showing signs of moderation, although natural catastrophe exposures remain challenging.
- While the insurance market outlook is favorable, challenges in the economy could impact buyers' willingness to invest in expanding their insurance programs.

Q3 New Zealand Market Dynamics

Overall	Moderate	Flat	Ample	Prudent
Automobile	Moderate	Flat	Abundant	Prudent
Casualty / Liability	Moderate	+1-10%	Ample	Prudent
Cyber	Soft	-1-10%	Ample	Prudent
Directors & Officers	Moderate	Flat	Ample	Prudent
Property	Moderate	+1-10%	Ample	Prudent

Overall Pricing Capacity Underwriting

Overall	Flat	Flat	Stable
Automobile	Flat	Flat	Stable
Casualty / Liability	Flat	Flat	Stable
Cyber	Increased	Flat	Stable
Directors & Officers	Flat	Flat	Stable
Property	Flat	Flat	Stable

Limits

Deductibles

Coverages

Pricing

Overall market conditions are moderating, supported by fewer large natural catastrophe losses and more favorable treaty reinsurance pricing.

Capacity

Capacity is broadly sufficient across the market, with the key exceptions of natural catastrophe and higher-hazard Property risks, where sourcing capacity at an affordable price remains challenging.

Underwriting

Underwriting discipline continues across all lines with a focus on risk quality, risk location and provision of detailed risk information.

Limits

Expiring limits are available for most placements, although some buyers are reviewing limit options to manage program pricing.

Deductibles

Pressure on deductibles is easing, although some risk specific exposures may face upward pressure as insurers look to manage their exposure.

Coverages

Terms are generally as expiring, and coverage restrictions applied over the past two years have largely stabilized.

Q3 New Zealand Product Trends**Automobile**

Market conditions remain moderate. Supply chain challenges, inflationary pressures, and the growing use of advanced technology in vehicles continues to drive higher repair and claims costs, albeit at lower levels than those experienced in 2023.

Casualty / Liability

The market continues to be competitive, with most insureds able to purchase satisfactory limits.

Cyber

New capacity is leading to a more competitive Cyber market, with continued downward pressure on pricing. However, underwriting discipline has been holding firm. Interest in cyber insurance increased following the CrowdStrike outage incident in July.

Directors & Officers

Conditions remain stable, although insureds in New Zealand are seeing less immediate benefit from the softening in the global Directors & Officers market. Underwriters are growing more cautious as they focus on long-term portfolio performance.

Property

The Property market is moderating after a sustained period of rate increases and restrictions in capacity. Key exceptions include higher-hazard risks and those with natural catastrophe exposure, where sourcing sufficient capacity continues to be a key challenge in the New Zealand market. The ability to access new capital via traditional or alternative solutions is required to bridge the current capacity gap.

5.3 FINANCIAL STRATEGY UPDATE AND SIGNIFICANT PROJECTS RISKS REPORT

Author: Jeanette Paenga, Finance Manager

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

To provide the Committee with oversight of financial strategy and significant project risks. This includes progress updates on key factors in Taupō District Council's financial strategy and an updated risk register for Council's significant projects.

NGĀ KŌRERORERO | DISCUSSION**Financial strategy update**

Previously, the Council Monthly Performance Report has been provided to the Risk and Assurance Committee to provide the Committee with an update on financial matters. A financial strategy update has been incorporated into the new Council Monthly Performance report and focuses on the key areas of the financial strategy with associated commentary.

Council Officers believe this provides better oversight of financial strategy risk, without providing the committee with unnecessary detailed financials. Any forecast changes and associated impacts will be reflected in these key metrics and discussed as part of this report which includes debt affordability, funds and investment breakdown, and outstanding rates receivables.

The **attached** report provides year-to-date numbers and commentary, as at 31 October 2024. There have been no variances to the 2024-34 Long-term Plan and achievement of the financial strategy outcomes is on track.

Significant projects risk register

This is the second significant projects risk register presented to the Committee. The activity of reporting through to this Committee will enhance the rigour of project risk reporting and for Council's significant projects (for example the East Urban Lands (EUL) project), more detailed risk reporting is also made available to the Risk and Assurance Committee separately.

WHAKAKAPINGA | CONCLUSION

It is recommended that the Committee receives the reports.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Financial Strategy Update - October 2024
2. Significant Projects Risk Register - November 2024

5.4 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

The Risk Advisor position continues to remain vacant, while our preferred candidate waits to receive NZ immigration approval. This position has been vacant since November 2023.

Strategic Risk Management

Strategic risks workshops have been conducted for three additional risks:

- Compliance and Legal Liabilities
- Ineffective Relationships
- Effects of Climate Change

The *Compliance and Legal Liabilities* and *Ineffective Relationships* are discussed in detail in a separate report on this agenda. The Effects of Climate Change risk profile will be discussed in 2025.

Sensitive Expenditure

All staff with delegated financial authority with have completed micro training on the Sensitive Expenditure and Gift Policy.

Procurement Policy and Procedures

A Procurement Policy and Procedures micro-training model has rolled out and team specific face to face training continues.

Insurance

Council has renewed its insurance policies for the 2024/25 year and an update on the renewal process is provided in a separate report elsewhere on the agenda.

Asbestos Management

At its last meeting Risk and Assurance were advised that three large stockpiles of crushed concrete have some degree of asbestos contamination and required more detailed testing. Since the previous report to Risk and Assurance the three large piles of crushed concrete (5,000m³) have been distributed into 79 smaller suitable for testing for the presence of asbestos and the results of this testing is described elsewhere in this agenda.

WHAKAKAPINGA | CONCLUSION

Staff continue to progress risk management matters as far as practical given the vacant Risk Advisor position and emerging operational priorities.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.5 STRATEGIC RISK UPDATE

Author: Louise Chick, Business Excellence Manager

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

This report updates the Risk and Assurance Committee on progress made in developing risk profiles for Council's Strategic Risks. It also presents an updated Strategic Risk Overview.

NGĀ KŌRERORERO | DISCUSSION

Council and the Executive Team have identified ten strategic risks (Appendix A). At previous Risk and Assurance Committee meetings members received a strategic risk profile for the following risks:

1. **Attracting and retaining a competent workforce.** 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.
2. **Maintaining ICT systems and secure records.** IT systems and Council data are vulnerable to system failures and cyberattacks impacting Council's operations and reputation.
3. **Non-delivery of projects.** 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.
4. **Financial Strategy.** If Council does not have sufficient liquidity and/or funding, then delivery of service levels and key projects may be significantly impacted (including debt levels at limit; inadequate planning for growth and timing of infrastructure; not completing planned asset sales; unforeseen funding required due to unforeseen events such as a disaster).

This December paper updates members on the status of these risks and also provides strategic risk profiles for two more of Council's strategic risks:

1. **Ineffective Relationships.** If effective relationships with partners, stakeholders, and the community are not developed and maintained, then this could result in missed opportunities to benefit from connections, delays the delivery of projects and services, community mistrust, or damage to Council's reputation.
2. **Compliance and Legal Liabilities.** If Council does not meet its broad range of legislative and compliance responsibilities, either intentionally or unintentionally, then it may be subject to legal action or suffer other damage.

Workshops were held for each of these risks in October and the outputs of these workshops are summarised below and in the attached strategic risk profiles. The risks have been assessed against Council's Risk Appetite (Figure 1).

A workshop was also held in November on the **Effects of climate change**. *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.* The results of this workshop were being compiled at the time of writing this report and will be presented at the next Risk and Assurance Committee meeting.

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 1 - TDC's Risk Appetite Statement.

INEFFECTIVE RELATIONSHIPS

Following workshop discussions this risk has been redescribed from *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.*

to *If effective relationships with partners, stakeholders, and the community are not developed and maintained, then this could result in missed opportunities to benefit from connections, delays the delivery of projects and services, community mistrust, or damage to TDC reputation.*

Risk Assessment

The rating for this risk following the risk workshop is **Medium**, based on the 'plausible' scenario and **High** based on the 'worst case' scenario (Figure 2 and Figure 3).

Plausible scenario	Worst case scenario
<ul style="list-style-type: none"> • Poor understanding of what communities/ stakeholders want or value - mismatched expectations. • Project delays cause increased project bow-wave for outer financial years and higher delivery costs. • Increased scrutiny from elected members, community and stakeholders, and media as queries rise – loss of social licence. • Staff wellbeing decreases as relationships deteriorate and engagement becomes increasingly negative. • Failure to meet legislative / regulatory requirements resulting in legal action. 	<ul style="list-style-type: none"> • Ongoing misrepresentation of information causes community and stakeholder disengagement and damage to council reputation and credibility. • Failure to meet statutory obligations (such as water quality standards). • Severe financial constraints impact council credit rating and trigger the need for qualified audits (Audit NZ). • Breakdown of relationships between community, stakeholders, and elected officials results in perceived governance issues with commissioners installed by Local Government Minister. • Negative engagement experiences cause staff to leave council.

Figure 2 – Possible key impacts to TDC should the risk materialise.

Council uses plausible scenarios as a basis for managing risk, and consequently the Medium rating for the plausible scenario means this risk sits within Council's risk appetite, and responsibility to manage this risk resides with the relevant third tier managers (Enterprise Leadership Team/Enterprise Managers) (Figure 4).

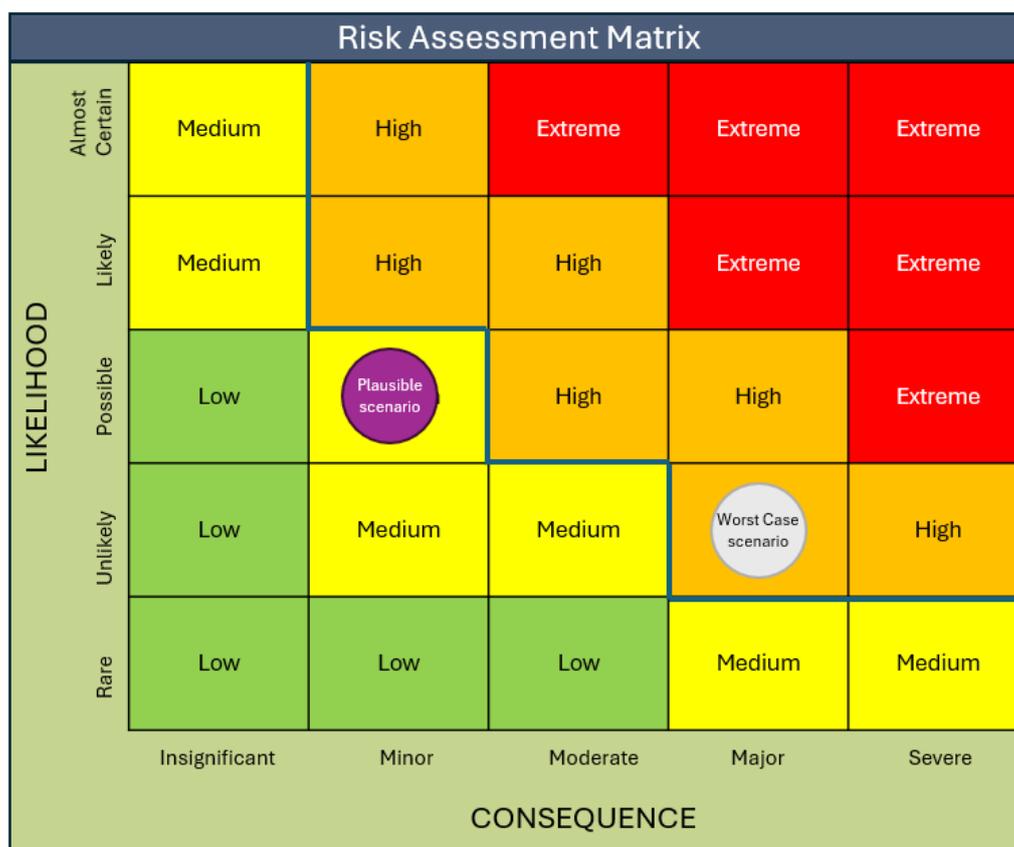


Figure 3 – Assessment of TDC’s Strategic risk relating to Council’s *Ineffective Relationships*. Blue line represents TDC risk tolerance / acceptability.

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 Council’s Risk Management Framework.

Risk control options

Various measures have been implemented to effectively manage Council’s strategic relationships, including growing Council wide knowledge and capability with regard to Tikanga, developing agreements that formalise the importance of these relationships, e.g. Mana Whakahono, and engaging in interactive, two-way communication, rather than one-way information sharing. Council has also prioritised proactive early

engagement in projects to enable meaningful feedback into decision-making, as actively observed during our recent LTP consultation process.

Future actions to mitigate the risk more effectively

Ongoing opportunities include:

- Support and facilitate more regular check ins with Iwi and communities at all levels (formal to informal).
- Strategic and tactical relationship mapping, and clarity on roles and responsibilities.
- Ensure an equitable approach so that engagement in rural areas and Taupō Town centre is consistent.
- Look for alternative communication channels and engagement methods to target a wider variety of audiences.
- Increased funding to support community and iwi engagement, and communication across all council projects and services.
- Procure a tool to assist with developing and maintaining relationships and partnerships that enables visibility of these across the organisation, such as a CRM system.

The full *Ineffective Relationships* risk profile is presented in Attachment 1.

COMPLIANCE & LEGAL LIABILITIES

Following workshop discussions this risk has been redescribed from *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.*

to ***If the Council does not meet its broad range of legislative and compliance responsibilities, either intentionally or unintentionally, then it may be subject to legal action or suffer other damage.***

Risk Assessment

The risk workshop evaluated both the ‘plausible’ and ‘worst case’ scenarios (Figure 5). The risk was rated **Extreme** for the both the ‘plausible’ scenario and **High** for ‘worst case’ scenario, which reflects the increased likelihood of a plausible event (Figure 6). An **Extreme** risk rating sits outside of TDC’s Risk Appetite (note the blue line in Figure 6), and responsibility to manage this risk resides with the CEO and Elected Members (Figure 4).

Plausible scenario	Worst case scenario
<ul style="list-style-type: none"> Loss of confidence in building consent authority and/or accreditation issues adding time and cost to processing building / resource consents. Isolated injury or death; impacts on staff wellbeing; isolated impact on community public health and/or local business through isolated water issue. Potentially severe financial implications through claims against Council and/or fines; reduced revenue (rates, fees or charges); difficulty securing cost effective insurance. Damage to relationships with iwi /hapu (especially environmental non-compliance). Pressure from community to keep compliance costs low. Poor community behaviours to avoid paying fees (i.e. asbestos in landfill). Loss of community confidence and damage to Council reputation. 	<ul style="list-style-type: none"> Prosecution of Council and/or officers e.g. Health and Safety at Work Act, Regional Council, Environment Court. Loss of life / significant injuries e.g. building collapse, widespread water quality issue. Severe financial impact, which could have flow on affects to financial strategy and council credit rating. Breakdown of relationships between community, stakeholders, and elected officials results in perceived governance issues e.g. commissioners appointed by Local Government Minister.

Figure 5 – Possible key impacts to TDC should the *compliance and legal liabilities* risk materialise.

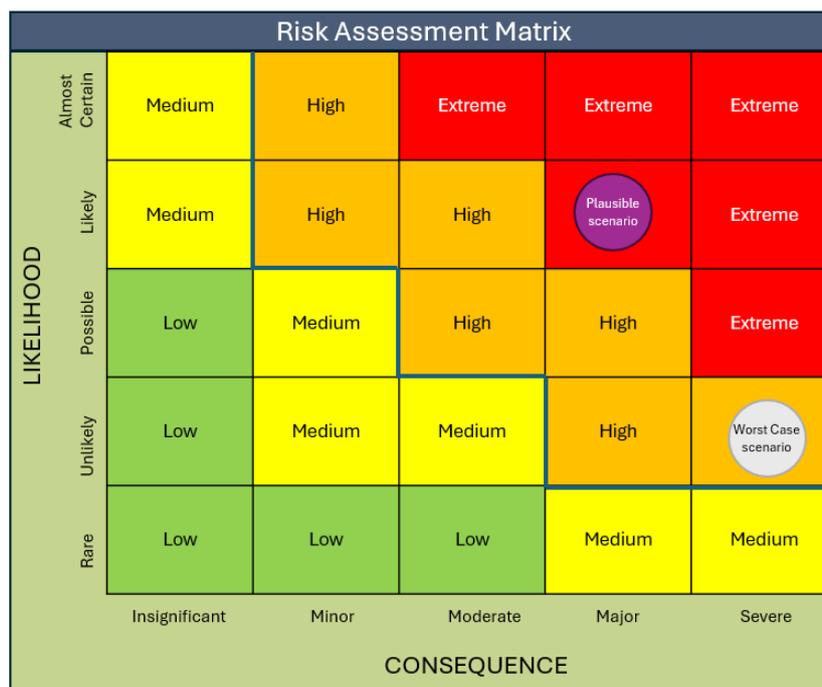


Figure 6 – Assessment of TDC’s Strategic risk relating to Council’s compliance and legal liabilities. Blue line represents TDC risk tolerance / acceptability.

Risk control options

The *compliance and legal liabilities* is a broad risk that touches on most parts of council business.

We seek to ensure we manage this risk by ensuring we have employed appropriately skilled, qualified and experienced technical staff that understand the regulatory / legislative frameworks they work within, and that they are supported by a leadership culture that values compliance.

Council has set expectations and formalised these through documented policies and standard operating procedures (including asset management plans).

Council also continually monitors its performance in various areas and reports quarterly to the Risk and Assurance Committee on achievement of its non-financial performance measures. Council also reports on its performance against its business plan and agreed KPIs and has regular financial reporting to regulators and governors.

Council's performance is also verified through external auditing.

Future actions to mitigate the risk more effectively

Council will seek to further reduce its compliance and liabilities risk by:

- Continuing to progress corrective actions / identified improvements from audits and reviews.
- Strengthening its internal capacity to provide compliance assurance by implementing a formal internal audit programme focused on risk vulnerability.
- Sustaining investment in ensuring that professional and technical Subject Matter Experts are skilled, qualified and experienced within critical regulatory frameworks.
- Building redundancy to manage key person risk.
- Strengthening and updating systems and processes that enable good data quality, data management, record keeping, management of third-party contractors, and a strategic overview of council's compliance landscape.
- Continued investment in key assets to reduce the risk of asset failure and resulting compliance issues.

The full *compliance and legal liabilities* risk profile is presented in Attachment 2.

ATTRACTING AND RETAINING A COMPETENT WORKFORCE

Attracting and retaining a competent workforce

This strategic risk *Attracting and retaining a competent workforce* risk has **increased** since the previous report to Risk and Assurance.

When this risk last reported to Risk and Assurance Committee Council's staff turnover was sitting at 16% as a 12-month rolling average. This has now increased and at the end of October Council had an overall staff turnover of 19.1%, which exceeds council's risk appetite. There are some high-risk business units (specific Council services) that are contributing to this over all percentage which when removed, reduce the overall council turnover to 12%, which sits within council's risk appetite (up to 18% turnover).

Risk Assessment Matrix						
Return to Risk Register						
LIKELIHOOD	Almost Certain	Medium	High	Extreme	Plausible Extreme	Extreme
	Likely	Medium	High	High	Extreme	Extreme
	Possible	Low	Medium	High	High	Worst Case High
	Unlikely	Low	Medium	Medium	High	High
	Rare	Low	Low	Low	Medium	Medium
		Insignificant	Minor	Moderate	Major	Severe
		CONSEQUENCE				

Figure 9 – Assessment of TDC’s Strategic risk relating to *attracting and retaining a competent workforce*. Blue line represents TDC risk tolerance / acceptability.

Further details of matters driving this risk are presented in Attachment 3. Staff have considered the following options for further mitigating this risk:

High impact / low-cost options.

- Executive team workshop to understand cascading impacts of this risk to other Strategic Risks, plan new approaches to manage this risk, and take accountability for organisational approaches in managing this risk.

High impact but with cost.

- Strategies to highlight value proposition for working at TDC (internal and external). Stronger alignment for staff with Business Plan; Annual Plan and Long-Term Plan to emphasise role purpose. Targeted support for teams with low engagement / high staff turnover. Implementing proactive approaches that ensure the right people are in the right roles.

Higher impact but higher cost.

- Different approaches to managing high volume recruitment in high turnover teams releasing capacity within P&C to provide targeted support for teams with lower performance / engagement.

STRATEGIC RISK OVERVIEW

A Strategic Risk Overview is provided in Attachment 4.

The risks *Maintaining effective ICT systems and secure records* and *Non-delivery of Projects* have remained **unchanged** since the last report to the last Risk and Assurance Committee.

The *Financial Strategy* risk has increased slightly but not enough to change the overall risk rating.

Other risks noted on the strategic risk overview that have had initial risk assessments undertaken are discussed earlier in this report.

Financial Strategy

This risk is due for formal review and reassessment in February 2025 but officers note Council’s risk has increased slightly as it is becoming increasingly challenging for local authorities to secure sufficient liability

insurance cover. There is a report elsewhere on this agenda that recommends Council obtain external insurance for its underground water assets to help balance its overall risk exposure to event-based loss.

Maintaining effective ICT systems and secure records

This risk is due for formal review and reassessment in February 2025 but officers note that there have been no indications of this risk changing since last reported in September.

Non-delivery of Projects

This risk is due for formal review and reassessment in February 2025 but officers note that there have been no indications of this risk changing since last reported in September.

WHAKAKAPINGA | CONCLUSION

Council has identified ten strategic risks and is undertaking risk workshops to develop a detailed understanding of each of these, in particular what is driving the risk and what else can be done to mitigate or control it. The outputs of this analysis are captured in Strategic Risk Profiles. Six of Council's Strategic Risks have been analysed and Strategic Risk Profiles for the most recently assessed risks are attached to this report.

The **Ineffective Relationships** risk has been rated Medium. This risk sits within Council's risk appetite and is owned by the relevant third tier managers.

The **Compliance and Legal Liabilities** risk has been rated Extreme. This risk sits outside of Council's risk appetite and is owned by CE and elected members.

The **Attracting and retaining a competent workforce** risk has moved from a High back to Extreme risk as staff turnover, with the 12-month rolling average has increased back up to 19.1%. This risk sits outside of Council's risk appetite and is owned by CE and elected members.

The **Financial Strategy** risk remains rated High and is due for formal review in February 2025 however officers note this risk has increased slightly as it is becoming increasingly challenging for local authorities to secure sufficient liability insurance cover. This risk sits outside of Council's risk appetite and is owned by the General Manager of Organisational Performance.

The **Maintaining ICT systems and secure records** risk remains rated High and is due for formal review in February 2025 however officers note there is indication of this risk changing since last reported in September. This risk sits outside of Council's risk appetite and is owned by the General Manager of Organisational Performance.

The **Non-delivery of projects** risk remains rated Extreme and is due for formal review in February 2025 however officers note there is indication of this risk changing since last reported in September. This risk sits outside of Council's risk appetite and is owned by CE and elected members.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Strategic Risk Profile - Ineffective Relationships
2. Strategic Risk Profile - Compliance and Legal Liabilities
3. Strategic Risk Profile - Attracting and retaining a competent workforce
4. Strategic Risk Overview

APPENDIX A

•	• Strategic Risk	• GM Risk Sponsor
1.	<ul style="list-style-type: none"> • Attracting and retaining a competent workforce. • <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> 	<ul style="list-style-type: none"> • Julie Gardyne
2.	<ul style="list-style-type: none"> • Ineffective relationships. • <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. missed missed opportunities to benefit from connections, delays the delivery of projects and services, community mistrust, or damage to TDC reputation.</i> 	<ul style="list-style-type: none"> • Libby O'Brien
3.	<ul style="list-style-type: none"> • Financial Strategy. • <i>If Council does not have sufficient liquidity and/or funding, then delivery of service levels and ability to fund key projects may be significantly impacted. This could include not having adequate headroom, growth being different to projections and modelling, planned asset sales being delayed, funding required for unforeseen event such as a disaster.</i> 	<ul style="list-style-type: none"> • Sarah Matthews
4.	<ul style="list-style-type: none"> • Critical infrastructure failure. • <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> 	<ul style="list-style-type: none"> • Tony Hale
5.	<ul style="list-style-type: none"> • Zero Harm. • <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> 	<ul style="list-style-type: none"> • Sarah Matthews
6.	<ul style="list-style-type: none"> • Non-delivery of projects. • <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> 	<ul style="list-style-type: none"> • Tony Hale
7.	<ul style="list-style-type: none"> • Compliance and legal liabilities. • <i>If the Council does not meet its broad range of legislative and compliance obligations responsibilities as a territorial authority, either intentionally or unintentionally, then it may be subject to legal action or suffer other damage. from individuals or enforcement authorities.</i> 	<ul style="list-style-type: none"> • Sarah Matthews
8.	<ul style="list-style-type: none"> • Maintaining ICT systems and secure records. • <i>IT systems and council data are vulnerable to system failures and cyberattacks impacting councils' operations and reputation.</i> • _____ 	<ul style="list-style-type: none"> • Sarah Matthews
9.	<ul style="list-style-type: none"> • Effects of Climate Change. • <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> 	<ul style="list-style-type: none"> • Warrick Zander
10.	<ul style="list-style-type: none"> • Underperforming Council. • <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 it its ability to achieve its strategic objectives.</i> 	<ul style="list-style-type: none"> • Julie Gardyne •

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

Project Quantum is a comprehensive, multi-year initiative divided into four phases, aimed at replacing Council's core enterprise resource planning (ERP) systems in finance, rates and revenue, regulatory, and customer management.

Significant progress has been achieved with the deployment of Phase 3 rating and revenue modules, however, there remains significant work required to close this phase off. The team encountered challenges implementing Phase 3 and is focusing on addressing outstanding issues before progressing any other improvement work.

Insights gained from Phase 3 will be leveraged in the roll out of future phases, ensuring system stabilisation before project completion can be attained. Project Quantum will disestablish in its current form, with remaining items addressed through a digital improvement programme with appropriate project frameworks.

NGĀ KŌRERORERO | DISCUSSION

Phase 3 went live on 11 September 2024 and focused on the Property and Ratings (Revenue) modules, marking a significant milestone in our journey towards enhancing our digital capabilities. This achievement is a testament to the dedication and hard work of our project team and key stakeholders, who have navigated numerous challenges, acknowledging that there is still significant work to be done. There are a number of outstanding items required to complete Phase 3.

Our team is committed to refining processes by tackling issues that have arisen after implementation and enhancing the system to meet long-term strategic objectives. The workload for these post go-live improvements has been more substantial than anticipated, particularly with the rating functionality taking longer to address critical issues before issuing rate notices. This has put additional pressure on all involved teams.

Key lessons from our journey include:

- Data Migration:** Spending additional time on the data migration prior to go live has meant any issues have been largely mitigated along with lessons learnt from our peers on what to look out for. Additional time through the go live transition period to ensure full data reconciliation.
- System Configuration:** The existing gaps in system configuration and core functionality have necessitated workarounds. These issues will be systematically addressed through collaboration with Technology One and other councils to develop a solution better suited to New Zealand's requirements. Not challenging the existing processes enough have resulted in increased complexity within the system. As we deepen our understanding of an ERP fully integrated with other modules, the interdependencies of various processes will become clearer, leading to further improvements.
- Resource Constraints:** One of the main challenges encountered was managing resource constraints for both Council and our vendors. Despite increasing the post go-live support from Technology One, ongoing support is still necessary to maintain and enhance functionality, and resources are now challenging to acquire as the vendor has moved onto other projects.
- Training and Support:** While the majority of our staff adapted well to the new system, there were instances where additional training and support were required. Identifying and addressing these needs promptly was crucial to maintaining operational efficiency.
- People:** The extensive scope of Project Quantum placed considerable demands on our staff. Many team members worked long hours to meet tight deadlines. Pressure on staff was exacerbated by the concurrent demands of other projects and the need to maintain regular operations and in some areas the time processes are taking due to the system complexity and staff still learning how the system works. We have taken steps to address this by providing additional support and resources, but it remains an ongoing concern.

6. **Delivery Pressure:** The pressure to deliver Phase 3 on time and within budget has been immense. Balancing the need for thorough testing and quality assurance with the urgency of the project timeline and risk associated with the legacy system has been a delicate task. Despite these pressures, the team has shown resilience and commitment to achieving our goals.

Next Steps

Delays in closing out Phase 3 have led to delays in commencing work that was originally planned for Phase 4. As we continue to plan the remaining work to be delivered and learning from the challenges of Phase 3, it has been determined that the current large phase approach is not effective. Stakeholders and the project team respond better to smaller, well-defined work packages that can be assessed on its own merit, delivered more successfully, and gain greater support for the changes. Additionally, the name Project Quantum has become outdated with the project team, staff, and stakeholders, so has been proposed to be discontinued.

Moving forward Project Quantum will shift to a continuous improvement programme for the remainder of the modules which allows better alignment with strategic outcomes already present in the enterprise leadership team (ELT) business plan. It has been determined that most of the remaining modules can be aligned with a sound risk assessment process to determine workplan priorities. By organising tasks into work packages, the digital delivery process can be made more efficient. It also enables:

- Risk Prioritisation: deliver work based on risk.
- Maintain Momentum: Continuously enhance our digital solutions without the constraints of fixed project phases.
- Adapt to Change: Quickly respond to emerging business needs and technological advancements.
- Optimise Resources: Efficiently allocate resources to high-priority initiatives and reduce burnout of stakeholders and the project delivery team.
- Review the scope: review the scope of each work package to ensure alignment to today's requirements and bring our stakeholders along on the journey.
- Consideration given to all digital improvements: inclusion of all digital improvements within the organisation to ensure alignment with priorities and resourcing, including all continuous improvement including ad-hoc work and any new items identified.

This approach facilitates better engagement and acceptance, and visibility of all digital improvements. The order of the delivery will be based on the risk-based project prioritisation work currently underway and will consider strategic, technical, and the operational risks associated with each work package.

The transition to a continuous improvement approach is supported by a new governance structure that ensures effective oversight and accountability. A new Digital Programme Group will be established to oversee all digital projects, their risk-based prioritisation and delivery outcomes. Each work package will have its own steering group to which the digital work programme group will have oversight. Each work package will still be project managed a member of the Digital Solutions Team, to ensure consistency in the project delivery and quality.

Improvements are still required across all the modules in production, and this 'business as usual' (BAU) work will need to be managed along with the work packages. Council has added capacity through contract support services offered by reputable companies who specialise in Technology One and CiAnywhere, freeing the team up to work on the high risk and high value-add activities to help manage workloads and staff fatigue while maintaining quick delivery.

NGĀ HĪRAUNGA | CONSIDERATIONS

Ngā Aronga Pūtea | Financial Considerations

The remaining capex budget, made from a carry forward budget of \$946k and a \$1.2 million budget allocation noted in the LTP for year 1, and will be allocated proportionately amongst the work packages.

<i>Data</i>	\$	1,228,110.00
<i>People (Staff capitalisation)</i>	\$	4,258,314.00
<i>Implementation (incl licencing)</i>	\$	3,135,941.00
<i>Other (ie: legal, audit, change management)</i>	\$	598,894.00

Spend to date:	\$ 9,221,259.00
-----------------------	------------------------

Additional digital improvement work packages, that were not in scope for the original Project Quantum phase four, will be required to have their own budget before progressing.

Ngā Tūraru | Risk

Key risks (those risks with a 'high' risk rating) and mitigation activities have been identified in the table below.

Risk Theme	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>	<p>Phase 3 modules that have now been implemented have shifted the remaining financial information out of MagiQ to minimise risk.</p> <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>Resourcing - Business</p> <p>Business representatives required for key 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>	<p>The project delivery approach has changed in a response to the lessons learnt for the first 3 phases.</p> <p>Project planning has been done that 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>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> <p>Several key resources have returned to their business roles, leaving a knowledge gap within the project team that will take time to fill so the speed of delivery is now reduced temporarily.</p>	<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>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 TDC post go live.</p> <p>Heavy demand on vendor resources as other councils are undertaking ERP</p>	<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>

Risk Theme	Risk Mitigation
change or upgrades.	<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>

WHAKAKAPINGA | CONCLUSION

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

While Project Quantum has made significant strides in transforming Council's operations, there are still outstanding items from Phase 3 which need to be addressed before undertaking any further improvements. The proposed shift to a continuous improvement model is part of a plan to address previous challenges and continue to progress improvements long-term.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

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

Author: Chris Haskell, Property and Development Manager

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

This purpose of this report is to provide the committee with a six-monthly update on the progress of the following Council development projects:

- East Urban Lands (EUL) Housing Development
- 204 Crown Road Industrial Development
- 30 Mahoe Street Industrial Development

This report includes key risks and associated risk mitigation, to assure the Committee that the development risks are being managed appropriately.

NGĀ KŌRERORERO | DISCUSSION**East Urban Lands (EUL) Project Progress****Stage 1 Affordable Housing Area Development**

The East Urban Lands project is a residential development project. Stage 1 is divided into two defined portions (1A & 1B) with 116 lots with Earthworks for both 1A and 1B already completed. Prior to Council's Long-term Plan process, key commercial terms were agreed with Council's development partner consortium, which includes Penny Homes Limited, Tūwharetoa Settlement Trust, and Classic Builders. Work is now underway to finalise a development agreement which is reflective of the agreed commercial terms.

Development update

Civil Works: A civil works contractor for 1A was appointed, following a two-step procurement process. Work on-site commenced on 14 October 2024. The contractor has been thorough in managing site risks, ensuring high standards in health and safety, quality, and planning.

Civil works for 1A are scheduled for completion by Q2 2025, enabling the commencement of residential construction by Council's development partner.

Stage 1B: The design for 1B has been completed, and all consents have been obtained, enabling the procurement of the next package of civil works in line with project timelines.



Figure 1 – Drone image facing east across the East Urban Lands Affordable Housing Area.

204 Crown Road Project Progress

Industrial Development

Crown Road development project is an industrial development with 20 lots planned.

Development update:

Earthworks and other site works (undergrounding of power and fibre) are progressing well. Earthworks are currently four weeks ahead of schedule.



Figure 2 – Drone image facing south across 204 Crown Road industrial development.

30 Mahoe Street Project Progress

Industrial Development

The 30 Mahoe Street development consists of 3 industrial lots, for which all physical development has been completed.

The civil works and earthworks were completed, and the contractor has been released from the defect liability period with no issues requiring rectification.

The development is currently with Land Information New Zealand (LINZ) for the issuance of titles.

The land is expected to be on the market in early 2025.



Figure 3 – Image facing north across 30 Mahoe Street Industrial Development.

Risk Management

The Development Projects Risk Register (Attachment 1) summarises the key risks and mitigation controls against each of Council's land development projects.

WHAKAKAPINGA | CONCLUSION

This report provides a detailed update on the status and progress of Council's East Urban Lands, 204 Crown Road, and 30 Mahoe Street developments. Significant progress has been made on all projects, and development risks are being mitigated through careful management of the developments.

Future progress reports will continue to be provided on a six-monthly basis to keep the Committee informed on Council's development projects.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Development Projects Risk Register

5.8 HEALTH, SAFETY AND WELLBEING UPDATE

Author: Tasha Lastinger, Health and Safety Manager

Authorised by: Louise Chick, Business Excellence Manager

TE PŪTAKE | PURPOSE

To update the Risk and Assurance Committee on the progress in implementing improvements to Taupō District Council's Health, Safety and Wellbeing system and update the Committee on significant health and safety incidents incurred from end of August to mid-November.

WHAKARĀPOPOTANGA MATUA | EXECUTIVE SUMMARY

- Work has progressed on Council's Health, Safety & Wellbeing Strategy.
- Progress continues to deliver the recommendations arising from the KPMG Report (2023) which includes recent delivery of contractor management training for staff and their managers.
- All Executive members have undertaken at least one Leadership Safety Walk. These have been focused on Council's critical risks and verification of controls. Key observations are being actioned for improvement.
- Learning Teams (H&S incident debriefs) have been soft launched into Council to ensure all significant incidents with high potential consequences are being properly debriefed and analysed for learnings and actions. It is expected these will eventually be led by Managers and Health and Safety Representatives. Guidance has been developed to ensure processes are clear and H&S representatives will receive training on how to facilitate incident debriefs at the end of November.
- There have been three aggression incidents during the last month and more than 18 during the last 8 months.
- Aggression: Over thirty of Council's frontline staff will receive externally provided training on how to de-escalate difficult situations in November.
- Development of Council's Critical Risk Programme continues to be a priority focus with the Critical Risk Standard in draft and ready for worker engagement with H&S Representatives (scheduled for November). TDC critical risks *Contractor Management* and *Psychosocial* have had progress with further refinement of controls, tools and resources being undertaken. Training has commenced to support staff in managing *Violence and Aggression* critical risk.
- Induction Training – less than 2% of the 425 Council staff still need to complete the Council H&S Induction. This is a significant reduction of outstanding staff since launch of the micro-learning induction last year.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ KŌRERORERO | DISCUSSION

Strategy Implementation

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

Work continues delivering the **H&S and Wellbeing Strategy** with a focus on engagement and safe systems.

Safe Systems:

- Development of a comprehensive Critical Risk Programme continues to be a priority focus with the Critical Risk Standard in draft and ready for engagement with H&S representatives in December. Council critical risks *Contractor Management*, and *Psychosocial* have had progress with the first contractor management training sessions delivered and three training sessions on how to de-escalate aggressive situations (CERT Security training) to be delivered to frontline staff in the next month.
- Induction Training: Best practice is for staff to be regularly refreshed annually or bi-annually on an organisation's H&S systems and processes. This reporting period there are 76 staff whose H&S induction training expired and are now due for refresher training. This around 20 people less than the previous month. We have 10 staff who have not undertaken the H&S induction training.

Engagement:

- H&S Representative Training Level 1 has been offered to all H&S Representatives with ten attending. A schedule of training is being created and loaded for registration to maintain ongoing opportunities for all H&S Representatives.
- H&S Representatives are meeting at the end of November. Their session will include: i) a training session on Learning Teams to be co-delivered by the H&S Manager and Senior Compliance Advisor; ii) a worker representative engagement session on the draft critical risk standard, and iii) discussion on the new structure for H&S Representatives and the roll out of mandatory, documented H&S meetings.

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

	Commitment	Status %	Next Milestone	Comment
Leadership	Develop schedule of Leadership Safety Walks.	100%	Integration of learnings arising from Leadership Safety Walks into critical risk management (ongoing as continuous improvement).	All Executive members have undertaken a Leadership safety walk. These have been focused on Council's critical risks. Key observations are being actioned for improvement. Further work to support Safety Walks to be undertaken to ensure it meets the Health and Safety at Work Act (section 44) requirement of senior leadership to undertake their due diligence.
	Development of roles, accountability, & 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. Psychosocial Risk Register.	Council has 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%	Create H&S Communication/Engagement Plan.	Progression to be furthered by Health and Safety Manager.

	Commitment	Status %	Next Milestone	Comment
	People leaders hold their staff to account for HSW matters.	0%	Staff KPI's for H&S to be developed until they are endorsed by senior management. Roll-out training on Council's HSW Policy and health and safety responsibilities as outlined in the RACI.	H&S Manager
	Develop internal staff surveys to assess Council culture.	0%	Develop survey questions.	H&S Manager to undertake.
Safe Systems	Refresh our HSW management system – roles, tools, policies & processes – to ensure enterprise coverage & easy to use.	10%	Implement H&S Improvement Plan to structure a review of our processes.	H&S Manager to undertake.
	Integrate HSW outcomes within Council's procurement processes & supply chain management.	80%	A procedure – H&S in Procurement Procedure is in draft for final.	H&S Manager to review
	Develop a contractor Health & Safety Management Framework.	50%	Contractor Management framework is understood and supporting artefacts are revised and used by TDC Staff.	H&S Manager. Plan to implement now and part of a bigger review of our contractor management system and documents to occur.
	Develop a new Intranet portal that becomes the source of all HSW 'truth'.	100%	Intranet portal established with health initiatives and information, along with Council policies.	Will continue to be developed and information added as it becomes available.
	Response to incidents are proactively managed.	20%	Learning Teams for H&S Incidents are implemented in TDC. Learning team and incident management guidance is distributed. Managers and HSR's are trained on how to deliver a learning team.	Work to implement 'Learning Teams' (H&S Incident Debriefs) within TDC has started so that we can ensure that we are adequately addressing and learning from H&S incidents at TDC.
Improvement	Identify what is important to Council in the HSW space, develop measures & benchmarked targets & report on these.	10%	Measures are created to align with TDC critical risks.	TDC is focused on critical risks and will develop measures based on critical risk verifications.
	Develop & rollout Safety Leadership Training for all managers & team leaders.	20%	Complete development of leadership specific training.	H&S Manager to undertake.
	Develop a HSW Assurance Programme	25%	Develop formal assurance programme as part of the Council H&S Management System. Formalise expectations for Council managers to undertake regular assurance activities to current H&S assurance practices.	Overarching Assurance programme to be created to encompass all key aspects of the Council H&S management system with focus on critical risk assurance.

Update on implementation of KPMG Health and Safety Review Report recommendations

In 2023 Council commissioned KPMG to conduct a review of its 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.

Progress has continued on KPMG report recommendations. Recommendations that have been actioned or achieved will need time to embed with staff. For example, where critical risk registers have been completed the business units will need to ensure staff have been inducted into the critical controls. Where new documents, procedures etc are developed these will need to be well socialised within Council.

KPMG's findings were summarised into 15 categories with 7 of these considered high.

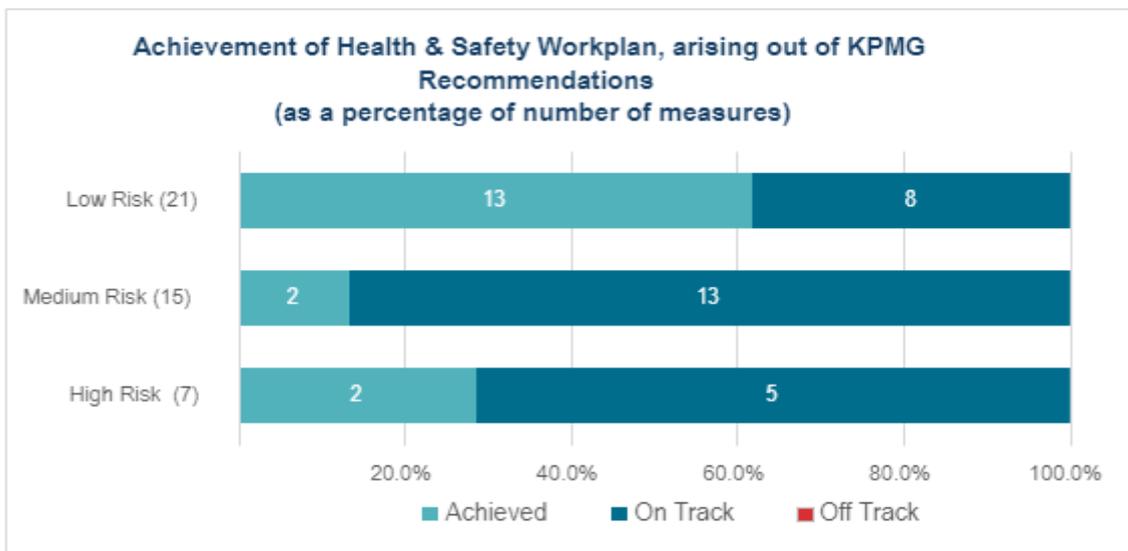


Figure 1 – summary of progress in delivering KPMG's recommendations.

There were 42 recommendations to support the 15 audit findings. 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.

Council's 10 Critical Risks are:

- Driving
- Psychosocial
- Contractor Management
- Working on or near roadways
- Violence and Aggression
- Hazardous Substances including Asbestos
- Working at Heights
- Working with Animals
- Underground Buried Services
- Plant and Equipment

2. Risk Registers not in place and controls not evaluated to establish if working as intended (High) - 80%

Risk Registers have been created for most areas of Council. The priority is to ensure critical risk controls are well understood throughout Council and consistently implemented. The critical risk standard is being developed which verifies the effectiveness of current controls.

3. Inconsistent Risk Matrix and Ranking (Medium) – Complete

4. Limited formal assurance practices in place (Medium) – 50% underway

The critical risk standard and its subsequent implementation in Council will complete the KPMG medium risk deliverable on creating an internal audit programme based on risk. The standard outlines how Council will gain assurance on its critical risk controls. This assurance will be gained through critical risk verifications done by key staff and H&S representatives, safety walks by Executive members, internal yearly audits, and deep dive reports which compile observational and system incident data.

The four recent critical risk safety walks undertaken by Executive members have provided insight into where our controls can be strengthened, and work is underway to do so. For example, where Executive Safety Walks have recently focused on *Psychosocial* risk it highlighted the need for training for frontline customer service staff to deal with aggressive customers. This led to frontline staff receiving training on how to de-escalate aggressive behaviour.

A yearly assurance audit, based on the ACC partnership programme, will be initiated next year as a separate internal audit to gain assurance on Council's H&S systems and processes.

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

Contract managers are being trained on their roles and responsibilities to assist them in understanding how to gain assurance on contractors H&S systems and processes.

6. Emergency drills do not include all scenarios (Medium) – 35% underway

Emergency procedures are currently being reviewed, revised and prominently displayed for all Council sites. These procedures will include all relevant scenarios including security and lockdown procedures.

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

Frontline staff are receiving training on how to deescalate aggressive situations and maintain situational awareness. Security risk registers have been completed and will be updated to reflect any further controls arising from improvements to Council's site-specific emergency procedures. Further work to develop lockdown procedures and train staff is underway.

Critical Risk Focus:

Each Risk and Assurance Committee report will highlight one of Council's critical risks and any relevant incident data. This report focusses on *Violence and Aggression*.

Aggression incidents:

There have been three aggression incidents reported this month. There have been 18 reported serious aggressive behaviours in the last eight-month period, mostly from pools staff and compliance officers in the parking and animal teams. It is likely these will increase as awareness for staff on what constitutes an assault or aggressive behaviour becomes well socialised after receiving the upcoming Frontline CERT security training. By the end of December, over 30 Council staff will have received specialist training by market leaders CERT Systems to ensure our staff are well equipped to prevent and de-escalate these situations and able to manage aggressive public members.

Significant incidents of note:

Tūrangi Turtle Pools Aggression Incident: a member of public made threats to multiple staff resulting in a one-day closure of the pools and other key sites in Tūrangi. A learning team has been held by the H&S Manager to glean the key learnings for the team and organisation.

Notifiable Events to WorkSafe NZ (3 months)

Nil.

WHAKAKAPINGA | CONCLUSION

Council continues to proactively implement the opportunities for improvement to its health and safety system recommended in the KPMG Health and Safety Review Report and officers continue to identify new opportunities for improvement.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

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

Author: Dana Periam, Legal and Governance Coordinator

Authorised by: Louise Chick, Business Excellence Manager

TE PŪTAKE | PURPOSE

To update the Committee on the findings of the assurance review against Council's Sensitive Expenditure and Gift Policy 2024 and highlight any areas for improvement.

NGĀ KŌRERORERO | DISCUSSION

Sensitive expenditure is regularly reviewed to ensure compliance with Council's Sensitive Expenditure and Gift Policy. Sensitive expenditure is also an area that is regularly tested by Council's external auditor (Audit NZ), to test compliance against the [Office of the Auditor General's Good Practice Guide](#).

The information for this review is sourced from the Council's finance system, Council's gift register, and reimbursements processed through payroll. The transactions have been assessed against Council's 2024 Sensitive Expenditure Policy.

This report covers a 3-month period and the transactions that constitute sensitive expenditure have been reviewed.

Compliance with Section 13 of the Policy – Council credit cards and purchasing cards

A selection of credit card transactions was assessed during this review and overall, compliance to the policy has been largely confirmed. There were a couple of improvement items noted:

- 1) There were some instances where additional detail needed to be gathered during the review to demonstrate a clear business purpose. Where detail has been subsequently provided, this has been updated in our financial system. Cardholders have been reminded to add this detail when credit card expenditure is incurred.
- 2) There was one instance of accommodation booked for a staff member and this staff member approved the transaction.
- 3) There was one instance of accommodation booked for an appointed member was approved by the Chief Executive however this was formally approved by the Tūrangi Co-Governance Committee on Wednesday 7 August.
- 4) There was one instance where a leaving gift had been purchased for a staff member who had not been at Taupō District Council for over five years and staff in question have been reminded about the policy.
- 5) There were 2 transactions where more than one drink per person had been purchased (non-alcoholic) and staff in question have been reminded about the policy.
- 6) There is an opportunity to improve on the timeliness of issuing requests for approval of the Mayor's credit card transactions.

Section 14 of the Policy – Expenses when travelling

A selection of expenses when travelling transactions were assessed during this review and compliance to the policy has been largely confirmed. There were a couple of improvement items noted:

- 1) There were some instances where staff were reimbursed for the use of private vehicles, when it seemed like Council-owned vehicles were available. Some of these mileage claims were due to it being unclear if staff could drive pool cars on a restricted license. This has been clarified and going forward staff will book a pool car in the first instance.
- 2) There were some instances where staff were reimbursed for the use of private vehicles for short distances around town and this was not pre-approved. This was identified and the manager was going to address this with the team.
- 3) Council has adopted the use of a travel and accommodation booking system – Orbit. The system provides many benefits, including cost and efficiency benefits, and requires approval by a staff member more senior to the person who is travelling and who holds the appropriate delegated authority. However, under the Orbit system when meals are charged back to a hotel room, Orbit do

not provide meal receipts to verify what was consumed. Orbit does however provide Council's sensitive expenditure rules to accommodation providers, and they must confirm that the expenditure complies with this to charge-back to the account. However, this makes it challenging for the purposes of our additional verification. This is an issue experienced by other councils, with no known way to ameliorate. We use Orbit's existing control to verify compliance.

- 4) There were two transactions where the staff members purchased a meal with two drinks (non-alcoholic) that was over the meal allowance. The staff member was advised of the allowances in the 2024 Policy and was only reimbursed for the meal and one drink which fell within the allowance limit.

Section 15 of the Policy – Entertainment and Hospitality (including catering)

A selection of entertainment and hospitality transactions were assessed and compliance to the policy has been largely confirmed. There were a couple of minor improvement items noted:

- 1) There were some instances where it was unclear who was receiving the catering and why the catering was required. Improvement in recording this information is required during creation of purchase orders and this should be a requirement for those with delegated financial authority when approving purchase orders. Training is being rolled out for the 2024 Sensitive Expenditure and Gift Policy, to reinforce key messages.
- 2) There were a few instances where it was unclear if the catering costs were within the limits set in the 2024 Policy, this was because not enough detail regarding who would be receiving the catering was provided. The value of the expenditure was low.

Section 16 of the Policy – Goods and Services Expenditure

Council's gifts register and associated transactions were reviewed, against section 16 of the 2024 Policy, which required that prizes over \$100 be recorded in Council's gift register. No incidents of non-compliance were identified.

Section 17 of the Policy – Staff Support and Welfare Expenditure

Council's gifts register and associated transactions were reviewed, against section 17 of the 2024 Policy, which required that staff record gifts given over \$100 in the Council Gift Register to ensure full transparency. No incidents of non-compliance were identified.

Section 18 of the Policy – Donations, Koha and Gifts

A selection of transactions of Council's donations, koha and gifts were reviewed, against section 18 of the 2024 Policy. There was some minor improvement items noted:

- 1) Gifts given to staff (for long service, farewells, bereavement etc.) were not always documented on the gift register. Further training on this is required to help staff understand the register is to be used to record gifts given, as well as gifts received.
- 2) Expenditure on farewells, long service and retirements had not been approved by the relevant Group Manager as per the 2024 Policy but these were often approved by a staff member with appropriate delegated financial authority.
- 3) There were a couple of instances where gifts had been purchased for staff members leaving Taupō District Council, however the staff members years of service were not enough to be eligible. The cost was moderate and conservative.

WHAKAKAPINGA | CONCLUSION

Although opportunities for improvement in the processing and management of sensitive expenditure were identified through this assurance review, compliance with the policy was largely evidenced. There were no incidents of activity identified that could be considered serious or fraudulent.

An online micro-training module on Council's Sensitive Expenditure and Gift Policy was launched in October and staff with delegated financial authority have now undertaken this training which is expected to drive further improvements.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the Sensitive Expenditure Review for the period 1 July

2024 to 30 September 2024.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.10 NON-FINANCIAL PERFORMANCE MEASURES REPORTING

Author: Dana Periam, Legal and Governance Coordinator

Authorised by: Louise Chick, Business Excellence Manager

TE PŪTAKE | PURPOSE

For the Risk and Assurance Committee to receive its quarterly 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.

Elected members and senior management now receive quarterly reports to provide better visibility of how Council is delivering against these commitments. The first quarterly report for the 2024/25 year is presented in Attachment 1. There have been eight new non-financial performance measures added in the adopted Long-term Plan 2024-34 and Council now has 68 non-financial performance measures. Performance in the delivery of these is 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.

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.

Staff are still collating data to inform our performance against the Community Leadership activity, namely *the value of the TEL Fund is maintained relative to inflation*.

WHAKAKAPINGA | CONCLUSION

The report gives 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 Q1 2024/25 Report.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. NFPM Performance Report - 1 July 2024 to 30 September 2024

5.11 OUTSTANDING AUDIT AND IMPROVEMENT ITEMS**Author:** Dana Periam, Legal and Governance Coordinator**Authorised by:** Louise Chick, Business Excellence Manager**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

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.
Abridged Property Process and Function Review Summary	June 2024	Outstanding matters – see attachment.

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 are provided in Attachment 1. Those actions that are delayed have been highlighted orange in the attachment.

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/ Recommen ded	No priority assigned	Total
External	Annual Report – Audit NZ	3 (1)	25 (13)	5 (2)	-	33 (16)
	Drinking Water Audits	- (n/a)	- (n/a)	- (n/a)	8 (4)	8 (4)
	Environmental Health – reassessment audit	- (n/a)	- (n/a)	6 (6)	-	6 (6)
	Environmental Health – surveillance audit	- (n/a)	- (n/a)	3 (2)	-	3 (2)
	LTP Audit	- (n/a)	2 (1)	- (n/a)	-	2 (1)
	NZTA Investment Audit Report	- (n/a)	2 (2)	8 (8)	-	10 (10)
	Abridged Property Process and Function Review Summary	- (n/a)	- (n/a)	- (n/a)	10 (1)	10 (1)
Internal	Council Mark	-	-	-	19 (11)	19 (11)
	KPMG H&S Review	7 (2)	15 (2)	20 (14)	-	42 (18)
	Completely closed audits	(13)	(1)	(9)	-	(23)
	TOTAL	23 (16)	45 (19)	51 (41)	37 (16)	156 (92)

Council has been steadily progressing implementation of audit and review recommendations and of the 156 recommendations. Officers believe that 92 require no further action (up from 84 on the previous report), however a number of these await a follow up audit/review to formally remove them.

Council will also shortly kick-off an Organisational Audit Improvement Group, the purpose of which is to facilitate timely delivery of high risk and/or long-standing organisational improvement recommendations from internal and external audit reports and other various process reviews. Membership will be cross organisational.

Progress will continue to be monitored and reported at the next Risk and Assurance Committee meeting on 11 March 2025.

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 audit and review recommendations.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Open Audit Recommendations
2. Closed since last update on 17 September 2024

5.12 ANNUAL REVIEW OF RISK AND ASSURANCE COMMITTEE PERFORMANCE

Author: Louise Chick, Business Excellence Manager

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

Council’s Elected Members, independent members of the Risk and Assurance Committee and Executive Team were asked to complete an anonymous survey on their perceptions of the effectiveness of Council’s Risk and Assurance Committee. This report summarises the findings from this survey.

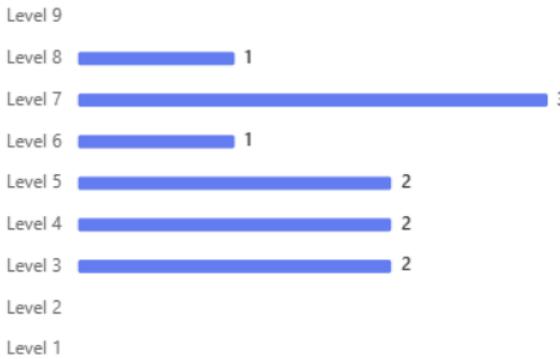
NGĀ KŌRERORERO | DISCUSSION

The findings of the annual survey are presented below and compared to last year’s results. There were a small number of respondents (7 respondents (35%), compared with 11 from the previous year). The results below should only be considered indicative. In all areas, respondents have indicated there has been an improvement from last year.

2023 Results	2024 Results	Better/worse																																								
<p>1. Please rate on the scale 1 (minimal) to 9 (substantial), what is your overall assessment of the added value the Risk and Assurance Committee brings to Taupō District Council.</p>																																										
<p>Average rating = 6.70</p>	<p>Average rating = 7.86</p>																																									
<table border="1"> <caption>2023 Results for Question 1</caption> <tr><th>Level</th><th>Count</th></tr> <tr><td>Level 9</td><td>0</td></tr> <tr><td>Level 8</td><td>3</td></tr> <tr><td>Level 7</td><td>4</td></tr> <tr><td>Level 6</td><td>2</td></tr> <tr><td>Level 5</td><td>0</td></tr> <tr><td>Level 4</td><td>0</td></tr> <tr><td>Level 3</td><td>1</td></tr> <tr><td>Level 2</td><td>0</td></tr> <tr><td>Level 1</td><td>0</td></tr> </table>	Level	Count	Level 9	0	Level 8	3	Level 7	4	Level 6	2	Level 5	0	Level 4	0	Level 3	1	Level 2	0	Level 1	0	<table border="1"> <caption>2024 Results for Question 1</caption> <tr><th>Level</th><th>Count</th></tr> <tr><td>Level 9</td><td>4</td></tr> <tr><td>Level 8</td><td>0</td></tr> <tr><td>Level 7</td><td>1</td></tr> <tr><td>Level 6</td><td>2</td></tr> <tr><td>Level 5</td><td>0</td></tr> <tr><td>Level 4</td><td>0</td></tr> <tr><td>Level 3</td><td>0</td></tr> <tr><td>Level 2</td><td>0</td></tr> <tr><td>Level 1</td><td>0</td></tr> </table>	Level	Count	Level 9	4	Level 8	0	Level 7	1	Level 6	2	Level 5	0	Level 4	0	Level 3	0	Level 2	0	Level 1	0	
Level	Count																																									
Level 9	0																																									
Level 8	3																																									
Level 7	4																																									
Level 6	2																																									
Level 5	0																																									
Level 4	0																																									
Level 3	1																																									
Level 2	0																																									
Level 1	0																																									
Level	Count																																									
Level 9	4																																									
Level 8	0																																									
Level 7	1																																									
Level 6	2																																									
Level 5	0																																									
Level 4	0																																									
Level 3	0																																									
Level 2	0																																									
Level 1	0																																									
<p>2. Please rate on the scale from 1 (very limited knowledge) to 9 (a comprehensive understanding), your appreciation of the risks facing Taupō District Council.</p>																																										
<p>Average rating = 6.82</p>	<p>Average rating = 7.14</p>																																									
<table border="1"> <caption>2023 Results for Question 2</caption> <tr><th>Level</th><th>Count</th></tr> <tr><td>Level 9</td><td>1</td></tr> <tr><td>Level 8</td><td>2</td></tr> <tr><td>Level 7</td><td>4</td></tr> <tr><td>Level 6</td><td>2</td></tr> <tr><td>Level 5</td><td>2</td></tr> <tr><td>Level 4</td><td>0</td></tr> <tr><td>Level 3</td><td>0</td></tr> <tr><td>Level 2</td><td>0</td></tr> <tr><td>Level 1</td><td>0</td></tr> </table>	Level	Count	Level 9	1	Level 8	2	Level 7	4	Level 6	2	Level 5	2	Level 4	0	Level 3	0	Level 2	0	Level 1	0	<table border="1"> <caption>2024 Results for Question 2</caption> <tr><th>Level</th><th>Count</th></tr> <tr><td>Level 9</td><td>1</td></tr> <tr><td>Level 8</td><td>1</td></tr> <tr><td>Level 7</td><td>4</td></tr> <tr><td>Level 6</td><td>1</td></tr> <tr><td>Level 5</td><td>0</td></tr> <tr><td>Level 4</td><td>0</td></tr> <tr><td>Level 3</td><td>0</td></tr> <tr><td>Level 2</td><td>0</td></tr> <tr><td>Level 1</td><td>0</td></tr> </table>	Level	Count	Level 9	1	Level 8	1	Level 7	4	Level 6	1	Level 5	0	Level 4	0	Level 3	0	Level 2	0	Level 1	0	
Level	Count																																									
Level 9	1																																									
Level 8	2																																									
Level 7	4																																									
Level 6	2																																									
Level 5	2																																									
Level 4	0																																									
Level 3	0																																									
Level 2	0																																									
Level 1	0																																									
Level	Count																																									
Level 9	1																																									
Level 8	1																																									
Level 7	4																																									
Level 6	1																																									
Level 5	0																																									
Level 4	0																																									
Level 3	0																																									
Level 2	0																																									
Level 1	0																																									

2023 Results	2024 Results	Better/worse																																								
3. Please rate on the scale from 1 (not capable) to 9 (extremely capable), your capability to manage risk in your role for Taupō District Council.																																										
Average rating = 6.64	Average rating = 6.86																																									
<table border="1"> <tr><th>Level</th><th>Count</th></tr> <tr><td>Level 9</td><td>2</td></tr> <tr><td>Level 8</td><td>1</td></tr> <tr><td>Level 7</td><td>3</td></tr> <tr><td>Level 6</td><td>3</td></tr> <tr><td>Level 5</td><td>1</td></tr> <tr><td>Level 4</td><td>0</td></tr> <tr><td>Level 3</td><td>1</td></tr> <tr><td>Level 2</td><td>0</td></tr> <tr><td>Level 1</td><td>0</td></tr> </table>	Level	Count	Level 9	2	Level 8	1	Level 7	3	Level 6	3	Level 5	1	Level 4	0	Level 3	1	Level 2	0	Level 1	0	<table border="1"> <tr><th>Level</th><th>Count</th></tr> <tr><td>Level 9</td><td>0</td></tr> <tr><td>Level 8</td><td>1</td></tr> <tr><td>Level 7</td><td>4</td></tr> <tr><td>Level 6</td><td>2</td></tr> <tr><td>Level 5</td><td>0</td></tr> <tr><td>Level 4</td><td>0</td></tr> <tr><td>Level 3</td><td>0</td></tr> <tr><td>Level 2</td><td>0</td></tr> <tr><td>Level 1</td><td>0</td></tr> </table>	Level	Count	Level 9	0	Level 8	1	Level 7	4	Level 6	2	Level 5	0	Level 4	0	Level 3	0	Level 2	0	Level 1	0	
Level	Count																																									
Level 9	2																																									
Level 8	1																																									
Level 7	3																																									
Level 6	3																																									
Level 5	1																																									
Level 4	0																																									
Level 3	1																																									
Level 2	0																																									
Level 1	0																																									
Level	Count																																									
Level 9	0																																									
Level 8	1																																									
Level 7	4																																									
Level 6	2																																									
Level 5	0																																									
Level 4	0																																									
Level 3	0																																									
Level 2	0																																									
Level 1	0																																									
4. Please rate on the scale 1 (no support) to 9 (fully supported), the level of support you receive to manage risk in your role at Taupō District Council.																																										
Average rating = 5.82	Average rating = 6.71																																									
<table border="1"> <tr><th>Level</th><th>Count</th></tr> <tr><td>Level 9</td><td>0</td></tr> <tr><td>Level 8</td><td>1</td></tr> <tr><td>Level 7</td><td>5</td></tr> <tr><td>Level 6</td><td>2</td></tr> <tr><td>Level 5</td><td>0</td></tr> <tr><td>Level 4</td><td>0</td></tr> <tr><td>Level 3</td><td>3</td></tr> <tr><td>Level 2</td><td>0</td></tr> <tr><td>Level 1</td><td>0</td></tr> </table>	Level	Count	Level 9	0	Level 8	1	Level 7	5	Level 6	2	Level 5	0	Level 4	0	Level 3	3	Level 2	0	Level 1	0	<table border="1"> <tr><th>Level</th><th>Count</th></tr> <tr><td>Level 9</td><td>0</td></tr> <tr><td>Level 8</td><td>2</td></tr> <tr><td>Level 7</td><td>2</td></tr> <tr><td>Level 6</td><td>2</td></tr> <tr><td>Level 5</td><td>1</td></tr> <tr><td>Level 4</td><td>0</td></tr> <tr><td>Level 3</td><td>0</td></tr> <tr><td>Level 2</td><td>0</td></tr> <tr><td>Level 1</td><td>0</td></tr> </table>	Level	Count	Level 9	0	Level 8	2	Level 7	2	Level 6	2	Level 5	1	Level 4	0	Level 3	0	Level 2	0	Level 1	0	
Level	Count																																									
Level 9	0																																									
Level 8	1																																									
Level 7	5																																									
Level 6	2																																									
Level 5	0																																									
Level 4	0																																									
Level 3	3																																									
Level 2	0																																									
Level 1	0																																									
Level	Count																																									
Level 9	0																																									
Level 8	2																																									
Level 7	2																																									
Level 6	2																																									
Level 5	1																																									
Level 4	0																																									
Level 3	0																																									
Level 2	0																																									
Level 1	0																																									
5. How do you rate on the scale of 1 (limited knowledge) to 9 (extremely knowledgeable), your knowledge of Council's Treasury management policy.																																										
Average rating = 4.82	Average rating = 5.57																																									
<table border="1"> <tr><th>Level</th><th>Count</th></tr> <tr><td>Level 9</td><td>0</td></tr> <tr><td>Level 8</td><td>1</td></tr> <tr><td>Level 7</td><td>3</td></tr> <tr><td>Level 6</td><td>1</td></tr> <tr><td>Level 5</td><td>1</td></tr> <tr><td>Level 4</td><td>1</td></tr> <tr><td>Level 3</td><td>2</td></tr> <tr><td>Level 2</td><td>1</td></tr> <tr><td>Level 1</td><td>1</td></tr> </table>	Level	Count	Level 9	0	Level 8	1	Level 7	3	Level 6	1	Level 5	1	Level 4	1	Level 3	2	Level 2	1	Level 1	1	<table border="1"> <tr><th>Level</th><th>Count</th></tr> <tr><td>Level 9</td><td>1</td></tr> <tr><td>Level 8</td><td>1</td></tr> <tr><td>Level 7</td><td>1</td></tr> <tr><td>Level 6</td><td>0</td></tr> <tr><td>Level 5</td><td>0</td></tr> <tr><td>Level 4</td><td>3</td></tr> <tr><td>Level 3</td><td>1</td></tr> <tr><td>Level 2</td><td>0</td></tr> <tr><td>Level 1</td><td>0</td></tr> </table>	Level	Count	Level 9	1	Level 8	1	Level 7	1	Level 6	0	Level 5	0	Level 4	3	Level 3	1	Level 2	0	Level 1	0	
Level	Count																																									
Level 9	0																																									
Level 8	1																																									
Level 7	3																																									
Level 6	1																																									
Level 5	1																																									
Level 4	1																																									
Level 3	2																																									
Level 2	1																																									
Level 1	1																																									
Level	Count																																									
Level 9	1																																									
Level 8	1																																									
Level 7	1																																									
Level 6	0																																									
Level 5	0																																									
Level 4	3																																									
Level 3	1																																									
Level 2	0																																									
Level 1	0																																									

2023 Results	2024 Results	Better/worse																																								
<p>6. How do you rate on the scale of 1 (limited knowledge) to 9 (extremely knowledgeable), your knowledge of Council's Insurance arrangements.</p>																																										
<p>Average rating = 5.36</p>	<p>Average rating = 5.86</p>																																									
<table border="1"> <caption>2023 Insurance Knowledge Ratings</caption> <tr><th>Level</th><th>Count</th></tr> <tr><td>Level 9</td><td>0</td></tr> <tr><td>Level 8</td><td>2</td></tr> <tr><td>Level 7</td><td>2</td></tr> <tr><td>Level 6</td><td>2</td></tr> <tr><td>Level 5</td><td>0</td></tr> <tr><td>Level 4</td><td>4</td></tr> <tr><td>Level 3</td><td>1</td></tr> <tr><td>Level 2</td><td>1</td></tr> <tr><td>Level 1</td><td>0</td></tr> </table>	Level	Count	Level 9	0	Level 8	2	Level 7	2	Level 6	2	Level 5	0	Level 4	4	Level 3	1	Level 2	1	Level 1	0	<table border="1"> <caption>2024 Insurance Knowledge Ratings</caption> <tr><th>Level</th><th>Count</th></tr> <tr><td>Level 9</td><td>1</td></tr> <tr><td>Level 8</td><td>0</td></tr> <tr><td>Level 7</td><td>3</td></tr> <tr><td>Level 6</td><td>0</td></tr> <tr><td>Level 5</td><td>1</td></tr> <tr><td>Level 4</td><td>0</td></tr> <tr><td>Level 3</td><td>2</td></tr> <tr><td>Level 2</td><td>0</td></tr> <tr><td>Level 1</td><td>0</td></tr> </table>	Level	Count	Level 9	1	Level 8	0	Level 7	3	Level 6	0	Level 5	1	Level 4	0	Level 3	2	Level 2	0	Level 1	0	
Level	Count																																									
Level 9	0																																									
Level 8	2																																									
Level 7	2																																									
Level 6	2																																									
Level 5	0																																									
Level 4	4																																									
Level 3	1																																									
Level 2	1																																									
Level 1	0																																									
Level	Count																																									
Level 9	1																																									
Level 8	0																																									
Level 7	3																																									
Level 6	0																																									
Level 5	1																																									
Level 4	0																																									
Level 3	2																																									
Level 2	0																																									
Level 1	0																																									
<p>7. How do you rate on the scale of 1 (limited knowledge) to 9 (extremely knowledgeable), your knowledge of Council's Financial management policies</p>																																										
<p>Average rating = 5.91</p>	<p>Average rating = 6.57</p>																																									
<table border="1"> <caption>2023 Financial Management Policy Ratings</caption> <tr><th>Level</th><th>Count</th></tr> <tr><td>Level 9</td><td>0</td></tr> <tr><td>Level 8</td><td>3</td></tr> <tr><td>Level 7</td><td>3</td></tr> <tr><td>Level 6</td><td>1</td></tr> <tr><td>Level 5</td><td>0</td></tr> <tr><td>Level 4</td><td>2</td></tr> <tr><td>Level 3</td><td>2</td></tr> <tr><td>Level 2</td><td>0</td></tr> <tr><td>Level 1</td><td>0</td></tr> </table>	Level	Count	Level 9	0	Level 8	3	Level 7	3	Level 6	1	Level 5	0	Level 4	2	Level 3	2	Level 2	0	Level 1	0	<table border="1"> <caption>2024 Financial Management Policy Ratings</caption> <tr><th>Level</th><th>Count</th></tr> <tr><td>Level 9</td><td>1</td></tr> <tr><td>Level 8</td><td>1</td></tr> <tr><td>Level 7</td><td>2</td></tr> <tr><td>Level 6</td><td>0</td></tr> <tr><td>Level 5</td><td>3</td></tr> <tr><td>Level 4</td><td>0</td></tr> <tr><td>Level 3</td><td>0</td></tr> <tr><td>Level 2</td><td>0</td></tr> <tr><td>Level 1</td><td>0</td></tr> </table>	Level	Count	Level 9	1	Level 8	1	Level 7	2	Level 6	0	Level 5	3	Level 4	0	Level 3	0	Level 2	0	Level 1	0	
Level	Count																																									
Level 9	0																																									
Level 8	3																																									
Level 7	3																																									
Level 6	1																																									
Level 5	0																																									
Level 4	2																																									
Level 3	2																																									
Level 2	0																																									
Level 1	0																																									
Level	Count																																									
Level 9	1																																									
Level 8	1																																									
Level 7	2																																									
Level 6	0																																									
Level 5	3																																									
Level 4	0																																									
Level 3	0																																									
Level 2	0																																									
Level 1	0																																									
<p>8. How do you rate on the scale of 1 (limited knowledge) to 9 (extremely knowledgeable), your knowledge of external audit/external accountability as far as they relate to Council.</p>																																										
<p>Average rating = 5.64</p>	<p>Average rating = 6.14</p>																																									
<table border="1"> <caption>2023 External Audit/Accountability Ratings</caption> <tr><th>Level</th><th>Count</th></tr> <tr><td>Level 9</td><td>1</td></tr> <tr><td>Level 8</td><td>1</td></tr> <tr><td>Level 7</td><td>4</td></tr> <tr><td>Level 6</td><td>0</td></tr> <tr><td>Level 5</td><td>1</td></tr> <tr><td>Level 4</td><td>1</td></tr> <tr><td>Level 3</td><td>2</td></tr> <tr><td>Level 2</td><td>1</td></tr> <tr><td>Level 1</td><td>0</td></tr> </table>	Level	Count	Level 9	1	Level 8	1	Level 7	4	Level 6	0	Level 5	1	Level 4	1	Level 3	2	Level 2	1	Level 1	0	<table border="1"> <caption>2024 External Audit/Accountability Ratings</caption> <tr><th>Level</th><th>Count</th></tr> <tr><td>Level 9</td><td>1</td></tr> <tr><td>Level 8</td><td>0</td></tr> <tr><td>Level 7</td><td>4</td></tr> <tr><td>Level 6</td><td>1</td></tr> <tr><td>Level 5</td><td>0</td></tr> <tr><td>Level 4</td><td>1</td></tr> <tr><td>Level 3</td><td>1</td></tr> <tr><td>Level 2</td><td>0</td></tr> <tr><td>Level 1</td><td>0</td></tr> </table>	Level	Count	Level 9	1	Level 8	0	Level 7	4	Level 6	1	Level 5	0	Level 4	1	Level 3	1	Level 2	0	Level 1	0	
Level	Count																																									
Level 9	1																																									
Level 8	1																																									
Level 7	4																																									
Level 6	0																																									
Level 5	1																																									
Level 4	1																																									
Level 3	2																																									
Level 2	1																																									
Level 1	0																																									
Level	Count																																									
Level 9	1																																									
Level 8	0																																									
Level 7	4																																									
Level 6	1																																									
Level 5	0																																									
Level 4	1																																									
Level 3	1																																									
Level 2	0																																									
Level 1	0																																									

2023 Results	2024 Results	Better/worse																																								
<p>9. How do you rate on the scale of 1 (limited knowledge) to 9 (extremely knowledgeable), your knowledge of Council's Risk Appetite.</p>																																										
<p>Average rating = 5.36</p>	<p>Average rating = 6.71</p>																																									
 <table border="1"> <caption>2023 Results Data</caption> <thead> <tr> <th>Level</th> <th>Count</th> </tr> </thead> <tbody> <tr><td>Level 9</td><td>0</td></tr> <tr><td>Level 8</td><td>1</td></tr> <tr><td>Level 7</td><td>3</td></tr> <tr><td>Level 6</td><td>1</td></tr> <tr><td>Level 5</td><td>2</td></tr> <tr><td>Level 4</td><td>2</td></tr> <tr><td>Level 3</td><td>2</td></tr> <tr><td>Level 2</td><td>0</td></tr> <tr><td>Level 1</td><td>0</td></tr> </tbody> </table>	Level	Count	Level 9	0	Level 8	1	Level 7	3	Level 6	1	Level 5	2	Level 4	2	Level 3	2	Level 2	0	Level 1	0	 <table border="1"> <caption>2024 Results Data</caption> <thead> <tr> <th>Level</th> <th>Count</th> </tr> </thead> <tbody> <tr><td>Level 9</td><td>1</td></tr> <tr><td>Level 8</td><td>1</td></tr> <tr><td>Level 7</td><td>2</td></tr> <tr><td>Level 6</td><td>2</td></tr> <tr><td>Level 5</td><td>0</td></tr> <tr><td>Level 4</td><td>1</td></tr> <tr><td>Level 3</td><td>0</td></tr> <tr><td>Level 2</td><td>0</td></tr> <tr><td>Level 1</td><td>0</td></tr> </tbody> </table>	Level	Count	Level 9	1	Level 8	1	Level 7	2	Level 6	2	Level 5	0	Level 4	1	Level 3	0	Level 2	0	Level 1	0	
Level	Count																																									
Level 9	0																																									
Level 8	1																																									
Level 7	3																																									
Level 6	1																																									
Level 5	2																																									
Level 4	2																																									
Level 3	2																																									
Level 2	0																																									
Level 1	0																																									
Level	Count																																									
Level 9	1																																									
Level 8	1																																									
Level 7	2																																									
Level 6	2																																									
Level 5	0																																									
Level 4	1																																									
Level 3	0																																									
Level 2	0																																									
Level 1	0																																									
<p>10. What areas can you identify where the Risk and Assurance Committee should focus more attention or where there is a need for more support?</p>																																										
<ul style="list-style-type: none"> • Health, Safety and Wellbeing. • The insurance strategy. • Continuing to focus on building and implementing the corporate risk register. • Use of resources such as OpEx spend. • We are putting the basics into play (risk/risk appetite and alighted assurance). We need to complete and then start really governing and managing. • R & A committee should either be reporting more regularly and comprehensively to other councillors and/or the committee should comprise all elected members. • I would like a wider understanding across organisation- not just in my portfolio areas. • Evolving risks around climate change and major disaster situations. 	<ul style="list-style-type: none"> • Management of social media and misinformation. Need a better way to communicate with communities. • More attention needed to how our communication practices and procedures could support more positive public perceptions. • Full disclosure. • I would have answered health and safety but see we have a new person heading this work. • Project Quantum. • Risk register. • Insurance market in relation to Building Consent activity. 																																									
<p>11. Do you see any opportunities to improve communication and awareness of risk management between the Risk and Assurance Committee and the wider Council?</p>																																										
<ul style="list-style-type: none"> • Clarification of the role of the Risk and Assurance Committee, and what issues should be referred there for discussion. • There is a need to improve (in line with all risk committees). We need to seek opportunities once or twice a year for that to occur. • Better clarity of arising significant risks. • Risk management is important enough that the question of whether all elected members should sit on the Committee should be raised. • Yes. Workshops to outline the key areas focussed on and how the Committee works. 	<ul style="list-style-type: none"> • Councillors should be asked what they consider risks. • Believe that all Elected Members should be members of the Risk and Assurance Committee (2 responses). • Monthly summary reports would be helpful to highlight issues of current relevance. • All Councillors to observe at least one meeting. 																																									

2023 Results	2024 Results	Better/worse
12. What aspects of the work of the Risk and Assurance Committee do you think has produced the most value to you in your role with Taupō District Council?		
<ul style="list-style-type: none"> The risk workshop, focus on risk management in projects, and the ability to have an open and transparent conversation about organisational risk. To date, the engagement of elected members of the Committee. Promises well for (future) effective risk governance. Should all Councillors should all be on this Committee to understand the impact of the risks discussed? Awareness, deeper understanding and knowledge. More holistic approach. Deeper understanding of the breadth of risks we face. Still on a steep learning curve. 	<ul style="list-style-type: none"> Extremely capable independent Chair; independent expertise (4 respondents). Oversite and a place to raise confidential matters. Access to reports on Diligent. Productive and responsible Committee with members that appreciate the content and work. Risk appetite work has been helpful. 	
13. We would like to hear of any negative consequences that you have noticed following the establishment of the Risk and Assurance Committee. This feedback is treated anonymously. Please provide your comments here:		
<ul style="list-style-type: none"> Opportunity for more communication around the role of the Chair, particularly regarding any activity that occurs outside of outside of the Committee. 	<ul style="list-style-type: none"> Would like to see more action in managing disruptive Councillors. Difficult to devolve responsibly but still remain accountable (as full Council). Should be a full Council committee. Full disclosure to all Councillors and more transparency (2 responses). Having a separate committee means that the wider Council are not as well informed on certain topics and it can be repetitive while independent members are briefed on information that has already been to full Council. Deep dive into risk register. Concern regarding internal assurance processes e.g. following engineering fraud, expired leases and licences (some of which expired some years back), no real reporting on rent reviews. None - love a productive and generous meeting focussed on the big picture. 	

WHAKAKAPINGA | CONCLUSION

Seven of a potential 20 respondents engaged in the annual survey into the performance of the Risk and Assurance Committee.

In all areas the average response rating improved when compared with the 2023 survey, although there is still opportunity for improvement as results were rated between 5-7 out of a possible 9 rating.

The highest rating was received in the relation to question 1. *Please rate on the scale 1 (minimal) to 9 (substantial), what is your overall assessment of the added value the Risk and Assurance Committee brings to Taupō District Council* with the majority of respondents rating this 9.

The lowest rating was received in relation to question 5 *(How do you rate on the scale of 1 (limited knowledge) to 9 (extremely knowledgeable), your knowledge of Council's Treasury management policy?)* with an average rating of 5.57 and most respondents rating this a 4. Question 6 *(How do you rate on the*

scale of 1 (limited knowledge) to 9 (extremely knowledgeable), your knowledge of Council's Insurance arrangements) was also rated low with an average rating of 5.86.

It is recommended these areas for improvement be managed through the Elected Members induction.

Questions 10, 11 and 13 requested insights from respondents on opportunities for improvement and there were some recurring themes:

- Should the Risk and Assurance Committee be a full Council Committee which would provide all elected members full disclosure?
- Can we do more to more constructively communicate with our communities?
- How can we better manage our risks via insurance, particularly regarding Building Consent activity?
- Opportunities to improve use of risk registers and have more opportunity for Council engagement on risks e.g. deep dives.
- Opportunity to improve our internal assurance processes.
- Could more information be synthesised into monthly summary reports – Risk and Assurance agendas are very long?

Question 12 asked respondents to comment on which aspects of the work of the Risk and Assurance Committee has produced the most value and many respondents appreciated the value added by the independent Chair. Special mention was also made of the work done to establish Council's Risk Appetite and that there is a place to have confidential discussions.

It is recommended that these opportunities for improvement be discussed further at the Risk and Assurance Committee.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.13 RISK AND ASSURANCE COMMITTEE WORKPLAN UPDATE

Author: Louise Chick, Business Excellence Manager

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

For the Committee to consider and receive the proposed 2025 workplan for Risk and Assurance Committee business.

NGĀ KŌRERORERO | DISCUSSION

A draft workplan has been prepared for the Committee to consider (**attached**). Note because of local government elections there will be only three Risk and Assurance Committee meetings in 2025. The Committee may update the workplan at the meeting. The workplan will then be included on every ordinary meeting agenda for Committee members' oversight and may change from time to time as new matters arise.

WHAKAKAPINGA | CONCLUSION

It is recommended that the Committee receives the information.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Proposed Risk and Assurance Committee Workplan for 2025

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
Agenda Item No: 6.1 Confirmation of Confidential Portion of Risk and Assurance Committee Minutes - 17 September 2024	Section 7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7	There is a need to retain this portion of the minutes in confidence to maintain legal professional privilege where members have received advice from Council's Legal and Governance Manager relating to potential legal challenges against Council.
Agenda Item No: 6.2 Litigation Update	Section 7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7	To protect communications between the Council and its solicitor which are subject to legal professional privilege.

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]*.