

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

Date:	Monday, 17 March 2025
Time:	1.00pm
Location:	Council Chamber Level 1, 67 Horomātangi Street Taupō

AGENDA

MEMBERSHIP

Chairperson Mr Bruce Robertson
Deputy Chairperson Cr Danny Loughlin

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

Quorum 4

**Julie Gardyne
Chief Executive**

Order Of Business

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4.1 RISK AND ASSURANCE COMMITTEE MEETING - 9 DECEMBER 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 Monday 9 December 2024 be approved and adopted as a true and correct record.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Risk and Assurance Committee Meeting Minutes - 9 December 2024

5.1 RECEIVE LONG-TERM PLAN 2024/34 REPORT FROM AUDIT NZ

Author: Kendall Goode, Senior Policy Advisor

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

To receive the 'Report to the Council on the audit of Taupō District Council's Long-term Plan' prepared by Audit NZ.

NGĀ KŌRERORERO | DISCUSSION

This report follows the adoption of the Long-term Plan 2024-34 and shares feedback provided by Audit NZ on areas of the process that Council is performing well in and recommendations for improvement when developing the next Long-term Plan in 2027.

The report reiterates that Audit NZ are satisfied that the Long-term Plan 2024-34 '*provides a reasonable basis for long-term, integrated decision-making and coordination of the District Council's resources and provides a reasonable basis for accountability of the District Council to the community*'. This means that Council's Long-term Plan has met the requirements of the Local Government Act 2002 and outlines Council's future position to the community. Much of the feedback in the report is positive, there are however three areas noted for improvement. These are:

1. Performance Management Framework

During the audit process, suggestions of additional performance measures were made by Audit NZ and these were incorporated. Audit NZ have indicated that the performance management system and processes are adequate, but performance measures for strategic property and district development could be improved. Management have agreed with these findings and indicated that an in-depth review of the framework will be beneficial during the next Long-term Plan process.

2. Climate Change Disclosure

Audit NZ have identified that the primary risk associated with climate change and emission reductions are the establishment of targets relating to Council operations (excluding wastewater and landfill methane), and Council's waste and wastewater operations. The report identifies several recommendations, for example clarity around what emissions are included/excluded, and how Council plans to achieve the carbon reduction target. Management have indicated that work in this space is both underway and much broader than the two targets raised by Audit NZ. This includes continuing to improve asset and network data to enable sound planning for infrastructure investment, and resilience improvements for infrastructure assets, a key focus of the Infrastructure Strategy. Additionally, Local Government Funding Agency (LGFA) Climate Action Loans are being progressed which required an Emission Reduction Plan.

3. Asset Management Plans

Audit have recommended that Asset Management Plans (AMPs) are updated to align with the final financial model and final assumptions made in the Long-term Plan. Financial modelling and assumptions were the last matters to be finalised as part of the Long-term Plan audit, which meant that reconciliation of AMPs was unable to be completed before the Long-term Plan was adopted. Management agrees and AMPs will be updated.

The report also draws attention to the uncorrected misstatements contained in the Long-term Plan. These relate to New Zealand Transport Agency (NZTA) funding and are immaterial.

WHAKAKAPINGA | CONCLUSION

The report outlines areas of the Long-term Plan process that Audit NZ have indicated the Council is performing well and recommendations for improvements. Officers have considered this report and will consider how improvements are incorporated into ongoing work programmes such as climate change and the 2027 Long-term Plan.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives Audit New Zealand's 'Report to the Council on the audit of the Taupō District Council's Long-term Plan for the period 1 July 2024 to 30 June 2034'.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Report to the Council on the audit of Taupō District Council's Long-term Plan

5.2 POOLS SAFE AUDIT - TAUPŌ AND TŪRANGI POOL COMPLEXES

Author: Penelope Ramsay, District Aquatics Manager

Authorised by: Steve Giles, Events and Venues Manager

TE PŪTAKE | PURPOSE

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

NGĀ KŌRERORERO | DISCUSSION

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

WHAKAKAPINGA | CONCLUSION

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

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the PoolSafe Accreditation Audit Report for the Taupō and Tūrangi pool complexes dated February 2025.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. 2025 AC Baths PoolSafe Report
2. 2025 Turtle Pools PoolSafe Report

5.3 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)	November 2024	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/ Recommended	No priority assigned	Total
External	Annual Report – Audit NZ	3 (2)	25 (17)	5 (4)	-	33 (23)
	Drinking Water Audits	- (n/a)	- (n/a)	- (n/a)	8 (4)	8 (4)
	Environmental Health – surveillance audit	- (n/a)	- (n/a)	3 (2)	-	3 (2)
	LTP Audit – Audit NZ	- (n/a)	2 (1)	- (n/a)	3 (n/a)	5 (1)
Internal	KPMG H&S Review	7 (2)	15 (2)	20 (14)	-	42 (18)
	Council Mark	-	-	-	19 (13)	19 (13)
	Abridged Property Process and Function Review Summary	- (n/a)	- (n/a)	- (n/a)	10 (1)	10 (1)
	Completely closed audits	(15)	(4)	(23)		(42)
	TOTAL	25 (19)	46 (24)	51 (43)	40 (18)	162 (104)

Council has been steadily progressing implementation of audit and review recommendations and of the 162 recommendations officers believe that 104 require no further action (an improvement from 92 on the previous report). The draft Audit NZ report on the 2023-24 Annual Report indicates that a number of these will be able to be closed once the report is finalised. However, a number of these await a follow up audit/review to formally remove them.

The Long-term Plan 2024-34 audit by Audit New Zealand had three recommendations and these have been added to the outstanding audit and review recommendations.

The first meeting of an Organisational Audit Improvement Group was held in February 2025. The purpose of this group 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 is cross-organisational. The Group worked through all audit recommendations and classified these recommendations as how much oversight would be required and assigned group members to each recommendation.

Progress will continue to be monitored and reported at the next Risk and Assurance Committee meeting on 3 June 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 9 December 2024

5.4 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 second quarterly report for the 2024/25 year is presented in Attachment 1. Council 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 Council is doing to improve the result. Council's historical performance against target is also presented graphically.

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 Q2 2024/25 Report.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Non-Financial Performance Measures Report - 1 July 2024 to 31 December 2024

5.5 SENSITIVE EXPENDITURE REVIEW - 1 OCTOBER 2024 - 31 DECEMBER 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 small number of improvement items noted:

- 1) There was one instance of a staff member's annual membership being renewed and the staff member approved the transaction.
- 2) There was one transaction where more than one drink per person had been purchased (non-alcoholic).
- 3) There is an opportunity to improve on the timeliness of issuing requests for approval of the Mayor's credit card transactions.
- 4) There was one isolated transaction on one Council credit card, where private expenditure was accidentally charged to a Council credit card. Reimbursement has occurred.

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 small number of improvement items noted:

- 1) There were some instances where staff were reimbursed for the use of private vehicles, when there may have been Council-owned vehicles available. We have reminded the relevant staff to book a pool car in the first instance. There have been no further instances of this occurring since the matter was raised with the relevant manager.
- 2) Details of meals consumed by staff and charged back to the room are not able to be itemised under the Orbit invoicing (Council's travel and accommodation booking system). This is an issue experienced by other councils, with no known way to ameliorate. We use Orbit's existing control to verify compliance.
- 3) There were two transactions where the meal was over the meal allowance. One instance was due to the motel breakfast being over the meal limit, which was not clear to the staff member at the time as it was charged directly back to the room. This is being addressed by proposing to increase the breakfast limit. One instance the staff member's meal was over the allowance limit, and they have reimbursed Council so that the meal limit amount was not exceeded.
- 4) There was one instance where a staff member was accidentally reimbursed for meals purchased while travelling for work where those meals exceeded the policy allowances, but the staff member

has paid Council back. The Accounts Payable team have put additional controls in place to ensure this does not happen again.

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

- 1) There were some instances where information recorded on purchase orders was incomplete in relation to who and why the expenditure was required. This causes additional work when doing checks and audits to gather this information subsequently. Training has been rolled out for the 2024 Sensitive Expenditure and Gift Policy, to reinforce key messages, with 96% of staff with Delegated Authority having completed the training.

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. 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 requires 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 were some minor improvement items noted:

- 1) Documentation of gifts given to staff (for long service, farewells, bereavement etc.) were sometimes delayed in the recording on the gift register. As these instances arise, we continue to advise staff of the requirement to enter information about gifts given (as well as gifts received) and expect to see improvements in this going forward.
- 2) Expenditure on farewells, long service and retirements had not always 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. We will continue to remind staff of this policy change.

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 and there were continued improvements each quarter. There were no incidents of activity identified that could be considered serious or fraudulent.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the Sensitive Expenditure Review for the period 1 October 2024 to 31 December 2024.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.6 SENSITIVE EXPENDITURE AND GIFT POLICY REFINEMENT

Author: Louise Chick, Business Excellence Manager

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

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

NGĀ KŌRERORERO | DISCUSSION

The 2024-2027 Sensitive Expenditure and Gift Policy was previously adopted by the Risk and Assurance Committee at its July 2024 meeting.

It has been identified that further refinement to this Policy is required to reflect increasing meal costs while travelling, specifically breakfast.

The approved version of the 2024-2027 Sensitive Expenditure and Gift Policy has a \$30 limit on breakfast while travelling. However officers have observed that it is not uncommon for hotels to charge in excess of this amount for standard hotel buffet breakfasts. This has resulted in instances where staff have been requested to reimburse Council for a few dollars. It costs more in staff time to process these refunds. It is therefore proposed the breakfast limit while travelling increase to \$40 and clause 14.39 be modified to the following:

Meals while travelling

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

Table 2 – Maximum meal allowances while travelling.

Meal allowance for staff or Elected Member	Maximum per head (including beverages)
Breakfast	\$40*
Lunch	\$30*
Dinner	\$80*

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

WHAKAKAPINGA | CONCLUSION

It is proposed the 2024-2027 Sensitive Expenditure and Gift Policy be refined to reflect current hotel breakfast prices.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

- Updated Sensitive Expenditure and Gift Policy

5.7 RISK MANAGEMENT QUARTERLY UPDATE

Author: Mark Hill, Risk Advisor

Authorised by: Louise Chick, Business Excellence Manager

TE PŪTAKE | PURPOSE

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

NGĀ KŌRERORERO | DISCUSSION

The new Risk Advisor joined Council on 15 January.

Strategic Risk Management

Findings of the climate change workshop have been captured in a risk profile presented elsewhere on this agenda.

Business Continuity

We are currently engaging with departments to undertake a Business Impact Analysis (BIA) which will identify critical business functions, key staff, recovery timeframes and required resources. Once BIA inputs are obtained from the business and analysed, officers will be able to prioritise which parts of the business require Business Continuity Plans (BCPs) and commence development of the BCPs.

Assurance Mapping

To identify the assurance provided by each line of defence across Taupō District Council (TDC) a risk mapping exercise has commenced. Once completed, this significant piece of work will identify gaps in the assurance / control framework and enable TDC to put together a meaningful assurance program focussing on high-risk gaps.

Insurance

At its 10 December 2024 meeting Council adopted a recommendation for TDC to take out Infrastructure Insurance to provide better financial protection for its underground assets following a natural catastrophe. The most cost-effective means of procuring this insurance is via the Bay of Plenty Local Government Shared Services group (BOPLASS). The BOPLASS board gave approval for TDC to join the group Infrastructure Insurance policy at its 14 February board meeting and officers are working with Aon to get this in place as soon as possible.

Asbestos Management

Testing of the asbestos contaminated crushed concrete is completed and 75% of approximately 10,000 tonnes of material had some degree of asbestos contamination. Officers have sought pricing for hauling to a suitable disposal location and Council has recently approved additional budget to enable it to be safely disposed of. Disposal will be completed prior to the next Risk and Assurance Committee meeting.

Procurement Policy and Procedures

A Procurement Policy and Procedures micro-training model has rolled out and team specific face to face training continues. As at 31 January, 47% of staff with financial delegation have completed the procurement training.

WHAKAKAPINGA | CONCLUSION

Officers continue to progress risk management solutions, and with the arrival of the Risk Advisor there has been progress on refreshing of Council's Business Continuity Planning and development an Internal Assurance Programme.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.8 STRATEGIC RISK UPDATE

Author: Mark Hill, Risk Advisor

Authorised by: Louise Chick, Business Excellence Manager

TE PŪTAKE | PURPOSE

This report updates the Risk and Assurance Committee on progress made in developing and updating 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:

- **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.
- **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.
- **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).
- **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.
- **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.
- **Maintaining ICT systems and secure records.** IT systems and Council data are vulnerable to system failures and cyberattacks impacting Council's operations and reputation.

Since the last Risk and Assurance Committee meeting, reviews of three strategic risks have taken place:

- Maintaining ICT systems and secure records
- Non-delivery of projects
- Financial Strategy

This March's paper updates members on the status of these risks and also provides the risk profile for another of Council's strategic risks:

Effects of Climate Change. If the current and future effects of climate change are not adequately 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.

A workshop was held for this risk in November and the output of the workshop is summarised below and in the attached strategic risk profile. The risks have been assessed against Council's Risk Appetite (Figure 1).

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.

EFFECTS OF CLIMATE CHANGE

The following relates to Council's climate change risk:

If the current and future effects of climate change are not adequately 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.

Risk Assessment

The development of this risk profile was the first time that the various Council teams had come together to discuss their approaches to managing the impacts of climate change on the delivery of their services and functions. Further work is required before we will be able to rate this risk. The development of risk indicators will require further coordinated work between the Council teams.

Whilst it has not been possible to rate this risk following the risk workshop, the following the 'plausible' scenario and 'worst case' scenarios have been defined (Figure 2).

Plausible scenario	Worst case scenario
<ul style="list-style-type: none"> • Damage to council critical assets (e.g.: wastewater treatment plants; stormwater infrastructure; bridges and roading) reducing normal service delivery or limiting access to communities. Significant damage to private property requiring coordination by council. • Significant fluctuations in Taupō Lake level impacting water intake. • Erosion of soil / substrate causing land subsidence (tomos); saturated soils; land movement; increased or decreased water table. • Contamination of potable water; algal bloom; impact to human health. • Damage to relationships with iwi. 	<ul style="list-style-type: none"> • Impacts from several / continuous and extreme weather events with little opportunity to recover. • Significant damage / destruction of Council assets impacting financial / long term planning over several years. Refocus of Council Long-term Plan. Impact on Council insurance. • Taupō District Council requirements to administer private property buy out scheme (in partnership with central government). • Increased risk to community health and wellbeing; possible loss of life. • Scrutiny on Council / elected member performance.

<ul style="list-style-type: none"> Increased interest in living in Taupō district as coastal areas become less desirable due to sea level rise impacting housing availability and affordability. 	<ul style="list-style-type: none"> Significant damage to relationship with iwi, community and key stakeholders. Closure of Lake Taupō for water recreation, due to algal bloom, for a prolonged period severely impacting the visitor industry.
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Figure 2 – Possible key impacts to TDC should the risk materialise.

Council uses plausible scenarios as a basis for managing risk. Once the rating for the plausible scenario has been assessed the position within Council's risk appetite, and responsibility to manage this risk will be determined (Figure 3).

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 3 – 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

The *Effects of Climate Change* is a broad risk that touches on various council teams and current control measures include:

- Minimising the creation of new vulnerability through policy and planning (District Plan; growth plans; building controls).
- Monitoring and maintaining the efficacy of current assets (bridge inspections; asset management planning; culvert clearance/ gully trap management, water quality monitoring).
- Implementing asset renewals with enhanced capacity (better outcomes in extreme weather events – reservoir construction, wastewater treatment plants).
- Contingency planning for service disruptions (generators etc).
- Emergency Management planning to support impacted communities following extreme weather events.
- Commenced cross organisational discussions to coordinate and plan for Council's adaptation to climate change.

Note: Council's Climate Change Strategy focusses on reducing greenhouse gas emissions but does not address how Council proposes to adapt to the effects of climate change.

Future actions to mitigate the risk more effectively

Ongoing opportunities include:

- Strengthening understanding of the potential impacts of climate change within the Taupō district (including scenario planning over the short – medium – long term).
- Development of a Council wide climate change action plan (adaption) including public education on future climate scenarios.
- Investment in understanding local vulnerabilities to extreme weather (e.g. stormwater overland flow path modelling).
- Enhanced data collection from multiple Council teams to support validating scenarios, inform decision making, connect climate change strands of activity, and map interdependencies between assets (critical asset hot spots).
- Comprehensive investment in three waters and roading resilience.
- More discussion with elected members to understand risk appetite for investment in understanding and managing the effects of climate change.
- Stronger connection between Council teams investing in (a) minimising the creation of new vulnerabilities, (b) managing current assets, (c) planning to strengthen assets, (d) community engagement (e) business continuity planning, and (f) emergency management.
- Increasing debt headroom to allow for Council asset impacts from extreme weather in the future.

It is proposed the above future actions be coordinated into a roadmap, which will outline steps Council will take to better understand this risk and develop a climate change adaptation action plan. The roadmap will be presented at the next Risk and Assurance Committee meeting.

The full *Effects of Climate Change* risk profile is presented in Attachment 1.

STRATEGIC RISK OVERVIEW

A Strategic Risk Overview is provided in Attachment 4.

1. Attracting and retaining a competent workforce

This risk is due for formal review and reassessment in May 2025, however officers note that there have been no indications of this risk changing since last reported in December.

2. Ineffective relationships.

This risk is due for formal review and reassessment in April 2025, however officers note that there have been no indications of this risk changing since last reported in December.

3. Financial strategy

The risks to financial strategy were formally reviewed and reassessed in February 2025. Whilst there have been some minor changes to emerging issues and risk drivers / causes they are not enough to change the overall risk rating. The updated profile is **attached**.

4. Critical Infrastructure Failure

This risk profile has not yet been assessed.

5. Zero Harm

This risk profile has not yet been assessed.

6. Non-delivery of projects

The risks to the non-delivery of projects were formally reviewed and reassessed in February 2025. Whilst there have been some minor changes to emerging issues and risk drivers / causes they are not enough to change the overall risk rating. However, during the current review it was identified that although the risk was previously (and correctly) detailed as *extreme* in the previous risk profile, the heat map in the cover report articulated a risk rating of *high*. The updated profile is **attached**.

7. Compliance and legal liabilities

This risk is due for formal review and reassessment in April 2025, however officers note that there have been no indications of this risk changing since last reported in December.

8. Maintaining effective ICT systems and secure records

The risks to maintaining effective ICT systems and secure records were formally reviewed and reassessed in February 2025. Officers note that there have been no indications of this risk changing since the last report to the Risk and Assurance Committee. However, the next review (July 25) will have more substantial changes as many of the future actions to manage the risk more effectively go live with the system changes for Te Whare.

9. Effects of climate change

New profile (**attached**).

10. Underperforming council

This risk profile has not yet been assessed.

WHAKAKAPINGA | CONCLUSION

Council has identified ten strategic risks and has undertaken risk workshops to develop a detailed understanding of seven 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.

- Risk 1 **Attracting and retaining a competent workforce** risk remains rated Extreme as staff turnover, with the 12-month rolling average has increased back up to 19.1%. This largely reflects turnover in areas of Council where there is high seasonal changes, e.g. aquatic centres. This risk sits outside of Council's risk appetite and is owned by CE and elected members
- Risk 2 **Ineffective Relationships** risk has been rated Medium. This risk sits within Council's risk appetite and is owned by the relevant third tier managers.
- Risk 3 **Financial Strategy** risk remains rated High after the formal review in February 2025. In response to recent limitations placed on Professional Indemnity insurance for NZ's local government sector and an increasing gap between the value of Council's TEL fund and the underground assets being insured, Council has given approval for TDC to obtain Infrastructure Insurance to offset its overall uninsured risk exposure and will protect Council's debt headroom following a significant event. Once placed, the TEL fund will no longer be required for self-insurance purposes. Placement of this insurance is progressing well, and Council is expected to obtain cover shortly. However, this risk currently sits outside of Council's risk appetite and is owned by the General Manager of Organisation Performance.
- Risk 4 The **Critical infrastructure** risk profile has not yet been assessed.
- Risk 5 The **Zero harm** risk profile has not yet been assessed.
- Risk 6 **Non-delivery of projects** risk remains rated Extreme after the formal review in February 2025. This risk sits outside of Council's risk appetite and is owned by CE and elected members.
- Risk 7 **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.
- Risk 8 **Maintaining ICT systems and secure records** risk remains rated High after the formal review in February 2025. However, officers note there is an indication of this risk decreasing with the system changes for Te Whare. This risk currently sits outside of Council's risk appetite and is owned by the General Manager of Organisation Performance
- Risk 9 **Effects of climate change** risk has yet to be rated.
- Risk 10 The **Underperforming council** risk profile has not yet been assessed.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Strategic Risk Profile - Climate Change
2. Strategic Risk Profile - ICT Systems and Secure Records
3. Strategic Risk Profile - Finance

4. Strategic Risk Profile - Projects
5. Strategic Risk Overview

APPENDIX A

•	• Strategic Risk	• General Manager (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"> • Chief Executive
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 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"> • GM People and Community Partnerships
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"> • GM Organisation Performance
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"> • GM Community Infrastructure and Services
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"> • GM Organisation Performance
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"> • GM Community Infrastructure and Services
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 responsibilities, either intentionally or unintentionally, then it may be subject to legal action or suffer other damage.</i> 	<ul style="list-style-type: none"> • GM Organisation Performance
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"> • GM Organisation Performance
9.	<ul style="list-style-type: none"> • Effects of Climate Change. • <i>If the current and future effects of climate change are not adequately 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"> • GM Strategy & Environment
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"> • Chief Executive • _____

5.9 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 November to mid-February.

WHAKARĀPOPOTANGA MATUA | EXECUTIVE SUMMARY

- Work has continued to progress on Council's Health, Safety & Wellbeing Strategy. This includes creating a detailed manual describing H&S roles and responsibilities of all our TDC staff including managers, team leaders and staff. As well as creating a Health and Safety (H&S) staff survey using Safe Plus to be launched in the next reporting period to understand the H&S culture within TDC.
- Continued implementation of recommendations arising from the KPMG review of TDC's Health and Safety Management system.
- A new structure for TDC's H&S Committee and Incentives for Health and Safety Representatives (HSRs) for improved worker engagement is being implemented with the first H&S committee meeting under the new structure taking place in December.
- There have been ten aggression incidents during the last reporting period which is a marked increase. Recent de-escalation training for staff focused on reporting these incidents which have likely led to the increase in reporting.
- Aggression: Over thirty of Council's frontline staff have now received specialist training on how to de-escalate difficult situations. This training is a new critical control for the critical risk of *Aggression*.
- Development of Council's Critical Risk Programme continues to be a priority focus with the Critical Risk Standard being socialised and planned for release in the next reporting period. The standard includes HSRs playing a key role in the verification of critical risk controls.
- Asbestos Training for Asbestos Identification and Management is now one of our mandatory critical controls and has been organised this quarter for all relevant TDC staff.
- Induction Training – less than 5 percent of the 425 Council staff need to complete the Council H&S Induction.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the Health, Safety and Wellbeing update for the period from end of November to mid-February 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:

- The current focus is on the development of a comprehensive Critical Risk Programme, with the Critical Risk Standard being socialised with Health and Safety Representatives, managers and staff. Of particular priority are the *Hazardous Substances*, *Asbestos*, and *Violence and Aggression* critical risks. Training on how to de-escalate aggressive situations (CERT Security training) has been delivered to over 30 frontline staff this reporting period.
- 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 57 staff whose H&S induction training expired and are now due for refresher training. This is around 19 people less than the previous month. We have 22 current staff who have not undertaken the H&S induction training. This is an increase and is likely due to seasonal staff at our pools.

Worker Engagement:

- The TDC H&S Committee training is now being offered to our H&S representatives to enable them to be equipped to participate and run an effective health and safety meeting. A schedule of training for our representatives has been created and loaded for registration to maintain ongoing opportunities for all H&S Representatives.
- H&S Representatives recently met in December, their session included: i) an initial training taster session on Learning Teams¹ co-delivered by the H&S Manager and Senior Compliance Advisor; and ii) a discussion on the new structure for TDC H&S Committee meetings and the roll out of mandatory, documented H&S meetings to improve opportunities for representatives to engage with management and staff on H&S.
- Future internal representative training will be focused on becoming TDC critical risk verifiers. This provides an opportunity for our worker representatives to be engaged in the assurance process and give meaning and upskilling to assist in further engaging our Health and Safety Representatives.

Health and Safety Committee:

TDC has recently refreshed their H&S Committee structure for effective worker representation with a series of incentives for HSR's being added. Committee meetings are now focused on shared learnings and critical risks. As part of the refresh we are introducing a mandated, documented H&S meeting for all our TDC teams. This provides a non-negotiable opportunity for HSR's, workers and their managers to discuss H&S.

H&S Governance Meeting:

The new structure establishes a H&S Governance meeting to be held in the next reporting period which allows for TDC's Executive Team to discuss H&S issues, critical risks, gain assurance on TDC H&S systems and processes and provide opportunities to hear from HSR's. The Governance Meeting:

- 1.) Set expectations: define the role of an Officer (under the Health and Safety at Work Act) and the Executive Team in owning and prioritising H&S within TDC, and making clear their roles and responsibilities. Improvements will also include escalation protocols, so it is clear what should be brought to the attention of Governance.
- 2.) Meeting content will focus on critical risk (Deep Dives), emerging issues, progress towards achieving H&S Strategy, HSR Reports (good practice and shared learnings).
- 3.) Provides a mechanism for Health and Safety representatives (workers) to engage at governance level and for executive members to hear from the coalface.
- 4.) Assurance: Enables the Executive to gain confidence in the effectiveness of critical controls, H&S systems and processes through deep dives critical risks, Safety Walks, reports (one of which is from worker representatives and one from H&S Manager), internal H&S audits and more.

¹ Learning Teams are groups of people who work together to learn from safety incidents and improve safety systems.

5.) Records: has minutes, decision log, activities (site visits, safety walks), records of officer training etc.

Improvement Incentives for HSR's:

- Recognise HSRs for meeting attendance.
- Allow relationship-based activities during work hours for HSRs, with possible small budgets required.
- Increase meeting quality by introducing guest speakers, both external and internal, to share health and safety messages and improvement initiatives.
- Implement development opportunities for HSRs, including sending one HSR from each committee to Safeguard events and offering short-term secondments in the H&S team.

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.	Draft micro learning training explaining manager roles and responsibilities has been developed. Next step to finalise and 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.	50%	Develop training materials for people leaders in conjunction with People and Culture.	Council has wellness processes in place for managing stress (EAP, flexible working arrangements), P&C have been trialling a software support programme for managers to assist with mentally healthy work design and recording of wellbeing conversations.
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.	25%	Staff KPI's for H&S to be developed. Roll-out training on Council's HSW Policy and health and safety responsibilities as outlined in the RACI.	Draft micro learning training explaining manager roles and responsibilities has been developed.
	Develop internal staff surveys to assess Council culture.	75%	Roll out of internal staff survey.	H&S Manager to undertake survey using well established Safe Plus internal survey once staff have moved into the new building. Note Gallup engagement Surveys for overall TDC Culture has taken place for this year.
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. Have created a detailed manual describing H&S roles and responsibilities of all our TDC staff including managers, team leaders and staff.
	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 is updated as H&S improvements are made.	Will continue to be developed and information added as it becomes available.
	Response to incidents are proactively managed.	30%	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.	25%	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.

	Commitment	Status %	Next Milestone	Comment
	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. One aspect of TDC's HSW Assurance programme is comprised of the critical risk standard with includes assurance activities to be undertaken by exec, HSR's and Managers to ensure adherence to the council's critical controls.

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.

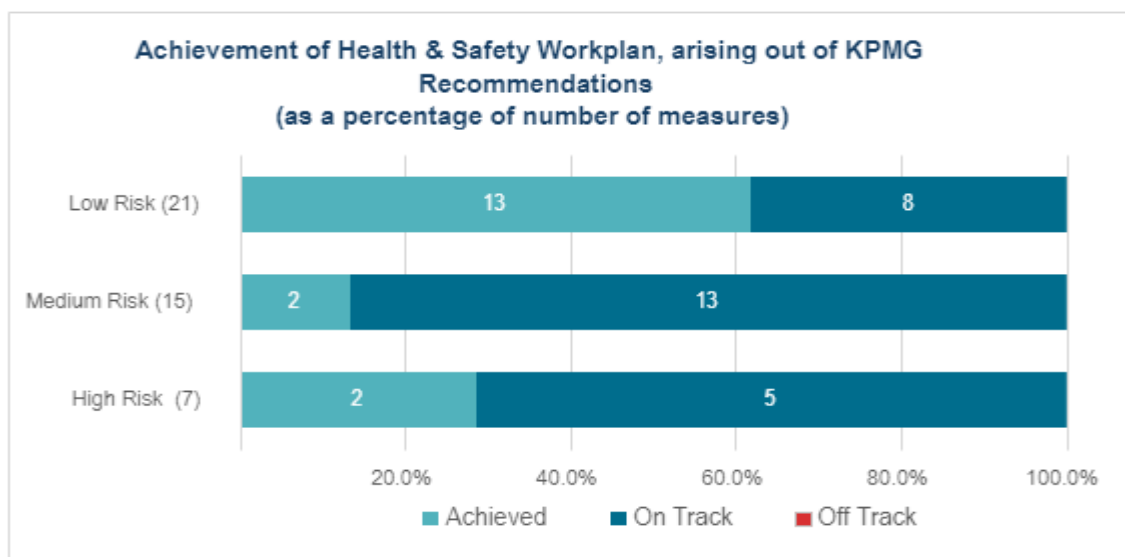


Figure 1 – summary of progress in delivering KPMG's recommendations.

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 Team members, internal yearly audits, and deep dive reports which compile observational and system incident data.

Training for Health and Safety Representatives to undertake critical risk control verifications is scheduled for the next reporting period.

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

An external assurance programme via Safe Plus will be initiated end of 2025.

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

Contract managers continue to be 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. This includes Te Whare which has been the focus of this reporting period. 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

TDC has engaged services to support in creating robust security procedures across our sites. Frontline staff have received training on how to deescalate aggressive situations and maintain situational awareness. Security risk registers have mostly 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 to ensure TDC is aligned with Protective Security Requirements (PSR).

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 10 aggression incidents reported this reporting period. There have been 28 reported aggressive behaviours in the last ten-month period, mostly from customer service staff, pools and compliance teams. It is likely these incident notifications have increased as awareness for staff on what constitutes an assault or aggressive behaviour is becoming socialised after receiving the Frontline CERT security training.

Since the last reporting period, over 30 Council staff have now 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. This training is one of our critical controls for our frontline staff in dealing with aggressive behaviours.

Significant incidents of note:

Tūrangi Customer and Visitor Centre - member of public was using illicit drugs and abusing staff and customers entering the facility. Police intervened and a trespassing order has been issued.

Investigations:

An investigation has been carried out by an asbestos expert to identify key learnings arising from the discovery of asbestos in crushed concrete at the Broadlands Road Landfill. The investigation has recommended necessary changes to our H&S procedures. We are currently reviewing the recommendations and will form a plan to implement these. As part of our immediate actions we are undertaking asbestos awareness training for relevant staff and will deliver asbestos management training for accountable managers in the next reporting period.

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

5.10 FINANCIAL STRATEGY UPDATE AND SIGNIFICANT PROJECTS RISK REPORT

Author: Jeanette Paenga, Finance Manager

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

To update the Committee on Council's performance against its Financial Strategy and communicate progress in managing key risks to Council's significant projects.

NGĀ KŌRERORERO | DISCUSSION**Financial strategy update**

Attached is the Financial Strategy Performance extracted from the Council Monthly Performance Report for January 2025.

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 January 2025. 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 report shows the top risks for Council's portfolio of significant projects. These are mapped against the organisational risk matrix. All projects have detailed project risk registers, monthly "RAG" red-amber-green status is reported through to Council, however a more comprehensive risk report is provided through to this Risk and Assurance Committee.

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 (A3717868) and the Significant Projects Risks Report (A3717965).

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Financial Strategy Update - January 2025
2. Significant Projects Risks - February 2025

5.11 TREASURY UPDATE DECEMBER 2024**Author:** Jeanette Paenga, Finance Manager**Authorised by:** Sarah Matthews, General Manager Organisation Performance**TE PŪTAKE | PURPOSE**

The purpose of this report is to update the Committee on Council's treasury activities, including debt, general funds, and the TEL Fund.

NGĀ KŌRERORERO | DISCUSSION

We have had economic and performance updates from Bancorp Treasury Services Limited, our Treasury Advisors and Forsyth Barr, our TEL investment fund managers. The full reports are attached for your information.

Bancorp update summary

Over the December quarter the Reserve Bank of NZ (RBNZ) cut the official cash rate (OCR) by a total of 1% to 4.25%. In its November Monetary Policy Statement, the RBNZ expressed confidence that inflation was near the midpoint of the 1-3% inflation target, while indicating that economic activity is subdued, and that the economy has excess productive capacity. The September Gross Domestic Product (GDP) released mid-December was a shock and revealed a 1% decline in the September Quarter and an annual fall of 1.5%, representing the weakest 6-month period since 1991 (excluding Covid periods). Off the back of the GDP result the market priced in another 50 basis point cut to the OCR in February, which came to fruition with the OCR now at 3.75% from 19 February 2025. Full report Taupō DC Dashboard December 2024 (A3722623) attached.

Forsyth Barr update summary

The last quarter of 2024 saw muted global market performance, with the MSCI World Index remaining flat. However, a sharp drop in the NZD/USD exchange rate led to strong gains for NZ investors. The US market gained 2.4%, while New Zealand's market rose 5.5%, bringing annual gains to 11.4%.

US Market Strength & Political Influence

- US equities dominated in 2024, fuelled by optimism over Trump's pro-business policies.
- However, concerns over tariffs, inflation, and political uncertainty could impact future market trends.

New Zealand & Australia Market Outlook

- New Zealand's market rebounded strongly in Q4, aided by lower interest rates and renewed business confidence.
- Australia's economy cooled due to weaker consumer spending but expected interest rate cuts could boost future growth.

Investment Strategy for 2025

- Global uncertainty and volatility remain, making diversification crucial.
- While interest rate cuts and economic resilience provide a positive backdrop, investors should remain cautious and long-term focused.

The value of the TEL Fund has increased from \$67.2m to \$76.7m for the 12 months to 31 December 2024 which equates to an annualised return of 14.05%.

WHAKAKAPINGA | CONCLUSION

It is recommended that the committee receives the reports from Bancorp Treasury Services Limited and Forsyth Barr.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives Taupō DC Dashboard December 2024 (A3722623), Taupō District Council – Asset Allocation & Performance Report December 2024 (A3724193) and ESG Attestation for TDC 31 December 2024 (A3722622).

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Taupo DC Dashboard December 2024 (A3722623)
2. Taupo District Council - Asset Allocation & Performance Report December 2024 (A3724193)
3. ESG Attestation for TDC - 31 December 2024 (A3722622)

5.12 RISK AND ASSURANCE COMMITTEE WORKPLAN UPDATE

Author: Louise Chick, Business Excellence Manager

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

To present the Risk and Assurance Committee with an updated Workplan for the 2025 calendar year.

NGĀ KŌRERORERO | DISCUSSION

At the last Risk and Assurance Committee meeting (9 December 2024), a Workplan for the 2025 calendar year was received. An updated *Risk and Assurance Workplan (March 2025 version)* is attached.

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

WHAKAKAPINGA | CONCLUSION

There have been some changes to the Risk and Assurance Committee Workplan for 2025. An updated workplan is attached.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the updated Workplan for 2025.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Risk and Assurance Committee Workplan - March 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 - 9 December 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	The Litigation Update is presented with the public excluded to enable Council's Legal and Governance Manager to provide the Committee with updates relating to litigation.

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]*.