

**TAUPŌ DISTRICT COUNCIL
MINUTES OF THE RISK AND ASSURANCE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, LEVEL 1, 67 HOROMĀTANGI STREET, TAUPŌ
ON MONDAY, 17 MARCH 2025 AT 1.00PM**

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

IN ATTENDANCE: Cr Yvonne Westerman (until 3.18pm)

Chief Executive (J Gardyne), General Manager Organisation Performance (S Matthews), General Manager Strategy and Environment (W Zander), Acting General Manager People and Community Partnerships (H Tattle), Business Excellence Manager (L Chick), Finance Manager (J Paenga), Digital Solutions Manager (T May), Environmental Services Manager (J Sparks), Policy Manager (N Carroll), Project Management Office Manager (P Fletcher), Events and Venues Manager (S Giles), District Aquatics Manager (P Ramsay), Lifeguard Operations Team Lead (K Patel), Risk Advisor (M Hill), Health and Safety Manager (T Lastinger), Corporate Solicitor (F Bramwell), Senior Policy Advisor (K Goode), Digital Content Creator (C Hollinger), Business Excellence Coordinator (N Donaldson), Senior Committee Advisor (K Watts), Governance Quality Manager (S James)

MEDIA AND PUBLIC: Mr Leon Pieterse, Audit New Zealand (via MS Teams, for items 1 – 5.1)

1 KARAKIA

Independent Committee Chairperson, Mr Bruce Robertson led the recital of Taupō District Council's opening karakia.

2 WHAKAPĀHA | APOLOGIES

RACC202503/01 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Rachel Shepherd

That the apologies received from Cr Danny Loughlin and His Worship the Mayor, David Trewavas be accepted.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202503/01 above.

URGENT LATE ITEM – APPROVAL OF AUDIT NEW ZEALAND ANNUAL AUDIT PLAN

The Chairperson advised that for good reason, the Audit New Zealand Audit Plan for the Annual Report 2024/25 was not available, but needed to be considered prior to the next scheduled Risk and Assurance Committee meeting. Therefore there was a need to add this to the agenda as an urgent late item. The matter was considered as part of agenda item 5.1.

RACC202503/02 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr John Williamson

That, pursuant to section 46A(7) of the Local Government Official Information and Meetings Act 1987, the following item be added to the agenda and dealt with at the meeting as it was not available at the time the agenda was circulated, and consideration of the item is a matter of urgency, requiring a decision without delay.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202503/02 above.

3 NGĀ WHAKAPĀNGA TUKITUKI | CONFLICTS OF INTEREST

Nil

4 WHAKAMANATANGA O NGĀ MENETI | CONFIRMATION OF MINUTES

4.1 RISK AND ASSURANCE COMMITTEE MEETING - 9 DECEMBER 2024

Independent Chairperson Mr Bruce Robertson advised that he and the Deputy Chairperson Cr Danny Loughlin had reviewed the Annual Report 2023/24, the Statements of Compliance and the Letters of Representation and recommended signing by the Mayor and Chief Executive after Council adoption on 17 December 2024, in accordance with the delegation detailed in Committee resolution RACC202412/03.

RACC202503/03 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Rachel Shepherd

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.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202503/03 above.

5 NGĀ RIPOATA | REPORTS

5.1 RECEIVE LONG-TERM PLAN 2024/34 REPORT FROM AUDIT NZ AND APPROVAL OF AUDIT NEW ZEALAND ANNUAL AUDIT PLAN

Long-term Plan 2024/34 Report from Audit New Zealand

The Senior Policy Advisor summarised the feedback received from Audit New Zealand at the end of the Long-term Plan (LTP) process. The three areas identified for Taupō District Council to improve upon had been incorporated into the project plan and processes for LTP 2027 so that they would not be missed.

Mr Leon Pieterse from Audit New Zealand was attending the meeting via MS Teams. He expressed gratitude for how Audit New Zealand was able to work with Council management and staff despite the timing challenges of the 2024 LTP.

In answer to questions, the Senior Policy Advisor confirmed the following:

- A debrief had been held with key staff and insightful thinking had come out of that. The improvement planning had been broken down into key areas to focus on.
- The project plan would be approved by the Executive team by the middle of the 2025 calendar year.

In response to a question from the independent Chairperson Mr Bruce Robertson, Mr Pieterse confirmed that the \$832k Waka Kotahi/New Zealand Transport Agency (NZTA) shortfall related to low cost, low risk NZTA-related work between years four and 10 of the LTP i.e. not the first three years.

The independent Chairperson drew members' attention to the third paragraph under clause 2.4 of Audit New Zealand's report, which included a helpful summary of assumptions for governance oversight. He added that an area of particular interest for governance going forward would be income from the development and sale of surplus Council property (clause 2.4.8).

In answer to another question, the General Manager Organisation Performance advised that Audit New Zealand had sent through the management report for the previous year. This had just been circulated to the executive team to consider.

Approval of Audit New Zealand Annual Audit Plan

Mr Pieterse advised that Audit New Zealand had not yet issued the audit plan due to delays with templates. The areas of focus would be similar and timings set to meet the 31 October 2025 deadline. It was expected that the annual audit plan would be completed by the end of April 2025.

The independent Chairperson Mr Robertson thanked Mr Pieterse and the Senior Policy Advisor. He suggested that the Committee delegate authority to the Chair and Deputy Chair to approve the annual audit plan, as approval of the plan was a function of the Risk and Assurance Committee.

RACC202503/04 RESOLUTION

Moved: Mr Anthony Byett

Seconded: Cr Rachel Shepherd

1. 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'.
2. That, due to timing, the Committee delegates to the Chair and Deputy Chair, in conjunction with the Chief Executive, approval of the Audit New Zealand annual audit plan.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202503/04 above.

5.2 POOLSAFE AUDIT - TAUPŌ AND TŪRANGI POOL COMPLEXES

The District Aquatics Manager introduced the Lifeguard Operations Team Lead AC Baths, who would be involved in future PoolSafe audits. The completed PoolSafe audit provided assurance that all actions had been achieved. Accreditation had been granted for both the Taupō and Tūrangi pool complexes for another year.

Members observed that the PoolSafe audit was comprehensive. It was encouraging to read the outcome of the review, which reflected good efforts by staff.

In answer to questions the District Aquatics Manager advised that:

- The health and safety practices in place at the AC Baths and Tūrangi pool complexes were comprehensive and included incident reporting and corrective actions. The auditor had advised that AC Baths and the Tūrangi pool complexes were at the top of the list of one dozen pools audited, in terms of health and safety management processes.
- A swim school programme was in place.
- Emergency action plans outlined essential components of appropriate responses to emergencies, within the control of facility staff.

The independent Chairperson thanked staff for maintaining standards at the AC Baths and Tūrangi pool complexes and encouraged them to keep up the good work.

RACC202503/05 RESOLUTION

Moved: Cr Kevin Taylor

Seconded: Cr John Williamson

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202503/05 above.

5.3 OUTSTANDING AUDIT AND IMPROVEMENT ITEMS

The Business Excellence Manager presented the report and reiterated that an organisational audit improvement group had been convened to provide support and facilitate action wherever possible. The group would report to the executive team on specific matters as appropriate.

In response to questions, the Business Excellence Manager advised that:

- The outstanding items related to various parts of the organisation and in many cases involved ongoing, systemic challenges which were taking time to resolve.
- The organisational audit improvement group was examining the items to ascertain whether to prioritise some over others. Items would then be assigned to group members to oversee.
- The water supply and wastewater median resolution times issue was ongoing. The Digital Solutions Manager added that a new service request system would be implemented in the next few months. The team would consider required outcomes and clarify options before implementation.
- "N/A – new matter" status was used until more up-to-date audit findings were available. An example was the KPMG Health and Safety Review; because KPMG had not returned to conduct an updated audit, the items were still classified as new matters, although work was continuing to address those items.

The independent Chairperson suggested that one database be used for revaluations, including road revaluations which were due next year.

- In relation to developing stronger ownership of strategic risk, workshops for particular risks were ongoing. Any risks identified as "extreme" would be referred to the Chief Executive and Risk and Assurance Committee for ownership.
- Whether new sign-in processes would be rolled out for Council office locations beyond the new civic administration building would depend on what was most appropriate and cost-effective for those locations.

RACC202503/06 RESOLUTION

Moved: Cr John Williamson

Seconded: Cr Rachel Shepherd

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202503/06 above.

5.4 NON-FINANCIAL PERFORMANCE MEASURES REPORTING

The Business Excellence Manager presented the non-financial performance measures quarterly report.

A member raised concern about whether some measures would be met by year end. The Business Excellence Manager explained that for some measures, the bulk of the work occurred in the second part of the financial year, so forecast results based on the first part of the year were not actually indicative of expected final result. An example was measure RE12 (percentage of alcohol premises registered and inspected annually to ensure they meet legislative minimum standards). She would take this into account for future reporting.

In response to questions about measure SP01 (actions emanating from Council's Housing Strategy), the General Manager Organisation Performance advised that all actions had been included, but it was unlikely they would be completed within the current financial year. Some actions related to planning, some related to the property activity, and not all were within Council's control.

In answer to another question, the Chief Executive advised that it was a balancing act to time road resurfacing projects around events.

The Business Excellence Manager responded to a final question, confirming measure WS01 (drinking water supply compliance) related to compliance/reporting, and did not represent any major health issues.

RACC202503/07 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Rachel Shepherd

That the Risk and Assurance Committee receives the Non-Financial Performance Measures Q2 2024/25 Report.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202503/07 above.

5.5 SENSITIVE EXPENDITURE REVIEW - 1 OCTOBER 2024 - 31 DECEMBER 2024

The Business Excellence Manager presented the report. Good progress had been made over the last six months, with very few instances of non-compliance against policy. In answer to a question, she advised that senior management were supportive of the Sensitive Expenditure and Gift Policy and the General Manager Organisation Performance had been clear that rigorous controls must be in place for everyone regardless of their position in the organisation.

The independent Chairperson remarked that the report demonstrated Council taking use of ratepayer money seriously, dealing with matters arising and being up-front in the application of the policy.

RACC202503/08 RESOLUTION

Moved: Mr Anthony Byett

Seconded: Cr Kevin Taylor

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202503/08 above.

5.6 SENSITIVE EXPENDITURE AND GIFT POLICY REFINEMENT

The Business Excellence Manager explained that only one change to the Sensitive Expenditure and Gift Policy was being recommended, to increase the maximum meal allowance for breakfast from \$30 to \$40. This would minimise the administrative work involved in following up with people for reimbursement, as a result of the increased costs for standard hotel buffet breakfasts.

RACC202503/09 RESOLUTION

Moved: Cr Kevin Taylor

Seconded: Mr Anthony Byett

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202503/09 above.

5.7 RISK MANAGEMENT QUARTERLY UPDATE

The Risk Advisor introduced himself and the Business Excellence Manager summarised the report.

In answer to questions, the Risk Advisor explained that:

- Business continuity planning would take some time to complete. A business impact assessment had been sent out to relevant staff members to complete. Meetings with the various teams would follow. The General Manager Organisation Performance added that some teams were very busy with operational work, for example Local Water Done Well, so the business continuity planning process would continue at a manageable speed in light of other commitments.
- The assurance mapping work would be interesting, and an opportunity to identify areas of duplication as well as focusing on high-risk gaps. The work would lead to presentation of the internal audit programme in June 2025.

In answer to a question about insurance, the General Manager Organisation Performance advised that the infrastructure insurance through Bay of Plenty Local Authority Shared Services (BOPLASS) was an extension of Council's existing policy. The independent Chairperson requested a Committee workshop about insurance policy placement strategy. The Business Excellence Manager advised that probable loss modelling results were not yet available, but would be required prior to the workshop.

RACC202503/10 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Mr Anthony Byett

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202503/10 above.

5.8 STRATEGIC RISK UPDATE

The Risk Advisor summarised the progress made in developing and updating risk profiles for Council's strategic risks.

The Business Excellence Manager advised that in relation to Risk 1 'Attracting and retaining a competent workforce', there had been a slight increase in turnover to 21.5%. In response to questions about turnover, the General Manager Organisation Performance explained that churn was down. A lot of the turnover related to part-time and casual positions, for example lifeguards.

The General Manager Organisation Performance answered questions of clarification in relation to Risk 3 'Financial Strategy'.

The Business Excellence Manager suggested that the risk appetite statements may need to be reviewed by the Committee in a workshop setting, given some residual risks are rated "extreme".

A member expressed the view that the risk owner for Risk 10 'Underperforming Council' should be the elected members.

In relation to Risk 8 'Maintaining effective ICT systems and secure records', the Digital Solutions Manager advised that work was underway to better understand 'Shadow IT' (the use of unauthorised applications by staff). The work would include education for staff about sanctioned applications i.e. what staff can and cannot use for work. There was a balance to strike, between protecting the organisation and providing the right tools. Mobile telephones posed less risk than laptops and other devices.

In response to a question, the Business Excellence Manager agreed that it was important for Council to monitor suppliers to ensure they were not attempting to take advantage of Council. Council's procurement policy supported this. The independent Chairperson pointed out that the Committee needed to consider procurement and contract management as part of its financial risk analysis.

In conclusion, the independent Chairperson noted that in receiving the update, members were 'ticking off' the work started on the 'Effects of climate change' risk. He acknowledged members' consideration of the current risk environment; and their intention to continue the discussion about risk appetite.

RACC202503/11 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Rachel Shepherd

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202503/11 above.

5.9 HEALTH, SAFETY AND WELLBEING UPDATE

The Health and Safety Manager summarised the report.

The independent Chairperson made the following comments:

- It would be beneficial for a Health and Safety Committee representative to appear before the Committee, following the recent Health and Safety Committee refresh.
- It was encouraging to read about the new structure around governance, with Council's executive team taking ownership of health and safety.

In response to a question, the Health and Safety Manager advised that of the 10 aggression incidents reported during the last reporting period, she considered one incident to be particularly significant. These aggression incidents were trending upwards, with approximately one incident every week.

Members thanked the Health and Safety Manager for her report and work throughout the organisation.

RACC202503/12 RESOLUTION

Moved: Cr Kevin Taylor

Seconded: Mr Anthony Byett

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202503/12 above.

5.10 FINANCIAL STRATEGY UPDATE AND SIGNIFICANT PROJECTS RISK REPORT

The Finance Manager and the Project Management Office Manager presented the report.

In response to a question, the Project Management Office Manager explained that SCADA was the 'backbone' of all work associated with 'three waters'. The focus of the SCADA upgrade project was working with an external consultant to focus and prioritise sites. The risks related to documentation, rather than the system itself.

Members thanked staff for the comprehensive report.

RACC202503/13 RESOLUTION

Moved: Cr John Williamson

Seconded: Mr Bruce Robertson

That the Risk and Assurance Committee receives the Financial Strategy Update (A3717868) and the Significant Projects Risks Report (A3717965).

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202503/13 above.

5.11 TREASURY UPDATE DECEMBER 2024

The Bancorp Treasury Services Limited treasury report and the Forsyth Barr investment fund report had been attached to the agenda and a summary provided.

The independent Chairperson observed that the Bancorp report provided a good sense of the investment management work completed in the period. There were no non-compliances against policy.

The General Manager Organisation Performance and the Finance Manager answered questions and the following points were noted:

- The difference between the \$217.0m external Council drawn debt and the \$179.0m funds drawn from Local Government Funding Agency (LGFA) was the processing of monthly commercial papers. Council went out to tender for supply of the commercial papers.
- The TEL fund had been transferred to Forsyth Barr initially, with term deposits transferring as they fell due. The full fund was now with Forsyth Barr.
- The TEL fund was a community fund held for community benefit. A report was being prepared to the next ordinary Council meeting, to clarify the purpose of the fund.

RACC202503/14 RESOLUTION

Moved: Cr John Williamson

Seconded: Cr Kevin Taylor

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).

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202503/14 above.

5.12 RISK AND ASSURANCE COMMITTEE WORKPLAN UPDATE

While no changes were made to the workplan, the following points were noted:

- The Committee Chairperson would discuss timing of the Committee's consideration of insurance and risk appetites at workshops with staff following the meeting.
- The Chief Executive Update had been removed as a standing agenda item due to in-depth items on Committee agendas.
- The Audit Arrangements Letter could be received at the June meeting, following approval via the delegation provided by the Committee earlier in the meeting.

RACC202503/15 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Rachel Shepherd

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202503/15 above.

6 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS**RACC202503/16 RESOLUTION**

Moved: Mr Bruce Robertson

Seconded: Cr Kevin Taylor

RESOLUTION TO EXCLUDE THE PUBLIC

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

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

| General subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Ground(s) under Section 48(1) for the passing of this resolution | Plain English reason for passing this resolution in relation to each matter |
|--|--|---|---|
| Agenda Item No: 6.1 Confirmation of Confidential Portion of Risk and Assurance Committee Minutes - 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. |

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202503/16 above.

The meeting closed at 3.36pm.

The minutes of this meeting were confirmed at the Risk and Assurance Committee meeting held on 5 June 2025.

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CHAIRPERSON