



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

Date:	Thursday, 5 June 2025
Time:	12.30pm
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
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Quorum	4
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**Julie Gardyne
Chief Executive**

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4.1 RISK AND ASSURANCE COMMITTEE MEETING - 17 MARCH 2025

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 17 March 2025 be approved and adopted as a true and correct record.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Risk and Assurance Committee Meeting Minutes - 17 March 2025

5.1 ANNUAL PLAN 2025/26 UPDATE

Author: Kendall Goode, Senior Policy Advisor

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

To provide the Risk and Assurance Committee with an update on the Annual Plan 2025/26 and recommend that the Committee delegates authority to the Chair and Independent Member to review and endorse the Annual Plan 2025/26 before being adopted by Council at the end of June 2025.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee delegates authority to the Chair and Independent Member to endorse the draft Annual Plan 2025/26 prior to Council adoption at the end of June 2025.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

Officers have been preparing the draft Annual Plan 2025/26 under Council direction. It is anticipated there will be an average rate increase of 8.4% which is comparable to the 8.3% forecast for Year 2 in the Long-term Plan 2024-34. We are still in the process of rephrasing some of the capital programme to better reflect our ability to deliver under changing circumstances. Due to the timing of the Committee and Council meetings, we recommend that the Chair and Independent Member review the draft Annual Plan ahead of Council's consideration at the end of June.

NGĀ KŌRERORERO | DISCUSSION

An Annual Plan is required to be prepared and adopted each financial year when there is no Long-term Plan. The Annual Plan process provides for Council to confirm or adjust aspects of the Long-term Plan, describing any variance from that forecast from the Long-term Plan, and set rates for the upcoming financial year.

The development of the Annual Plan 2025/26 has been undertaken in what continues to be a challenging time for communities. The development of the Annual Plan has reflected requests from Council to identify savings and efficiencies to reduce the impact on ratepayers. While applying this, staff have had to factor in unplanned increases to essential business costs, and new Local Water Done Well costs.

There have been several public workshops during the development of the Annual Plan, where staff have identified challenges and sought feedback on how to progress. At the most recent workshop (17 March 2025) staff identified unplanned cost increases of over \$2 million to the business, which related to essential business costs including software licenses, insurance, finance costs, depreciation and committed contracts such as solid-waste, security, and cleaning services. Approximately \$296,000 of these unplanned costs are required to satisfy new water, wastewater and stormwater levies and reporting requirements to the Commerce Commission as part of the government's new Local Water Done Well reform. This is additional to the \$498,000 budgeted for Local Water Done Well for Year 2 through the Long-term Plan.

Draft financial direction was presented to Council on 29 April 2025 for consideration, with a proposed average rate increase of 8.4% for the 2025/26 financial year. The 8.4% is comparable (0.1% higher) to what is forecast for Year 2 of the Long-term Plan 2024-34. While marginally higher, the Annual Plan is not significantly different to the direction set in the Long-term Plan and will not materially impact baseline levels of service. On this basis public consultation was not required and has not been undertaken.

Staff proposed operational budget reductions of approximately \$1.88 million to avoid rates increases being approximately 10.2%. This included reductions for staff training, the use of consultants, materials, supplies, a second year of reduced funding to Destination Great Lake Taupō by 20%, and several operational project trade-offs. The budget reductions and operational project trade-offs will not materially impact baseline levels of service (as set out in the Long-term Plan) but will mean that some planned additional activities and services are delayed until 2026/27.

It was also indicated at the 29 April Council meeting that the capital programme was still being finalised. The paper outlined that initial changes to the capital programme would result in a variance between Year 2 of the Long-term Plan and the proposed Annual Plan of \$3.6 million. These changes are a result of escalating costs for projects budgeted for almost two years ago, and rephasing projects between Year 2 and Year 3 to reflect a more realistic delivery. Changes to the capital programme are still underway with some additional projects proposed to be rephased across Year 2 and 3. This rephasing will reduce the overall cost of the capital programme for the 2025/26 financial year to below the \$79 million forecast for Year 2 of the Long-term Plan 2024-34. The rephasing will not create differences that are significant or material to the direction set in the Long-term Plan including the key commitments.

The Annual Plan needs to be adopted by 30 June 2025. As the next Risk and Assurance meeting is scheduled for after June 2025, staff are recommending that the Committee delegates authority to the Chair and Independent Member to review and endorse the draft Annual Plan 2025/26 on their behalf before adoption by Council at the end of June 2025.

WHAKAKAPINGA | CONCLUSION

The Annual Plan 2025/26 is being prepared based on the financial direction adopted by Council on 29 April 2025, which included changes to operational budgets to achieve a rate increase comparable to that forecast in the Long-term Plan. Changes to the capital programme are also being finalised and will reduce the total cost of the capital programme for the 2025/26 financial year. The adjustments made through the Annual Plan will not be significantly different to the direction set in the Long-term Plan and because of this no public consultation is required or will be undertaken.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.2 AUDIT MANAGEMENT REPORT FOR 2023-24

Author: Jeanette Paenga, Finance Manager

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

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

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

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

At the commencement of the 2023-24 Final Audit there were 29 outstanding recommendations, these have reduced to 17 and there are 9 new recommendations giving a total of 26 recommendations. Note that although Audit NZ performed an interim audit, an interim report for 2023-24 was not prepared.

Progress on the new items in the report is detailed elsewhere on this agenda.

The report is **attached** for receipt.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the Audit New Zealand report to Taupō District Council on the audit for the year ended 30 June 2024 (A3752813).

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Audit New Zealand Report to Taupō District Council on the audit for the year ended 30 June 2024

5.3 ADOPTION DATE FOR 2025 ANNUAL REPORT

Author: Jeanette Paenga, Finance Manager

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

To provide the Risk and Assurance Committee with information to assist members to make a recommendation to Council regarding the Audit timing for the 2024/25 Annual Report.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

The proposal recommends delaying the adoption of the Annual Report until December 2025. The main reasons for this recommendation are to give Council timeframe flexibility with competing priorities, mainly implementation of its Water Service Delivery Plan and remediation of the property and rating system. This will also allow Council to have continuity of audit staff and allow incoming elected members time to review the report prior to adoption.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee:

1. Recommends to Council to delay adoption of the 2024/25 Annual Report to the proposed timelines of mid-December 2025, which allows Council flexibility with timeframes and enables continuity of auditor availability; and
2. Notes that this does not meet the timeframes for reporting deadlines within the Local Government Act 2002.

TE WHAKAMAHUKI | BACKGROUND

The proposal has not been presented previously.

Each year Audit New Zealand prepares an Audit Plan which details the timeframe and key matters that will be reviewed during the audit.

At the beginning of April, Council received the draft plan in which the timetable provided for an adoption date before the legislative deadline of 31 October 2025. Council raised concerns with the timeframes due to competing priorities, mainly implementation of its Water Service Delivery Plan and remediation of the property and rating system and audit agreed to give Council time to consider the timeframes.

Subsequently Audit New Zealand have presented a second plan regarding the timing of the audit of the 2025 Annual Report which results in an adoption date after the legislative deadline of 31 October.

NGĀ KŌRERORERO | DISCUSSION

Under s 98(3) of the Local Government Act 2002 a local authority must complete and adopt, by resolution, the annual report within 4 months of balance date, which is 31 October.

In recent prior years, extensions were provided for by legislation for various circumstances out of our control for example Covid, Cyclone Gabrielle, and the change to Local Water Done Well. These exemptions no longer apply, and we now must adhere to the original legislation or report that we did not meet the statutory deadline.

There are no financial penalties for not meeting the reporting deadline.

Audit New Zealand originally supplied an Audit Plan that mapped out a timeline to meet the 31 October 2025 deadline. We requested time to review our plans to assess whether we felt this was achievable.

Council officers raised concerns with the timeline and audit proposed a later adoption date. Officers' main concerns were in relation to timing of key pieces of work requiring finance resourcing and the new Council adopting at their first meeting.

The finance team believes they can produce a first draft by 12 September, however due to the implementation of the Property & Rating module we are still developing the appropriate reports and data extracts that we will need for audit requirements. The team may be under some pressure to support the numbers in the report if we do not have these workpapers to hand and reconciled.

Audit New Zealand came back with a revised timetable with an adoption date of 12 December which also allows provision of a resource experienced with Council's audit (who is not available any earlier). This means Council will not meet the legislative deadline but does provide us with extra time and flexibility given Council's original concerns.

Consideration needs to be given, with both dates proposed, to the fact we will have a newly elected Council which may be hesitant to adopt an annual report for the period for which they were not responsible. Officers intend to mitigate this by having a draft prepared by 12 September so the existing Council and Risk and Assurance Committee can review the draft report and provide comfort to the incoming Council of the completeness of the report.

By delaying the adoption until December gives the incoming Council time to review the document prior to adopting. Delaying the adoption until December avoids the initial Council meetings which are generally reserved for the swearing in of elected members and induction matters. If there are any material changes to the first draft staff will outline these to the incoming Council. There is also a low risk that the inaugural Council meeting may be delayed to November if electoral matters have not been finalised within legislative timeframes.

There is a risk that the extended timeframe may conflict with other priorities later in 2025 namely the 2026/27 Annual Plan and preparation for the valuation of roading and three waters assets for the 2025/26 Annual Report. Planning is beginning now on Council's business plan timing and priorities for the year.

We are aware that there are other councils who have decided to delay adoption past the legislative deadline.

Based on this information it is considered that there are two options, being adopt the Annual Report by 31 October 2025 or adopt the Annual Report in December 2025.

NGĀ KŌWHIRINGA | OPTIONS

Analysis of Options

Option 1. Adopt the Annual Report for 2025 by 31 October 2025.

Advantages	Disadvantages
<ul style="list-style-type: none"> Meets the LGA requirements for Annual Reporting deadlines. Report will be completed and will not interfere with the delivery of the 2026/27 Annual Plan. To not delay the preparation for the roading and three waters infrastructural asset revaluations to not delay the 2026 Annual Report. 	<ul style="list-style-type: none"> Less time to prepare and check financial information particularly in the areas affected by the system change. Risk of breaching timeframes Auditor familiar with Taupō District Council not available New Council would be adopting the Annual Report in the first meeting of the new triennium.

Option 2. Adopt the Annual Report for 2025 by mid December 2025.

Advantages	Disadvantages
<ul style="list-style-type: none"> More time to prepare and check financial information particularly in the areas affected by the system change. Availability of an auditor familiar with Taupō District Council. New Council will have time to read and understand the report prior to adopting it. Gives Finance team flexibility to manage workload associated with other large pieces of work, for example Local Water Done Well. 	<ul style="list-style-type: none"> Does not meet the LGA requirement for Annual Reporting deadlines. Could interfere with the preparation of the 2026/27 Annual Plan due to Finance resources focussed on audit matters. Could cause delay in the preparation of data for the roading and three waters infrastructural asset revaluations to begin on time for the 2026 Annual Report

Analysis Conclusion:

The preferred option is to adopt mid December 2025.

NGĀ HĪRAUNGA | CONSIDERATIONS**Ngā Aronga Pūtea | Financial Considerations**

There is no direct financial impact of the proposal.

Ngā Aronga Ture | Legal ConsiderationsLocal Government Act 2002

The matter comes within scope of the Council's lawful powers, including satisfying the purpose statement of [Section 10](#) of the Local Government Act 2002. That section of the Act states that the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. It is considered that all four well-beings are of relevance to this particular matter.

The proposal has been evaluated with regards to a range of legislation. The key legislation applicable to the proposal has been reviewed and the relevant matters for consideration are as follows:

Those provisions of the Local Government Act 2002 related to the adoption of the Council's Annual Report specifically S98 (3) of the Act.

Authorisations are not required from external parties.

Ngā Hīraunga Kaupapa Here | Policy Implications

There are no known policy implications.

Te Kōrero tahi ki te Māori | Māori Engagement

Taupō District Council is committed to meeting its statutory Tiriti O Waitangi obligations and acknowledges partnership as the basis of Te Tiriti. Council has a responsibility to act reasonably and in good faith to reflect the partnership relationship, and to give effect to the principles of Te Tiriti. These principles include but are not limited to the protection of Māori rights, enabling Māori participation in Council processes and having rangatiratanga over tāonga.

Our statutory obligations outline our duties to engage with Māori and enable participation in Council processes. Alongside this, we recognise the need to work side by side with iwi, and hapū of our district. There are no matters of importance to Māori in this proposal.

Ngā Tūraru | Risks

There is a reputational risk involved with this decision. Officers will work with the communications team to let the public know there will be a short delay in the publication of the Annual Report. Publication is due 30 days after adoption, this means a small delay from 30 November until just prior to Christmas, at the latest.

TE HIRANGA O TE WHAKATAU, TE TONO RĀNEI | SIGNIFICANCE OF THE DECISION OR PROPOSAL

Council's Significance and Engagement Policy identifies matters to be taken into account when assessing the degree of significance of proposals and decisions.

Officers have undertaken an assessment of the matters in the [Significance and Engagement Policy \(2022\)](#), and are of the opinion that the proposal under consideration is of a low degree of significance.

TE KŌRERO TAHI | ENGAGEMENT

Taking into consideration the above assessment, that the decision is of a low degree of significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA

A communications plan will be prepared in consultation with the communications team.

WHAKAKAPINGA | CONCLUSION

The proposal to adopt the Annual Report at a date later than required by legislation enables the report to be reviewed and supporting information completed prior to audit, allocation of an experienced audit team and to allow incoming councillors time to review the report prior to adoption. Meeting legislation, while preferable as it will be less likely to interfere with other projects, has several disadvantages which may end up delaying the adoption of the report and increase the cost of the audit.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.4 AUDIT PLAN FOR ANNUAL REPORT 2025

Author: Jeanette Paenga, Finance Manager

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

Audit New Zealand have submitted their Audit Plan for the 2025 Annual Report engagement.

NGĀ KŌRERORERO | DISCUSSION

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

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

This Committee's role is to approve the plan to enable His Worship the Mayor to sign the appropriate documentation for the audit engagement. This was delegated to the Chair and Deputy Chair of the Committee at its March 2025 meeting but timeframes have allowed for this item to come back to the full Committee.

The previous agenda item discusses the change to the audit completion timeline.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee approves the Taupō District Council Audit Plan 2025 (A3755874) to enable His Worship the Mayor to sign the Plan.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Taupō District Council Audit Plan 2025 (A3755874)

5.5 AUDIT NZ UPDATE - INTERIM AUDIT

Author: Jeanette Paenga, Finance Manager

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

To receive the status update on the progress of the 2025 annual audit from Audit New Zealand.

NGĀ KŌRERORERO | DISCUSSION

Audit New Zealand have recently visited Council to perform the interim audit and have provided this report to update the Committee on progress.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the Taupō District Council – Update to Risk and Assurance Committee June 2025 (A3766496)

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Taupō District Council - Update to Risk and Assurance Committee June 2025 (A3766496)

5.6 BUILDING CONSENT AUTHORITY (BCA) INTERNATIONAL ACCREDITATION NEW ZEALAND (IANZ) AUDIT MARCH 2025

Author: Jessica Sparks, Environmental Services Manager

Authorised by: Warrick Zander, General Manager Strategy and Environment

TE PŪTAKE | PURPOSE

To update the Risk and Assurance Committee on the outcome of the accreditation assessment of the Building Consent Authority (BCA) functions undertaken in March 2025 by International Accreditation New Zealand (IANZ).

NGĀ KŌRERORERO | DISCUSSION

Taupō District Council is a Building Consent Authority (BCA) under the Building Act 2004 and is required to issue building consents and undertake building inspections. This is a critical area for Council as it ensures building work can proceed in a safe and efficient manner and provides confidence to the public that buildings they live and work in meet a high standard.

To maintain our role as a BCA, the Ministry of Business Innovation and Employment (MBIE) engage International Accreditation New Zealand (IANZ) to undertake comprehensive audits of all BCAs every two years, or more often if serious issues are discovered.

In late March 2025, the BCA was audited onsite over four days by IANZ auditors (Lead Assessor: Georgina Jackson, Technical Expert: Dawson Gilchrist) and the comprehensive report is attached to this item.

Assessment Findings:

	March 2025 Assessment	March 2023 Assessment
Serious non compliances (SNCs)	0	0
General non compliances (GNCs)	5	9
Total outstanding	5	2 (now complete)
Recommendations	10	1
Advisory Notes	2	9

Officers are pleased to report that the assessment highlighted strong performance across several key areas within the BCA.

The assessment team noted a high level of engagement from our staff throughout the process. We have worked hard to build a team culture centred around continuous learning, and it was encouraging to see this reflected in the feedback received. Despite some operational challenges associated with our recent relocation to He Whare, we were well prepared and able to participate fully in all aspects of the assessment.

Our internal audit and continuous improvement systems were acknowledged as being robust and effective. In several instances, we had already identified issues internally and taken steps to address them, including follow-up monitoring to confirm they had been fully resolved ahead of the assessment. The level of detail within our internal audits, along with the structured planning we have undertaken to support continuous improvement, was positively noted.

These outcomes demonstrate our commitment to maintaining high standards and ensuring that our systems are functioning as intended to support regulatory compliance and service quality.

IANZ have approved the Action Plan to resolve the outstanding GNCs with evidence of the implementation. This will be completed by 7 July 2025, if not before.

The BCA has retained its **Low Risk** rating.

Key Factors Contributing to Low Risk Assessment:

- **Resourcing and Capability:**

The BCA is appropriately resourced to meet current and future workload demands. Contractual agreements are in place to ensure capacity and capability requirements are met.

- **Non-Compliance Findings:**

A total of **five General Non-Compliances (GNCs)** were identified. The BCA team actively engaged in discussions regarding these and provided clear plans for addressing each item.

- **Engagement and Improvement Focus:**

The BCA demonstrated strong engagement with the accreditation process, with a clear commitment to system improvement and professional development.

- **Audit and Continuous Improvement Systems:**

The BCA has effective audit and continuous improvement frameworks in place, which are being used to identify and address issues proactively.

The outcome of the assessment reflects positively on the BCA's governance, operational effectiveness, and commitment to maintaining high standards. The systems and culture in place support continued compliance and risk mitigation. The next routine assessment will be in **March 2027**.

Further details are included in the attached assessment.

WHAKAKAPINGA | CONCLUSION

The IANZ 2025 Assessment Report has indicated that we have met the requirements and have again improved on the results from the 2023 assessment. The outstanding non-compliances are minor, and they will be resolved within the time frame set out in the report. The next assessment of the Taupō District Council BCA is planned for March 2027 as a Routine Reassessment. We will be looking to continue the positive trend and build on the improvements we have already made.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the 2025 IANZ Accreditation report of the Building Consent Authority.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. IANZ Full Report March 2025

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

Author: Chris Haskell, Property and Development Manager

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

This report is presented to the Risk and Assurance Committee to provide a six-monthly update on the progress of the following Council's large development projects:

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

The purpose of this report is to provide an update on the status of the projects, key risks, and associated risk mitigation.

NGĀ KŌRERORERO | DISCUSSION**East Urban Lands (EUL) Project Progress**

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

Stage 1 Affordable Housing Area Development

The East Urban Lands project encompasses a residential development across two stages (Stage 1A and 1B). Stage 1 is divided into 116 lots with Earthworks for both Stages 1A and 1B already completed.

Total budget for Stage 1 is \$9.6M with \$4.9M spent to date. Given the various stages that the budget relates to, Council's development project lead is currently working on estimates for the remaining work to update projected costs and check they are aligned with remaining budget. Current revenue projections for Stage 1 are in line with the Long-term Plan (LTP) business case projections of \$21M.

Council staff are still working with Council's development partners to finalise the development agreement (DA) based on agreed commercial terms. This has taken longer than anticipated due to the complexity of the agreement. Council staff are confident that this will be completed by 30 June 2025.

Stage 1A Civil Works

Council's civil works contractor is well progressed. The contractor has been thorough in managing time, cost, and site risks, ensuring high standards in health and safety, quality, and planning.

Civil works are programmed for completion in July 2025, with titles to be issued in Q3 2025. This will enable the commencement of residential construction by the preferred development partner consortium, which includes Penny Homes Limited, Tūwharetoa Settlement Trust, and Classic Builders.

Stage 1B Civil Works

Consents for Stage 1B have been obtained. Council officers are currently planning the procurement of the next package of civil works in line with project timelines.

204 Crown Road Project Progress



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

Industrial Development

The 204 Crown Road industrial development is a 20-section development which involves three stages: Separable Portion A (SPA), Separable Portion B (SPB), and Separable Portion C (SPC). Total budget for this project is \$7.2M with \$5.4M spent to date. Current revenue projections are substantially above the LTP business case projections of \$13.4M.

Separable Portions A & B: Physical earthworks for these portions are 100% complete. The Council has issued practical completion, and these portions currently sit in the defects liability period of the contracted works for portions A & B.

Separable Portion C: Physical civil works for this portion are 99% complete, and the contractor is completing the minor defects list before the Council issues practical completion.

Completion: Close-out consenting inspection is booked for 23 May 2025, with titles to be issued in Q3 2025, enabling the commencement of sales.

Sales: In Q2, the Council sold Lot 20. Council officers have procured a joint sole and exclusive agency for an initial 6-week tender campaign commencing 1 July 2025.

30 Mahoe Street Project Progress

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

Industrial Development

The 30 Mahoe Street development consists of 3 industrial lots, for which all physical development has been completed and development titles issued. Total cost of this project was \$772,000, which was under budget. Current revenue projections are approximately \$2M.

Sales: The land is currently marketed by Bayley's, Lyons, and Property Brokers. Tenders close on 30 May 2025, with settlements programmed for 30 June 2025.

The first vendor report was received on 2 May 2025 advised there were several interested prospective purchasers.

WHAKAKAPINGA | CONCLUSION

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

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

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Council Development Projects Risk Register 5.6.25

5.8 DIGITAL IMPROVEMENT WORKPLAN

Author: Tracey May, Digital Solutions Manager

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

To provide the Risk and Assurance Committee with an update on the Digital Improvement Workplan.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

Council's core Enterprise Resource Planning (ERP) system replacement, previously known as Project Quantum, was approved in 2018 as part of the 2018-28 Long-term Plan. The previous ERP system which was implemented nearly 30 years ago had reached its end of life, necessitating a full system replacement.

A thorough procurement process was conducted, involving independent experts like PricewaterhouseCoopers (PWC) which supported the case for change. TechnologyOne was chosen as Council's new ERP system vendor and Project Quantum was planned as a four-phase, multi-year programme.

The first three phases have been implemented, including Human Resources / Payroll (phase one), Finance (phase two), and Property and Rating (phase three). However, non-urgent implementations have been paused to address issues with phase three. The original phase four, which was scheduled for late 2025, includes customer service requests, Council leases and licenses, regulatory revenue, Land Information Memorandums (LIMs), Property Information Memorandums (PIMs), online property files, and document management (CiAnywhere ECM).

The project has overcome several challenges, including the impact of the Covid pandemic and the timing of the ERP system replacement coinciding with new system releases by local government vendors. Phase three has been particularly challenging, as Council was only the second in New Zealand to implement the new version of CiAnywhere (CiA) Property and Rating module, leading to resource constraints and post-implementation issues. This has led to Council reconsidering its implementation plan for the remaining module (phase four).

Other factors affecting phase four implementation include technological advancements, extended project timeline, digital improvement priorities outside this implementation, and other Council priorities such as the work required to develop a Water Services Delivery Plan.

An implementation plan review by Council officers revealed the need for a revised strategy. Officers determined that the current large phase approach is unsuitable for the current environment and that a transition to a continuous improvement model would allow for better alignment with the entire digital work programme and organisation priorities.

A new governance structure, the Digital Programme Governance Group (DPGG) was also established to oversee all digital projects, perform risk-based prioritisation, and delivery outcomes. The remaining capex budget from Project Quantum will be reallocated to each work package in line with the original scope, with approval required for any rescoping or budget changes.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the update on the digital improvement workplan, including risk and progress.

TE WHAKAMAHUKI | BACKGROUND

Project updates have been previously presented to the Risk and Assurance Committee, with the last update at its meeting on 9 December 2024.

Council's core Enterprise Resource Planning (ERP) system replacement was approved by Council in 2018, as part of the 2018-28 Long-term Plan process. At this time, Council needed to procure a new system as its previous ERP system was end of life, having been implemented almost 30 years ago.

Due to the development of new systems by all vendors, Council would have had to undertake a full system replacement, regardless of whether it stayed with the existing vendor or not. This is because there are no longer system updates and limited support for its legacy ERP system. Council also had over 200 unique software applications as part of our business-as-usual processes, with these systems often not talking to each other, and many other legacy platforms that need to be upgraded.

Council undertook a sound procurement process to test the market. Council was well informed throughout the process, and the previous Chair of the Risk and Assurance Committee was on the procurement panel. Council also supported this process with independent experts, including PricewaterhouseCoopers (PWC) who completed an independent strategic review of its technology landscape and developed a roadmap to achieving the vision and design principles. The PWC review supported the case for change, identifying several risks of staying with our previous vendor.

The procurement process led to Council engaging TechnologyOne, with an initial budget of \$6M, which was set originally only to cover the initial contract cost and data migration. This system replacement was referred to as Project Quantum and was planned as a four phase, multi-year programme of work with a revised completion date of late 2025. The project scope included all core functions, such as finance, rates and revenue, regulatory and customer management functions. The budget was adjusted in later years, not due to budget overspend, but to incorporate entire programme costs (including a significant portion of internal wage capitalisation), increased vendor costs, and some scope increase (incorporating document management within the scope). The current budget totals \$10.6M, with \$9.5M being spent to date. An extra \$417,000 was added into the draft 2025/26 Annual Plan to cover the increased internal costs and an allowance for additional costs required to complete phase three.

The first three phases of the project have been implemented, including payroll, finance, and property and rating (revenue). The original phase four was originally scheduled to be underway with completion in late 2025, and covers:

- Customer service requests
- Council leases and licenses
- Regulatory revenue - Building and resource consents (not processing), development contributions, permits for food, health and liquor, compliance enforcement
- LIMs, PIMs and Online property files
- Document management system (CiAnywhere ECM).

The project has faced many challenges along the way, including core pieces of work being planned during the Covid pandemic and the timing of Council's ERP system replacement coinciding with most local government system vendors releasing new systems. This has impacted on available resources, cost, and timeframes.

Phase 3 (property and rating) has been challenging, as this Council was only the second council in New Zealand to go live with this new version. The timing of this was impacted by a hard deadline to move from Council's legacy rating system, as the previous vendor informed Council officers that it could not guarantee legislative compliance, and they would not be able to fix any system issues during any rates strike. This was a significant contributor to the decision to proceed with implementation with some unresolved issues, as there was significant risk in not doing so.

Being the second Council in New Zealand to implement CiA Property and Rating made it challenging to get resources, outside of the vendor, who could support the implementation and subsequent refinements / issue resolution. This has slowed the implementation as Council have had to work through issues at the speed of any available vendor resources, with limited ability to obtain external resourcing.

Council paused any non-urgent implementation after phase three go live, to allow the team to resolve issues and improving the functioning of phase three property and rating.

The issues with phase 3 implementation have further contributed to delay and will increase costs of the remaining modules the further Council moves from the original budget timing. Inflation has not been applied to budgets over this time where it has been carried forward, as it would have been if Council had budgeted for the work to occur when it did.

The project has challenged the organisation's acceptance of change, which has not been helped by the factors listed above, including the extended timeframes and staff movement. Key messages of why Council

needed to make the change, and the project benefits have been lost along the way. Because of this, change management, including communications and training were strengthened during phase 3 (Property and Rating) to help our staff adopt the changes. A Change Management Strategy was developed and presented to the Risk and Assurance Committee in September 2023.

NGĀ KÖRERORERO | DISCUSSION

Council officers have considered the future delivery of digital improvement projects. Other considerations are discussed below and include technological advancement - primarily Artificial Intelligence (AI) development, priority of other digital improvement projects (outside this implementation) and other Council workload/priorities.

Technology is rapidly changing with the advancement of AI across all platforms, and consideration must be given to whether the scope and solution of the remaining pieces of work (in the original phase four) are still relevant in the current environment. Any review of scope provides opportunity for the project team and staff to consider the solution and outcomes of each project.

The digital team also have regular upgrades and projects outside of the original Project Quantum scope to deliver, which may be higher priority than the remaining ERP implementation. A risk-based approach must be taken to manage timing of individual pieces of work and the entire digital improvement workplan considered to ensure all work is prioritised accordingly. This also considers availability of resources within the digital team and transparency as to what is and isn't being delivered and why.

Council also has other priorities which impact resourcing within the digital team and wider organisation e.g. the Water Services Delivery Plan, which need to be considered in relation to resource availability and the schedule of the overall digital workplan.

Due to challenges during phase three implementation, and other reasons discussed, it was considered a necessity to consider a revised strategy for subsequent implementation. This review also underscored the importance of ensuring we consider each piece of work on its own merits and that we are flexible and adaptable with our methodology.

It concluded the previous large phase approach will not be effective to address these considerations going forward, and that stakeholders and the project team respond better to smaller, well-defined work packages where the solution can be considered on its merits, delivered more successfully, and gain greater support for the changes. Additionally, the name Project Quantum has become outdated with the project team, staff, and stakeholders, and no longer relevant to the digital improvement workplan.

On this basis, the Executive Team have approved transitioning Project Quantum to a continuous improvement model for the remainder of the ERP implementation. This allows the entire digital improvement programme to be considered and allow for better alignment with Council priorities and strategic outcomes. It also enables:

- Risk Prioritisation: deliver entire workplan (not just those covered in original scope for Project Quantum) based on risk.
- Maintain Momentum: Continuously enhance our digital solutions without the constraints of fixed project phases.
- Adapt to Change: Quickly respond to emerging business needs and technological advancements.
- Optimise Resources: Efficiently allocate resources to high-priority initiatives and reduce pressure on stakeholders and the project delivery team.
- Review the scope: review the scope of each work package to ensure alignment to today's requirements, fit for purpose in a rapidly changing technological environment, and bring our stakeholders along with us on the journey.

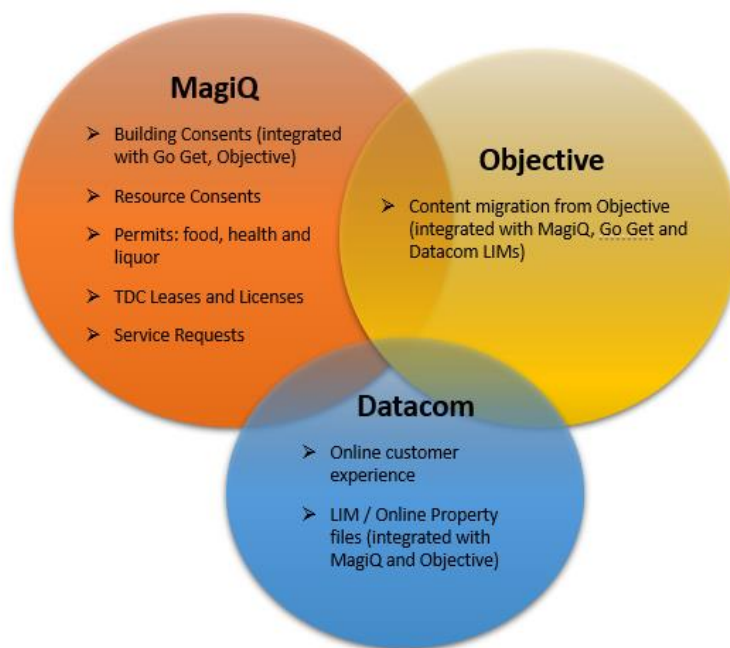


Image 1 - Remaining modules to be upgraded

After careful review, it was determined that the remaining modules can be split into distinct work packages and considered in relation to the entire digital programme. By organising the remaining phase into work packages, this will address the challenges discussed above. This approach facilitates better engagement and acceptance, as business units will assess the merits of each individual project and drive the change. This will ensure there is a requirement for planning for any changes which come from the implementation.

The work packages are as follows:

- Council leases and licences
- Request Management
- Building Consents (revenue, not consenting itself), PIMs, Resource Consents
- Permits: Food, Health, and Liquor
- Document Management including LIMs / Online Property files

The order of the delivery will be based on a strategic and risk-based project prioritisation and will consider the technical and the business risks associated with each work package. This will include modules which were in scope of the original Project Quantum phase four and other digital improvement work that has been added through Council's 2024-34 LTP or other initiatives. The modules will be reviewed to ensure the scope is relevant in the current environment and aligned to organisational outcomes.

The transition to a continuous improvement approach needs to be supported by a new governance structure that ensures effective oversight and accountability across the whole programme of work. A new Digital Programme Governance Group (DPGG) has been established to oversee all digital projects, their risk-based prioritisation and delivery outcomes.

Each project will have an established project sponsor and a project group to which the digital work package will be aligned. Each work package will still be managed by a Digital Project Manager to ensure consistency in the project delivery and quality. The Digital Project Manager will coordinate with the project group overseeing each project.

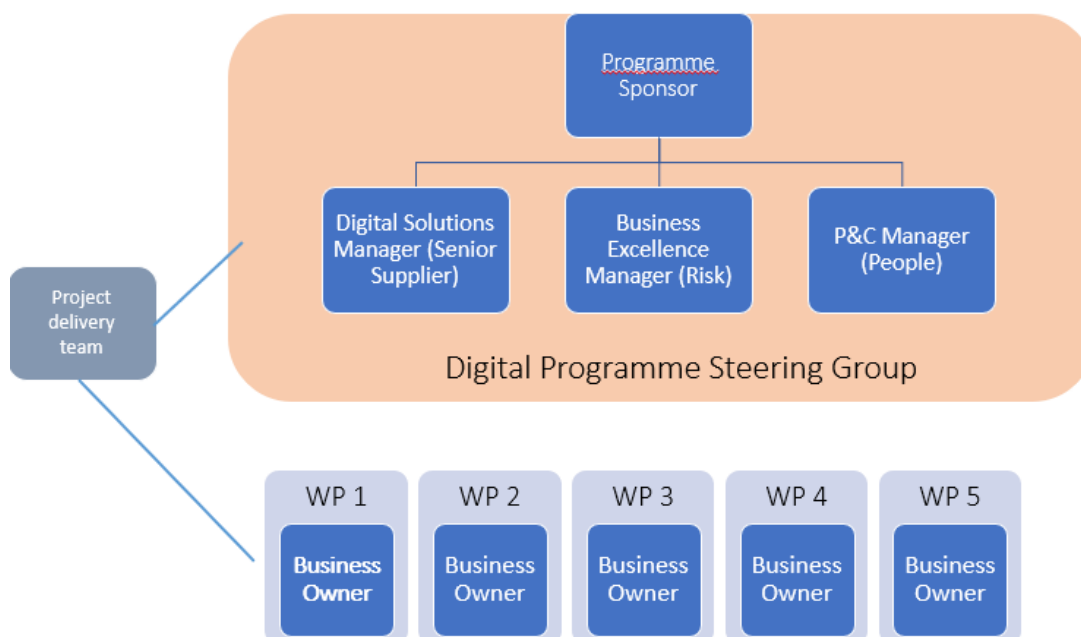


Image 2 – New Digital Programme Governance Structure

TechnologyOne module dependencies and data migration activities must be managed across all work packages. Vendor support and availability will have to be carefully managed to ensure that the right resources are available for timely delivery.

Improvements are still required for implemented modules and the continuous upgrades to the latest versions. This work will need to be managed alongside the work packages and other digital projects (outside of the work programmes listed above). The remaining capex budget of \$1.1M from Project Quantum will be reallocated to each work package in line with original scope. The project team will require approval of any rescoping or changes to these budgets.

Without considering any changes to scope or solution, splitting the remaining work packages will likely be less cost effective due to duplication of vendor resources required for each work package and extended timeframes to implement remaining improvements. The financial impact will be quantified after discussions with TechnologyOne on outstanding phase 3 issues.

PROJECT PRIORITISATION BASED ON STRATEGIC FACTORS AND RISK

- 1. New Project Prioritisation Framework:** A new framework leveraging existing Council frameworks like risk and project management aims to prioritise digital projects based on strategic alignment, risk, benefit, and effort. This ensures focus on high-impact initiatives that align with organisational goals and allows consideration of other digital improvement work and Council's other priorities, also enabling better scheduling of digital improvements based on risk, assurance of resource management across projects, and acceptance of change.

The 'T-shirt sizing' methodology was chosen to evaluate work package, considering complexity, effort, duration, and resource needs, facilitating quick assessment and prioritisation while focusing on risk mitigation and value delivery.

Not all projects on the digital workplan will be there due to risk-based prioritisation. Projects considered quick wins—those that offer customer benefits, reduce risk and require minimal effort from the Digital Solutions team—may also be included in the plan, sometimes to fill programme gaps, as resources allow.

Project sizing	Size	Effort	Resources	Org Impact	Risk	Benefits (hard)	Benefits (soft)	Score (per category)	Ranking - combined Tshirt scores			
	S	1-8 weeks	>5 people	A team	Minor	10K	Improves >10 people or customers experience	1	small	0-6		
	M	2-6 months	5-10 people	A function	Moderate	10-50K	Improves 10-30 people or customers experience	2	medium	7-12		
	L	6-12 months	10-15 people	A business unit	Major	50-100K	Improves 30-60 people or customers experience	3	large	13-18		
	XL	12+ months	Whole of org	Whole of org	Severe	100K+	Improves 60+ people or customers experience	4	XL	19-24		
Effort (how long)		Resources (how many)		Org Impact		Risk of not doing		Financial Benefits		Customer Benefits		
Strategic alignment	TDC Vision		A District of connected communities who thrive and embrace opportunities									
	TDC Strategic Pou		Our People - Te Iwi		Our Community, Customers and Partnership - Te Hapori		Responsible finances and planning - Te Haepapa		Organisation improvement - Te Whakawhanake		Assets, projects and delivery - Te Tuku	
	Relevant KPI's (update as required)											

Figure 1: Project Prioritisation criteria

2. **Adopt Not Adapt and Build Minimum Viable Product:**

A stronger focus on adopting rather than adapting systems is required to eliminate special processes that have been embedded over many years. This approach will reduce the risk of custom configurations that are prone to challenges during each upgrade and adds additional complexity, deployment time, and costs to projects. Additionally, focusing on building agile Minimum Viable Products (MVP) will allow us to implement products more efficiently, learn from the initial implementation, and make continuous, more customer focused improvements whilst also being cognisant of differing vendors' implementation methodologies. These changes to the implementation approach will require a larger focus on change management and executive support to implement.

3. **Resourcing:** One of the main challenges we face is the limited availability of Business Analysts (BAs) in the solution delivery team, with a wide range of priorities. To optimise resources, we are cross-training team members, using external consultants more, and improving project prioritisation and communication with stakeholders.

Despite our efforts to cross-skill BAs, moderate the pace, and explore new methods, the loss of key BA resources will impact the digital improvement workplan.

4. **Governance:** The newly established DPGG will supervise all digital projects, prioritising them based on risk, monitoring delivery outcomes, allocating resources, and managing timelines. While a small business-as-usual capacity is included in the project plan for urgent projects, project priorities may be adjusted according to legislative changes, software lifecycle updates, and resource availability.

5. **Key deadlines**

Several key deadlines have influenced project priorities that must be met to ensure continued legislative compliance and software support. These include:

- Legislative changes 1 July 2025
 - LIMs changes (natural hazards) - scope yet to be confirmed.
 - Food Levy – business-as-usual change.
- Go Get Building consent software is out of support from 30 June 2026.
- Software updates i.e. contractually required to upgrade CiAnywhere once a year to maintain support (either April or October).
- The version of MagiQ in use is now 7 years old, posing a significant business risk due to minimal support and minimal legislative updates (where no workaround can be provided). Regulatory functions still rely on MagiQ and key property and name data is being written back from CiAnywhere to maintain synchronisation ahead of the next migration. The instability risk increases daily, making this our top priority project to transfer all functions off MagiQ.
- Objective document management is also 7 years old, with an increased risk profile and reliance on other operational system dependencies which are soon to be unsupported.

Ngā Tūraru | Risks

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

Risk Theme	Risk Current State and Mitigations
Business Risk – Legacy Systems The current solutions (MagiQ and Objective) have been in place for several decades. Both systems are in the sunset phase of software lifecycle with technical support coming to an end soon. Neither system has been upgraded since 2017 and the data they contain is business critical.	Phase three modules that have now been implemented have shifted the remaining financial information out of MagiQ to minimise legacy system risk. Changing our approach away from large phase approach will impact timelines and increase the reliance on MagiQ and Objective for longer. Implementation of the remainder of Council's ERP system will significantly reduce the risk associated with the aging systems. This will remove the reliance of the business processes and data currently in MagiQ and Objective. This risk will be a key consideration in prioritisation of remaining work packages. The customer service request system is the last module in MagiQ which has widespread use. This has been rated of higher

Risk Theme	Risk Current State and Mitigations
	priority within the new T-shirt sizing methodology and is planned for implementation during 2025/26 financial year. This will allow the Digital Team to reduce MagiQ users and therefore risk.
<p>Acceptance of Change</p> <p>Implementing an ERP system is a large undertaking for any organisation and triggers changes in processes and how people work.</p> <p>The amount of change has been considerable for Council and challenges associated with past phases and extended timelines have challenged Council's key messages for change, including project benefits and reasons for implementation.</p>	<p>Council has done a lot of work in recent times relating to supporting change for our people. Council utilised an external change management support throughout phase three implementation and undertook a programme of internal activities to ensure key messages were understood and consideration was given to feedback from the organisation.</p> <p>Changing our approach mitigates this risk because the work is done in manageable portions, with project teams reviewing scope alongside the organisation. This allows change to be led by the teams which are being impacted and revisits scope and solution to ensure outcomes are fit for purpose.</p>
<p>Resourcing - Business</p> <p>Business representatives required for key parts of the project may not be available due to increase in core business workloads and resourcing shortages, delaying design input, test execution and training.</p>	<p>The new approach addresses lessons learnt for the first three phases and ensures current organisation priorities/workload are considered when planning timeframes for remaining work.</p> <p>Project teams will be made up of those closest to the changes. Key messages will be revisited and staff involved in any changes will have more input into project outcomes.</p> <p>Project managers will work with project teams to ensure workloads are considered and any allowance is made for backfill planning.</p> <p>Regular discussion with business owners to manage BAU workloads, leave and timelines so deadlines can be met.</p>
<p>Resourcing – Project Team</p> <p>Key project team roles are not adequately resourced, resulting in delays to data migration, integration, test execution and reduction in quality due to inability to support the business through other phases.</p>	<p>Consideration of organisation priorities and workloads will identify capacity and allow for more appropriate timing of projects. Oversight by the DPGG should help identify capacity and/or capability issues.</p> <p>Mitigations which will be continued from previous phases are:</p> <ul style="list-style-type: none"> - Identification of project team roles in advance to ensure right skills on board to deliver project. - Contracting out key pieces of work as necessary to maintain quality and timelines where possible. - Opportunities being investigated to share knowledge and expertise across councils doing the same project. - Actively manage wellbeing of our people through regular check ins. Managing work/life balance, regular leave and celebrating small successes/milestones as they occur.

Risk Theme	Risk Current State and Mitigations
<p>Cost</p> <p>Implementing an ERP system comes at a substantial cost. With any ERP implementation there's a chance that the project will go over budget, increase in scope, or not provide sufficient return on investment.</p> <p>Extended timelines add to the risk of cost increases.</p>	<p>The system implementation had an initial budget of \$6M, which was set originally only to cover the contract cost and data migration. The budget was adjusted in later years, not due to budget overspend, but to incorporate entire programme costs (including a significant portion of internal wage capitalisation), increased vendor costs, and some scope increase (incorporating document management within the scope). The budget increase did not include allowances for any backfill as work as it was assumed that implementation would be done within current resources. Phase three challenged this premise of utilising current Council resources (staff time).</p> <p>The current budget totals \$10.6M, with \$9.5M being spent to date. An extra \$417,000 was added into the draft 2025/26 Annual Plan to cover the increased internal costs and an allowance for additional costs required to remediate phase three.</p> <p>Moving away from large scale implementation is likely to increase costs of remaining work packages, due to extended timeline, possible scope changes, and cost duplication. The extent of this is unknown at this stage due to ongoing work with TechnologyOne to resolve phase three issues, but project teams will get appropriate approval for any budget changes required.</p> <p>The work package approach offsets risk of utilising current Council resources as Council priorities/workplan will be considered and project teams will work through timing and resourcing requirements.</p>
<p>Resourcing – Vendor</p> <p>Challenges with resource availability from the vendor Technology One, to support post go live and to support the wider sector with lots of other Councils who are undertaking ERP change or upgrades.</p> <p>This risk is increased in modules where Council are early adopters, creating dependence on the vendor for any support or resolution of issues.</p>	<p>This risk has been realised with phase three outstanding issues placing demand on vendor resources, with limited availability of support post go-live. The vendor is also busy with other councils who are undertaking ERP change or upgrades.</p> <p>Mitigations to be continued are:</p> <ul style="list-style-type: none"> - Ensuring we have good consultants working on the project that know NZ legislation, meet deadlines and challenge us to review our processes to ensure we make the best use of the system. - Regular planning to ensure resource bookings are when we need them, so consultants are adding value at the right time. - Upskill Digital Solutions and project team to reduce the reliance on Technology One. - Look for opportunities to standardise and share business processes, configuration and people expertise between councils to offset vendor resources. <p>The work package approach reduces the risk of vendor resourcing as the smaller packages of work create less impact on the organisation and are more</p>

Risk Theme	Risk Current State and Mitigations
	manageable for the vendor.

WHAKAKAPINGA | CONCLUSION

This report serves as an update on Council's digital improvement workplan, highlighting progress, risks, and a new process to prioritise work and manage the programme going forward.

The proposed shift to a continuous improvement model is part of a plan to address previous challenges and other considerations to ensure Council are using the best approach to progress digital improvements over the long-term.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.9 HEALTH, SAFETY AND WELLBEING UPDATE

Author: Nikki Donaldson, Business Excellence Coordinator

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 14 February – 5 May 2025.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

- The Health and Safety Manager position has been vacant since 28 March 2025. Council has engaged the services of a consultant and is currently recruiting for a replacement.
- Staff continue to implement Council's Health, Safety and Wellbeing Strategy, as time allows, with a focus on refining our Health and Safety Management System Framework.
- *Health and Safety Committee* (NZQA), *Fire Warden* and *Asbestos Awareness and Management* training has been rolled out.
- Managing Critical Risks remains the priority; however, progress has been slower than planned due to the Health and Safety Manager position being vacant.
- There is an opportunity to make our Health and Safety Incident Management system (Damstra) easier to use and better for reporting, and to this end reconfiguration has commenced.
- 35 Events were reported for the period 14 Feb – 5 May 25 (excluding pool contamination and vehicle overspeed events).

11 of these incidents featured aggressive or threatening behaviour. Police were involved in two of these incidents and the Guardian Angel alarm¹ was activated on one occasion. There were two anti-social events which resulted in one customer being trespassed and another incident where the Fire Brigade were in attendance.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the Health, Safety and Wellbeing update for the period 14 February – 5 May 2025.

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

The Health and Safety Manager position has been vacant since 28 March 2025. Recruitment has commenced. A part-time consultant has been engaged to assist until the Health and Safety Manager starts.

Strategy Implementation

Work continues delivering the **Council's Health, Safety and Wellbeing Strategy** with a focus on engagement and safe systems (Table 1 below).

¹ Guardian Angel is a subscription alarm system used by high-risk roles throughout Council that when activated triggers a call from Guardian Angel to see if Police assistance is required.

Leadership:

Micro-learning module “*Health & Safety for Leaders: Our Responsibilities*” has been developed to form part of Taupō District Council Manager’s Essential training. This module is now available on Tūi (Taupō District Council’s Intranet site) and has been distributed to the Enterprise Leadership Team (ELT).

People and Culture launched a *wellbeing support platform* pilot. A registered psychologist noted our leadership in integrated psychosocial risk management. While involved teams have been busy, further support is being developed to maximise its use.

Engagement:

We have initiated steps with the Communications team to develop an engagement plan to be implemented in the second half of this year.

Other initiatives, such as the SafePlus online self-assessment survey, are on hold until the Health and Safety Manager vacancy is filled.

Guidance on how to run *Learning Teams* was discussed at recent Health and Safety Representative training and made available via Council’s intranet site. Learning Teams are convened after incidents to ensure improvements are captured and will continue to be socialised and implemented following events.

Fire Warden and *Extinguisher Use* training took place on 1 April 2025, providing another opportunity to support and nurture worker engagement. Several questions were raised from the attendees and some great feedback has been received and actioned. Implementing suggestions made by our attendees and keeping open communication is a valuable way to recognise and encourage an active safety culture.

Asbestos Awareness and Management training was delivered on 1 May 2025 with high attendance (30 attendees).

Safe Systems:

We have begun developing the Taupō District Council Health and Safety Management System Framework. This framework will assist with the further development of our Health and Safety Manual and assist with the continued implementation of recommendations arising from the KPMG review of Council’s Health and Safety Management system.

Induction Training: Best practice is that staff receive refresher training on an organisation’s Health and Safety systems and processes every two years. This reporting period there are 60 staff whose Health and Safety induction training expired and are now due for refresher training. Staff that require refresher training have been notified and training uptake is being monitored.

A review of Damstra, Council’s Safety Incident Management System is underway with the intention of simplifying and streamlining the application to increase worker engagement and meaningful reporting.

Improvement:

11 Staff attended the *Introduction to the Health & Safety Committee* training which took place on 29 April 2025. Further Health and Safety Representative training will continue.

A review of our training providers and training processes has begun. The objective of this review is to provide a wider range of courses and increase attendance across the organisation.

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).	Implementation of leadership safety walks on hold until H&S Manager commences.
	Development of roles, accountability, & responsibilities framework (RACI) and implement training to ensure staff understand their responsibilities.	60%	Work with People and Culture to ensure good uptake of micro-learning.	Micro learning training explaining manager roles and responsibilities has been rolled out. Further implementation is on hold until new H&S Manager commences.
	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.	Currently working with Council's Communications team to develop an engagement plan for implementation in the second half of this year.
	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.	Micro Learning module "Health & Safety for Leaders: Our Responsibilities" has been developed and distributed to form part of TDC Manager Essential Training. Staff KPI's for H&S development is on hold until H&S Manager vacancy is filled.
	Develop internal staff surveys to assess Council culture.	75%	Roll out of internal staff survey (SafePlus Self-Assessment Tool).	On hold until H&S Manager vacancy is filled.
Safe Systems	Refresh our HSW management system – roles, tools, policies & processes – to ensure enterprise coverage & easy to use.	25%	Implement H&S Improvement Plan to structure a review of our processes.	On hold until H&S Manager vacancy is filled. Have created a detailed manual describing H&S roles and responsibilities of all our TDC staff including managers, team leaders and staff. We have begun developing the Taupō District Council Health and Safety Management System Framework.
	Integrate HSW outcomes within Council's procurement processes & supply chain management.	80%	A procedure – H&S in Procurement Procedure is in draft for final.	On hold until H&S Manager vacancy is filled.

	Commitment	Status %	Next Milestone	Comment
	Develop a contractor Health & Safety Management Framework.	50%	Contractor Management framework is understood and supporting artefacts are revised and used by TDC Staff.	On hold until H&S Manager vacancy is filled. 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.	On hold until H&S Manager vacancy is filled. The implementation of '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. Learning Team guide has been added to Tui and discussed at Health and Safety Representative training.
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.	Micro Learning module "Health & Safety for Leaders: Our Responsibilities" has been developed to form part of TDC Manager Essential Training.
	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. The Critical Risk Standard (in draft) includes assurance activities to be undertaken by Executive, HSR's and Managers to ensure adherence to the TDC's critical controls.

Update on implementation of KPMG Health and Safety Review Report recommendations

The report summarising the findings of KPMG's review of Council's Health and Safety System was presented at the December 2023 Risk and Assurance Committee meeting. Implementing KPMG's recommendations continues to be a key focus, although a number of the KPMG recommendations cannot be progressed until the new Health and Safety Manager has commenced.

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

There were 42 recommendations to support the 15 audit findings. For each audit finding rated High or Medium.

Staff continue to implement these recommendations as far as they are able with the current Health and Safety Manager vacancy. The vacancy has meant progress is slower than planned, as presented in Figure 1 below.

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

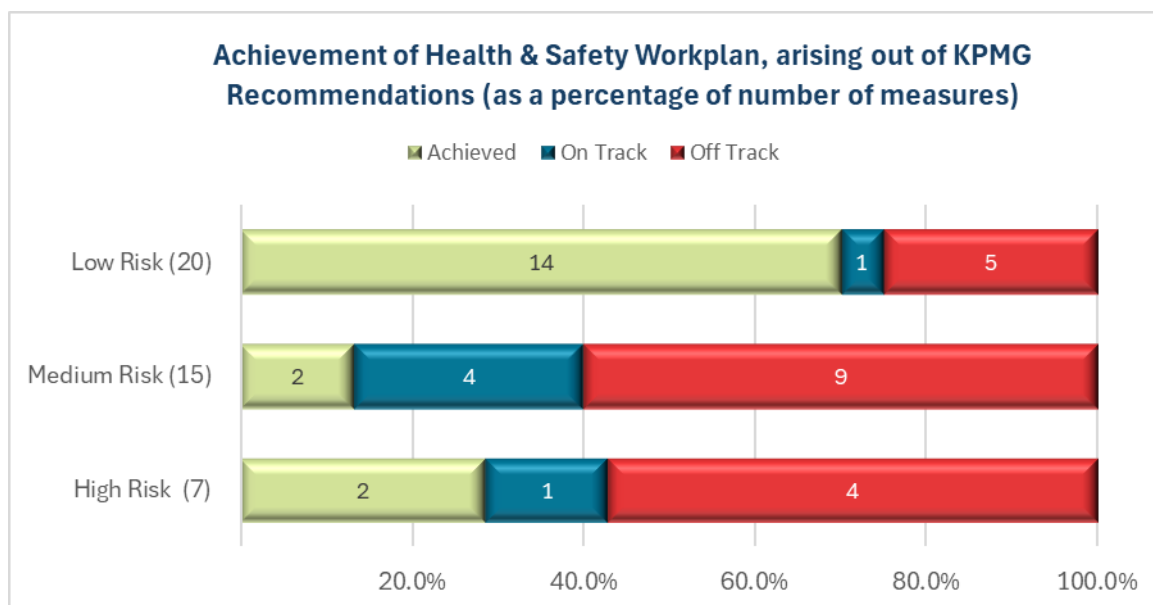


Figure 1 – summary of progress in delivering KPMG's recommendations.

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

Council's 10 Critical Risks are:

- Driving
- Psychosocial
- Contractor Management
- Working on or near roadways
- Aggressive and Threatening Behaviour
- 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%

The Health and Safety Manager was progressing the development of a Critical Risk Standard, which will outline Council's requirements for managing critical risk. This work (or equivalent of) will continue once the new Health and Safety Manager has commenced.

Critical Risk Registers have been loaded into Damstra, and reported events and risks are now being linked to these registers so that Council may develop a fuller understanding of the impact that Critical Risks have on the business, and a clearer understanding of where controls can be strengthened.

The Aggression and Threatening Behaviour critical risk has been a priority; Engagement with our frontline staff/business units has continued and has enabled further development of our Critical Risk Register and supporting documentation.

The Business Excellence Team are working with the Fleet Manager to develop organisational-wide controls for the Driving critical risk. This includes initial pre-drive checks for pool cars and enhancing reporting when speeding occurs in Council owned vehicles.

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 will significantly improve Council's internal audit Health and Safety audit programme. The standard outlines how Council will gain assurance on its critical risk controls: through critical risk verifications done by key staff and Health and Safety 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 checks will be scheduled once the Health and Safety Manager has commenced.

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

The critical risk standard will continue to be developed once the Health and Safety Manager has commenced.

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 Health and Safety systems and processes.

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

Emergency procedures for He Whare are currently being developed with a security consultant. 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

Council has engaged services to support in creating robust security procedures across our sites, with the first priority being to establish solid procedures for our He Whare building. An initial group of frontline staff have received training on how to deescalate aggressive situations and maintain situational awareness, this training will continue to be rolled out.

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 Council is aligned with Protective Security Requirements (PSR).

Aggression incidents:

11 incidents featured aggressive or threatening behaviour. Police were involved in two of these incidents and the Guardian Angel alarm was activated on one occasion. There were two anti-social events which resulted in one customer being trespassed and another incident where the Fire Brigade were in attendance.

Investigations:

Nil.

Notifiable Events to WorkSafe NZ (3 months)

Nil.

WHAKAKAPINGA | CONCLUSION

It has been challenging to make significant progress in implementing Council's Health and Safety Strategy and recommendations made within KPMG's report with recurring Health and Safety Manager vacancies. Council has sought to off-set the impacts of this by engaging consultant support and establishing a Business Excellence Coordinator role which is heavily focussed upon supporting the delivery of Health and Safety improvements. Work continues to progress improvements, as resource allows.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.10 NON-FINANCIAL PERFORMANCE MEASURES REPORTING

Author: Nikki Donaldson, Business Excellence 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 third 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 Q3 2024/25 Report.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Non-Financial Performance Measures Q3 Report

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

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

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee:

1. Receives the report on the status of the audit and review recommendations; and
2. Acknowledges that conflicting workloads related to Council's Water Service Delivery Plan, digital improvement, and asset capitalisation may delay progressing outstanding audit matters, other than those relating to health and safety and regulatory compliance which will be progressed in line with timeframes agreed with the committee.

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.

Audit sources

Since the last report to the Risk and Assurance Committee, Council has had *IANZ* and *PoolSafe* audits undertaken and has received findings of Council's 2023-24 Annual Report audit.

There were no new items arising from PoolSafe audit.

An IANZ Building Accreditation audit commenced in March 2025 – the details are reported elsewhere on this agenda. A detailed action plan to address matters that require resolving (i.e. General Non-Compliances) has been accepted by IANZ and officers are currently delivering this action plan, with all matters expecting to be resolved prior to finalisation of the audit on 7 July 2025. Any matters outstanding (if any) following completion of the audit will be incorporated into the attached Audit Improvement Items and presented at the September 2025 Risk and Assurance Committee meeting.

Council's 2025 Environmental Health Recognised Agency Reassessment audit (IANZ) was undertaken in May and although the final report had not been received at the time of this agenda closing, auditors noted that all prior issues had been resolved and that there was only one new Observation. The details of this will be added to the Audit Improvement Report upon receipt of the auditor's report (expected late May).

Audit NZ into the 2023-4 Annual Report resulted in nine previous audit findings being closed, and a further nine new findings being identified.

This report addresses recommendations arising from all audit sources, as outlined in Table 1 below.

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

Review/Audit	Review Date	Status
Annual Report	2023/2024	Outstanding matters – see attachment.
Building Accreditation - IANZ	March 2025	Outstanding matters – see attachment. Next audit (a Routine Assessment) will be in March 2027.
Council Mark review	April 2022	Outstanding matters – see attachment.
Drinking Water Standards Audits (WaiComply)	December 2024	Outstanding matters – see attachment.

Environmental Health Recognised Agency Reassessment (food health) IANZ/Food	May 2025	Pending outcome of report – expected late May 2025.
Environmental Health Recognised Agency (food health) – surveillance audit - JASANZ	February 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)	July 2024	Outstanding matters – see attachment.
NZTA Procedural Audit	March 2022	Matters considered closed pending audit approval – see attachment.
Abridged Property Process and Function Review Summary (The Property Group)	June 2024	Outstanding matters – see attachment.
PoolSafe	February 2025	No outstanding matters.

Audit status

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 statuses are provided in **Attachment 1**.

Council has been steadily progressing implementation of audit and review recommendations and of the original **173** recommendations made, **26** have been formally closed by various auditors, and a further **75** require no further action as staff consider these closed (subject to audit approval) leaving **72** open items (**Figure 1**).

Full details of items that have been recently closed are provided in **Attachment 2**.

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

Audit Type	Audit Source	Status	Urgent/High/ Significant Improvement Needed	Necessary/ Med/ Some Improvement Needed/ General Non- Compliance	Beneficial/ Low/Recomm ended	No Priority Assigned /Observation/ Advisory Note	Total
External	Annual Report- Audit NZ	Open	3	18	2	1	24
		Staff Closed	0	5	1	0	6
		Audit Approved Closed	0	7	3	0	10
	Drinking Water Audits (Waicomply)	Open	0	0	0	7	7
		Staff Closed	0	0	0	5	5
		Audit Approved Closed	0	0	0	0	0
	NZTA	Open	0	0	0	0	0
		Staff Closed	2	7	1	0	10
		Audit Approved Closed	0	0	0	0	0
	JASANZ	Open	0	0	0	1	1
		Staff Closed	0	0	0	2	2
		Audit Approved Closed	0	0	0	0	0
	LTP Audit- Audit NZ	Open	0	0	0	3	3
		Staff Closed	0	0	0	2	2
		Audit Approved Closed	0	0	0	0	0
	IANZ/Food	Open	0	0	0	0	0
		Staff Closed	0	0	7	9	16
		Audit Approved Closed	0	16	0	0	16
Internal	KPMG H&S Review	Open	5	13	6	0	24
		Staff Closed	2	2	14	0	18
		Audit Approved Closed	0	0	0	0	0
	Council MARK	Open	0	0	0	4	4
		Staff Closed	0	0	0	15	15
		NOTE: Council does not plans to continue with CouncilIMARK audits - items will close on staff recommendation.					
	The Property Group	Open	0	0	0	9	9
		Staff Closed	0	0	0	1	1
NOTE: The Property Group review was a one-off ad hoc review - items will close on staff recommendation.							
Total CLOSED Items by Status			4	37	26	34	101
Total OPEN Items by Status			8	31	8	25	72

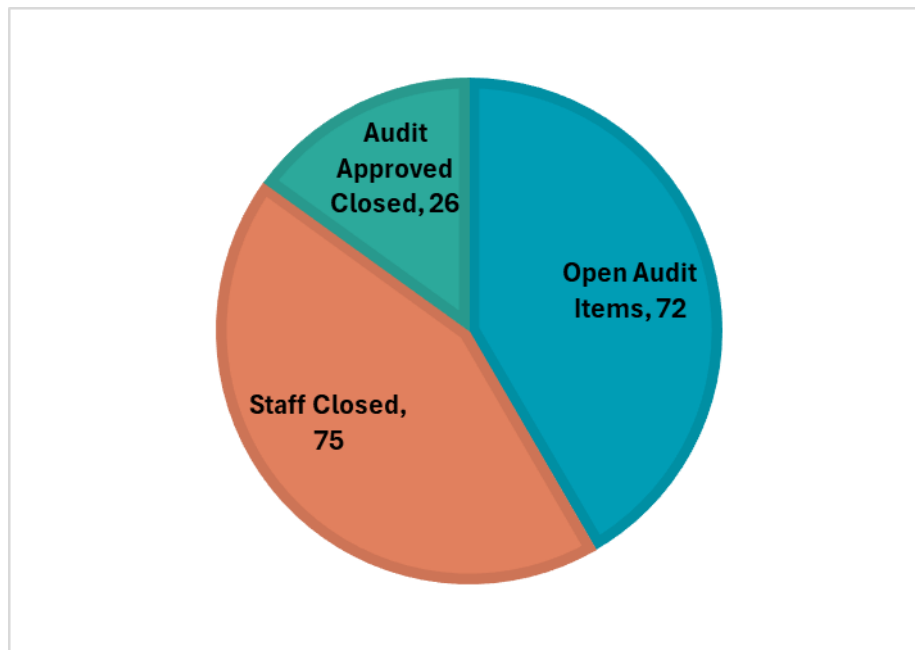


Figure 1 - Total number of open audit items, items Taupō District Council staff believe to be closed, and items that have been closed by auditors since the last Risk and Assurance meeting.

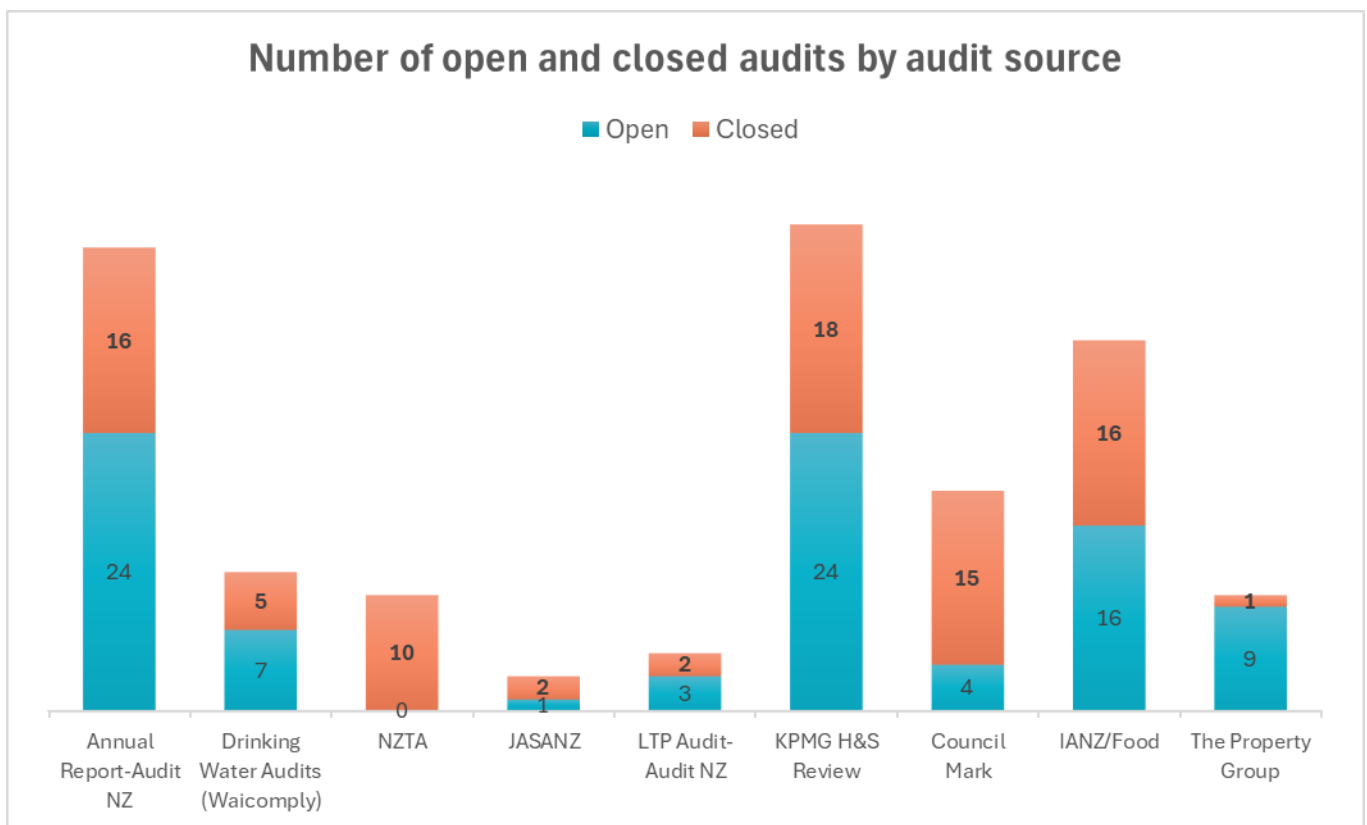


Figure 2 – Open verses closed items by audit source.

Organisation Improvement Group

The second and third meetings of the Organisational Improvement Group were held in April and May 2025 with representatives from Finance, Project Management, Policy, People and Culture, Digital Solutions as well as the General Manager Organisation Performance. Progress has been challenged by large workloads across the organisation.

Central Government's Local Water Done Well plan has significant impacts on many parts of the organisation, but particularly: i) The three waters teams, who need to support delivery of Council's Water Services Delivery Plan; ii) The Finance team who need to deliver financial separation of Council's three water functions; iii) The Digital Solutions team that need to support digital improvements required to financially separate and deliver any other digital improvements required to deliver the plan; and iv) Council's other support functions (People and Culture, Business Excellence, Legal and Governance).

Some workload requirements are unknown, such as, what will be required of Council with increased regulatory presence. Under new Water Services Legislation, Taumata Arowai and the Commerce Commission will provide oversight on Council's water services. Council will need to adhere to new economic regulations and consumer protection requirements, with increased regulatory focus commencing early in the 2025/26 financial year.

The finance and digital teams also have competing priorities with the digital improvement workplan and Council's Enterprise Resource Planning (ERP) system, with some remediation still required post implementation. This work will impact on capacity of the teams to take on any non-urgent work.

The Finance team is also working hard to support the capitalisation of a backlog of assets, which will be a key focus in the lead up to the end of the financial year and the 2025/26 year with infrastructure revaluation.

Following discussions with senior management it is proposed that these organisational wide pressures be recognised, and that the progression of some outstanding audit recommendations may need to take a lower priority in order to protect staff wellbeing.

Those audit improvement recommendations that relate to protecting health and safety, and regulatory compliance will continue to be prioritised. Although, there have also been resourcing challenges in the Health and Safety area with the Health and Safety Manager role currently being vacant. Actions from the KPMG review will need to be reset with the Committee after Council's new manager starts.

Subject to Risk and Assurance Committee direction, the Organisation Improvement Group may move into a more passive monitoring function for non-critical audit improvement matters until such time as the wider organisation has capacity to progress outstanding items.

Progress will continue to be monitored and reported at the next Risk and Assurance Committee meeting on 16 September 2025.

WHAKAKAPINGA | CONCLUSION

Council continues to make progress on audit items. There have been some challenges to progress outstanding items due to conflicting workloads and a vacant health and safety manager position. Even so, the number of open items has steadily lessened each quarter, signalling that teams are still continuing to progress closing audit items.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Open Audit Improvement Items
2. Recently Closed Audit Improvement Items

5.12 SENSITIVE EXPENDITURE REVIEW - 1 JANUARY 2025 - 31 MARCH 2025

Author: Molly Cammell, 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 (the Policy) and highlight any areas for improvement.

NGĀ KŌRERORERO | DISCUSSION

Sensitive expenditure is regularly reviewed to ensure compliance with the 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, long service award register and reimbursements processed through payroll. The transactions have been assessed against the 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 especially in terms of meal allowances. There are a few potential areas for improvement:

- 1) Expenses requiring Risk and Assurance Chair approval could be submitted for approval more promptly.
- 2) More detail around purpose, reason, and who benefits overall on expenditures.
- 3) More consistently using the gift register when purchasing gifts for staff members.

Section 14 of the Policy – Expenses when travelling

A selection of travel transactions were assessed during this review and compliance to the Policy has been largely confirmed. There was an improvement item noted:

- 1) Three transactions for reimbursement for use of personal cars were identified. In one instance, a sufficient reason for the claim was not provided. In another there was a pool car available on the date and time that was claimed.

Section 15 of the Policy- Entertainment and hospitality

A selection of entertainment and hospitality transactions were assessed and compliance to the Policy has been largely confirmed. There were no incidents of non-compliance identified.

Section 16 of the Policy – Goods and services expenditure

Council's gifts register and associated transactions were reviewed, against section 16 of the Policy. No incidents of non-compliance were identified.

Section 17 of the Policy – Staff support and welfare expenditure

Staff support and wellbeing expenses were reviewed against section 17 of the Policy. No incidents of non-compliance were identified.

Section 18 of the Policy – Donations, Koha and Gifts

Council's gifts register and associated transactions were reviewed against section 18 of the Policy, which requires that staff record gifts given over \$100 in the Council Gift Register to ensure full transparency. There are a few areas for improvement:

- 1) There were two instances of koha but only one koha form completed.
- 2) Consistently using the gift register is highly recommended. Gifts over \$100 should be listed in the register; some had to be added retrospectively added.
- 3) Overall, detail on transactions could be improved upon.

WHAKAKAPINGA | CONCLUSION

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

Across the board it was found that further detail on most transactions is required. The Business Excellence Manager has brought this to the attention of the Enterprise Leadership Team to pass along to their teams.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the Sensitive Expenditure Review for the period 1 January 2025 to 31 March 2025.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.13 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**Risk Appetite Workshop**

Risk and Assurance Committee members have been invited to attend a workshop to review Council's risk appetite (5 June, prior to the Risk and Assurance Committee meeting). This will be facilitated by the Risk and Assurance Committee Chair and staff are supporting in the preparation of materials needed for this workshop. The findings of this workshop will result in an update to Council's Risk Management Framework.

Strategic Risk Management

Findings from the *Zero-Harm* (Health and Safety) strategic risk workshop held in March 2025 have been captured in a risk profile presented elsewhere on this agenda.

Business Continuity

An update on the business continuity project is presented in the business continuity update paper elsewhere on this agenda.

Insurance

Aon are conducting earthquake loss modelling for the Bay of Plenty Local Government Shared Services group (BOPLASS) to enable informed decisions to be made on the suitability of the shared natural catastrophe loss limit on the group infrastructure policy. Council is on track (at short notice) to provide Aon with the asset data required for this exercise. A separate insurance update is provided elsewhere on this agenda. Risk and Assurance Committee members have been invited to attend an Insurance Workshop on Thursday 3 July. This workshop will enable members to gain a deeper understanding of Council's current insurance arrangements and inform its future approach.

Assurance Mapping and Internal Audit Program

An update on the risk mapping project and development of the assurance programme is presented in the Internal Audit Programme paper elsewhere on this agenda.

Asbestos Management

At its 25 February meeting Council approved additional funding to enable safe disposal of asbestos contaminated crushed concrete at Broadlands Road Landfill. Council is currently running a procurement process to seek better value for the disposal and tenders closed on the 7 May. Officers were completing tender evaluation at the time of writing. A verbal update on the status of the procurement will be provided at the meeting.

Asbestos Awareness and Management training was implemented in May with approximately 30 attendees. This will help staff to understand how to identify asbestos and steps to take once it has been identified.

WHAKAKAPINGA | CONCLUSION

Officers continue to progress risk management solutions, with solid progress being made on Council's business continuity initiative and work to prepare for our insurance renewal.

Two workshops are planned with Risk and Assurance Committee members: Risk Appetite (5 June) and Insurance (3 July).

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.14 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.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY***Development of Strategic Risk Profiles***

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

- **Attracting and retaining a competent workforce.**
- **Ineffective Relationships.**
- **Financial Strategy.**
- **Non-delivery of projects.**
- **Compliance and Legal Liabilities.**
- **Maintaining ICT systems and secure records.**
- **Effects of Climate Change.**

This paper also provides the risk profile for another of Council's strategic risks:

- **Zero Harm.** 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.

A workshop was held for this risk in March 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).

Review of Strategic Risks

Each of Council's strategic risks are reviewed on a quarterly to six monthly basis. Since the last Risk and Assurance Committee meeting reviews of two strategic risks have taken place and updated risk profiles are attached to this agenda:

- Ineffective relationships (Attachment 2)
- Compliance and legal liabilities (Attachment 3)

Reviews of the following strategic risks were scheduled to occur mid-May, however updates had not been undertaken by the closing of this agenda:

- Attracting and retaining a competent workforce
- Non-delivery of projects
- Effects of climate change

Any material changes identified through review of the above risks will be communicated verbally at the meeting.

TDC'S RISK APPETITE STATEMENT:	
TDC IS WILLING TO ACCEPT RISKS THAT, SHOULD THEY OCCUR, RESULT IN: (Any risks with consequences greater than this must occur only Rarely (refer to Likelihood table) or be managed down).	
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.

NGĀ KŌRERORERO | DISCUSSION

Zero Harm

The following relates to Council's *Zero Harm* risk:

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 PCBU's.

Risk Assessment

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

Plausible scenario	Worst case scenario
<ul style="list-style-type: none"> Physical injury to staff or member of the public. Staff may be exposed to aggressive behaviours that become normalised over time. Ongoing wellbeing impacts for exposed staff. Health and Safety investigations following incidents shift focus to reacting to incidents rather than reducing risk. Disruptions to team culture arising from investigations. Service level impacts arising from staff absent from the workforce. Staff workload increases and burnout potential arising from backfilling of roles. Lower engagement by staff or increase staff churn. Media interest or reputation impacts for Council. Financial implications arising from regulatory actions or compensation. 	<ul style="list-style-type: none"> Significant staff wellbeing concerns or stress from frontline staff experiencing unsafe working environment. Decreased staff engagement, resignations or difficulty recruiting in key roles. Significant incident investigation - executive stewardship required. Prosecution under Health and Safety Act, either against the organisation or at Officer level as recently experienced by Ports of Auckland CEO. Regulator intervention. System review required. Sustained media coverage, reputational damage and reduced public perception of Council. Increased requests for information. Financial implications arising from regulatory actions or compensation. Closure of key services due to inability to secure

	staff.
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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, and consequently the High rating for the plausible scenario means this risk sits outside of Council's risk appetite, and responsibility to manage this risk resides with the CEO and Elected Representatives (Figure 4).

Plausible and Worst Case Scenario – Zero Harm

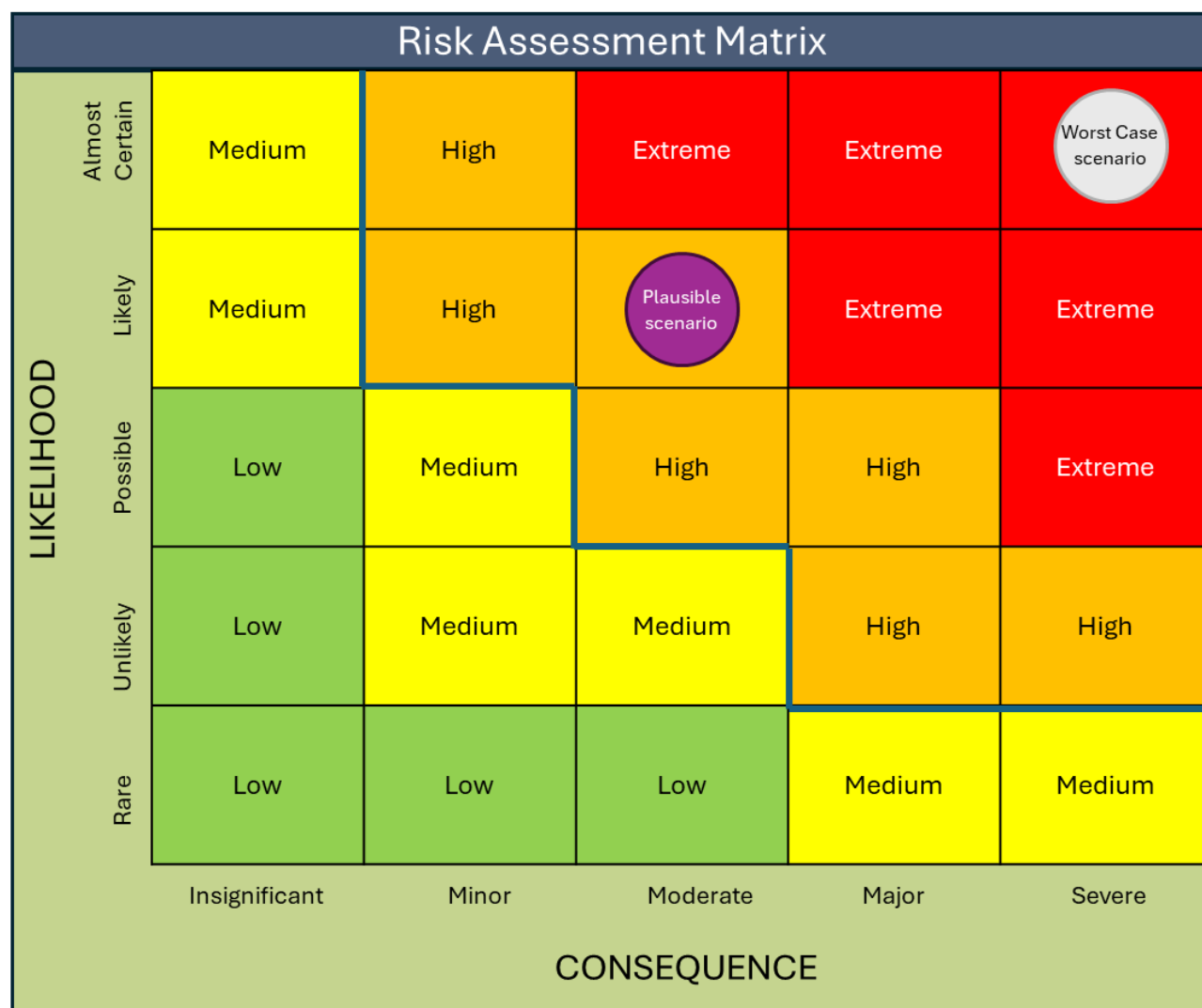


Figure 3 – Assessment of TDC's Strategic risk relating to Zero Harm. Blue line represents TDC risk tolerance / acceptability.

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

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

Risk control options

The *Zero Harm* is a broad risk that touches on various Council teams. Current control measures include:

- Providing general training (staff inductions, manager training around obligations) and specific training (de-escalation, 4wd, working at height etc) through inhouse and external providers.
- Providing operational and strategic reporting on Health and Safety incidents and development (i.e. quarterly reporting to Risk and Assurance Committee and Council and driver vehicle speeding reports).
- Developing a critical risk management standard to capture most critical Health and Safety risks within Council.
- Team level Standard Operating Procedures (SOPs) are in place to provide guidance on effective and safe operating practices. Health and Safety discussions in team meetings. Operational staff "toolbox" sessions.
- Monitoring staff health, contractors, team level control monitoring.

Future actions to mitigate the risk more effectively

- Develop a Health and Safety framework to provide high level guidance to the business. Develop clear standards for Health and Safety that reflect Council operations and national good practice.
- Complete development of the Health and Safety Critical Risk Standard and roll out.
- Roll out Managers' Health and Safety training for people leaders (developed and will be rolled out in May as part of the 'manager's essentials' training package).
- Develop consistent guidance and processes to guide Health and Safety hazard and risk management, controls development and monitoring, incident management, and incident debriefing (including practice guidance that leverages cross - team skills sharing for debrief / problem solving).
- Reconfigure (or replace) DAMSTRA so reporting reflects the current environment; develop guidance on use of DAMSTRA.
- Facilitate improved worker engagement by empowering Health and Safety Representatives to engage with workers within their part of the business.
- Workshop participants proposed that a 'business partner' approach to Health and Safety be considered to provide resource to lead and steward Health and Safety practice; provide technical Health and Safety advice and guidance to teams (particularly high-risk environments); review team level Health and Safety practices, procedures, controls and reporting; steward and implement

Council audit recommendations, and provide assurance to the Risk and Assurance Committee that Health and Safety risk is within Council's appetite.

The full Zero Harm risk profile is presented in Attachment 1.

Review of Strategic Risks

Since the last Risk and Assurance Committee meeting reviews of five strategic risks have taken place.

The following were reviewed in time for updated risk profiles to be included in this agenda.

- Ineffective relationships (Attachment 2)
- Compliance and legal liabilities (Attachment 3)

Ineffective relationships

This risk of ineffective relationships was formally reviewed and reassessed in April 2025. Whilst there were some minor changes to emerging issues and causes of risk, officers note that there have been no indications of this risk changing since last reported in March. The updated profile is **attached**.

Compliance and legal liabilities

This risk of compliance and legal liabilities was formally reviewed and reassessed in April 2025. Whilst there were some minor changes to emerging issues and causes of risk, officers note that there have been no indications of this risk changing since last reported in March. The updated profile is **attached**.

Reviews of the following risks occurred in May, subsequent to the Risk and Assurance Committee agenda closing:

- Attracting and retaining a competent workforce
- Non-delivery of projects
- Effects of climate change

Any material changes identified through review of the above risks will be communicated verbally at the meeting.

Although a formal risk review for the Effects of Climate Change risk had not occurred at the time of the agenda closing, officers note the following.

Effects of climate change

This risk of climate change was a new profile submitted to the last (March 2025) Risk and Assurance Committee. The risk was not rated at the time as the development of the 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.

Subsequently officers have:

- Reviewed the information available on the likely impacts of climate change on the district in relation to the services Council provides. That analysis suggests that while there will be impacts as a result of climate change, those impacts are likely to be low to moderate. Unlike most councils we do not have the significant issues associated with sea level rise.
- Undertaken a desktop analysis of our asset management plans to see how we have documented our mitigation of the increased risks associated with climate change. The analysis suggests we have a good understanding of most of the risks and have mitigation plans in place.
- Established that the one area of concern at this time is our understanding of overland flow path flooding in urban areas. We know there are risks of flooding that will be exacerbated by climate change, however we have yet to complete the modelling to understand the degree of risk to private and public property.

Our next steps are to:

- Test the desktop analysis with the asset managers to see if the information in asset management plans continues to be accurate.
- Establish whether the proposed mitigation measures are being undertaken.
- Identify what additional research is required to better understand risks to our assets and services. This will certainly involve the overland flow path flood modelling, but other impacts may also be identified.

- Update the risk profile (scheduled for May 16) and report back to the September Risk and Assurance Committee meeting.

Strategic risk overview

A Strategic Risk Overview is provided in Attachment 4.

There are no indications that any of the following risks have significantly changed since last reported in March:

- Attracting and retaining a competent workforce
- Financial Strategy
- Non-delivery of projects
- Maintaining effective ICT systems and secure records

Although officers note there has been some improvements the *maintaining effective ICT systems and secure records* risk, work on Council's ICT systems is still ongoing. The next review (July 2025) should see more substantial changes as projects come to fruition.

There are two risks that are yet to be workshopped and risk profiles developed:

- Critical Infrastructure Failure - workshop is scheduled for 29 May 2025.
- Underperforming Council – workshop planned for after the local elections.

WHAKAKAPINGA | CONCLUSION

Council has identified ten strategic risks and has undertaken risk workshops to develop a detailed understanding of eight 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**. This risk sits outside of Council's risk appetite and is owned by CE and elected members.
- Risk 2 ***Ineffective Relationships*** risk remains rated **Medium** after the formal review in April 2025. 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. Council remains in a strong position to cope with emerging financial pressures and has now obtained Infrastructure Insurance cover which will offset its overall uninsured risk exposure and will protect Council's debt headroom following a significant event which could reduce the risk going forward. However, like all organisations, Council is subject to global and national drivers for economic shifts and is also perceived as having deep pockets increasing its exposure to claims. Therefore, 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 failure*** risk profile has not yet been developed.
- Risk 5 The ***Zero harm*** risk has been rated **High**. This risk sits outside of Council's risk appetite and is owned by CE and elected members.
- 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 remains rated **Extreme** after the formal review in April 2025. 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 the new Council office. 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 developed.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Updated Strategic Risk Profile - Ineffective Relationships
2. Updated Strategic Risk Profile - Compliance & Legal
3. Strategic Risk Profile - Zero Harm
4. Quarterly Strategic Risk Overview report - June 2025

APPENDIX A

<ul style="list-style-type: none"> Strategic Risk 	<ul style="list-style-type: none"> Risk Sponsor
<p>1. Attracting and retaining a competent workforce.</p> <ul style="list-style-type: none"> <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 & Elected Members
<p>2. Ineffective relationships.</p> <ul style="list-style-type: none"> <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
<p>3. Financial Strategy.</p> <ul style="list-style-type: none"> <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
<p>4. Critical infrastructure failure.</p> <ul style="list-style-type: none"> <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
<p>5. Zero Harm.</p> <ul style="list-style-type: none"> <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"> Chief Executive & Elected Members
<p>6. Non-delivery of projects.</p> <ul style="list-style-type: none"> <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"> Chief Executive & Elected Members
<p>7. Compliance and legal liabilities.</p> <ul style="list-style-type: none"> <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"> Chief Executive & Elected Members
<p>8. Maintaining ICT systems and secure records.</p> <ul style="list-style-type: none"> <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
<p>9. Effects of Climate Change.</p> <ul style="list-style-type: none"> <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
<p>10. Underperforming Council.</p> <ul style="list-style-type: none"> <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

5.15 INTERNAL AUDIT PROGRAMME 2024-25**Author:** Mark Hill, Risk Advisor**Authorised by:** Louise Chick, Business Excellence Manager**TE PŪTAKE | PURPOSE**

To update the Risk and Assurance Committee on the Council's progress in developing an internal audit programme.

TE WHAKAMAHUKI | BACKGROUND

Council needs to be comfortable that its policies, procedures, and systems are functioning as expected. We also need to be comfortable that Council is achieving its goals and is managing risks effectively. Internal Assurance is a way of verifying the reliability and effectiveness of Council's operations.

Across an organisation there are considered to be three lines of defence, each with specific roles and responsibilities in managing risks and providing management with internal assurance. In some instances, for example local government, there is also a 4th line where external bodies are involved (**Figure 1**).

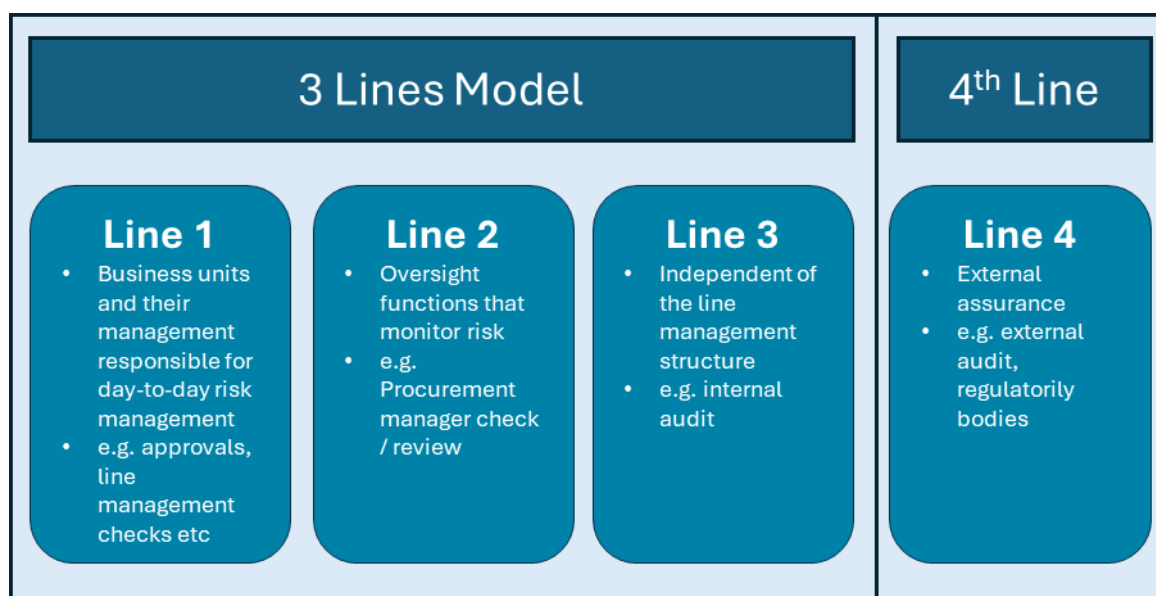


Figure 1 – Summary of the 'four lines of defence' assurance model.

Previously Council has opted to engage professional services companies to perform individual internal audit engagements on areas which we consider (or have been advised) are high-risk. With the Risk Advisor now in place, Council will change its approach from individual internal audits to a risk-based internal audit programme. This three-year programme enables a strategic approach to comfort over the management of key risk areas across the organisation.

Internal audit's independence from management ensures that the assurance it provides carries the highest degree of objectivity and confidence beyond that of lines one and two. Delivery of the internal audit programme will be outsourced, selecting the supplier through closed tender on the New Zealand Government Electronic Tenders Service (GETS). Outsourcing this requirement will provide Council with this essential independence and also ensure sufficient specialist resources are available for the delivery of audit engagements.

NGĀ KŌRERORERO | DISCUSSION**Assurance Mapping**

Good practice has internal audit programmes being informed by the key areas of risk that an organisation is exposed to and also accounts for what risk controls are already in place, therefore enabling internal assurance to focus on priority areas. This insight can be garnered through Assurance Mapping, which identifies the current assurance in place by each of the four lines of defence, for each service provided by Council. The key Assurance Mapping steps are:

1. Identify and define all assurance activities across Council functions / business units and assign ownership.
2. Rate the effectiveness of the assurance activity.
3. Validate the observations and, where necessary, develop improvement actions.

This process aims to identify any gaps in assurance coverage, will enable Council to focus on high-risk areas, and will inform the production of a meaningful internal audit programme.

The above Assurance Mapping exercise will be included as a deliverable in the outsourced audit programme tender (described above). The provider will also be required to use the observations from the mapping to make recommendations for inclusion in an internal audit plan to be approved by the Risk and Assurance Committee.

Internal Audit Provider

We are currently working on the procurement plan for the internal audit tender and envisage running a closed tender process, commencing by the end of May 2025. We envisage selecting and onboarding the successful bidder before the end of June 2025. We intend to engage the successful bidder on a 3-year contract with options for Council to extend by two, one-year terms (3+1+1) if it chooses to.

WHAKAKAPINGA | CONCLUSION

On the assumption the selected supplier has suitably qualified and experienced resources available to start immediately, we hope that the assurance mapping project will be well advanced by the September Risk and Assurance Committee meeting.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the internal audit programme update 2024-25.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.16 BUSINESS CONTINUITY UPDATE

Author: Mark Hill, Risk Advisor

Authorised by: Louise Chick, Business Excellence Manager

TE PŪTAKE | PURPOSE

To update the Risk and Assurance Committee on progress with the business continuity project.

TE WHAKAMAHUKI | BACKGROUND

Council needs to have effective plans in place to ensure business continuity across critical functions in the event of an unforeseen disruption. Best practice is that organisations have a framework made up of the following components:

1. Business continuity policy: sets out Council's framework for maintaining critical functions and minimising the impact on the community.
2. Crisis Management Plan (CMP): describes how Council will manage its response to any significant events that may affect the district and community or disrupts the operation of the organisation itself.
3. Individual business continuity plans (BCPs): documents the actions to be taken by management and staff in response to specific business interruptions. It places priorities for restoration of functions and processes to aid decision making and action in response to either planned or unplanned business interruptions.

Figure 1 (below) sets out the framework for business continuity management at Taupō District Council.

NGĀ KŌRERORERO | DISCUSSION

A review of Council's business continuity policy and CMP identified that whilst they are in place, both documents required refreshing to ensure they remain fit for purpose and contain the right level of detail. This also presented an opportunity to take a comprehensive review of the previous arrangements, including looking at establishing BCPs for some parts of the business where BCPs have not been in place before.

The review of current arrangements identified that there may be some key roles required for business continuity at Council which have already been mapped into Civil Defence and Emergency Management (CDEM) roles. We will work with the CDEM team and senior management to address any potential overlaps.

An updated BCP Policy has been prepared and will be presented to the next Risk and Assurance Committee meeting for adoption once the executive team has had the opportunity to input into it.

We have conducted a Business Impact Analysis which is a process that identifies and evaluates the potential effects of disruptions to critical business operations. It helps determine:

- Key business functions and processes
- Dependencies (people, systems, suppliers)
- The impact of disruption (financial, operational, reputational)
- Acceptable downtime (Recovery Time Objectives)

Undertaking a Business Impact Analysis has enabled identification of those Council functions requiring specific business continuity plans (BCPs) and their relative priority.

To test our approach to developing BCPs we are running a pilot workshop to build one critical BCP (for payroll) to inform our approach and gauge the work required.

The effects of Cyclone Gabrielle have triggered several New Zealand councils to review their business continuity arrangements. We are engaging with a selection of these councils to learn from their experiences and are benchmarking with those who are comparable with Taupō District Council to gauge the size and scale of BCPs they have in place.

WHAKAKAPINGA | CONCLUSION

The business continuity project has commenced. We envisage having advanced drafts of the business continuity policy, crisis management plan and the pilot BCP completed by early June.

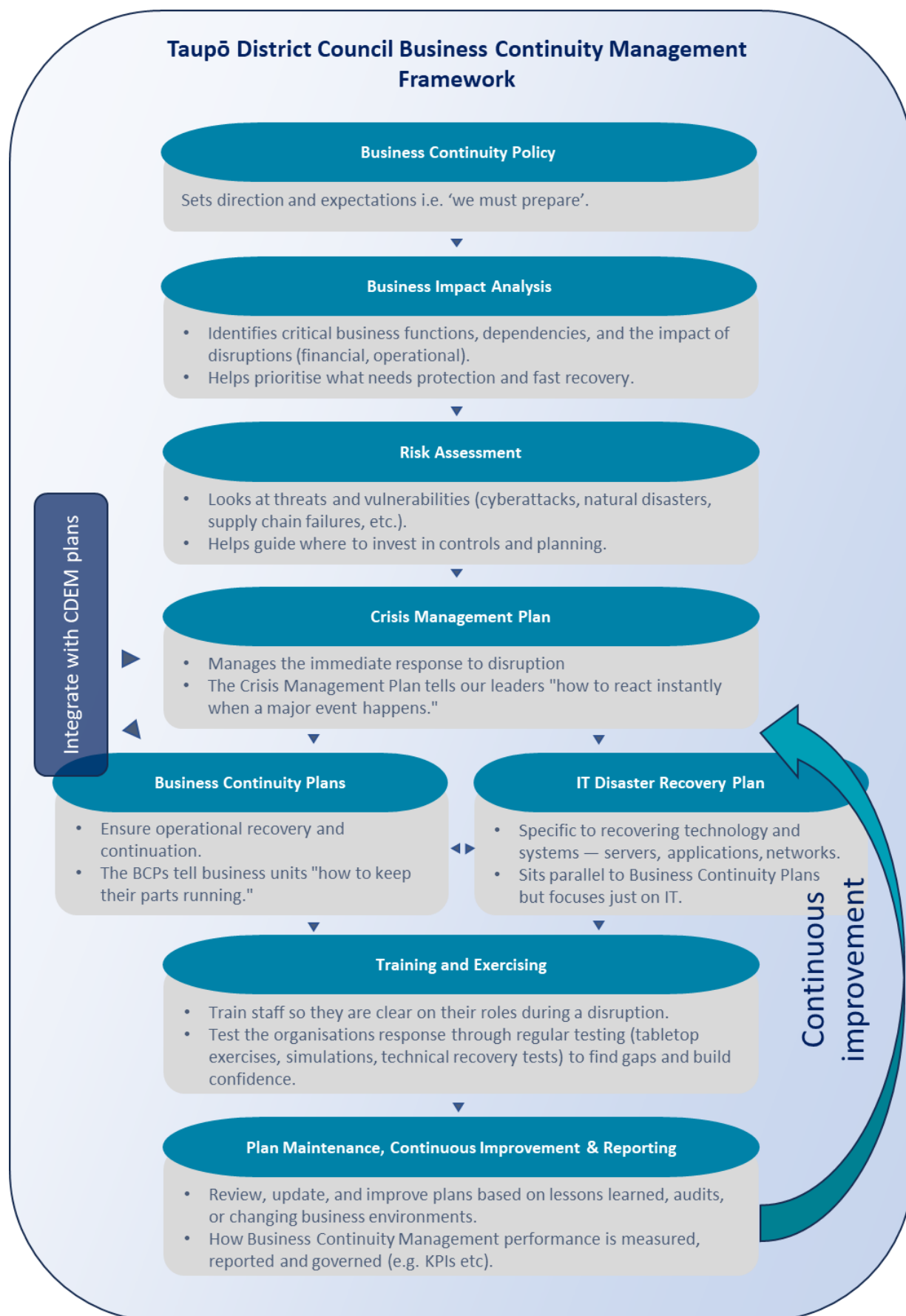


Figure 1: Taupo District Council business continuity management framework.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the business continuity update.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.17 INSURANCE UPDATE

Author: Louise Chick, Business Excellence Manager

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

To update the Risk and Assurance Committee on Council's insurance programme.

TE WHAKAMAHUKI | BACKGROUND

Insurance is one of the most important and commonly implemented methods of risk management. The purpose of Taupō District Council's insurance programme is to ensure cost-effective, prudent transfer of financial risk, providing the necessary funds to help Council recover from catastrophic events and unforeseen losses. Selecting the right approach to insurance is key as:

- The Local Government Act (2002) specifies a range of requirements on insurance, including promoting prudent, effective and efficient management of insurance expenditure.
- The annual costs of transferring risk through insurance represent a considerable expense for Council and there have been significant premium increases in recent years. The market did however stabilise for Council's most recent insurance renewal (1 November 2024).

When placing insurance we seek to obtain the right balance between the cost of insurance and having sufficient cover to manage the potential consequences following a loss event. This balancing act requires consideration of a number of factors that are outlined in **Figure 1** below.

Our policies

Council is exposed to a wide range of potential losses and consequently has varying insurance policies to transfer the risk of financial loss to our insurance providers. These policies and their costs are detailed in **Appendix A**, which also shows Council spends nearly \$2 million per annum on insurance premiums. 85% of Council's insurance premiums arise from three policies: Material Damage and Business Interruption (54%), Professional Indemnity (18%), Infrastructure Insurance (13%) (**Figure 2**). It will therefore be these policies that officers will focus the most when optimising future renewals.

As part of our renewal programme Council verifies the necessity of these policies, and whether there are other policies that Council should be consider including in its insurance portfolio.

To help inform our understanding, officers have worked with its insurance broker (Aon) to benchmark Taupō District Council's policies against those taken out by other similar Councils. Our policies are largely aligned, with the exception of policies that are specific to our needs, (e.g. Airport Owners Liability insurance) and the placement of a Fine Arts policy which none of the other benchmarked Council's have in place. This will be discussed further at Council's Insurance Workshop on the 3 July.

Officers have also analysed our claims history for the last 10 years (**Appendix B**), which reveals:

- Council has received more than \$1.7 million in insurance claims over the last 10 years.
- Unsurprisingly, the highest number of claims have been made against our motor vehicles policy (108 claims).
- There are a number of policies upon which no claims have been made during the 10-year period (Airport Owners liability, Crime Policy, Cyber Insurance, Employers Liability, Forestry). The low risk associated with policies mean that premium costs are comparatively low (< \$85,000 in total).
- The most significant insurance claims Council has made have been against our Professional Indemnity (\$1M), Material Damage and Business Interruption (\$300,000), and contract works insurance (\$120,000) policies. As reported to Council in December 2024, professional indemnity insurance has proven challenging to secure, with about 70% of the global insurance market walking away from NZ local government sector's professional indemnity and public liability excess

layer insurance. This reflects the high risk associated with Councils being unable rely on Producer Statements² to hold suppliers accountable.

² Producer statements are documents used in the building consent process to support compliance with the Building Code. They are typically prepared by qualified professionals (such as engineers, architects, or other specialists) and are submitted to local councils to help verify that certain design or construction work meets regulatory standards.

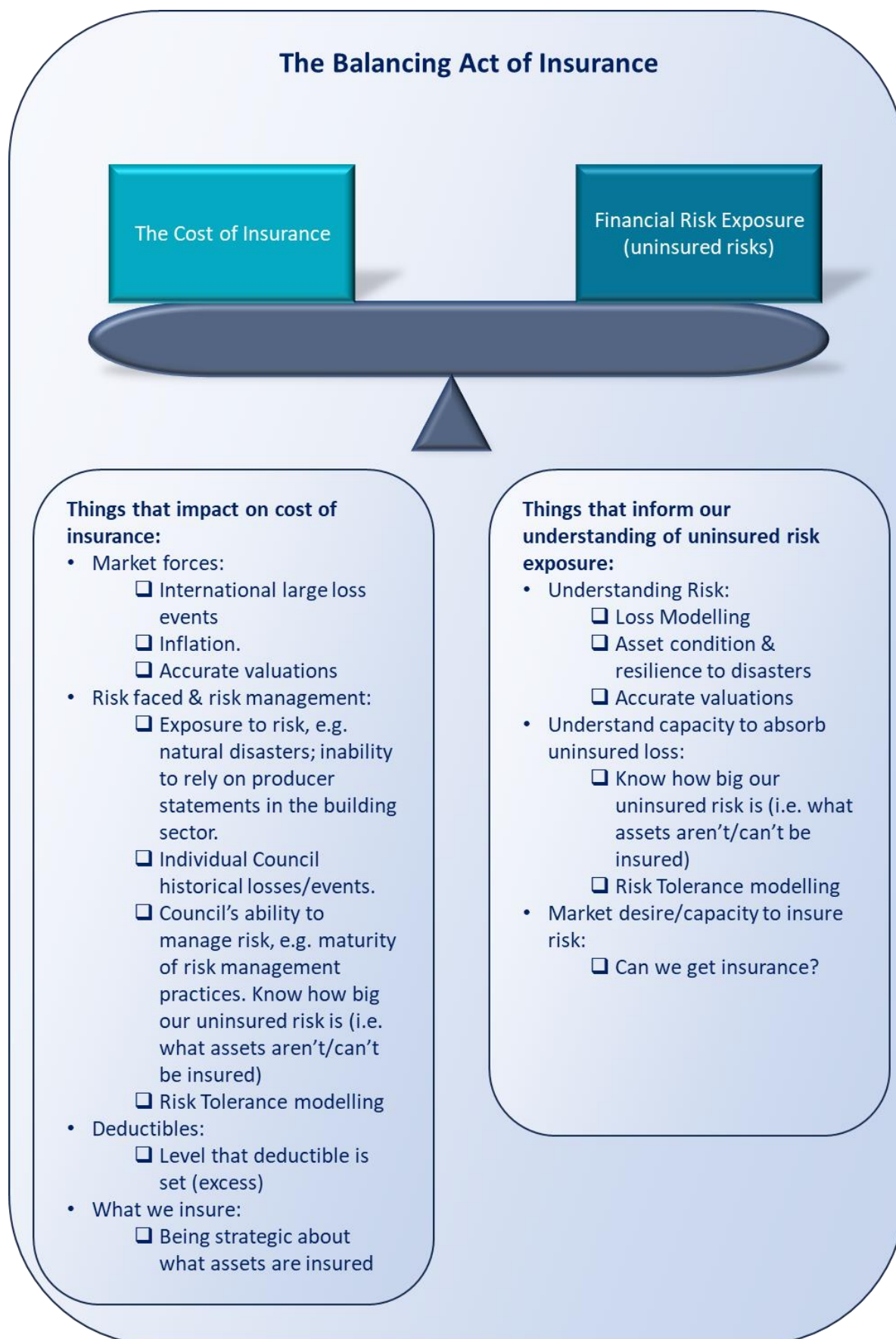


Figure 1 – Summary of factors that influence both the cost of insurance and our understanding of potential risk.

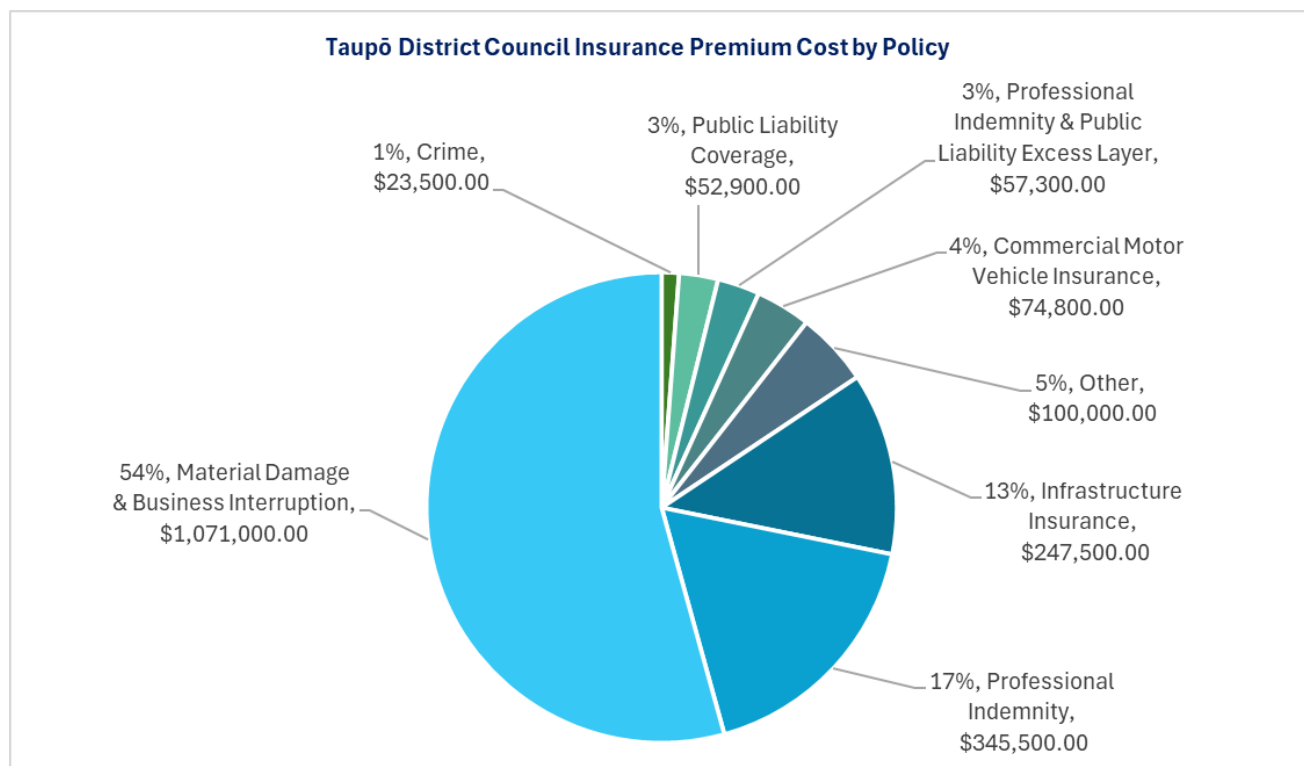


Figure 2 – Summary of Council's insurance policies and their associated costs.

Insurance Renewal

Council's insurance programme is purchased as a collective through the Bay of Plenty Local Authority Shared Services (BOPLASS) to provide increased negotiating power and deliver economies of scale. These policies are renewed annually on the 1 November. Prior to each renewal officers seek to optimise Council's insurance programme to ensure Council strikes the right balance between insurance cost and risk exposure.

Information for insurance renewal

As part of the renewal process Council needs to:

- i) Verify those insurance policies it wishes to retain;
- ii) Provide necessary data on its assets via provision of asset schedules which include information on asset values, location, and demolition costs.
- iii) Provide signed Declarations (stating the extent of our known risk) as required by insurers for various policies, particularly for liability and cyber security policies.

Renewal timescales

Council's insurance broker (Aon) outlines when it requires the above information to support renewal timeframes. These timescales reflect that Aon must collate data from all nine Councils in the BOPLASS, and then negotiate with multiple, worldwide insurance markets (e.g. London, Singapore, Australia). We anticipate being required to work to the following timescales again in 2025:

Property policies (Material Damage, Infrastructure, Vehicles, Forestry, Fine Arts)

- **1 July 2025** - Submit fully populated schedules (lists of assets to be insured) to Aon.
- **August 2025** – Aon submits renewal applications to insurance underwriters.
- **September 2025** – Aon travels to present to underwriters.
- **October 2025** – Underwriters provide terms and Aon confirms renewals and premiums.
- **1 November 2025** – New policies in place.

Liability policies (Public liability, Professional indemnity, Statutory, Airport Owners, Employers)

- **July 2025** – Liability renewal declarations forms provided to Councils.
- **August 2025** – Council returns completed Declarations to Aon.
- **September 2025** – Aon provides renewal submissions to underwriters.
- **October 2025** – Underwriters provide terms and Aon confirms renewals and premiums.
- **1 November 2025** – New policies in place.

All Other lines (Crime, Cyber etc)

- **August 2025** – Liability renewal declaration forms provided to Councils.
- **September 2025** – Council returns completed Declarations to Aon.
- **September 2025** – Aon provides renewal submissions to underwriters.
- **October 2025** – Underwriters provide terms and Aon confirms renewals and premiums.

NGĀ KŌRERORERO | DISCUSSION**Opportunities to optimise Council's Insurance Programme**

In July 2024 the Risk and Assurance Committee received an Insurance Strategy which had been prepared by Council's insurance brokers Aon. Within that Strategy actions were identified that would support optimisation of Council's insurance programme:

Short-term:

1. Define Risk Appetite
2. Consider updating Insurable Risk Profiling
3. Consolidate asset information

Medium-term:

4. Loss modelling
5. Scenario exercises
6. Asset selection (development of a decision-making framework for selection of assets to be included in Council's insurance portfolio).

Ongoing:

7. Training and capability

Council has made significant progress in against these recommendations as outlined in **Figure 3** and described in more detail below.

1. Define Risk Appetite

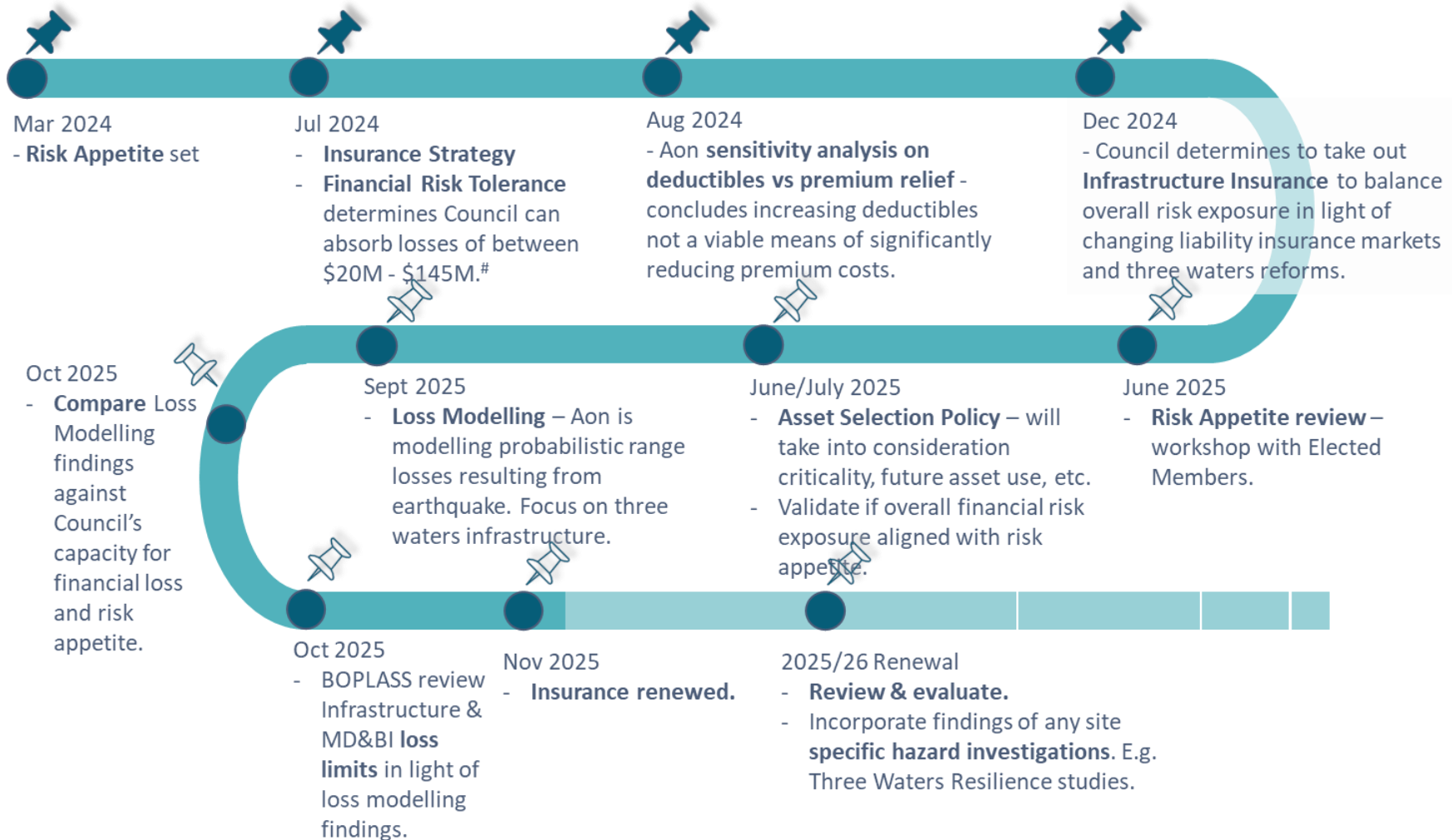
Council's risk appetite was set following a workshop with Elected Members and the Executive team in December 2024. This has been tested throughout 2024 through the development of Strategic Risk Profiles. A further workshop to refine Council's risk appetite is planned for the 5 June 2025.

2. Insurance Risk Profiling

Previously completed by Aon in 2021, with no material changes noted when Aon prepared Council's Insurance Strategy (early 2024). Key recommendations arising from the 2021 risk profiling exercise were to:

- **Undertake risk retention analysis.** *Progress:* Risk retention analysis is the process of evaluating how much financial risk an organisation or individual can afford to retain (i.e., not transfer to an insurer) based on their risk tolerance, financial capacity, and overall risk management strategy.

Taupō District Council Insurance Programme Refinement



Council's capacity to absorb up to \$145M in losses is heavily dependent upon its capacity to take on further debt. i.e. incurring losses up to this amount would require the costs of loss to be spread across future generation of ratepayers. Should Council determine it has a low appetite to have future generations take on debt repayment, then Council's tolerance to incur loss reduces down to \$20-\$40M as it must rely on revenue measures to recoup losses.

Figure 3 – Summary of the actions taken and planned to refine Council's insurance programme

Significant analysis on Council's overall risk retention was undertaken in late 2024 and presented to Council's Risk and Assurance Committee in December 2024 (Risk Tolerance Analysis). The analysis concluded Council could absorb losses of between \$20M-\$145M. Council's capacity to absorb up to \$145M in losses is heavily dependent upon its capacity to take on further debt. i.e. incurring losses up to this amount would require the costs of loss to be spread across future generation of ratepayers. Should Council determine it has a low appetite to have future generations take on debt repayment following significant loss, then Council's tolerance to incur loss reduces down to \$20M-\$40M as it must rely on revenue to recoup losses.

- **Ensure asset valuation methodologies are suitable for insurance purposes.** *Progress:* Council has reviewed its valuation methodology to ensure full replacement valuations will be obtained for critical assets (not just depreciated asset value). This approach will be reflected when three waters and transport assets are revalued next year.

Further discussion is required to determine the full scope of asset valuations. e.g. should Council be valuing its Fine Arts and Parks assets for example.

- **Undertake earthquake Probable Maximum Loss assessment for infrastructure assets.** *Progress:* BOPLASS has engaged Aon to undertake a probabilistic loss modelling exercise on behalf of its member councils to inform potential losses to Council's three waters assets as a result of earthquake. Unfortunately losses to transport infrastructure has not been included in the scope of this work. Aon have indicated a separate engagement will be required in order to assess potential losses to transport infrastructure, and this may be something Council chooses to pursue in the future.
- **Improve property schedule development processes.** *Progress:* Council has modified its approach to generating asset schedules used for insurances (i.e. list of assets to be insured and their values) to improve their accuracy. Significant improvements have been made for three waters. There is potentially further work to do with regards to capturing all Parks assets, plant and equipment assets, and to valuing Fine Arts assets. Note, Council, like most other NZ councils does not insure its road assets³.
- **Undertake assurance review of Enterprise Risk Management frameworks and processes.** *Progress:* New Risk Management Framework developed and adopted by Risk and Assurance in March 2024. With the arrival of Council's Risk Advisor, organisational training on the framework can be rolled out in the new financial year, following review of Council's risk appetite.

3. Consolidate Asset Information

Aon recommended Council consolidate its asset information into one database. Council will not do this – it will retain use of its existing databases (AssetFinda, RAMM, SPM) as they are considered fit for purpose for asset management. Council is however able to extract from these databases information required for insurance purposes.

4. Earthquake Probable Maximum Loss

As discussed above. Council may need to consider a secondary loss modelling exercise to ensure losses to other asset classes are adequately captured, so that Council may form a view on maximum credible loss across its entire asset portfolio, e.g. for transport assets.

³ NZ Councils tend not to insure roading assets. NZTA provides disaster recovery funding of between 50%-80% of the repair costs following a disaster via its National Land Transport Fund. Furthermore, roading assets are difficult to underwrite as it is difficult to distinguish wear and tear from damage, and roading insurance is comparatively expensive.

5. Scenario Exercises

Aon recommended Council complete scenario exercises to identify if current business interruption coverage is adequate. Exposures resulting from business interruption are relatively low, compared with that arising from asset loss. Rather than progress scenario analysis, Council's priority has been to progress the development of its Business Continuity Plans, as discussed elsewhere on this agenda.

6. Asset Selection

Aon recommended that Council develop a suite of criteria for determining which of Council's assets should be selected for inclusion in our insurance programme. Asset selection criteria have been developed and captured in a draft Insurance Renewal Policy. It is proposed that key elements of this Policy be discussed at the upcoming Risk and Assurance Committee July Workshop on insurance, with the Policy to be adopted at the Committee's September meeting.

The draft policy proposes the level of overall uninsured risk exposure it is prepared to accept (subject to review of Council's Risk Appetite), and expectations of Council's valuation process, and how renewal of its insurance programme will be approved.

7. Training and Capability

It was recommended that ongoing training on insurance and risk management more generally be implemented at all levels of Council.

There are now considerable resources available on Council's intranet site to guide staff on insurance. The insurance workshop in July will lift Risk and Assurance Committee members' understanding of Council's approach to insurance, and seek Committee members input into the determination of asset selection criteria and the level of uninsured risk it considers acceptable.

WHAKAKAPINGA | CONCLUSION

Council is developing a structured and deliberate approach to its insurance portfolio and has made significant progress in implementing recommendations made in its Insurance Strategy, developed by its insurance broker (Aon) in 2024. The upcoming Risk and Assurance Committee Insurance Workshop in July represents an important stage in this process, offering members an opportunity to engage actively with the proposed Insurance Renewal Policy, including how Council determines which assets to insure and acceptable levels of uninsured risk. This engagement will enable finalisation of the Insurance Renewal Policy and inform Council's approach to this year's insurance renewal.

Council recognises the importance of capability development and knowledge sharing in strengthening its overall risk management framework. Resources have been made accessible on the intranet, and the planned workshop is expected to deepen the understanding of insurance principles and strategies among Committee members. These steps are intended to ensure that the Council is well-equipped not only to safeguard its asset portfolio but also to make informed risk decisions. By integrating these measures into its broader governance practices, the Council demonstrates its commitment to maintaining resilience and accountability.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the insurance update report.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

APPENDIX A – SUMMARY OF COUNCIL’S CURRENT INSURANCE POLICIES

Policy Name	Purpose	2024/25 Insurance Cost
Airport Owners Liability Insurance	To pay third party in the event of damage arising from airport operations.	10,300
Commercial Motor Vehicle Insurance	Damage to Council owned vehicles and specified equipment like mowers, sprayers etc. Damage to third party property, including vehicles.	74,800
Crime	Covers losses directly caused by criminal, dishonest, or fraudulent acts.	23,500
Cyber	From actual or suspected breach of computer systems, extortion threat, restricted access to network.	14,500
Employers Liability	Protects against settlements or damage, including defence costs resulting from an employee suffering bodily injury in the course of their employment not covered by ACC.	4,500
Fine arts	Physical loss or damage to fine arts.	14,100
Forestry/Standing Timber coverage	Loss or damage to standing timber from defined events.	14,000
Infrastructure Insurance	Physical loss and resultant business interruption caused by a natural catastrophe event.	247,500
Material Damage & Business Interruption	Damage to property/assets listed in Schedule. Loss from interruption as a consequence of damage to insured property/assets.	1,071,000
Professional Indemnity	Covers against claims for breach of professional duty or negligence in the performance of services.	345,500
Public Liability	Protection against third party property damage and personal injury.	52,900
Professional Indemnity & Public Liability Excess Layer	Covers Council for unintentional breaches of statutes which may result in prosecution.	59,200
Statutory Liability	Covers Council for unintentional breaches of statutes which may result in prosecution.	19,200
Annual Contract Works Insurance – Three Waters	Cover is provided for the cost of repairing or redoing project work in progress where there is damage due to an insured event such as fire, flood, storm, vandalism, or theft during the construction period.	23,400
Total		1,972,500

APPENDIX B – NUMBER OF INSURANCE CLAIMS OVER 10 YEAR INSURANCE (2015-2025)**Table A2.1** – Number of insurance claims made by Council for the 10-year period (May 2015-April 2025).

Policy	Number of Claims
Airport Owners Liability	0
Contract Works Insurance	2
Crime Policy	0
Cyber Insurance	0
Employers Liability	0
Fine Arts	0
Forestry/Standing Timber	0
Material Damage & Business Interruption Cover	3
Motor Vehicles	108
Professional Indemnity	3
Public Liability	1
Statutory Liability	1
Travel Policy	1
Total	119

5.18 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 April 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 30 April 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 (A3761599) and the Significant Projects Risks Report (A3756221).

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Financial Strategy Update April 2025
2. Significant Projects Risk Register as at 8 May 2025

5.19 TREASURY UPDATE MARCH 2025

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

While the Q4 2024 GDP number at +0.7% was better than expected and Q1 2025 CPI inflation was slightly higher than expected, these data releases have been "Trumped" by global turmoil, which has seen the market and economists' price in further rate cuts throughout 2025. ANZ is now forecasting two additional OCR cuts down to 2.50% (from a 3.00% trough earlier) while tentatively forecasting two increases in Q4 2026, taking the OCR back to 3.00% (the currently perceived neutral rate). ANZ cited weak NZ data, such as the QSBO, Performance of Services Index and electronic card transactions and global uncertainty as being behind the call saying that the NZ economy is likely to need more monetary support throughout 2025. Markets are currently forecasting a 100% probability of the OCR falling to 2.75% low by the end of 2025.

Shorter-term rates in New Zealand have fallen significantly in the last month, while longer-term swap rates have fallen to a lesser degree as the volatile US bond market has had a greater influence at the longer end of the yield curve.

In the last month, the 2-year swap rate has fallen from 3.37% at the end of March to its current level of 3.05%, while the 5 and 10-year swap rates have fallen from 3.66% (down 0.23%) and 4.10% (down 0.15%) respectively.

Forsyth Barr update summary

Global markets experienced heightened volatility in early 2025, primarily triggered by unexpected tariff policies introduced by US President Donald Trump. The MSCI World Index fell 4.3% for the quarter but remained up 12.2% year-on-year. US equity markets, particularly the S&P 500, declined 7.5%, while European and Chinese markets demonstrated relative resilience. New Zealand and Australian equities also declined by 8.4% and 3.7% respectively.

The key disruption stemmed from a sweeping set of US tariffs announced on 2 April, dubbed "Liberation Day," applying a 10% duty on all imports—with even steeper tariffs proposed for certain countries. Markets reacted sharply but recovered partially following a temporary 90-day pause on tariffs above 10%. This uncertainty, coupled with shifting policies, has led to hesitance among global businesses and a drop in consumer sentiment in the US.

Europe saw better performance aided by low valuations, increased defence spending, and potential interest rate cuts. Meanwhile, bond markets delivered solid returns due to favourable rate dynamics, with New Zealand investment-grade corporate bonds up 1.9% for the quarter and 8.9% over 12 months.

New Zealand's economic recovery remains modest, with Q4 2024 GDP growing by 0.7%. The new US tariffs affect around \$9 billion in NZ exports but are not expected to derail the broader recovery. Positives include stronger commodity prices, a weaker NZ dollar supporting exports, and potential RBNZ rate cuts to stimulate growth. However, NZ equities have struggled due to global headwinds and local economic softness.

Investors are encouraged to maintain a long-term focus amid short-term volatility. Forsyth Barr advises staying disciplined, avoiding market timing, and aligning investment choices with the SIPO. Volatility, though unsettling, is a natural part of long-term investing.

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 the Taupō District Council Dashboard March 2025 (A3753977), the Taupō District Council – Asset Allocation & Performance Report March 2025 (A3766011) and the ESG Attestation for TDC 31 March 2025 (A3766019).

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Taupō District Council Dashboard March 2025 (A3753977)
2. Taupo District Council - Asset Allocation & Performance Report March 2025 (A3766011)
3. ESG Attestation for TDC - 31 March 2025 (A3766019)

5.20 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 (the Committee) with an updated Workplan for the 2025 calendar year.

NGĀ KŌRERORERO | DISCUSSION

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

Proposed changes include:

- i) That the Committee receives the results of the **food safety audit** in September. This is because the audit is still underway at the time of the agenda for this meeting closing.
- ii) That the Committee receives an update on progress developing Council's **internal audit programme** and will continue to do so until such time as the programme is fully developed and ready for the Committee's approval.
- iii) That the Committee receives an update on progress developing Council's **Business Continuity Management framework** and will continue to do so until such time as it is fully developed.

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. Updated Risk and Assurance Workplan - June 2025

6 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS

RESOLUTION TO EXCLUDE THE PUBLIC

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution	Plain English reason for passing this resolution in relation to each matter
Agenda Item No: 6.1 Confirmation of Confidential Portion of Risk and Assurance Committee Minutes - 17 March 2025	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 Legal and Litigation Update	Section 7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7	To allow the Council to receive confidential legal updates regarding various legal matters that contain information subject to legal professional privilege.
Agenda Item No: 6.3 Deloitte Payroll Audits Update	Section 7(2)(e) - the withholding of the information is necessary to avoid prejudice to measures that prevent or mitigate material loss to members of the public 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	It is necessary to exclude the public for this item because the report discusses ways users can potentially bypass controls and cause financial loss to the Council. It also includes reference to legal advice that needs to remain confidential as between the Council and its legal advisors.

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]*.