

**TAUPŌ DISTRICT COUNCIL
MINUTES OF THE RISK AND ASSURANCE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, LEVEL 1, 67 HOROMĀTANGI STREET, TAUPŌ
ON TUESDAY, 16 SEPTEMBER 2025 AT 10.30AM**

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

IN ATTENDANCE: Cr Yvonne Westerman

Acting Chief Executive (S Matthews), General Manager People and Community Partnerships (H Tattle), General Manager Community Infrastructure and Services (T Hale), Acting General Manager Organisation Performance (N McAdie), Business Excellence Manager (L Chick), Finance Manager (J Paenga, via MS Teams), Environmental Services Manager (J Sparks), People and Culture Manager (via MS Teams), Project Management Office Manager (P Fletcher), Events and Venues Manager (S Giles), Risk Advisor (M Hill), Health and Safety Manager (G Munyaradzi), Business Excellence Coordinator (N Donaldson), Legal and Governance Coordinator (M Cammell), Team Leader Corporate Planning (A Smith), Governance Quality Manager (S James)

MEDIA AND PUBLIC: Nil

Note: The independent Chairperson, Mr Bruce Robertson welcomed everyone to the meeting. He thanked committee members and non-member Cr Yvonne Westerman for their attendance and input throughout the triennium. He also thanked staff, particularly the General Manager Organisation Performance and the Business Excellence Manager, for their work including developing Risk and Assurance Committee meeting agendas.

Members acknowledged Cr John Williamson, who was retiring from Council after 12 years in office. This was Cr Williamson's last Risk and Assurance Committee meeting.

1 KARAKIA

All present recited Taupō District Council's opening karakia.

2 WHAKAPĀHA | APOLOGIES

RACC202509/01 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Kevin Taylor

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202509/01 above.

3 NGĀ WHAKAPĀNGA TUKITUKI | CONFLICTS OF INTEREST

Chairperson Mr Bruce Robertson declared incidental interests as follows:

- Agenda item 5.2, Mr Robertson was the chairperson of the Ministry for Primary Industries' risk committee. Taupō District Council's food verification surveillance audit would not be a matter to come before that committee.
- Agenda item 5.4 (the climate change component), Mr Robertson's son was a chief scientist employed by Earth Sciences New Zealand, working with data, including climate change data.

These incidental interests were declared for completeness and would not impact on Mr Robertson's ability to chair and participate fully in the meeting.

4 WHAKAMANATANGA O NGĀ MENETI | CONFIRMATION OF MINUTES

4.1 RISK AND ASSURANCE COMMITTEE MEETING - 5 JUNE 2025

RACC202509/02 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Mr Anthony Byett

That the minutes of the Risk and Assurance Committee meeting held on Thursday 5 June 2025 be approved and adopted as a true and correct record.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202509/02 above.

5 NGĀ RIPOATA | REPORTS

5.1 ANNUAL REPORT 2025 UPDATE

In answer to a question, the General Manager Organisation Performance advised that the last rates instalment had been issued, with some last-minute challenges as a result of delays to property valuations. There were five outstanding invoices. Simpson Grierson was assisting Council to manage these.

RACC202509/03 RESOLUTION

Moved: Mr Anthony Byett

Seconded: Cr Rachel Shepherd

That the Risk and Assurance Committee notes the progress on the 2025 Annual Report and delegates authority to the Risk and Assurance Committee Chairperson to review and recommend the adoption of the Annual Report 2025 to the incoming Council following the local government elections.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202509/03 above.

5.2 JASANZ RECOGNISED FOOD VERIFICATION AGENCY QUALITY MANAGEMENT SYSTEM (QMS) SURVEILLANCE AUDIT 2025

The Environmental Services Manager summarised the audit findings. There were only three observations. The Council's recognised agency status had been approved for three years with surveillance audits to be completed every 18 months.

Members noted the very good results of the audit and praised environmental health team members. This was a 'good news story' and particularly important given Taupō district's status a tourist destination.

RACC202509/04 RESOLUTION

Moved: Mr Bruce Robertson
Seconded: Cr Rachel Shepherd

That the Risk and Assurance Committee receives the outcome of the JASANZ Recognised Agency Reassessment Report 2025.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202509/04 above.

5.3 HEALTH, SAFETY AND WELLBEING UPDATE

The Business Excellence Manager introduced the new Health and Safety Manager, Gidion Munyaradzi. She advised that Mr Munyaradzi had started with Council in July and had been focusing on a detailed health and safety plan for the 2025-26 financial year. This was presented to the Committee for receipt.

The Business Excellence Manager summarised the health, safety and wellbeing report for the period 6 May to 20 August 2025, with key points noted as follows:

- There had been a relatively high number of aggressive and threatening behaviour incidents, with Police called four times.
- Risk assessments and workshops for aggressive and threatening behaviour were underway across the organisation to identify actions to manage the risk.
- Fleet team compulsory pre-drive checks had been introduced for all fleet vehicles.
- Fire warden; health and safety representative; and de-escalation training modules had all been delivered, with good uptake from the organisation.
- St Johns and a hazardous material team from Rotorua had attended a recent incident at AC Baths involving a staff member vomiting during regular cleaning maintenance. Although there was no identifiable cause for the vomiting, staff took a precautionary approach and notified WorkSafe. WorkSafe had advised the notification was unnecessary.

At the invitation of the Chairperson, the Health and Safety Manager addressed the Committee. Originally from Zimbabwe, he had spent 33 years in the industry, mainly in Africa, before coming to New Zealand over two years ago. Local government was new to him; he was excited about the challenge and looked forward to working with the Risk and Assurance Committee.

The Business Excellence Manager and the Health and Safety Manager responded to questions and the following points were noted:

- Staff who had been involved with the recent aggressive and threatening behaviour incidents were still working at Council and coping well. Debriefs had been held and management would continue to work with them to ensure they were supported.
- In relation to the aggression and threatening behaviour risk, the Business Excellence Team's main focus was keeping staff and the public safe.
- The aggressive and threatening incidents were arising from antisocial and erratic behaviour, sometimes involving people abusing substances and/or dealing with mental health challenges. An increase in homelessness around the Tongariro Street precinct was contributing to the increased number of incidents.
- The light grey cells in the Health & Safety Improvement Plan denoted work not yet planned in detail.
- A 'slow and steady' approach would be taken to putting the H&S Improvement Plan into place, to ensure good implementation of controls with support from the organisation.

RACC202509/05 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr John Williamson

That the Risk and Assurance Committee:

1. Receives the Health, Safety and Wellbeing update for the period 6 May – 20 August 2025; and
2. Receives the 2025/26 Health and Safety Improvement Plan.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202509/05 above.

5.4 RISK MANAGEMENT UPDATE

The Risk Advisor explained that the update and associated risk management documents had been prepared following the risk appetite workshop held on 5 June 2025. At that workshop, members had discussed the impact that the financial risk consequence settings were having on Council's strategic risk analysis, with several risks identified as "extreme" as a result of financial consequences.

The Chairperson directed members' attention to the three tables set out on page 41 of the agenda. These tables described Council's current financial thresholds for analysing risk; proposed financial thresholds to be used for analysing enterprise risk; and proposed financial thresholds to be used for analysing day-to-day operational risk. He asked members to consider and discuss the proposals.

The General Manager Organisation Performance advised that management had considered what would be reasonable for the thresholds, with 7.5% of Council's capital expenditure (capex) budget proposed as "moderate"; and 0.65% of Council's operational expenditure (opex) budget as "moderate", which equated to 1% on rates.

The Business Excellence Manager pointed out the proposed tiered approach for risk escalation (page 78 of the agenda).

In answer to a question, the General Manager Organisation Performance advised that the proposed new approach would not affect financial delegations to officers.

It was noted that the permanent staff turnover measure would increase from 18% to 20%. It was still appropriate to include this for governance oversight, but could potentially move from a strategic to an operational risk in time.

In answer to a question, the Business Excellence Manager advised that the Review of Climate Change Risks report dated July 2025 would be presented to Council.

After discussion, members were comfortable with the proposed new risk appetite statement and risk consequence table and therefore adopted the documents attached to the agenda with no amendments.

RACC202509/06 RESOLUTION

Moved: Cr John Williamson

Seconded: Cr Rachel Shepherd

That the Risk and Assurance Committee receives the Risk Management Update and adopts the following updated documents:

1. Taupō District Council Risk Appetite Statement (Attachment 4);
2. Taupō District Council Risk Consequence Table (Attachment 5);
3. Taupō District Council Risk Heat Map (Attachment 6); and
4. Taupō District Council Risk Management Framework (Attachment 7).

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202509/06 above.

5.5 INTERNAL AUDIT PROGRAMME - UPDATE

The Risk Advisor summarised the report. An onboarding meeting had taken place with KPMG and work was due to commence in October 2025.

The General Manager Organisation Performance added that the Internal Assurance Plan that would be developed from the assurance mapping work would consider the wider organisation's capacity to participate in audits and respond to arising recommendations. A number of outstanding actions remained from past internal and external audits, so it was likely that only a small number of new audits would be undertaken going forward, taking a risk-based approach to priority.

RACC202509/07 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Kevin Taylor

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202509/07 above.

5.6 OUTSTANDING AUDIT AND IMPROVEMENT ITEMS

The Business Excellence Manager summarised the report.

Members discussed business continuity planning and noted there was a heightened level of risk while business continuity plans were due for review or development. The Business Excellence Manager advised that business continuity plans were in place for some areas of the organisation, for example 'three waters'. Spark had been engaged to progress development of a business continuity plan for information and communications technology (ICT). Business-specific business continuity plans would overlay the ICT plan once it was in place.

RACC202509/08 RESOLUTION

Moved: Cr Rachel Shepherd

Seconded: Cr Kevin Taylor

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202509/08 above.

5.7 SENSITIVE EXPENDITURE REVIEW - 1 APRIL 2025 - 30 JUNE 2025

The Legal and Business Excellence Coordinator summarised the report. In answer to a question, she explained that any policy non-compliances identified during the review were minor.

The General Manager Organisation Performance added that it was proposed that regular sensitive expenditure reporting would be presented quarterly to the executive team in future, and annually to the Risk and Assurance Committee, given the recent policy changes and ongoing internal monitoring.

RACC202509/09 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr John Williamson

That the Risk and Assurance Committee receives the Sensitive Expenditure Review for the period 1 April 2025 to 30 June 2025.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202509/09 above.

5.8 INSURANCE UPDATE

The following points were noted during questions, answers and related discussion:

- AON was undertaking maximum credible loss modelling work, which was modelling the potential losses to three waters infrastructure following a large earthquake event to inform what level of infrastructure insurance is appropriate. When considering the adequacy of insurance, low likelihood, high consequence events (e.g. natural hazard events) were typically considered. The Taupō district was most vulnerable to earthquake and volcanic natural hazards, rather than flooding events which tended to be more localised. The outcomes of the modelling work would be presented to the Risk and Assurance Committee.
- Staff were working with the team at Wellington City Council to understand their approach to insurance and apply learnings for Taupō District Council going forward.
- Statutory liability insurance would no longer provide cover for fines under the Resource Management Act 1991. The maximum threshold was now \$10m.
- A high-level review of insurance had been completed one year ago, and Council had decided to direct officers to acquire insurance for Council's underground assets (formerly self-insured via the TEL fund).
- All Council buildings were insured under the material damage policy.
- A workshop would be scheduled in the new triennium, for members to consider and discuss Council's strategic approach to insurance. An insurance placement policy would then be developed.

RACC202509/10 RESOLUTION

Moved: Cr Rachel Shepherd

Seconded: Mr Anthony Byett

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202509/10 above.

5.9 FINANCIAL STRATEGY UPDATE AND SIGNIFICANT PROJECTS RISK REPORT

The Project Management Office Manager highlighted key changes since the last report, including the addition of several new projects and the removal of some which had been completed.

The General Manager Organisation Performance, the General Manager Community Infrastructure and Services and the Project Management Office Manager answered questions of clarification.

RACC202509/11 RESOLUTION

Moved: Cr Rachel Shepherd

Seconded: Mr Anthony Byett

That the Risk and Assurance Committee receives the Financial Strategy Update (A3814074) and the Significant Projects Risks Report (A3814076).

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202509/11 above.

5.10 TREASURY UPDATE JUNE 2025

In answer to a question, the General Manager Organisation Performance advised that swaps had been undertaken in July to address the non-compliance in the funding maturity 0-3 year bracket (page 183 of the agenda).

Members noted that there had been fluctuations in the fund as expected, but were satisfied with its management.

RACC202509/12 RESOLUTION

Moved: Cr Kevin Taylor

Seconded: Mr Bruce Robertson

That the Risk and Assurance Committee receives the Taupō District Council Dashboard June 2025 (A3813468), the Taupō District Council – Asset Allocation & Performance Report June 2025 (A3813502) and the Taupō District Council - ESG Attestation for TDC 30 June 2025 (A3813503).

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202509/12 above.

5.11 2025 ANNUAL REVIEW OF RISK AND ASSURANCE COMMITTEE PERFORMANCE

The Business Excellence Manager summarised feedback received via the annual review of Committee performance and thanked members for taking the time to complete the survey. The feedback would be taken into account when considering the committee structure for the 2025-28 triennium.

Members discussed some of the themes emerging from the feedback and the following points were noted:

- The lowest scores received were in relation to *Induction & Support*. The Legal and Governance Team would account for this when designing inductions for the next triennium.
- There was a disconnect between the Risk and Assurance Committee and full Council. This issue applied to other committees and steering groups and would need to be addressed with the incoming Council.
- The relatively low score relating to the Committee's independence from management could be discussed via the incoming Council induction.
- The Committee's focus on strategic matters could be developed going forward, with business such as regular sensitive expenditure reporting being presented to management to enable governors to focus their attention on strategic matters.
- More workshops could be scheduled to enable in-depth discussions. These could take place on the same day as Committee meetings.

RACC202509/13 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr John Williamson

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202509/13 above.

6 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS**RACC202509/14 RESOLUTION**

Moved: Mr Bruce Robertson

Seconded: Cr Rachel Shepherd

RESOLUTION TO EXCLUDE THE PUBLIC

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution	Plain English reason for passing this resolution in relation to each matter
Agenda Item No: 6.1 Confirmation of Confidential Portion of Risk and Assurance Committee Minutes - 5 June 2025	Section 6(a) - the making available of the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial 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 6 and 7	It is necessary to exclude the public for consideration of the minutes of the last meeting, as they contain details of the Legal and Litigation Update, including information subject to legal professional privilege; and the Deloitte Payroll Audits Update (ways users could potentially bypass controls and cause financial loss to the Council; and information subject to legal professional privilege).
Agenda Item No: 6.2 Legal and Litigation Update	Section 7(2)(g) - the withholding of the information is necessary	Section 48(1)(a)(i)- the public conduct of the relevant part of the	To enable the Committee to receive advice from its

	to maintain legal professional privilege	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	lawyers that is subject to legal professional privilege
--	--	---	---

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202509/14 above.

The meeting closed at 1.09pm.

The minutes of this meeting were approved and adopted as a true and correct record by the Chairperson and the Chief Executive in accordance with Standing Order 28.4.

.....
CHAIRPERSON

.....
CHIEF EXECUTIVE

.....
DATE