



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

Date:	Tuesday, 2 June 2026
Time:	10.30am
Location:	Council Chamber Level 1, 67 Horomātangi Street Taupō

AGENDA

MEMBERSHIP

Chairperson Mr Bruce Robertson

Deputy Chairperson Cr Kylie Leonard

Members

- Cr Rachel Cameron
- Cr Nicola de Lautour
- Mayor John Funnell
- Cr Sandra Greenslade
- Cr Wahine Murch
- Cr Kevin Taylor

Quorum 4

**Julie Gardyne
Chief Executive**

Auditory Announcement

Please note that one of today's meeting participants has hearing loss. To support clear communication, please use the microphones, speak clearly, and keep your mouth visible to assist with lip-reading.

Reports Not Council Policy

The reports included in this agenda are provided for consideration only and do not represent Council policy unless or until they are formally adopted. If you require further information about any report, please contact the Chief Executive, the Chairperson, or the Deputy Chairperson.

Public Forum

Members of the public are welcome to address the Council or committee during the public forum at the start of the meeting. To participate, please complete the public forum request form available on Council's website by 4.00pm on the day prior to the meeting.

Livestreaming and Recording

Meetings held in the Council Chamber are livestreamed on Council's YouTube channel, and recordings are uploaded shortly after the meeting.

Karakia Timatanga – opening prayer gifted by Iraia Bailey of Ngāti Tūwharetoa to Taupō District Council

Tuia ki te mauri o te whenua	Connect to the life essence of the land
Tuia ki te mana o te tangata	Connect and respect to all
Tuia ki te pono, te aroha	Be honest and compassionate
Kia piki, kia eke	(As we seek) to improve, to exceed
Ki te taumata	Expectations
Hui e, Tāiki e	To aim/reach for the summit
	(As we) come together

Karakia Whakamutunga – closing prayer gifted by Iraia Bailey of Ngāti Tūwharetoa to Taupō District Council

Unuhia te rito o tēnei hui	Remove any angst/stress that may have arisen during this gathering
Kia wātea i runga	To be free of anything that impacts your wellbeing
Kia wātea i raro	
Aro ki te tika	That we will act with integrity
Aro ki te pae	As we pursue our goals
Hui e, Tāiki e!	(As we) come together

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4.1 RISK AND ASSURANCE COMMITTEE MEETING - 10 MARCH 2026

Author: Shainey James, Governance Quality Manager

Authorised by: Louise Chick, Business Excellence Manager

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the minutes of the Risk and Assurance Committee meeting held on Tuesday 10 March 2026 be approved and adopted as a true and correct record.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Risk and Assurance Committee Meeting Minutes - 10 March 2026

5.1 ANNUAL REPORT 2026 UPDATE

Author: Jeanette Paenga, Finance Manager

Authorised by: Louise Chick, Business Excellence Manager

TE PŪTAKE | PURPOSE

To provide the Risk and Assurance Committee with an update on the development and progress of the 2026 Annual Report, including key milestones achieved, upcoming deliverables, and any identified risks or issues that may impact the timely completion of the report.

NGĀ KŌRERORERO | DISCUSSION

The Annual Report is a statutory document that outlines the organisation's performance, financial results, and strategic achievements over the past year. It provides compliance, transparency, and assurance for the community and other stakeholders.

Progress Update

- At the time of writing this item Audit New Zealand is due to visit Council on 25 May for one week to perform the interim audit; the Finance Manager will verbally update the Committee on their visit.
- Council staff have prepared and provided most of the items requested for the interim audit with only 15 out of 53 requests still outstanding at the time of writing, and all are anticipated to be cleared prior to audit arrival.

Key Milestones

- Audit New Zealand return on 13 July for two weeks for the pre-final audit.
- Audit New Zealand have loaded 105 requests for information which the Finance and Policy teams will work through in preparation for the pre-final audit and the final audit which commences 28 September for four weeks.
- The aim is to provide the Risk and Assurance Committee a draft of the Annual Report at the September meeting prior to the final audit.
- As per the Audit Plan presented at the previous meeting, Audit clearance and Council adoption is scheduled for the end of October 2026.

Risks and Issues

- There is still a high level of capital work in progress that needs to be capitalised mainly in the three waters area. This is being worked on with urgency by the three waters asset data management team.
- We believe we have resolved the portion of the qualification relating to three waters response times, this is dependent on Audit NZ's audit of the data and they may still qualify in respect to prior year reporting.
- We are expecting the qualification in relation to responsiveness to customer service requests regarding roads and footpaths to continue. The cause is similar to three waters with external systems but it complicated by multiple contractors as well.
- We are unsure if there will be any effect of the recent amalgamation announcement on the resources required to prepare the Annual Report.
- The financial separation of the Taupō Water part of the business goes live on 1 July which key members of the Finance team are involved with, which may impact the timetable in early July.

Next steps

- Prepare for year-end close and the pre-final audit.

WHAKAKAPINGA | CONCLUSION

The 2026 Annual Report is progressing according to schedule at this stage however there are still some risks that may impact time and resources which the team is monitoring closely.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee notes the progress on the 2026 Annual Report.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.2 TREASURY QUARTERLY UPDATE - JANUARY TO MARCH 2026

Author: Jeanette Paenga, Finance Manager

Authorised by: Louise Chick, Business Excellence Manager

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 our Treasury Advisors, Bancorp Treasury Services Limited, and our TEL investment fund managers, Forsyth Barr. The full reports are attached for members' information.

Bancorp update summary*New Zealand*

- New Zealand entered 2026 showing early signs of recovery, with growth returning in the second half of 2025 and improving confidence supported by low interest rates. The Reserve Bank held the Official Cash Rate steady and forecast moderate growth for 2026.
- This improving outlook has weakened following the escalation of the Middle East conflict. Higher oil prices have increased inflation risks and pushed interest rates higher, while also increasing costs for households and businesses.
- Business and consumer confidence fell sharply in March, and longer-term interest rates rose significantly, tightening financial conditions at a time when the recovery was still tentative.
- The domestic economic outlook is now more uncertain and, like global conditions, is highly dependent on how quickly the conflict is resolved.

Global

- Global financial markets became more unsettled over the March quarter, driven by the conflict in the Middle East. Higher oil prices have lifted inflation concerns and pushed global interest rates higher.
- Market volatility increased, equity markets were less stable, and the US dollar strengthened. The outlook remains highly dependent on how quickly the conflict is resolved.
- The US economy remains resilient but is slowing. Inflation is lower than a year ago but still not fully under control, and the labour market is softening. Higher inflation concerns pushed US long-term interest rates higher over the quarter.
- Australia has held up better than most developed economies, supported by government spending and migration. However, inflation remains persistent, and the Reserve Bank lifted interest rates in early 2026 after previously cutting rates. Household cost pressures and very low consumer confidence remain a concern.
- Economic conditions elsewhere were mixed. China showed some improvement, but demand remains weak; Japan is facing imported inflation; and Europe recorded modest growth but with increasing inflation risk from higher energy prices.

Forsyth Barr update summaryMarket update

Global markets declined over the March 2026 quarter, with the Morgan Stanley Capital International (MSCI) World Index down -3.6% (USD) and -3.2% (NZD), driven largely by escalating Middle East conflict which disrupted energy supply, pushed oil prices sharply higher, and increased inflationary pressures across economies; equity markets broadly fell (including NZ -4.7% and US -4.3%), while rising inflation expectations led to higher bond yields and weaker fixed income returns.

Although short-term volatility has been dominated by geopolitical developments and shifting sentiment, longer-term themes remain intact - particularly the continued but more selective evolution of artificial intelligence, where markets are now focusing on companies with clear earnings potential.

Central banks face a more complex outlook as rising costs may force interest rates higher sooner than expected, though improved bond yields offer better income.

Overall, the quarter reinforces the importance of maintaining a disciplined, diversified, long-term investment approach, as markets tend to stabilise and refocus on underlying fundamentals over time.

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 2026 (A3938618), the Taupō District Council – Asset Allocation & Performance Report March 2026 (A3938620) and the Taupō District Council - ESG Attestation – 31 March 2026 (A3938619)

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Taupō District Council Dashboard 2026
2. Taupō District Council - Asset Allocation and Performance Report March 2026
3. ESG Attestation - Taupō District Council - 31 March 2026

5.3 FINANCIAL STRATEGY UPDATE

Author: Jeanette Paenga, Finance Manager

Authorised by: Louise Chick, Business Excellence Manager

TE PŪTAKE | PURPOSE

The purpose of this report is to update the Committee on Council's performance against its Financial Strategy.

NGĀ KŌRERORERO | DISCUSSION

Attached is the Financial Strategy Performance extracted from the Council Monthly Performance Report for April 2026.

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 2026. There have been no variances to the 2025-26 Annual Plan and achievement of the Financial Strategy outcomes is on track.

WHAKAKAPINGA | CONCLUSION

It is recommended that the Committee receives the report.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the Financial Strategy update (A3944021).

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Financial Strategy Update - April 2026

5.4 ANNUAL PLAN 2026/27 UPDATE

Author: Andrew Wilson, Policy Advisor

Authorised by: Warrick Zander, General Manager Strategy and Environment

TE PŪTAKE | PURPOSE

The purpose of this report is to provide the Risk and Assurance Committee with an update on the Annual Plan 2026/27 and recommend that the Committee delegates authority to the Chair to review and endorse the Annual Plan 2026/27 before being adopted by Council at the end of June 2026.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

Officers have been preparing the draft Annual Plan 2026/27 under Council direction. It is anticipated there will be an average rate increase of 6.6% which is comparable to the 6.7% forecast for Year 3 in the Long-term Plan 2024-34. We are still in the process of finalising financial information. Due to the timing of the Committee and Council meetings, we recommend that the Chair review the draft Annual Plan ahead of Council's consideration at the end of June.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee delegates authority to the Chair to endorse the draft Annual Plan 2026/27 prior to Council adoption at the end of June 2026.

NGĀ KŌRERORERO | DISCUSSIONUpdate on the Annual Plan

An Annual Plan is required to be prepared and adopted each financial year. The Annual Plan process provides for Council to confirm or adjust its budgets and set rates for the upcoming financial year. The Annual Plan must include forecast financial statements and set out the variances from what was originally signalled in the Long-term Plan.¹

The development of the Annual Plan 2026/27 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 additional Local Water Done Well costs.

Council has given direction to officers for the development of the Annual Plan 2026/27. Council direction was discussed through a series of workshops and then adopted by Council at its meeting on 31 March 2026. A copy of that paper, which sets out Council's direction for the development of the annual plan is attached.

The direction includes a proposed average rate increase of 6.6% for the 2026/27 financial year. The 6.6% is comparable (0.1% lower) to what is forecast for Year 3 of the Long-term Plan 2024-34. While marginally lower, 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 \$1.69 million to avoid rates increases being approximately 7.7%. This included reductions in emissions trading scheme credit prices, holding disaster relief fund contributions at current levels, a third year of reduced funding to Destination Great Lake Taupō and other smaller operational savings. The budget reductions 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 2027/28.

At the time of writing there is an additional workshop scheduled to take place on 28 May with elected members to discuss and seek direction on the rating impact and the Uniform Annual General Charge (UAGC). Direction provided at this workshop will be incorporated into the final Annual Plan for consideration by Council.

¹ [Section 95 of the Local Government Act 2002](#) refers

Request for delegation

Officers are still in the process of finalising the financial information for the Annual Plan 2026/27. Due to the timing of Risk and Assurance Committee meetings, it will not be possible to provide the draft Annual Plan to the Committee for review ahead of Council adoption, which is required by 30 June 2026 (and will allow rates to be struck from 1 July 2026).

Officers are therefore requesting that the Committee delegates authority to the Chair to review and endorse the draft Annual Plan 2026/27 on their behalf before adoption by Council at the end of June 2026.

WHAKAKAPINGA | CONCLUSION

The Annual Plan 2026/27 is being prepared based on the financial direction adopted by Council on 31 March 2026, 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 for the 2026/27 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

1. Council Paper - Annual Plan 26/27 Financial Direction

5.5 SIGNIFICANT PROJECTS RISK REPORT

Author: Pernille Fletcher, Programme Management Office Manager

Authorised by: Tony Hale, General Manager Community Infrastructure and Services

TE PŪTAKE | PURPOSE

To update the Committee and communicate progress on managing key risks to Council's significant projects.

NGĀ KŌRERORERO | DISCUSSION

This Significant Projects Risk Report shows the top risks for Council's portfolio of significant projects. These are mapped against the organisational risk matrix. All Council projects have detailed project risk registers, however a comprehensive risk report is provided for significant projects through to this Risk and Assurance Committee.

WHAKAKAPINGA | CONCLUSION

It is recommended that the Committee receives the report.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the Significant Projects Risk report (A3941271).

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Taupō District Council Significant Projects Risk Report - as at 14 May 2026

5.6 TAUPŌ DISTRICT EMERGENCY MANAGEMENT UPDATE

Author: Emily Harrington, Senior Emergency Management Advisor

Authorised by: Tania Russell, Community Engagement and Development Manager

TE PŪTAKE | PURPOSE

To provide the Risk and Assurance Committee with an update on the Civil Defence Emergency Management Group Plan and Hazard information/register/assessment.

NGĀ KŌRERORERO | DISCUSSION

An overview will be provided at the meeting on the key priorities as listed below:

- Resourcing key positions
- Group Plan Hazard assessment/information/register
- Update on annual assessment
- Community capability development - Kinloch
- Marae preparedness and involvement in response

Workplan

The Civil Defence Emergency Management (CDEM) 18-month work plan has been formulated from the 2025–2030 Group plan and is currently in draft. It outlines the key actions required across the Waikato Civil Defence Emergency Management Group and by Taupō District Council to strengthen emergency management capability, consistency, and resilience. In May the Waikato CDEM Professionals met to discuss Long-term Plan (LTP) planning and impacts and finalise due dates for reporting.

Taupō District Council's CDEM Dashboard outlines the current timelines and status of the entire workplan including those matters discussed at the recent Chief Executive Group (CEG) meeting. Minutes have yet to be distributed so no further edits have been completed. As mentioned last time these amended timelines ensure that the work aligns more closely with LTP timelines.

Annual Exercise Update

Upon review of our CDEM interactions and activations in 2026 Taupō District Council chose to enable section 4.2.1 of the Waikato CDEM Training Assessment Framework to not deliver a full exercise. Rather we enabled a full Assessed Debrief of the recent full Emergency Operations Centre activation for Cyclone Vaianu which provided a real-event opportunity to assess actual emergency management performance.

Toka Wolfswood and Andy Bubear attended on 8 May to assess the full debrief of the activation against the scoring guide. The feedback at the time of this report was favourable and gave clear action points for further training within the organisation however a final score is not available at time of writing to share. The assessment score also ensures that Council is compliant with our audit and Non-Financial Performance Measure requirements.

WHAKAKAPINGA | CONCLUSION

The key priorities inform the priority and sequence of delivery of the Taupō District Emergency Management work plan. Priority tasks being progressed by the officers are Operational Readiness, Response Capability, Community Resilience and Planning for Recovery.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the Taupō District Emergency Management update.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. TDC CDEM Workplan Dashboard

5.7 DIGITAL IMPROVEMENT WORKPLAN UPDATE

Author: Tracey May, Digital Solutions Manager

Authorised by: Louise Chick, Business Excellence Manager

TE PŪTAKE | PURPOSE

The purpose of this report is to provide the Risk and Assurance Committee with an update on the Digital Improvement Workplan.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

Council is delivering its Digital Improvement Workplan through TechnologyOne CiAnywhere to replace aging legacy systems and reduce business and technology risk.

After challenges in earlier phases, delivery has moved to a continuous improvement approach using smaller, prioritised work packages under the oversight of the Digital Programme Governance Group (DPGG). This enables delivery to be paced to Council capacity while keeping focus on the highest-risk areas first.

Progress since the last update to Risk and Assurance Committee (June 2025) includes:

- Customer Request Management and Council Leases & Licences went live in November 2025, improving customer service processes and reducing reliance on MagiQ (a legacy system).
- Objective Build (building consents processing and inspections, replacing GoGet) went live on 12 May 2026.
- Technology One Digital Experience (DxP) Customer Portal went live on 12 May 2026.
- Work continues to be prioritised and scheduled by DPGG based on organisational risk, strategic alignment and available capacity.

Key upcoming deliverables (current targets) are:

- Regulatory modules (building and resource consents): target go-live November 2026
- Licences (food, health, alcohol): aligned to the regulatory release
- LIMs: aligned to the regulatory release
- Document management (CiAnywhere ECM, replacing Objective): target go-live February 2026

These deliverables are intended to reduce reliance on legacy platforms (MagiQ and Objective) that are approaching end-of-life support and carry increasing operational risk.

In parallel, DPGG oversees other risk-based digital initiatives to ensure Council's broader technology risk is managed alongside the ERP-related work.

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

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 35 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.

A robust procurement process, supported by independent expertise (PwC and the Risk and Assurance Committee Chair at the time), resulting in the selection of TechnologyOne CiAnywhere as Council's ERP platform.

The CiA implementation programme has been progressing since 2018 as outlined below, with the last two components of the final phase due to wrap up in November 2026 and February 2027 (bold items below):

- Phase 1: Payroll (delivered November 2019)
- Phase 2: Finance (delivered 2022)
- Phase 3: Property and Rating (all revenue functions, customer, animals, infringements; delivered Sept 2024)
- Phase 4:
 - a: Customer Request, Leases and Licences (delivered November 2025)
 - b. Regulatory (planned delivery - November 2026)**
 - c. Document management (planned delivery February 2027)**

The current all years' budget totals \$10.1M, with \$9.6M being spent to date.

Council applies a continuous improvement, work package-based approach to deliver incremental improvements, rather than large-scale implementations. Delivery is governed by the Digital Programme Governance Group (DPGG), chaired by the General Manager Organisation Performance. The DPGG oversees the full digital programme to ensure risks are prioritised and actively managed, and that the programme remains aligned with Council's strategic objectives.

NGĀ KŌRERORERO | DISCUSSION

In response to the dynamic technological, sector, and organisational landscape, the Digital team is committed to regularly reassessing the delivery methods and objectives for digital improvement projects. This involves careful consideration of recent developments in artificial intelligence, the prioritisation of various digital initiatives, and the overall workload of Council. As technology advances rapidly, the remaining tasks in phase 4 are being implemented as a minimum compliant solution first, then improving it over time. This strategy focuses on providing the essential, out-of-the-box legislative solution required to replace MagiQ promptly. Future opportunities and enhancements are recognised and will be addressed through continuous improvement, acknowledging that further advancements in AI may alter future perspectives and working methods.

Beyond the CiAnywhere implementation, the digital team oversees ongoing upgrades, additional projects, cybersecurity improvements and ongoing BAU (helpdesk, data, analysis, digital network, etc.) some of which may be prioritised ahead of the ERP implementation. To manage these competing initiatives, a risk-based approach overseen by DPGG is used for scheduling work and allocating resources based on organisational priorities. This ensures transparency regarding the progress of each project.

We are also experiencing an increasing trend where vendors supersede software, often with minimal notice, requiring upgrades to their latest platforms. This requires a procurement process to determine if we have the right replacement software (incumbent or new) to support Council's direction and requirements, then implementation time. These pressures place additional strain on the delivery programme, affecting the scheduling and availability of resources for digital projects.

Wider Digital Work Programme

Beyond the ERP-related work, DPGG continues to oversee a broader digital workplan that is prioritised against the digital project risk prioritisation framework to ensure we are working on the right projects at the right time. The current delivery approach continues to emphasise:

- Risk-based prioritisation through DPGG.
- Smaller, well-defined work packages.
- Adopt-not-adapt principles to reduce complexity and minimise ongoing risks at each upgrade.
- Minimum viable product (MVP) - minimum compliant solution that is improved over time.
- Strong change management and business ownership.

Progress Since Last Update

Significant progress has been made since June 2025, with successful delivery of key digital work packages:

1. CiAnywhere modules:
 - Customer Request Management

- Council Leases and Licences

Both modules were successfully delivered and went live in November 2025, providing:

- improved customer request handling and visibility
- streamlined management of leases and licences
- reduction in reliance on legacy systems (particularly MagiQ)
- capability increase of digital team allowing these modules to be delivered using in-house resources minimising project budget spend and ongoing support costs with Technology One.

2. CiAnywhere annual upgrade:

- maintains compliance by being on the latest software version

3. New Venues Management solution – *Bookable*:

- Went live April 2026
- Replaced *Priava venues management*
- improves online customer capability
- integrates with CiAnywhere finance modules

4. Objective Build - Building Consents

- Scope includes:
 - Replacement of the Go Get building consent processing and inspection software that has been in use by Taupō District Council for 15 years.
- Went live May 2026
- Note, there will be future integration to CiAnywhere (post November go live) to reduce manual entry.

5. Technology One Digital Experience (DxP) Customer Portal

- Scope includes:
 - New customer portal (replacing current Datacom portal) to see your invoices, dog renewals and cemetery records.
- Went live May 2026
- Note, applications and other functions will be added once the regulatory modules go live in November 2026.

These deliveries demonstrate the effectiveness of the current delivery model, with improved engagement from business units and more focused implementation outcomes.

Current Delivery Focus

The programme is currently prioritising the completion of high-risk, high-value modules and the delivery of additional risk-based projects. These efforts will facilitate the final transition from MagiQ and ensure compliance with both legislative and operational requirements. They are essential dependencies for enhancing digital capabilities and mitigating legacy system risks.

1. CiAnywhere Regulatory Modules

- Target go-live: November 2026
- Scope includes:
 - Building Consents (no processing, only a base record for invoicing, customer and property links for LIMs reporting).
 - Resource Consents
 - Food, Health, and Alcohol Licencing
 - Land Information Memorandums

2. CiAnywhere Enterprise Content Management ECM (Document Management)

- Target go-live: February 2027
- Scope includes:
 - Replacement of Objective document management system
 - Integration with core ERP modules and Microsoft SharePoint
 - Enablement of improved information management practices

Ngā Tūraru | Risks

Key risks remain consistent with those previously reported, with ongoing mitigation activities underway (Table 1).

Table 1 – Summary of key digital risks faced by Taupō District Council.

Risk Theme	Risk Current State and Mitigations
<p>Business Risk – Legacy Systems</p> <p>The current solutions (MagiQ and Objective) have been in place for several decades. Both systems are in the sunset phase of software lifecycle with technical support coming to an end soon.</p> <p>Neither system has been upgraded since 2017 and the data they contain is business critical.</p>	<p>Continued reduction of reliance through staged delivery.</p> <p>All financial and revenue functions have now been implemented, shifting the remaining financial information out of MagiQ has minimised legacy system risk.</p> <p>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.</p> <p>The customer service request system is the last module in MagiQ which has widespread use. The delivery of this and the removal of 320 users from MagiQ has continued to reduce the legacy system risk. The remaining users are those that are continuing to use MagiQ in their day-to-day operations (consent, permits and licences).</p>
<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.</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>Successful delivery of the work packages across 2025 has seen a decrease in change resistance from the organisation.</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 continuous improvement 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>Regular discussion with business owners to manage BAU workloads, leave and timelines so deadlines can be met.</p> <p>Technology One has taken a more active role in the system configuration to reduce the impact on our teams to be involved.</p>
<p>Resourcing – Project Team</p> <p>Key project team roles may not be 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 helps to 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

Risk Theme	Risk Current State and Mitigations
	<p>expertise across councils doing the same project.</p> <ul style="list-style-type: none"> - Actively manage wellbeing of our people through regular check ins. Managing work/life balance, regular leave and celebrating small successes/milestones as they occur.
<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 current budget totals \$11.1M, with \$9.6M being spent to date. No additional cost forecast for the 2026/27 annual plan.</p> <p>TechnologyOne have resolved historic phase three issues.</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 was realised when phase three placed demand on vendor resources to resolve outstanding issues, with the vendor having 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 manageable for the vendor.</p>

WHAKAKAPINGA | CONCLUSION

The Digital Improvement Workplan continues to progress under a revised delivery model that better aligns with organisational priorities and risk management.

Key milestones have been achieved with successful implementation of request management and leases across 2025 and into early 2026.

The focus for the remainder of 2026 into early 2027 is on completing the remaining high-risk components, particularly document management and regulatory modules, which are critical to reducing reliance on legacy systems and supporting Council's future digital capability.

The governance and delivery approach now in place provides a strong foundation for continued progress across both ERP and the wider digital work programme.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.8 ASSURANCE REPORT

Author: Mark Hill, Risk Advisor

Authorised by: Louise Chick, Business Excellence Manager

TE PŪTAKE | PURPOSE

To update the Risk and Assurance Committee on recent assurance activities.

TE WHAKAMAHUKI | BACKGROUND

Internal Assurance

The Risk and Assurance Committee approved Council's three-year Internal Audit Plan at its March 2026 meeting. The plan (refer to **Table 1**) will be presented to the Committee annually to confirm its ongoing relevance and may be adjusted during the year to reflect organisational changes, emerging risks, or significant risk events, where required.

Table 1 – Internal Audit Plan Summary

Internal Audit Coverage	Link to Strategic Risk	Delivery Timeframe
Privacy review	<ul style="list-style-type: none"> Maintaining effective ICT systems and secure records 	FY26
Supplier Management	<ul style="list-style-type: none"> Financial strategy Zero harm 	FY27
Asset Management – Maintenance of assets	<ul style="list-style-type: none"> Critical infrastructure failure 	FY27
Asset Management – Capitalisation & financial processes	<ul style="list-style-type: none"> Critical infrastructure failure Financial Strategy 	FY28
Community Engagement strategy	<ul style="list-style-type: none"> Ineffective relationships 	FY28

External Assurance

Council is subject to reviews performed by various external organisations and bodies. These reviews are both mandatory and, in some cases, voluntarily commissioned by Council, providing an additional layer of independent assurance over its activities. A schedule of the upcoming external audits is provided in the *Outstanding Audit Improvement Items* paper elsewhere on this agenda.

NGĀ KŌRERORERO | DISCUSSION

Internal Assurance

The three-year internal audit plan recommended a Privacy audit be conducted this financial year, and work commenced on this in April.

The objective of the review is to undertake a point in time assessment of the Council's privacy governance structure and framework, personnel culture and privacy capabilities, management of personal information, and breach and incident management processes.

The review will focus on the following areas:

1. Privacy governance and management processes
2. Privacy capability and culture
3. Collection and management of personal information
4. Privacy incidents and breach management

The review and final report will be presented to the September 2026 Risk and Assurance Committee meeting.

External Assurance

PoolSafe Audit

The PoolSafe Quality Management Scheme (PoolSafe) is a voluntary, independent assessment of public lifeguarded pools designed to assist facilities to meet best practice by assessing operating standards and procedures against actual day to day activities. PoolSafe accreditation is a Long-term Plan performance measure for both the Taupō and Tūrangi pools and is conducted annually by independent industry professionals.

The PoolSafe audits for both AC Baths and Tūrangi have been completed. The full reports are attached (**Attachment 1 – A C Baths, Attachment 2 - Tūrangi**). Both facilities met the core PoolSafe criteria, with all essential components assessed as achieved. The audits identified areas of follow-up action, primarily relating to documentation detail and alignment of Normal Operating Procedures (NOPs) with current practice. These have all now been addressed and confirmed as closed.

NZ Transport Agency Waka Kotahi (NZTA) audits

NZTA has a legal obligation to audit organisations that are funded through the National Land Transport Programme (NLTP) in relation to the activities they have approved. The audit programme includes two main types of investment audits:

- procedural investment audit
- technical investment audit

Additionally, theme audits may be carried out if a specific issue impacting the transport network is identified.

Procedural investment audit

NZTA completed a procedural investment audit of Taupo District Council's land transport activities in March 2026. The audit was undertaken in accordance with section 95(1)(j)(ii)(iii) of the Land Transport Management Act 2003 and covered the period from 1 July 2021 to 30 June 2025. The purpose of the audit was to provide assurance that the NZTA co-investment through the NLTP is being appropriately managed, funding conditions are being met, risks are effectively controlled, and value for money is being achieved.

The overall audit rating for Taupō District Council was noted as "Some Improvement Needed".

The audit returned 11 new recommendations and closed 4 out of 5 recommendations from the previous audit (February 2022). The recommendation that was left open was regarding documentation for contracts. A similar theme was found in the recommendations from this audit as well.

The audit includes a series of recommendations aimed at strengthening compliance, documentation, assurance, and overall investment management practices.

While the audit nominally covered the period 1 July 2021 to 30 June 2025, testing was undertaken on 13 projects that largely commenced in 2023 or earlier. Council's revised procurement procedures were implemented in mid-2024, meaning the findings do not fully reflect current practice and likely overstate current risk. Notwithstanding these limitations, the audit has identified opportunities for improvement, and management actions are underway (refer to **Table 3**).

The full report is attached (**Attachment 3**).

Technical investment audit

NZTA undertook a technical investment audit in December 2025, with the primary focus being on the management, performance and condition of the network of the approved organisation (Council), including road safety performance and how the network has changed over time. A major part of a technical audit is a drive-over of the network to assess its condition and any challenges we may have.

The audit findings are still being finalised and will be presented to the September 2026 Risk and Assurance Committee meeting.

Table 3 – Summary of NZTA Procedural Investment Audit recommendations.

Subject Area		Rating Assessment	Comment
1	Previous Audit Issues	N/A	N/A
2	Financial Processes	Some improvement needed	Financial processes and contract management were generally sound but require some improvement, particularly in relation to claim validation, the management of contract retentions (although these have since been explained), and compliance with Low-Cost Low-Risk funding conditions.
3	Procurement Procedures	Significant Improvement Needed	Procurement was identified as requiring significant improvement, with the Council operating without a current NZTA endorsed Transport Procurement Strategy, although NZTA were made aware of the reasons for the delay and had agreed to an extension. There were some concerns raised with procurement documentation, conflict-of-interest management, and adherence to procurement manual requirements, however these all stem back prior to having a dedicated procurement manager in Council.
4	Contract Management	Some Improvement Needed	In contrast, the audit noted strong performance in the management of term maintenance contracts, with effective governance arrangements, robust verification of works, good value for money outcomes, and innovative use of technology to manage network condition and defects. One concern raised from the last audit was regarding the completion and close-out of Safe System Audits (SSA) and this has been due to staff resourcing in the Transport team. Following the last audit we have developed guidelines and a checklist to be able to close out the 4 stages of SSA and/or exemptions.
5	Professional Services and administration	Effective	Professional services and administration were assessed as effective, noting that while Council is entitled to claim certain in-house costs, it has chosen not to do so at this time.

WHAKAKAPINGA | CONCLUSION

Council officers are working with KPMG to deliver the internal audit plan agreed at the March 2026 Risk and Assurance Committee meeting. The first review, Privacy, is currently on track to deliver during the current financial year.

The recommendations arising from all audit findings are captured in the *Outstanding Audit and Improvement Items* report, which is provided to this Committee on a six-monthly basis, with detailed updates also included elsewhere on this agenda.

This will provide the Risk and Assurance Committee with comfort that the actions agreed with management to mitigate risks identified during assurance activities are being implemented.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee:

1. Receives the Assurance report;
2. Receives the PoolSafe Audit reports for AC Baths, Taupō;
3. Receives the PoolSafe Audit reports for Tūrangi Turtle Pools; and
4. Receives the NZTA / Waka Kotahi Procedural Investment Audit report.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. PoolSafe Report for A C Baths
2. PoolSafe Report for Tūrangi
3. NZTA Procedural Audit Report

5.9 RISK MANAGEMENT UPDATE

Author: Mark Hill, Risk Advisor

Authorised by: Louise Chick, Business Excellence Manager

TE PŪTAKE | PURPOSE

To update the Risk and Assurance Committee on the status of Council's strategic risks, Enterprise Risk Management (ERM) and emerging risks (horizon scanning).

NGĀ KŌRERORERO | DISCUSSION

Strategic Risks

In 2023 Council and the Executive Team identified ten strategic risks:

1. **Attracting and retaining a competent workforce**
2. **Ineffective Relationships**
3. **Financial Strategy**
4. **Critical infrastructure failure**
5. **Zero Harm**
6. **Non-delivery of projects**
7. **Compliance and Legal Liabilities**
8. **Maintaining ICT systems and secure records**
9. **Effects of Climate Change**
10. **Underperforming Council**

Workshops have been held for risks 1 – 9 and the outcome for each captured in a strategic risk profile. These risks have been assessed against the risk appetite and Risk Management Framework set by this Committee in September 2025 and the full suite of profiles shared with this Committee in March 2026.

The tenth risk, *Underperforming Council*, will be workshopped with the Risk and Assurance Committee in 2026. Each profile continues to be reviewed by the Executive Sponsor every three months as part of business as usual (BAU) operations.

Table 1 summarises the current status of each of Council's strategic risks, a more detailed summary (including sponsor details, review schedule and risk trend) is attached (**Attachment 1**).

Table 1: Summary of the risk rating of each of Council's strategic risks and an assessment as to whether these sit within Council's risk appetite.

Strategic Risk	Current Plausible Residual Risk Level	Within Risk Appetite
1. Attracting and retaining a competent workforce	Medium	Yes
2. Ineffective Relationships	Low	Yes
3. Financial Strategy	Medium	Yes
4. Critical infrastructure failure	Medium	Yes
5. Zero Harm	High	No
6. Non-delivery of projects	Low	Yes
7. Compliance and Legal Liabilities	Medium	Yes
8. Maintaining ICT systems and secure records	Medium	Yes
9. Effects of Climate Change	Low	Yes
10. Underperforming Council	Risk profile not yet developed	

Since the previous Committee meeting, the following strategic risks have been reviewed:

- Ineffective relationships
- Critical infrastructure failure
- Maintaining ICT systems and secure records
- Effects of climate change

There have been no significant changes to the risk profiles or the plausible risk ratings.

Strategic Risks tracking above appetite

Zero Harm (Sponsor – General Manager Organisation Performance):

The High-risk rating for *Zero Harm* reflects a likely occurrence (i.e. within 12-18 months) of a high consequence health, safety or wellbeing impact which Council has defined as:

- **Safety** - Lost Time Injury (up to 7 days).
- **Wellbeing** - Requiring support from external services e.g. Employee Assistance Programme (EAP), to manage mental health concerns and time off work is required (up to 7 days).
- **Occupational Health** - Reversible health effects with limited loss of time (up to 7 days).

i.e. if it is considered likely that any one of the above Safety, Wellbeing or Occupational Health thresholds as described above are exceeded then Council exceeds its *Zero Harm* risk appetite.

Within any given year Council staff do experience loss time injuries and do access EAP services for work matters, therefore Council's risk appetite has been exceeded for *Zero Harm*.

The relatively conservative risk appetite reflects the importance Council places on health and safety and its continued efforts to prioritise reducing the risk of adverse impacts to its staff.

Council continues to make improvements to its health and safety system through implementation of its Health and Safety Improvement Plan. Details of progress against plan are provided in the Health, Safety and Wellbeing report presented elsewhere on this agenda.

The full Zero Harm Strategic Risk profile is attached (**Attachment 2**).

ENTERPRISE RISK MANAGEMENT (ERM)

With the support of an external risk consultancy, Council officers have commenced a pilot Enterprise Risk Management (ERM) rollout with one General Manager (GM) group. The pilot is intended to ensure the ERM approach is appropriately scaled, aligns with organisational capacity, and reflects current risk maturity.

A user guide was developed and provided to the pilot group, and an initial discovery workshop was conducted on 20 April 2026. Participant feedback was captured, and key lessons learned have informed refinements to the proposed approach.

Eight overarching risk themes were identified through the workshop. Planning is now underway for a second workshop to assess and validate the initial outputs.

Upon completion of the pilot, feedback will be reviewed and the ERM approach finalised prior to extending the programme to the remaining three GM groups.

EMERGING RISKS (HORIZON SCANNING)

New Zealand councils are facing a growing set of interconnected emerging risks driven by climate pressures, economic conditions, reform and regulatory change, and technological disruption. Key themes include resilience, financial sustainability, capability, and trust. Through engagement with our Internal Audit partners, Insurance brokers, engagement with risk forums / networks, business subject matter experts within Council and analysis of other sources the following emerging risks have been identified.

As per the direction received from the March 2026 Committee meeting, the previously identified emerging risks are being incorporated into strategic risk profiles. Three new emerging risks have been included below.

Table 2 – Summary of emerging risks that Council *may* be exposed to.

Emerging Risk	What does this mean for Council?	What is Council currently doing about it?
1) Local Government Reform:	For Taupō District Council, the primary challenge is responding	Council's Mayor and CEO have commenced discussions with

Emerging Risk	What does this mean for Council?	What is Council currently doing about it?
<p>The Government has announced a reform programme requiring councils to progress proposals for reorganisation into larger unitary authorities within a short timeframe (with outline proposals expected within three months), with a central government “backstop” if locally led proposals are not delivered.</p>	<p>at pace to a complex, region-wide structural change process while ensuring that local priorities, service outcomes, and community representation are appropriately reflected.</p> <p>This creates a risk of suboptimal decision-making due to compressed timeframes and uncertainty, particularly given the need to coordinate with neighbouring councils, assess long-term service delivery and governance implications, and maintain business-as-usual performance during the transition.</p>	<p>neighbouring council Mayors and CEs.</p>
<p>2) Middle East Conflict / Fuel Shortage:</p> <p>The current fuel situation is linked to ongoing conflict in the Middle East, which has disrupted global fuel markets. This has pushed fuel prices up and increased costs across supply chains. The impact is being felt by households, businesses, and governments around the world, including in New Zealand.</p> <p>The impacts are likely to continue for some time. Even though we can't predict exactly how things will play out, we expect rising costs to continue to affect everyday goods and services for both households and organisations.</p> <p>Fuel supply remains sufficient, with good levels of fuel available in New Zealand and further supply on the way. Access to fuel remains reliable at present.</p> <p>At the same time, planning is in place should the situation change. The Government has announced a staged response under the National Fuel Plan to protect the economy and safeguard critical services if there were major global fuel disruptions.</p>	<p>Council is generally insulated from direct fuel price pass through from contractors and suppliers, with cost movements governed by indexed labour and price mechanisms such as NZS 3917 and NZTA indices, and short term budget exposure is constrained somewhat due to the autumn–winter construction period. However, there is material risk—particularly beyond FY25/26—as supply chains remain disrupted, fuel escalations continue, and indexation effects increasingly impact budgets.</p>	<p>A TDC Fuel Crisis team was set up in March 2026 to plan and prepare for critical Council activities under the National Fuel Plan. Enterprise Leadership Team members participated in several workshops to identify business critical activities under each “phase”, how teams would support these activities, and the associated risk management and mitigations. This document is live and continues to be regularly reviewed in light of Government announcements.</p> <p>Alongside this work, the team began analysing Council's immediate contractual exposure across our three largest maintenance contracts (waste management, three waters maintenance, and road network maintenance).</p> <p>Ongoing work has focused on developing a Council wide response framework, recognising that sustained Middle East fuel volatility poses a multi-year risk to capex and opex delivery and budgets. The team is modelling the 1.5 year impact across 165 live contracts and 161 Annual Plan capital projects, categorised into green, orange and red exposure bands (0–25%+). This work is ongoing, with support from an external legal services firm. Early warnings and supplier notifications have been centralised, with early mitigations prepared such as deferrals, re scoping, bulk purchasing and contractual restructuring ahead of FY26/27. The overarching objective of the work is to give Council and the business clarity on financial exposure, maintaining a consistent commercial position, and enabling informed decisions on whether to proceed, pause or re prioritise delivery as fuel pressures persist.</p>
<p>3) Biosecurity risks:</p> <p>Ministry for Primary Industries (MPI) is the lead agency in New Zealand responsible for keeping pests and diseases out of the country. Their focus</p>	<p>If golden clams establish in Taupō waterways, the impacts are likely to be long-term and difficult to reverse, with significant environmental</p>	<p>Council's role is primarily to support national agencies (e.g. MPI) by reducing the likelihood of spread through local behaviour change, awareness, and integration into Council-led activities.</p>

Emerging Risk	What does this mean for Council?	What is Council currently doing about it?
<p>is on:</p> <ul style="list-style-type: none"> stopping pests and diseases at the border before they get to New Zealand eradicating or managing the impact of those already here <p><u>Invasive Golden Clams</u> also known as Gold Clams are a species of freshwater clam native to eastern Asia, which have become an unwanted and destructive pest around the world. They have been discovered in New Zealand’s waterways:</p> <ul style="list-style-type: none"> May 2023: Waikato River. March 2024: Lake Taupō Aqua Park but have since been controlled at this location. November 2025: Lake Rotomanu in Taranaki. <p>There is a risk that clams are introduced to Taupō waterways (including Lake Taupō), resulting in ecological damage, disruption to recreation/events, and potential impacts on water-related infrastructure.</p> <p>Significant numbers of invasive clams are present throughout the Waikato River from Lake Maraetai as far downstream as Port Waikato, reaching up to thousands per square metre in some locations. It is unknown how invasive clams were introduced to New Zealand and if they have already spread further than these sites.</p>	<p>degradation and disruption to native ecosystems. This would increase operational and financial pressures on Council, particularly in managing water infrastructure and maintaining service delivery. It may also result in restrictions on recreational use and negatively affect the district’s reputation and economic value.</p> <p>Of particular concern for Council is the biofouling and clogging of water infrastructure, e.g. intake structures, pipes and potential flow on impacts to water supply. As well as the long-term degradation of the district water ecosystems and restrictions upon recreational use of our lakes and waterways, establishment within our district’s waterways would likely increase operational costs arising from monitoring, management and maintenance.</p>	<p>Regulatory control, surveillance, and any eradication response remain the responsibility of central government agencies.</p> <p>Council is currently in a ‘watching brief’ state with actions focused on communications, partnerships, and enabling local compliance (e.g. through events and public messaging), rather than direct operational biosecurity intervention or enforcement.</p>
<p><u>Bird flu</u> also known as high pathogenicity avian influenza, is a highly contagious viral disease that primarily affects domestic and wild bird populations. Internationally, the H5N1 strain is spreading through the migration of wild birds; however, there have been no detections in New Zealand to date.</p> <p>The MPI has issued guidance on identifying symptoms, preventing transmission, and responding to suspected cases. Ongoing monitoring is in place, supported by national biosecurity controls.</p> <p><u>Foot and mouth disease (FMD)</u> is a viral disease affecting cloven-hooved animals, including cattle, sheep, pigs, goats, deer, alpaca, and llama. It does not affect non-cloven-hooved animals such as dogs, cats, birds, rodents, or horses. FMD is an animal health disease and poses no significant risk to human health. It is distinct from the unrelated human illness, hand, foot and mouth</p>	<p>In the event that either disease were to be detected in New Zealand, local government organisations may be required to provide support to the MPI response.</p>	<p>At this stage, no specific action is required from local government beyond maintaining vigilance. This position may change should either disease be detected in New Zealand.</p> <p>In relation to bird flu / avian influenza, representatives from the Parks and Reserves team participate in a Regional Liaison Group that meets regularly to receive and discuss national updates. In parallel, a response plan is being developed on the assumption that the disease is likely to reach New Zealand at some stage, and that Parks and Reserves may play a role in supporting response activities, including potential involvement in clean-up operations.</p>

Emerging Risk	What does this mean for Council?	What is Council currently doing about it?
<p>disease.</p> <p>While FMD has never occurred in New Zealand, any incursion would have significant adverse impacts on farmers, rural communities, primary industries, and the wider economy.</p> <p>As requested at the 26 March Risk and Assurance Committee meeting, FMD has been considered and included as an emerging risk for review. Given the absence of any historical outbreak in New Zealand and the existence of stringent border controls administered by MPI, it is recommended that FMD not be classified as an active emerging risk at this time but instead monitored under business-as-usual (BAU) processes.</p>		

WHAKAKAPINGA | CONCLUSION

Strategic Risks: All of Council's strategic risks have been assigned an Executive sponsor and are subject to quarterly review, involving both the sponsor and relevant business unit subject matter experts.

One strategic risk - Zero Harm - continues to sit above Council's stated risk appetite. In response, Council has articulated its current operational priorities through a Health and Safety Improvement Plan. This plan targets specific improvement opportunities identified through an independent KPMG audit undertaken in 2023. Council continues to strengthen its health and safety framework through the ongoing implementation of this Improvement Plan, with progress monitored and reported to this Committee.

Enterprise Risk Management (ERM): The ERM pilot programme is underway with the first workshop completed. Once the second workshop (currently in planning) has been delivered it should enable Council officers to streamline our approach and run workshops across the other GM groups to operationalise ERM.

Emerging Risks (horizon scanning): Council is actively responding to Local Government structural reforms and the fuel shortages arising out of the Middle East conflict and is actively monitoring biosecurity risks.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the Risk Management report.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Strategic Risk Summary - May 2026
2. Zero Harm Strategic Risk Profile

5.10 PROCUREMENT STRATEGY AND POLICY ADOPTION

Author: Steph Rugg, Procurement Manager

Authorised by: Louise Chick, Business Excellence Manager

TE PŪTAKE | PURPOSE

This report seeks the Risk and Assurance Committee's approval to adopt Taupō District Council's updated **Procurement Strategy (2026–2029)** and updated **Procurement Policy (2026)**.

Approval of the Procurement Strategy is required by NZ Transport Agency (NZTA) under Rule 10.4 of the NZTA Procurement Manual to enable continued NZTA subsidisation of Council's transport programme.

Together, these documents provide Council's procurement strategic direction and governance framework, ensuring procurement activity is aligned with best practice and Council priorities while remaining compliant and proportionate.

NGĀ KŌRERORERO | DISCUSSION**Procurement Strategy (2026–2029)**

The Procurement Strategy sets the overall direction for how Council will procure goods, services, and works over the next three years, with a particular focus on NZ Transport Agency (Waka Kotahi) funded transport activities.

Approval of the Procurement Strategy by NZTA is required under Rule 10.4 of the NZTA Procurement Manual prior to the release of any land transport funding.

The Strategy:

- Supports Council's priorities outlined in the Long-term Plan 2024–2034.
- Aligns with the NZTA Procurement Manual, the Land Transport Management Act 2003, and the Government Procurement Rules.
- Demonstrates Council's approach to managing procurement risk, achieving value for money, and maintaining eligibility for NZTA transport funding.

The Strategy provides:

- Visibility of current major transport-related supply arrangements, (as required by NZTA).
- A forward-looking view of significant upcoming transport procurements, including indicative timing and procurement approaches, (as required by NZTA).
- Clear expectations around procurement planning, contract management, health and safety compliance, and governance controls.

Key outcomes the Strategy seeks to achieve include:

- Improved public value through whole-of-life considerations.
- Stronger procurement planning and consistency.
- Effective supplier relationships while maintaining competition.
- Increased transparency through publishing future opportunities and award notices.
- Robust risk management and protection of Council's reputation.

Procurement Policy (2026)

The Procurement Policy and supporting Procedures were originally adopted in July 2024 and have now undergone a planned refresh to ensure they remain fit for purpose, easy to apply, and aligned with best practice.

Key drivers for the refresh include:

- Alignment with the 5th Edition Government Procurement Rules (the Rules), updated December 2025, including adoption of the Government Procurement Principles and Charter.
- Tailoring application of the Rules to reflect Council's value, risk, and complexity profile, consistent with Local Government Act 2002 obligations.
- Streamlining internal processes in collaboration with the business to improve usability and compliance.

Key changes introduced include:

- Stronger alignment with the Rules across planning, evaluation, transparency, and reporting.
- Replacement of Broader Outcomes with Economic Benefit to New Zealand, including a mandatory minimum 10% evaluation weighting where applicable.
- Updated financial thresholds, including requiring two or more quotes for procurements over \$100,000.
- Expanded Contract Award Notice requirements on GETS for all procurements over \$100,000, including panel engagements.
- Introduction of the sixth procurement principle, as aligned with the NZ Procurement Rules: be proportionate and right-size the procurement.

The Procurement Policy will be published on Council's external website and will be supported by updated Procurement Procedures to be applied by staff. The proposed implementation date is 1 July 2026, aligning with the new financial year.

WHAKAKAPINGA | CONCLUSION

Council's Procurement Strategy has been updated to ensure ongoing compliance with NZTA's Procurement Manual, thus allowing for Council to continue to receive NZTA subsidies. In addition to outlining Council's upcoming programme of transport projects, it identifies the next steps to enhance the maturity of Council's procurement and contract management practices.

Updates to Council's Procurement Policy ensures Council continues to align with industry best practice, supporting compliance, transparency, and value for money, while maintaining proportionality and operational flexibility.

Adoption of both documents will ensure Council meets current regulatory and assurance requirements and supports effective and accountable procurement practice.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee:

1. Adopts the Procurement Strategy 2026-2029; and
2. Adopts the 2026 Procurement Policy, effective 1 July 2026.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Procurement Strategy 2026-2029
2. Procurement Policy 2026

5.11 HEALTH, SAFETY AND WELLBEING UPDATE

Author: Louise Chick, Business Excellence Manager

Authorised by: Hadley Tattle, General Manager People and Community Partnerships

TE PŪTAKE | PURPOSE

This report provides the Risk and Assurance Committee with an overview of Taupō District Council's current health, safety and wellbeing risks, progress against the *2025/26 Health and Safety Improvement Plan*, and key areas of focus, including critical risk management, contractor oversight, and significant events during the reporting period.

WHAKARĀPOPOTANGA MATUA | EXECUTIVE SUMMARY

- Council continues to progress delivery of its *Health, Safety and Wellbeing Strategy* through a critical risk-based improvement approach, consistent with recognised good practice and the findings of the KPMG Health and Safety reviews.
- 55% of audit recommendations arising from KPMG's audit of Council's Health and Safety System are now completed. Remaining recommendations are being progressed through the rollout of critical health and safety risks as identified in Council's *2025/26 Health and Safety Improvement Plan*.
- *Aggressive and Threatening Behaviour* is the first critical health and safety risk to move into active organisational rollout. Five Minimum Mandatory Controls are being implemented to strengthen training, reporting, assurance, and worker engagement, with early evidence staff are actively managing their exposure to aggressive and threatening behaviours, e.g. by choosing to withdraw from escalating situations.
- Controls to manage the *Driving* critical risk are being developed, with an initial focus on strengthening the management speeding events by setting clearer expectations, escalation pathways, and enhanced leadership oversight. Early engagement has resulted in reduced speeding instances.
- Work to enhance Council's management of *Psychosocial* risk is being led by the People and Capability team and is in the early stages of development. Initial activity has focused on leadership capability, access to support services, and foundational work to identify psychosocial risks and protective factors.
- Contractor Management is well progressed, with a risk-based framework now in place and training underway to support consistent management of contractors and overlapping health and safety duties.
- Incident reporting has increased year-on-year, reflecting improved staff engagement and confidence in reporting systems. 214 events were reported for the period 17 February – 4 May 2026, arising from aggressive and threatening behaviour events, vehicle-related high-potential incidents, and a small number of WorkSafe interactions.
- While most incidents resulted in low to moderate harm, the reporting period included several high-potential events, reinforcing the importance of sustained leadership focus and continued implementation of critical risk controls across the organisation.

IdeaGen, the owner of Council's Health and Safety software Damstra, has advised Damstra is now a legacy product and will no longer be actively developed. IdeaGen have committed to support and maintain Damstra until September 2027. As a result, Council will go to the market for new software, subject to the direction arising from the Head Start reform programme.

NGĀ KŌRERORERO | DISCUSSION

Health, Safety and Wellbeing Strategy

Council's Health, Safety and Wellbeing Strategy is built on four key pillars:

- **Leadership** – committed leaders who actively support and model good health, safety and wellbeing practices.

- **Engagement** – staff who understand the importance of health and safety and are actively involved in managing it.
- **Safe Systems** – a clear understanding of critical risks and the controls required to manage them.
- **Continuous Improvement** – learning from incidents and near misses to drive ongoing improvement.

Progress has been made in the following key strategy areas:

Leadership:

- Executive approval of Council's *Critical Risk Management Framework*, with each Executive Member acting as Executive Sponsor for 3-4 critical risks. As Executive Sponsor they provide strategic oversight of a specific critical risk, ensuring the organisation is effectively managing it and reducing harm "so far as is reasonably practicable."
- Ongoing and continued leadership and engagement from across the business, with ELT and people leaders actively participating in critical risk workshops: *Aggressive and Threatening Behaviour*, *Working with Animals*, and *Asbestos*.
- Leaders actively engaging in the development of risk controls.
- Managers and people leaders are further developing their understanding of health and safety roles and responsibilities both generally, through inhouse learning modules like the 'managers essentials' training, and more specifically for critical risks such as *Aggressive and Threatening Behaviour* as risk specific responsibilities are clarified.

Engagement:

- TDC staff are actively engaged in critical risk workshops, with over 25 business units participating to date. Staff continue to contribute to refining controls to ensure they are practical and effective.
- Ongoing people leader support to hold their staff to account for appropriate health and safety behaviours, leading to a reduction in lead indicators, e.g. reduced speeding for the Driving critical risk.

Safe Systems:

- Continued development of Council's HSW System (frameworks, procedures, and tools), as outlined in later sections of this report.
- As improved health and safety documentation is developed these are presented on Council's intranet system, making these improvements easily accessible by staff.

Improvement:

- Council will baseline its HSW risk management on a critical risk by critical risk basis. This work has commenced with the *Aggressive and Threatening Behaviour* risk, where the implementation status of minimum mandatory controls is currently being assessed and implementation plans developed. Progress against plan will be reported to the Executive Team from July 2026.

Update on implementation of KPMG Health and Safety Review Report recommendations

Council's *2025/26 Health and Safety Improvement Plan* seeks to progress *Health, Safety and Wellbeing Strategy* objectives, and also to address recommendations arising from KPMG's audit of Council's health and safety systems and processes. More than half of the original audit recommendations have now been addressed, with KPMG's recent (December 2025) desktop review confirming that "substantial progress has been made".

Work on the remaining audit recommendations is ongoing and is being progressed through Council's critical risk-led improvement approach. While KPMG's audit identified a broad set of system-wide improvements, Council is working through each audit recommendation using a critical risk-by-critical risk "vertical slice" model. This approach enables controls, role-specific training, assurance practices, and reporting requirements to be designed, implemented, and embedded end-to-end for each risk in turn. As a result, the remaining audit recommendations are being addressed incrementally as each critical risk framework is completed and embedded within Council's Health and Safety Management System. While this means some recommendations may continue to be recorded as "in progress", substantive and sustainable system improvements are being implemented through each critical risk rollout (refer to *Critical Health and Safety Risk Management* section below).

It is expected to take approximately a further 18 months to work through all identified critical risks.

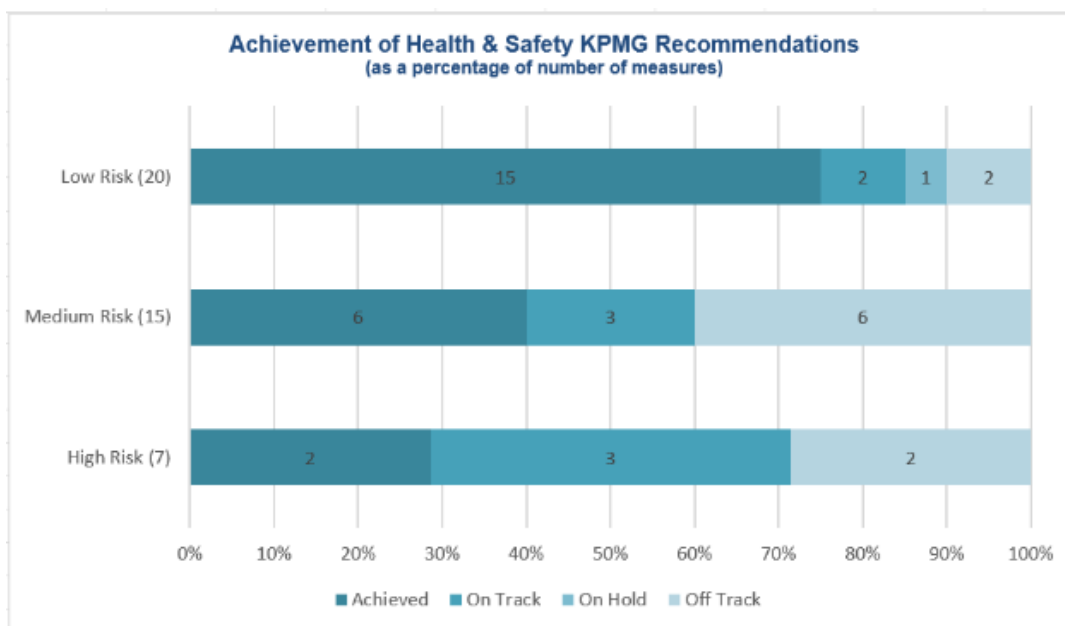


Figure 1 – summary of progress in delivering KPMG's recommendations.

Critical Health and Safety Risk Management

Aggressive and Threatening Behaviour

Aggressive and Threatening Behaviour, Council's highest priority critical risk, is well progressed, with enhanced controls agreed and now being rolled out.

Five Minimum Mandatory Controls have been established to support staff in preventing, managing, and responding to this risk. These controls set the baseline expectations and are outlined below:

1. **Zero Tolerance Policy** - A Council-wide policy that sets expectations for unacceptable behaviour. It outlines how staff are expected to manage difficult situations and plan for safer engagement in future. The policy will be presented to the Executive Team for adoption on 26 May 2026 and will be supported by a communications plan to share key messaging with the community.
2. **Requirements for Publicly Accessible Areas** - define minimum physical and security requirements for public facing spaces and how service areas are set up to support staff safety.
3. **Meetings and Engagement Management Protocols** - provide guidance for assessing and managing risks associated with meetings and engagements using proportionate controls, with emphasis on planning and communicating agreed safety measures.
4. **Provision of Relevant Training by Role** - Role-specific training has been strengthened through the introduction of tiered conflict de-escalation training aligned to exposure and risk.

Historically, Council provided conflict de-escalation training focused on face-to-face interactions. To reflect the range of communication channels used, new training has been developed with an external provider covering phone, email, and social media interactions. Seven courses are scheduled between June and August, with 60 staff currently enrolled.

5. **Location Specific Emergency Response Plans (including Field Work)** - Requires every work location to have an emergency response plan that includes escalation and response to *Aggressive and Threatening Behaviour* incidents.

A *Lone Worker Procedure* has been introduced to support staff working in the field. Lone worker plans enable staff to plan work in advance, confirm controls, and follow agreed escalation steps, supporting more consistent decision-making and safer responses.

Asbestos

Asbestos is a highly regulated critical risk, with established legal requirements governing its identification, management, removal, and disposal. The current focus is on clarifying Council's role and ensuring these

requirements, along with recognised best practice, are consistently understood, applied, and verified across operations.

Council's role is to identify, manage, and provide information on asbestos risks within its assets, including maintaining the asbestos register and site-specific management plans, ensuring risks are assessed, and engaging competent, licensed contractors.

Council undertakes governance and assurance activities - such as verifying licences, confirming appropriate plans are in place, and monitoring compliance - but does not direct or supervise how contractors carry out the work. This approach is reflected in the draft *Asbestos Management Policy* and *Corporate Asbestos Management Plan*, which are being updated to incorporate recent risk assessment findings and engagement with business units, as well as WorkSafe's updated asbestos guidance (April 2026).

The next phase will focus on embedding these arrangements and strengthening assurance, including verifying that controls are in place and operating effectively, and improving oversight to support ongoing compliance.

Council has also signed the updated Bay of Plenty Asbestos Liaison Protocol, which provides a coordinated, multi-agency approach to managing asbestos risks and incidents, including a Lead Agency model to support consistent and effective responses.

Driving

Work is underway to strengthen how Council manages the *Driving* critical risk, with a strong initial focus on reducing overspeeding and lifting consistency in how it's handled. Previously, responses varied across teams, so introducing a clearer, more structured approach is aimed at improving accountability and supporting safer driving behaviours overall.

A *Driving Escalation Procedure* is being developed. It sets out clear expectations for how speeding is managed based on severity and repeat behaviour. It includes defined management actions, training requirements, and escalation where needed, while also recognising good driving. This provides a more consistent, proactive way to manage the risk and is an important step in embedding stronger controls.

The overall direction has been endorsed by the Executive Team, with Enterprise Leadership Team feedback currently being incorporated prior to finalisation and rollout.

Early engagement and increased focus on driver behaviour have resulted in a reduction in reported speeding instances.

Driving will continue to be developed as a critical risk, with further work planned to define Minimum Mandatory Controls, strengthen assurance practices, and embed role-appropriate controls in partnership with the Fleet Manager.

Psychosocial

Psychosocial risk is in the early stages of development under Council's Critical Risk Framework and is being led by the People and Capability team. Initial activity has focused on building organisational understanding of psychosocial risk, strengthening leadership capability, and establishing foundations to support future critical risk controls.

Early work has prioritised manager capability and access to support. Mental Health First Aid training has been delivered to managers, with 65 managers trained to date. This is supported by a suite of eLearning modules available to staff, covering topics such as managing stress, leading difficult conversations, building psychologically safe teams, and supporting mentally healthy work practices.

Access to support resources has also been expanded. In addition to EAP services, staff and managers can access on-demand wellbeing resources through the intranet, including online learning via Umbrella Wellbeing and free online therapy through Just A Thought.

Foundational work has commenced to support future identification and management of psychosocial risks and protective factors. A workshop delivered to the Enterprise Leadership Team by clinical psychologist and organisational wellbeing expert Dr Hillary Bennett focused on psychosocial risk obligations and principles of better work design. This has informed the next phase of activity, with the first teams scheduled to participate in Better Work by Design workshops to assess psychosocial risks and identify protective factors.

A trial of a third-party software support programme was completed with three teams. While the software was not progressed to wider rollout at that time, feedback has informed further development by the supplier, and Council may consider future trials once the product and research outcomes mature.

Psychosocial risk will continue to be developed through the Critical Risk Framework, with next steps focused on defining scope, identifying key psychosocial hazards, and establishing appropriate controls, assurance, and governance arrangements.

Working with Animals

Risk assessment workshops have been held with the relevant business units and minimum mandatory controls are being developed. Further work on this critical risk will continue once the Health and Safety Team have finished supporting the wider organisation to develop implementation plans to roll-out Aggressive and Threatening Behaviour controls.

Contractor Management and Management of Overlapping Health and Safety Duties

A risk-based contractor management framework is now in place, establishing clear expectations for contractor pre-qualification, onboarding, and ongoing oversight.

This work addresses priority areas identified in Council’s Health, Safety and Wellbeing Strategy, namely to: i) Integrate HSW outcomes within Council’s procurement processes and supply chain management; and ii) Develop a contractor H&S Management Framework.

Contractor health and safety training has been developed in partnership with an external provider and will be delivered during May and June. Two training options are available to support flexibility in time commitment and learning needs. Option 1 combines the NZQA Unit Standard 17595 Contractor Health and Safety Management course (Level 4, 8 credits) with Council-specific systems and processes delivered through a full-day session. Option 2 provides a shorter, two-hour session focused solely on Council systems and processes and does not include an NZQA qualification.

This training supports consistent application of the contractor management framework across business units and strengthens manager capability to manage overlapping health and safety duties.

Incident Reporting

Incident reporting has increased over the past reporting period compared with the previous year. This increase is considered to reflect both improved staff engagement with health and safety systems and an increase in aggressive and threatening behaviour incidents.

Higher reporting supports improved visibility of operational risks and aligns with KPMG audit recommendations to encourage consistent reporting of incidents and near misses. Ongoing work to clarify reporting expectations and provide feedback on reported events is expected to further reinforce reporting behaviours and support continuous improvement.

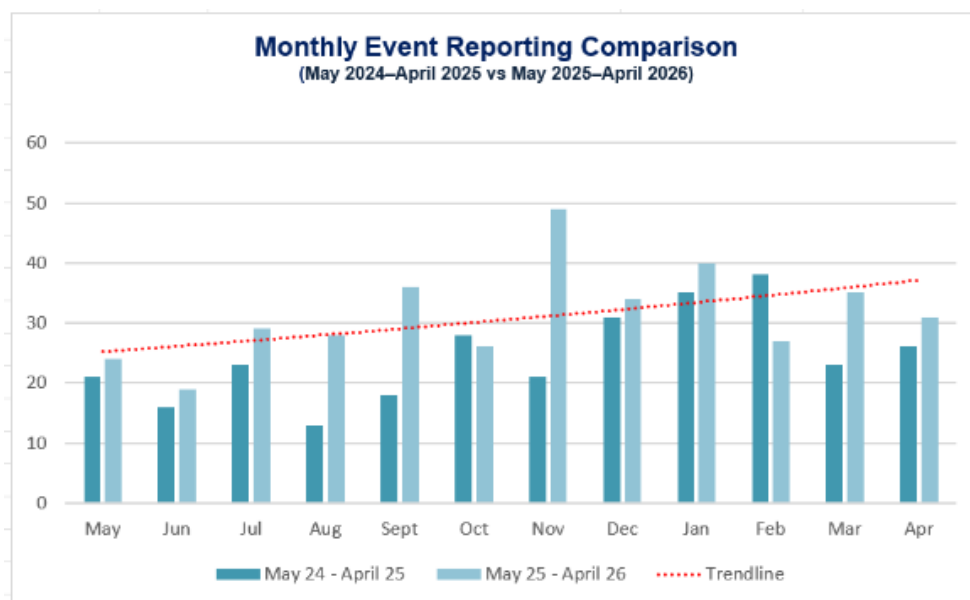


Figure 2 – Monthly Event Reporting Comparison.

Summary of Significant Events

During the reporting period, Council recorded a high volume of operational events, primarily associated with aggressive and threatening behaviour, vehicle and driving-related incidents.

Most events resulted in low to moderate actual harm; however, the period included a number of high-potential risk events, including a physical assault on a staff member (pushing), repeated public aggression toward frontline services, and instances of driver overspeeding.

Between 17 February and 4 May 2026, a total of 214 incidents were reported. Of the reported incidents:

- 11 related to aggressive and threatening behaviour,
- 5 were vehicle-related high-potential incidents, and
- 2 involved direct engagement with WorkSafe.

Aggressive and Threatening Behaviour

Aggressive and Threatening Behaviour incidents were recorded across multiple public-facing interactions. While most events were assessed as low to medium-risk, the period included a serious high-risk incident involving physical assault on a staff member (a Compliance Officer was pushed), demonstrating the potential for rapid escalation during routine activities.

Event reporting and response patterns indicate increasing use of agreed controls, with staff more consistently withdrawing from unsafe situations and escalating concerns to team leaders. This aligns with the staged rollout of the *Aggressive and Threatening Behaviour* Minimum Mandatory Controls described above.

Driving

A small number of driving-related incidents and near misses were reported during the period across operational sites and public roads. These events were not linked to speeding and did not result in serious injury. Several involved third-party driver behaviour or low-speed manoeuvring in operational environments, with potential risk to members of the public and staff.

WorkSafe Engagement and Safety Events

WorkSafe raised a critical safety observation involving a contractor working at height without adequate fall protection at a Council site. Immediate action was taken to stop and reassess the work, with additional controls implemented, including installation of a lifeline, confirmation of competent workers, and reinforcement of safe work requirements. WorkSafe subsequently acknowledged the actions taken and confirmed the matter was satisfactorily addressed.

A member of the public sustained injuries after tripping over a wheel stop in the public off-loading area at the Taupō Landfill & Transfer Station and was admitted to hospital for observation. As the incident met the threshold for notification, EnviroNZ (as the PCBU) submitted a WorkSafe notifiable injury report, and Council was advised accordingly. WorkSafe reviewed the notification and confirmed that no further intervention was required, closing the matter.

IdeaGen – Damstra to EHS Core Transition

IdeaGen, the owner of Council's Health and Safety software Damstra, has advised Damstra is now a legacy product and will no longer be actively developed. IdeaGen have committed to support and maintain Damstra until September 2027. As a result, Council will go to the market for new software, subject to the direction arising from the Head Start reform programme.

WHAKAKAPINGA | CONCLUSION

Council continues to strengthen its health, safety and wellbeing system through a structured Critical Risk-based approach. Progress is being made across key priority areas, with improvements increasingly embedded into governance, leadership practices, and operational activity.

While exposure to higher-risk activities remains inherent in Council's operations, particularly in public-facing and operational environments, the work underway is improving visibility of risk, clarity of expectations, and consistency of response. Continued leadership focus and assurance will be required to sustain momentum, embed controls, and progress remaining improvement actions.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee receives the Health, Safety and Wellbeing report.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.12 OUTSTANDING AUDIT AND IMPROVEMENT ITEMS

Author: Louise Chick, Business Excellence Manager

Authorised by: Hadley Tattle, General Manager People and Community Partnerships

TE PŪTAKE | PURPOSE

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

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

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ KŌRERORERO | DISCUSSION

New Audits

Since the last *Outstanding Audit and Improvement Items* report to the Risk and Assurance Committee, Council has received audit reports for three external audits, *NZTA Procedural Investment Audit*, the *Audit NZ Annual Report* audit, and the *PoolSafe* audit and two internal audits, *KPMG Health and Safety Review* and *Cybersecurity Review*.

The New Zealand Transport Agency (NZTA) have also recently undertaken a *Technical Investment Audit*, which assess the technical management and performance of Council land transport networks, however the audit findings are still being finalised and will be presented to the September 2026 Risk and Assurance Committee meeting.

NZTA Procedural Investment Audit

The findings of the *NZTA Procedural Investment Audit* are presented in the Assurance Report presented elsewhere on this agenda.

Audit NZ Annual Report audit

Audit NZ also completed an Annual Report audit of the year ending 30 June 2025 and these were presented to the Risk and Assurance Committee at its March 2026 meeting.

PoolSafe

PoolSafe conducted a review of the AC Baths and Tūrangi Turtle Pools and returned 11 observations- 3 for the AC Baths and 8 for the Tūrangi Turtle Pools. All matters were addressed, with updates made across the standard operating procedure, emergency action plan, and pool water risk management plan, along with supporting documentation uploaded. Staff received notice from Recreation Aotearoa that all outstanding matters had been passed in early May.

KPMG Health and Safety Desktop Audit

As our Internal Audit Partner KPMG undertook a desktop audit review of Council's progress against its 2023 audit findings to ensure Council has appropriately prioritised the most critical recommendations and to ensure that the pace of implementation is appropriate. The audit findings were presented in detail at the March 2026 Risk and Assurance Committee meeting.

KPMG Cyber Security Review

KPMG conducted a review into Council's cyber security practices and controls, and the findings of this audit was also presented to the March 2026 Risk and Assurance Committee meeting.

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

Review/Audit	Last Audit Review	Status
Annual Report	Various	Outstanding matters.
Council Mark review	April 2022	Outstanding matters.
Drinking Water Standards Audits (WaiComply)	Various	Outstanding matters.
KPMG (Health and Safety)	August 2023/ February 2026	Outstanding matters.
Abridged Property Process and Function Review Summary (The Property Group)	June 2024	Outstanding matters – see attachment.
LTP Audit (Audit NZ)	July 2024	Outstanding matters.
Environmental Health Recognised Agency Reassessment (food health) JASANZ	May 2025 (1 item open from Feb 24)	Minor outstanding matters – Next surveillance audit likely November 2026.
Cyber Security Incident Review (KPMG)	January 2026	Outstanding matters.
KPMG Cybersecurity Review	February 2026	Outstanding matters.
NZTA Procedural Investment Audit	April 2026	New outstanding matters.
PoolSafe	March 2026	All new matters closed by Recreation Aotearoa in May 2026.

Audit status

For those audits/reviews where there are still open recommendations the number of items and their priority are summarised in **Table 2**.

Council has been steadily progressing implementation of audit and review recommendations. Since the last report 54 new audit observations and recommendations were identified, 15 items have been closed (pending formal audit approval) and 18 have been formally closed. There remain 91 open items.

The closed audit recommendations are from eight audit areas (Annual Report, Drinking Water – Waicomply, NZTA, JASANZ, Health & Safety, Cybersecurity, the Property Group and PoolSafe) (**Figure 1**).

The number of open and recently closed audits by audit type are summarised in **Figure 2**.

Full details of items that have been recently closed are provided in **Attachment 1**.

Table 2 - Current status of outstanding audit and review recommendations, outlining how many audit recommendations have been completed since last reported to the Risk and Assurance Committee (September 2025).

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	19	-	-	22	
		Staff Closed	-	2	-	-	2	
		Audit Approved Closed	-	2	2	-	4	
	Drinking Water Audits (Waicomply)	Open	-	-	-	3	3	
		Staff Closed	-	-	-	2	2	
		Audit Approved Closed	-	-	-	-	-	
	NZTA	Open	-	2	-	6	8	
		Staff Closed	-	-	-	5	5	
		Audit Approved Closed	2	1	-	-	3	
	JASANZ	Open	-	-	-	1	1	
		Staff Closed	-	-	-	1	1	
		Audit Approved Closed	-	-	-	-	-	
	LTP Audit- Audit NZ	Open	-	-	-	2	2	
		Staff Closed	-	-	-	-	-	
		Audit Approved Closed	-	-	-	-	-	
PoolSafe	Open	-	-	-	-	-		
	Staff Closed	-	-	-	-	-		
	Audit Approved Closed	-	-	-	11	11		
Internal	Health & Safety (KPMG)	Open	5	9	5	9	28	
		Staff Closed	-	2	-	-	2	
		Audit Approved Closed	-	-	-	-	-	
	Cybersecurity (KPMG)	Open	6	9	2	-	17	
		Staff Closed	-	-	2	-	2	
		Audit Approved Closed	-	-	-	-	-	
	Council MARK	Open	-	-	-	3	3	
		Staff Closed	-	-	-	-	-	
	NOTE: Council does not plans to continue with CouncilMARK audits - items will close on staff recommendation.							
	The Property Group	Open	-	-	-	7	7	
Staff Closed		-	-	-	2	2		
NOTE: The Property Group review was a one-off ad hoc review - items will close on staff recommendation.								
Total CLOSED Items by Status			8	16	6	21	34	
Total OPEN Items by Status			8	30	5	31	91	

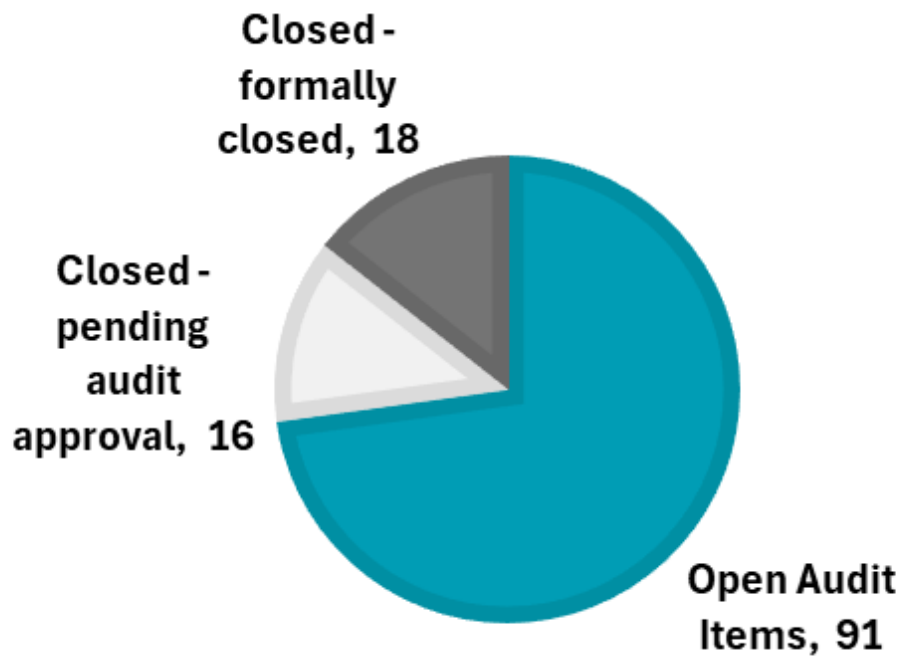


Figure 1 – Total number of open audit items and items Taupō District Council staff believe to be closed and formally closed since previously reported to the Risk and Assurance Committee.

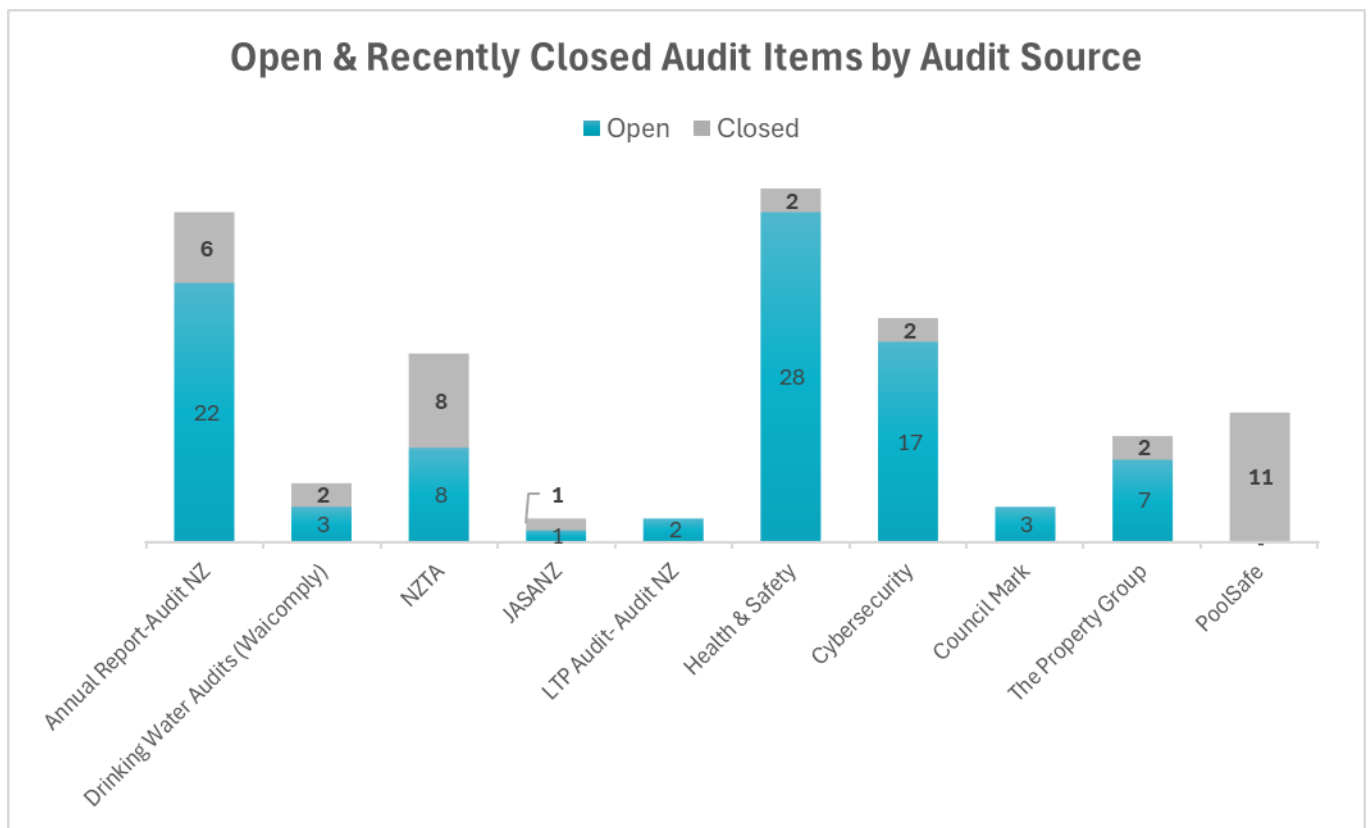


Figure 2 – Total number of open items by audit source (blue). The graph also shows items closed since the last Risk and Assurance meeting.

Outstanding Audit Recommendations

Some audit recommendations that Council has received have been open for some time.

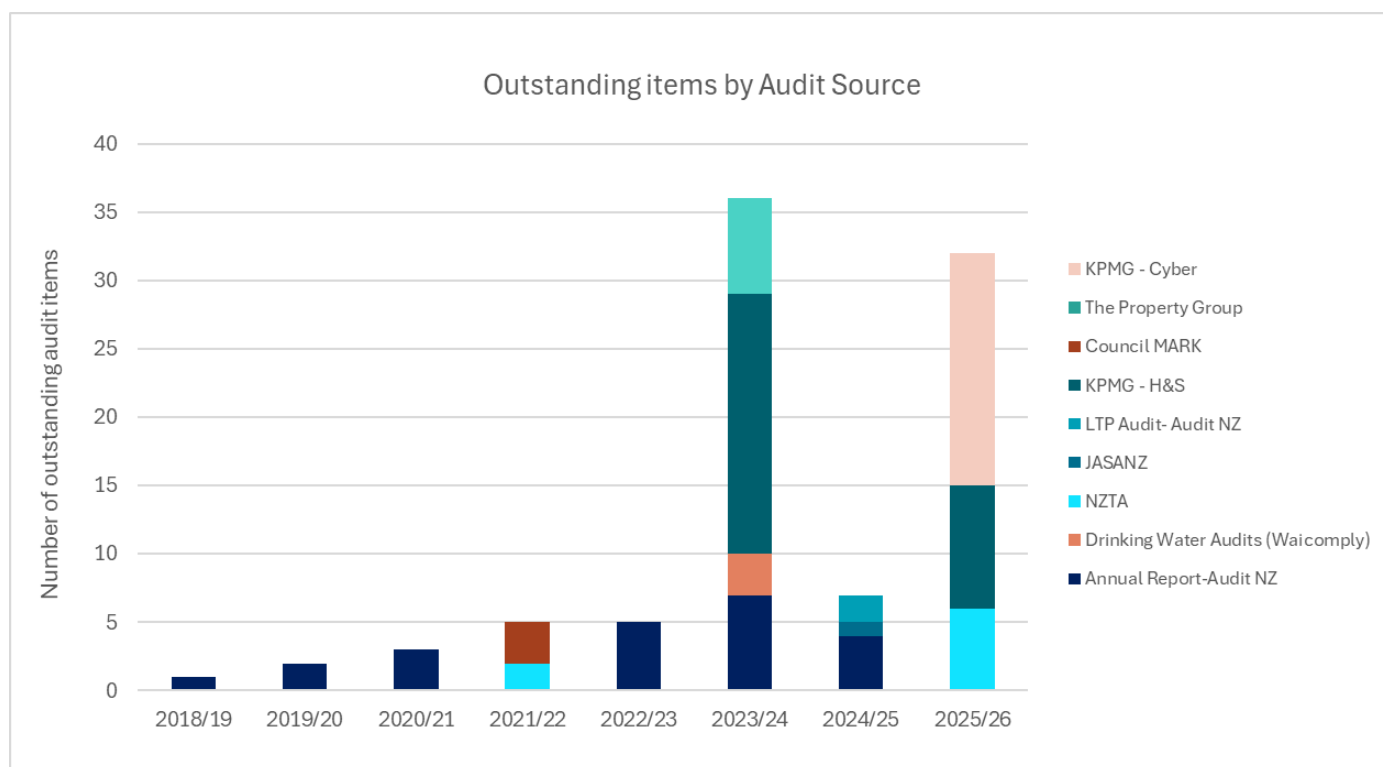


Figure 3 – Total number of remaining items by audit source.

Annual Plan – Audit NZ

The matter that has been outstanding from 2018/19 relates to business continuity planning (BCP). Upon weighing up organisational priorities, the Executive had directed that updating BCPs be put on hold.

There are two outstanding items from 2019/20 relating to: i) the review of payroll masterfile changes, and ii) to improvements to the data to be used for roading valuations.

Payroll Masterfile changes: Audit have recommended that payroll masterfile maintenance reports are independently reviewed by individuals who are unable to make changes in the payroll system. In order to give effect to this recommendation the People and Culture and Finance teams would need to have their payroll access terminated while reviewing the maintenance files, which is considered impracticable from an efficiency perspective.

Roading valuation data: In July 2025 transport data transitioned to the Asset Management Data Standard (AMDS). Development of the asset valuation structure is currently underway. This also includes undertaking a review of asset lives and unit rates to ensure these are both reasonable and supportable. The recommendation remains in progress.

The matters outstanding from the 2020/21 are financial matters relating to:

- i) Capitalisation of staff time;
- ii) High annual leave balances;
- iii) Alignment of depreciation rates with council policy.

Finance have been delayed in documenting an Asset Capitalisation Policy that covers off many of the action items raised by audit around assets, due to resource challenges. Now the vacancy focussing on fixed assets is filled, Finance have commenced this work, with the intention that the Asset Capitalisation Policy be brought to the November Risk and Assurance Committee meeting for its approval.

The People & Culture team continue to work with the organisation to drive down high annual leave balances. There has been some small improvement from when this was last reported (Sept 2025), with Council now having 42 staff with over six weeks' leave owing, down from 45. Recent tightening to Council's sick leave policy (came into effect in March 2026) is also expected to drive reductions in high annual level balances.

At the time of writing Finance are finalising the annual report, and associated depreciation rates.

The remainder of the outstanding Annual Report recommendations are largely finance related matters. Council has determined that these matters are of lower for the Finance team's limited resources while they progress three waters separation and Long-term plan preparations.

Council MARK

The three outstanding Council MARK recommendations relate to:

- i) Enhanced focus of strategic and operational risk, and the need to develop an Enterprise risk register.
- ii) Establishment of a Regulatory Strategy to prioritise compliance work in light of public safety and cost-effectiveness.
- iii) Deeper analysis of Council's community facility patronage and costs of operations.

Council developed detailed strategic risk profiles for 9 of its 10 strategic risks, and the final risk will be workshopped with elected members in 2026. The Risk Management report elsewhere on this agenda details progress made in the development of an enterprise risk management.

Given the magnitude of both regulatory and local government structural reforms, with associated uncertainty, the Regulatory Strategy has been put on hold.

Deeper analysis of Council's community facility patronage and costs of operations will be progressed as part of the development of Council's next Annual Plan.

KPMG Health and Safety Review

KPMG's audit of Council's Health and Safety systems and processes and the final report made 42 recommendations for improvement, over half of these of been closed. Actions to address the outstanding recommendations are detailed on Council's *2025/26 Health and Safety Improvement Plan*, presented under the Health, Safety and Wellbeing Report elsewhere on this agenda.

Key priorities for this financial year, as detailed in the *2025/26 Health & Safety Improvement Plan*, are to review and implement improvements in:

- Management of the following critical risks:
 - Aggressive & Threatening Behaviour
 - Asbestos
 - Working with Animals
 - Driving (reprioritised over Working at Heights Critical Risk).
- Contractor Management and management of overlapping Health and Safety Duties.
- Role specific H&S training
- Assurance practices
- Reporting & risk management accountability
- Worker engagement and participation
- H&S System improvements.

In addition to these H&S Improvement Plan priorities, work has commenced on the *Psychosocial* critical risk, (led by the People and Culture Team) and updating of Council's Emergency Evacuation Plans which has occurred as a by-product of addressing the *Aggressive and Threatening Behaviour* critical risk.

Work on *Aggressive and Threatening Behaviour* is well progressed with five Minimum Mandatory Controls agreed and being rolled out across the organisation. Work on the *Asbestos* and *Working with Animals* risks is well progressed, with controls nearing finalisation. For the *Driving* critical risk, a new control aimed at tackling speeding behaviour is currently being rolled out.

While KPMG's audit identified a broad set of system-wide improvements, Council has adopted a deliberate, risk-based approach to implementation. Rather than progressing improvements across all risks simultaneously (a "horizontal" approach), Council is working through each priority risk using a critical risk-by-critical risk "vertical slice" model. This approach enables controls, role-specific training, assurance practices, and reporting requirements to be designed, implemented, and embedded end-to-end for each risk in turn. It supports more meaningful worker engagement, clearer accountabilities, and stronger assurance over the effectiveness of controls. As a result, the remaining audit recommendations are being addressed incrementally as each critical risk framework is completed and embedded within Council's Health and Safety Management System. It is expected to take approximately a further 18 months to work through all identified critical risks.

Contractor management controls have now been approved by the Executive and published on the Council website, establishing a clear, risk-based framework for contractor pre-qualification, onboarding and oversight. Implementation is underway, with staff training booked for May and June, to support consistent application across the organisation. The next phase will focus on embedding the controls in practice, strengthening accountability, and ensuring alignment between contractor risk management and operational delivery.

Further detail on progress against Council's *2025/26 H&S Improvement Plan* is provided in the Health, Safety and Wellbeing report elsewhere on this agenda.

NZTA Audits

NZTA has recently conducted a Procedural Investment Audit, which is reported in more detail in the Assurance report elsewhere on this agenda. Following this recent audit, two remaining 2020/21 audit findings remain open, both relating to record keeping and filing of contract and procurement documentation.

While the audit nominally covered the period 1 July 2021 to 30 June 2025, testing was undertaken on 13 projects that largely commenced in 2023 or earlier. Council's revised procurement procedures were implemented in mid-2024, meaning the findings do not fully reflect current practice and likely overstate current risk.

Since 2024 we have significantly improved procurement practices, including ensuring that all contracts are assigned contract numbers in our Contract Management system. These contract numbers are now used to file documents in Council's document management system, Objective. Council's Procurement Team have also recently expanded its internal assurance practices (2nd line of defence) to include undertaking random checks on contract documentation, which should ensure continuance of these improved practices. Staff consider that the next *NZTA Procural Investment Audit* findings will reflect these improvements, enabling these two outstanding audit findings to be closed.

WHAKAKAPINGA | CONCLUSION

Council has continued to progress audit and review actions, with 54 new items identified, 34 closed or pending closure, and 91 remaining open. Progress has been made across multiple audit areas, including full resolution of PoolSafe findings.

Several longstanding items remain open due to resourcing constraints, system dependencies, or deliberate prioritisation decisions. Recent audits, particularly in health and safety and cybersecurity, have increased the volume of recommendations, which are being addressed through structured programmes of work.

Overall, implementation is advancing, with a clear focus on risk-based prioritisation and embedding sustainable improvements. Ongoing monitoring and targeted effort will be required to reduce the backlog of open items.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Recently Closed Audit Items - June 2026
2. Outstanding Audit Items - June 2026

5.13 RISK AND ASSURANCE COMMITTEE WORKPLAN UPDATE

Author: Louise Chick, Business Excellence Manager

Authorised by: Hadley Tattle, General Manager People and Community Partnerships

TE PŪTAKE | PURPOSE

To present the Risk and Assurance Committee with a proposed workplan for the 2026 calendar year.

NGĀ KŌRERORERO | DISCUSSION

The attached workplan provides an outline of the papers that the Risk and Assurance Committee may expect to receive throughout the 2026 calendar year.

Since previously tabled at the Risk and Assurance Committee the workplan has been updated to reflect:

- that Council's Long-term Plan audit arrangements letter will now come to the 15 September 2026 meeting, rather than this meeting as originally intended;
- an Asset Capitalisation Policy will be presented at November's Risk and Assurance Committee meeting.

WHAKAKAPINGA | CONCLUSION

The updated Risk and Assurance Committee Workplan for 2026 is presented for the Committee's approval.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Risk and Assurance Committee approves the updated Workplan for 2026.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. 2026 Risk and Assurance Committee Workplan

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 - 10 March 2026	Section 7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege Section 7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	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 consideration of the confidential minutes of the 10 March 2026 meeting, for the reasons set out at the end of the public agenda for that meeting i.e. for item 6.1 improper gain or advantage and 6.2 legal professional privilege.
Agenda Item No: 6.2 67 Horomātangi Street - Account Settlement	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 preserve legal professional privilege in relation to legal advice currently being received.
Agenda Item No: 6.3 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	For the Council to receive legal advice on significant legal and litigation matters affecting the Council and the need to preserve legal professional privilege.

I also move that [\[name of person or persons\]](#) be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of [\[specify\]](#). This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because [\[specify\]](#).