

ATTACHMENTS

Risk and Assurance Committee Meeting

2 June 2026

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10 March 2026

**TAUPŌ DISTRICT COUNCIL
MINUTES OF THE RISK AND ASSURANCE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, LEVEL 1, 67 HOROMĀTANGI STREET, TAUPŌ
ON TUESDAY, 10 MARCH 2026 AT 10.30AM**

- PRESENT:** Mr Bruce Robertson (in the Chair), Cr Rachel Cameron, Cr Nicola de Lautour, Mayor John Funnell, Cr Sandra Greenslade, Cr Kylie Leonard, Cr Wahine Murch, Cr Kevin Taylor
- IN ATTENDANCE:** Chief Executive (J Gardyne), General Manager Organisation Performance (S Matthews), General Manager Community and Infrastructure Services (T Hale), Business Excellence Manager (L Chick), Legal and Governance Manager (N McAdie), Finance Manager (J Paenga), Community Engagement and Development Manager (T Russell), Project Management Office Manager (P Fletcher), Digital Solutions Manager (T May), IT Operations Team Lead (A John), Risk Advisor (M Hill), Business Excellence Coordinator (N Donaldson), Senior Policy Advisor (K Goode), Health and Safety Manager (G Munyaradzi, via MS Teams), Programme Manager (J Walton), Senior Emergency Management Advisor (E Harrington), Governance Quality Manager (S James)
- KPMG representatives Christian Galero, Aashita Mehta, Murtaza Ali and Philip Whitmore (via MS Teams)
- MEDIA AND PUBLIC:** Nil

Note: This meeting was livestreamed and is available to view on Taupō District Council's YouTube channel.

1 KARAKIA

2 WHAKAPĀHA | APOLOGIES

Nil

3 NGĀ WHAKAPĀNGA TUKITUKI | CONFLICTS OF INTEREST

Independent Chairperson Mr Bruce Robertson advised that he would provide an updated list of interests to Council, as his general commitments around New Zealand had changed. None of those commitments raised a conflict of interest in relation to matters before the Committee at this meeting.

The Chairperson added that as part of the agenda item proposed to be considered with the public excluded, item 6.2 Legal and Litigation Update, the Committee would discuss a service called ComplyWith. He had various professional contacts with that vendor and its chief executive, but those contacts had nothing to do with the discussion at this meeting and would therefore not preclude him from participating in the discussion.

4 WHAKAMANATANGA O NGĀ MENETI | CONFIRMATION OF MINUTES

Nil

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5 NGĀ RIPOATA | REPORTS

5.1 ELECTION OF DEPUTY CHAIRPERSON

RACC202603/01 RESOLUTION

Moved: Cr Rachel Cameron

Seconded: Cr Kevin Taylor

That the Risk and Assurance Committee:

1. confirms that System B will be used to determine the election process for the Deputy Chairperson;
and
2. elects Cr Kylie Leonard as the Deputy Chairperson of the Committee for the 2025-28 Triennium.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202603/01 above.

5.2 WELCOME TO TAUPŌ DISTRICT COUNCIL'S RISK AND ASSURANCE COMMITTEE 2025-28

An induction PowerPoint had been attached to the agenda (A3912029). The Chairperson addressed the meeting, using some of the presentation slides. The following key points were noted:

- The Committee must create value for Council and the community, through its focus on risk and assurance, with Council's strategic directives and objectives in mind. Members would need to consider risks which may affect achievement of Council's objectives, for example lack of community buy-in; affordability; and uncertainties arising from Council's operating environment which may threaten Council's strategy.
- The focus for Risk and Assurance Committee members was risk governance, not risk management.
- There should be constructive tension between governors and staff. Part of the governor's role was to ask searching questions, but in a way that supported the constructive relationship i.e. working *with* management, not against management.
- Governors should be solution-focused. This supports a safe environment in which to ask those searching questions of management.
- In terms of the three risk categories (operational, organisational and strategic), the role of governors was to focus on strategic risks and then in relation to other risks, to be satisfied that there are appropriate systems and processes in place to govern the risk environment. The mechanism for this was management reporting via assurance matrices and programmes.

RACC202603/02 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Wahine Murch

That the Risk and Assurance Committee receives the information provided to support members in their role for the 2025-28 Triennium.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202603/02 above.

5.3 AUDIT MANAGEMENT REPORT FOR 2024-25 ANNUAL REPORT

The Finance Manager presented the report, advising that its format had changed from previous years to focus on new matters requiring governance attention, with ongoing audit items managed through regular reporting.

The General Manager Organisation Performance, the General Manager Community Infrastructure and Services and the Finance Manager answered questions and the following points were noted:

- In relation to Recommendation 1 (documentation of roading quality assurance supporting evidence), contract documents had been changed to ensure Council did not issue practical completion until all required 'as built' documentation was in place. Some historical contracts did not have these clauses, but Council's contract managers were actively monitoring receipt of documentary evidence. There were quite a number in this category. A larger improvement plan would need to be developed for assets in general (not just roading) in the future. The other consideration was Council's document management system change which was due to be completed in February 2027.
- In relation to Recommendation 2 (completeness of journal entries), adjustments recommended by Audit New Zealand would distort operational reporting for budget managers. The Chairperson acknowledged this was a relatively small matter, but hoped it would be able to be closed off before the next report.
- In relation to Recommendation 4 (Land Work-in Progress), Audit New Zealand had identified misstatements which had been corrected.

RACC202603/03 RESOLUTION

Moved: Cr Kylie Leonard
Seconded: Cr Rachel Cameron

That the Risk and Assurance Committee receives the Report to Management on the audit of Taupō District Council for the year ended 30 June 2025 (A3897632).

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202603/03 above.

5.4 2025/26 ANNUAL REPORT AUDIT ENGAGEMENT

The Finance Manager outlined the Auditor-General's appointment process and advised that Audit New Zealand had been reaffirmed as Council's auditor for the next three-year cycle, with Ms Liz Tombleson the appointed auditor. The proposed audit arrangements; the audit engagement letter; the audit proposal letter and audit plan; and a memorandum from Ms Tombleson were presented. Silks had been appointed as the auditor for Taupō District Council's Council-Controlled Organisations (CCOs).

In response to questions, the General Manager Organisation Performance advised that:

- Council was responsible for some of the increased audit hours, as a result of challenges obtaining asset information, for example.
- To save some costs this year, Council and Audit New Zealand had agreed to rely upon Council's valuer, rather than paying for an independent expert valuer employed by the auditor which had been the approach last year.
- The timing of valuations was being carefully considered.
- The team had committed to the dates.
- Details of the audit of Council's Water Services Strategy in conjunction with Council's overall audit were not yet clear.

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- It was likely that Council would again receive a qualification in the audit opinion as a result of challenges recording service performance information for 'three waters' and roading response times. Council had upgraded to the latest version of Assetfinda and staff were continuing to work with the contractor to identify and address challenges.

The Chairperson requested an annual report audit status update to the next ordinary Committee meeting (2 June 2026). He offered support to address any challenges or risks to achieving agreed milestones.

RACC202603/04 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Kylie Leonard

That the Risk and Assurance Committee:

1. Approves the Audit Engagement and Audit Proposal for the 2025/26, 2026/27 and 2027/28 Annual Reports;
2. Delegates authority to His Worship the Mayor to sign the appropriate documentation; and
3. Approves the Audit Plan for 2025/26 Annual Report.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202603/04 above.

5.5 FINANCIAL STRATEGY UPDATE

The Finance Manager advised that the update aligned with information provided to Council through monthly performance reporting and highlighted key financial risk indicators, including borrowings, investments, and rates collection.

The Chairperson encouraged members and staff to consider financial strategy reporting in relation to affordability risk.

RACC202603/05 RESOLUTION

Moved: Cr Kylie Leonard

Seconded: Cr Kevin Taylor

That the Risk and Assurance Committee receives the Financial Strategy update (A3897385)

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202603/05 above.

5.6 TREASURY UPDATE DECEMBER 2025

The Finance Manager presented the treasury reports provided by Council's advisors, including asset allocation, performance, and ESG reporting. The complete ESG attestation was tabled after having been inadvertently omitted from the agenda (A3897550).

In answer to a question, the Finance Manager advised that the value of the TEL fund when initially transferred to Forsyth Barr was \$63-64m and had increased to \$82.7m at the end of February 2026.

In answer to another question, the General Manager Organisation Performance confirmed that the policy breach was very slight and at the time it was identified, it was not favourable to Council to take a swap in order to comply. The policy could be renewed alongside the Long-term Plan process.

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It was noted that the financial markets had changed since the reports were issued, as a result of the Iran war.

The General Manager Organisation Performance offered to circulate treasury reports to members on a more regular basis, outside of the Committee meeting cycle.

In answer to final questions, the General Manager Organisation Performance advised that Forsyth Barr representatives presented to Council annually. Council set its Statement of Investment Policies and Objectives (SIPO) with Forsyth Barr and agreed upon the types of organisations Council would and would not invest in.

RACC202603/06 RESOLUTION

Moved: Mr Bruce Robertson
Seconded: Cr Sandra Greenslade

That the Risk and Assurance Committee receives the Taupō District Council Dashboard December 2025 (A3897551), the Taupō District Council – Asset Allocation & Performance Report December 2025 (A3897549) and the Taupō District Council - ESG Attestation - 31 December 2025 (A3897550).

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202603/06 above.

5.7 SIGNIFICANT PROJECTS RISK REPORT

The Project Management Office Manager presented the significant projects risk report, noting that what was presented to the Committee was high level and each project had a more detailed risk register sitting behind it. She explained that Council had updated its risk appetite in June 2025, which had resulted in lower risk ratings overall due to reclassifications. Other changes included a change to the most common type of risk identified (now time, used to be regulatory); and the addition of some new projects for oversight including the Taupō Wastewater Treatment Plant Programme.

In answer to a question, the Project Management Office Manager advised that there were no contractual ramifications as a result of the cancellation or delay of wastewater projects while the new wastewater standards were being reviewed. This was because the projects were in the early stages.

In answer to another question, the General Manager Community Infrastructure and Services advised that Taupō District Council staff were engaging with regional council peers to interpret the new wastewater standards and ascertain the impact on Council's Long-term Plan. It was possible that some consents could be impacted by the new standards, for example Council may need to do less.

A member asked if there was a third party involved in the Tūrangi Master Plan. The Project Management Office Manager replied that she did not have that detail but would follow up with the policy team and advise.

RACC202603/07 RESOLUTION

Moved: Mr Bruce Robertson
Seconded: Cr Sandra Greenslade

That the Risk and Assurance Committee receives the Significant Projects Risk report (A3900843).

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202603/07 above.

5.8 REFORM PROGRAMME AND LONG-TERM PLAN 2027

The Senior Policy Advisor and the Programme Manager presented the report, which was a combined update on the three waters reform programme along with the development of the Long-term Plan 2027-37 and the Water Services Strategy. They advised that teams were working closely to manage resources and monitor timelines to ensure work was prioritised appropriately.

An error on the Long-term Plan 2027 diagram on page 105 of the agenda was corrected, with the target date for final adoption of documents being June 2027, not 2026.

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

- Council was on-track to achieve financial separation for three waters in time to meet reporting deadlines.
- There was a separate timeline for development of the Water Services Strategy.
- The Taupō District Water Services Committee would be meeting monthly and would provide governance oversight of three waters functions, including external reporting requirements.

RACC202603/08 RESOLUTION

Moved: Cr Kylie Leonard

Seconded: Cr Sandra Greenslade

That the Risk and Assurance Committee receives the Reform Programme and Long-term Plan 2027-37 report.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202603/08 above.

5.9 TAUPŌ DISTRICT EMERGENCY MANAGEMENT UPDATE

The Community Engagement and Development Manager and the Senior Emergency Management Advisor presented the report. The following points were noted:

- The Civil Defence Emergency Management 18-month Work Plan was in draft and so it was expected that there would be clarity on timelines and Taupō District Council commitments when the team next presented to the Committee.
- The focus over the last three months had been assessing current operational readiness and developing the training calendar.
- The annual civil defence exercise would take place on 8 May 2026.
- Taupō District Council staff had been deployed to assist other councils respond to severe weather events in January and February 2026.
- Community capability and Marae readiness sessions were underway.

In answer to questions, the Community Engagement and Development Manager advised that:

- Taupō District Council was part of the Waikato Civil Defence Emergency Management Group (the Group). Council's focus was the entire district, including Ngāti Tahu/Ngāti Whaoa and Mangakino communities.
- Council was responsible for response, readiness and coordination across the district. The team was required to work closely with first response agencies in emergency events. Quarterly meetings were held to ensure good relationships and partnerships were in place.
- An emergency services day was taking place at Kaimanawa Reserve on Sunday 15 March 2026.
- One of the biggest risks to the civil defence / emergency management function was Council's ability to resource and respond to events, including the risk of staff fatigue and the ability of staff to respond for a sustained period of time. The Chief Executive added that this was monitored at the regional level, with the Group receiving quarterly updates.

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Members asked for a column to be added to the Work Plan to indicate Council's progress, particularly in relation to Priority 1 matters.

RACC202603/09 RESOLUTION

Moved: Cr Kevin Taylor
Seconded: Cr Kylie Leonard

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202603/09 above.

The meeting adjourned at this point (12.32pm) and reconvened at 12.56pm.

5.10 HEALTH, SAFETY AND WELLBEING UPDATE

The Business Excellence Manager introduced the Business Excellence Coordinator and summarised the report.

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

- Council vehicles were GPS-monitored. The fleet manager provided regular reports to the executive team.
- There was a prevalence of aggressive and threatening behaviour incidents at the Superloos on Tongariro Domain and Council's customer service centre at 30 Tongariro Street, Taupō.
- The frequency of aggressive and threatening behaviour incidents often increased in August, as Council's compliance team completed dog seizures following the dog registration period.
- Pools were another area in which aggressive and threatening incidents sometimes occurred.
- The One Health framework had not been considered by Council, however as part of all investigations into management of critical risks, a literature review of industry best practice was conducted to ensure what was in place for Taupō District Council was aligned and appropriate controls were not being missed.
- A zero tolerance for aggressive and threatening behaviour document was being developed to support Council staff. This could be shared with the community to raise awareness and show where Council would 'draw the line'.
- Other controls for the aggressive and threatening behaviour risk included clear processes for trespassing people; considering physical security at different locations; and systems, processes and training for staff who interact with customers out in the community and in Council venues. De-escalation training was in place and would be 'rolled out' to staff experiencing repeated negative feedback via telephone.

RACC202603/10 RESOLUTION

Moved: Cr Nicola de Lautour
Seconded: Cr Kylie Leonard

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202603/10 above.

5.11 INSURANCE UPDATE

The Business Excellence Manager and the Risk Advisor presented the report. Aon's global insurance market insights report Q4 2025 had also been attached to the agenda. The Business Excellence Manager highlighted the following key points:

- Council had a number of insurance policies which were all procured jointly through the Bay of Plenty Local Authority Shared Services (BOPLASS) group. Insurance was a significant area of expenditure for Council with premiums of \$2m+ per annum.
- The insurance market had experienced steep increases in premiums each year for the last seven years, but had 'softened' over the last year, which had resulted in a significant (18% decrease) on last year's property insurance premiums.
- Aon had advised that insurers would continue to be selective in relation to high risk areas.
- Above-ground infrastructure was covered by material damage and business interruption insurance policies. Below-ground infrastructure insurance had been in place since December 2024 (prior to that, Council had self-insured via its TEL fund).
- The balancing act between the cost of insurance and exposure was depicted in Figure 1.
- Table 1 provided a summary of expected losses to three waters assets as a result of earthquake at a 1:1000 year likelihood, with limitations to the model noted (lateral spreading risks not taken into account). Council's three waters team was working with specialist geotechnical engineers to better understand risks to Council's three waters infrastructure for future planning purposes.

Staff answered members' questions as follows:

- Depreciated values were generally used for insurance purposes, rather than the cost of replacement.
- There had been a number of small claims in recent times, but no significant claims, therefore Council's claims profile was not adversely affecting its ability to procure insurance.

It was noted that a workshop would be scheduled to enable a more in-depth, strategic discussion to be had about insurance prior to renewal.

RACC202603/11 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Wahine Murch

That the Risk and Assurance Committee receives the Insurance Update report.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202603/11 above.

5.12 RISK MANAGEMENT UPDATE

The Risk Advisor summarised the report and the following points were noted:

- A new risk appetite statement and risk management framework had been adopted in September 2025. Since then, nine out of Council's 10 strategic risks had been analysed in light of the new risk appetite and framework, with one risk identified as 'above appetite', being the Zero Harm risk.
- An enterprise risk management programme would be implemented in the near future.
- Two emerging risks had been identified, being procurement and delivery market conditions risk; and New Zealand's security threat environment.

In answer to a question, the General Manager Organisation Performance corrected errors on page 197 of the agenda, explaining that the Compliance and Legal Liabilities risk rating was Low and within appetite.

Members requested another column be added to the strategic risk table, to enable members to monitor emerging risks. They discussed the strategic risks and the risk ratings presented in the report. Points raised included:

- Council would need to reconsider the strategic risks. It may be appropriate to do this at a workshop in the near future, given the number of new elected members; the fact that the Annual Plan 2025-26 was due to be finalised in the next three months; and Long-term Plan 2027-37 visioning was already underway.
- Biosecurity was highlighted as a potential additional strategic risk, given the importance of forestry and agriculture to Taupō District.
- Actions were in place to address the Zero Harm risk rating.
- Current ratings were acknowledged, but it was noted that some ratings could climb as a result of strong headwinds facing councils throughout the country.

In response to a final question, the General Manager Community Infrastructure and Services advised that there was a significant stormwater diversion pond in place for overflow at the Taupō wastewater treatment plant.

RACC202603/12 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Mayor John Funnell

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202603/12 above.

5.13 ASSURANCE REPORT

The Risk Advisor introduced the report. He explained that Council had engaged KPMG to review sources of assurance across the organisation using the industry standard Lines of Defence framework set out in Figure 1, and then draft an internal audit programme for management and governance consideration. KPMG had also completed two internal reviews, being a follow-up to the health and safety review conducted in 2023; and a cyber incident review which would be presented in the public excluded part of the meeting.

KMPG representatives Christian Galero, Aashita Mehta, Murtaza Ali were present online via MS Teams.

Assurance Mapping and Internal Audit Programme

Mr Murtaza Ali addressed the Committee. He presented the proposed internal audit programme and answered questions. The following points were noted:

- The programme could be adjusted if required. Any changes would be brought back to the Committee.
- It was not unusual for councils to have a strong defence Line 1, but a weaker Line 2. The Council was slowly and gradually building Line 2 assurance capability and activity.

The Chairperson queried whether the privacy review should be the first piece of work, or whether the other reviews should take priority given their relevance to the Long-term Plan. The General Manager Organisation Performance advised that the executive team had considered internal resourcing for the KPMG work and also the Long-term Plan 2027-37 project, when developing the proposed internal audit programme with KPMG. The Chief Executive added that it was not possible to do everything at once and impacts on teams had been considered when preparing the programme.

Health and Safety follow up review

Mr Christian Galero addressed the Committee. He presented the findings of the health and safety follow up review and answered questions. The following points were noted:

- It was important to have clear linkages between risk assessments, for example business unit risk assessments need to feed into critical risk assessments.
- The Business Excellence Team as sponsor had good visibility of progress against critical risks, but this should be elevated to ensure executive team visibility too.
- In relation to potential resource constraints, Council did have a robust, multi-year, detailed plan. The key question was, can the plan be elevated within current resources?
- Four out of the 11 critical risks had been addressed to date.
- Governance could be kept informed of progress via dashboard, to support real-time visibility. Governance reporting was in place for those risks sponsored by the Business Excellence Team.

Members approved the report and the internal audit plan as presented, with no changes to the order in which the audits would be conducted.

The Chairperson thanked the KPMG representatives for their reports. He also thanked staff for being up-front about resourcing implications.

RACC202603/13 RESOLUTION

Moved: Mr Bruce Robertson

Seconded: Cr Kylie Leonard

That the Risk and Assurance Committee:

1. Approves the Assurance report;
2. Approves the Taupō District Council FY2026-2028 Draft Internal Audit Plan attached to the agenda; and
3. Receives the report from the 2025 KPMG Health and Safety review.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202603/13 above.

5.14 RISK AND ASSURANCE COMMITTEE WORKPLAN UPDATE**RACC202603/14 RESOLUTION**

Moved: Mr Bruce Robertson

Seconded: Cr Rachel Cameron

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

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202603/14 above.

6 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS**RACC202603/15 RESOLUTION**

Moved: Mr Bruce Robertson

Seconded: Cr Kylie Leonard

RESOLUTION TO EXCLUDE THE PUBLIC

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution	Plain English reason for passing this resolution in relation to each matter
Agenda Item No: 6.1 Cybersecurity Update and Incident Review	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 to avoid any sensitive security vulnerabilities being exploited by cybercriminals
Agenda Item No: 6.2 Legal and Litigation Update	Section 7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7	For Council to receive legal advice in relation to legal and litigation matters, and to maintain legal professional privilege in relation to that advice/matters.

I also move that *KPMG representatives Philip Whitmore and Murtaza Ali* be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of *the cybersecurity update and incident review*. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because *KPMG carried out a post-incident review and provided a report on the findings of that review*.

CARRIED

Note: All members present at the Risk and Assurance Committee meeting voted in favour of resolution RACC202603/15 above.

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The meeting closed at 3.11pm.

The minutes of this meeting were confirmed at the Risk and Assurance Committee Meeting held on 2 June 2026.

.....
CHAIRPERSON



Quarterly Treasury Dashboard

31 March 2026



Economic Commentary

Global

2

Financial markets ended the March quarter in a more cautious mood than they began it. The conflict in the Middle East pushed oil prices sharply higher, lifting inflation concerns, and driving global interest rates higher, while equities became more volatile and the US dollar strengthened. The outlook now depends heavily on how soon the conflict is resolved, with a prolonged period of disruption likely to exacerbate pressure on energy prices, inflation, global growth, and interest rates.

The US economy still looks resilient, but it has clearly cooled. Growth slowed into late 2025, inflation is lower than a year ago but not yet fully settled, and payroll growth has eased enough to suggest the labour market is softening, leaving the US Federal Reserve to balance slower growth against higher inflation. Recently, higher inflation has been the market's primary concern, with the 10-year US Treasury yield ending the March quarter at 4.32%, up from 4.17% at the start of the quarter.

Australia has held up better than most major economies recently. Strong government spending and migration has supported growth; however, inflation remains sticky. After delivering three interest rate cuts over 2025, the RBA reversed course and lifted its cash rate in both February and March, the cash rate finishing the quarter at 4.10%. Households are still feeling cost pressures, as higher interest rates and fuel prices threaten to compound the pain. This has already affected consumer confidence, which is now at its lowest level since the series began in 1973. The 10-year Australian government bond yield rose from 4.75% in January to just below 5.00% by quarter-end.

Elsewhere, the picture remained uneven. China showed some improvement in manufacturing, but weak domestic demand still makes the recovery look fragile. Japan is facing imported inflation, driven by higher oil prices and a weak yen, which should help the Bank of Japan increase interest rates. Europe has seen moderate growth, while the latest energy price shock has made the inflation outlook less comfortable.

New Zealand

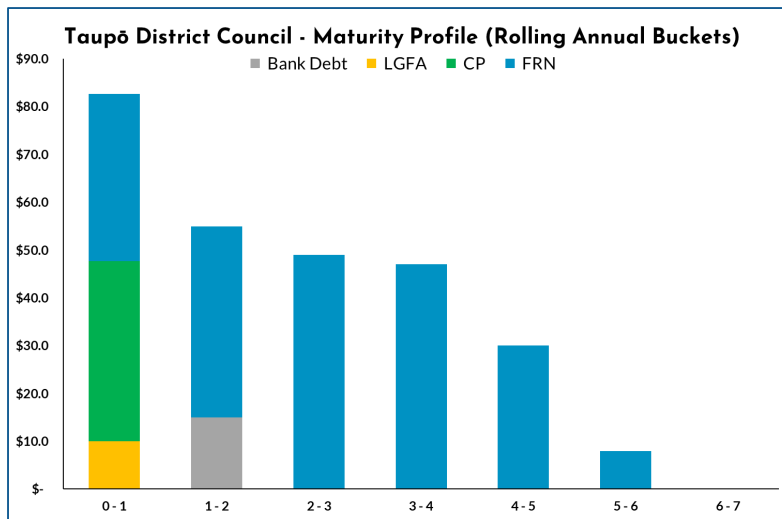
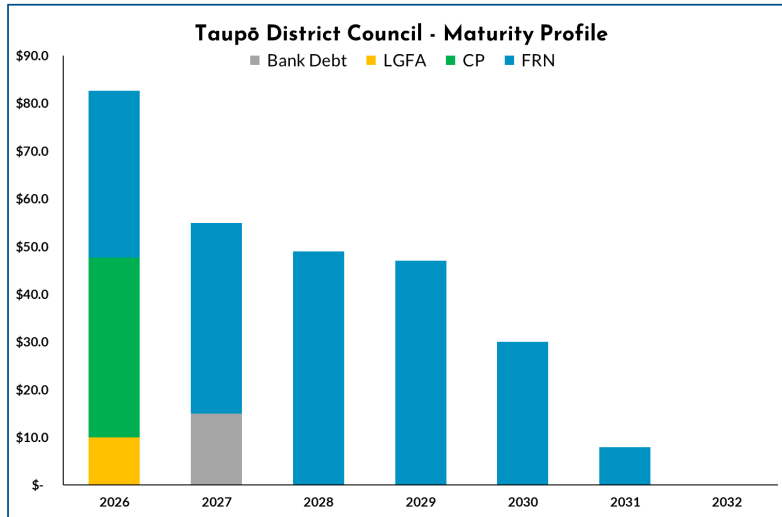
	OCR	90 day	1 year swap	2 year swap	3 year swap	5 year swap	10 year swap
31-Dec-25	2.25%	2.52%	2.61%	2.93%	3.20%	3.56%	4.09%
31-Mar-26	2.25%	2.54%	2.92%	3.43%	3.69%	3.96%	4.32%
Change	0.00%	+0.02%	+0.31%	+0.50%	+0.49%	+0.40%	+0.23%

New Zealand entered 2026 with signs that the economy was starting to improve. Growth had returned in the second half of 2025, economic sentiment was picking up, - helped by stimulatory interest rates. The RBNZ left the OCR unchanged at 2.25% in February, noting the economy was at an early stage of recovery, and forecast GDP growth of 2.8% over 2026.

Nevertheless, the domestic outlook has changed drastically as the war in the Middle East is set to test the improving narrative. Higher oil and prices have lifted inflation risks, pushing interest rates higher while also threatening growth by raising costs and weighing on confidence. In March, business confidence fell from 59.2 to 32.5, while consumer confidence fell from 100.1 to 91.3. Ultimately, this has made the interest rate outlook less clear than it was previously. Since the conflict began, the three-year swap rate has risen around 50bp to 3.69%, while the New Zealand 10-year government bond yield is around 40bp higher at 4.72%, tightening financial conditions just as domestic momentum was tentatively beginning to improve. As noted above, the domestic outlook now depends heavily on how soon the conflict is resolved.

Liquidity and Funding

3



Debt
\$246.7m
 External Council Drawn Debt

LGFA
\$209.0m
 Funds Drawn from LGFA

Headroom
\$25.0m
 Undrawn Funding Facilities (LGFA and Bank)

Cash, TD'S and Managed Fund
\$123.89m

Total Liquidity
\$143.89m

Liquidity Ratio
160.36%
 (Cash, TD's, Managed Fund + Lines of Credit)

Funding Maturity				
Maturity (Years)	Minimum	Maximum	Actual	Compliant
0 - 3	15%	60%	68.71%	No
3 - 7	25%	85%	31.29%	Yes
7+	0%	60%	0.00%	Yes

Policy Compliance		Compliant
Have all transactions been transacted in compliance with policy?		Yes
Is fixed interest rate cover within policy control limits?		Yes
Is the funding maturity profile within policy control limits?		No
Is liquidity within policy control limits?		Yes
Is the investment maturity profile within policy control limits?		Yes

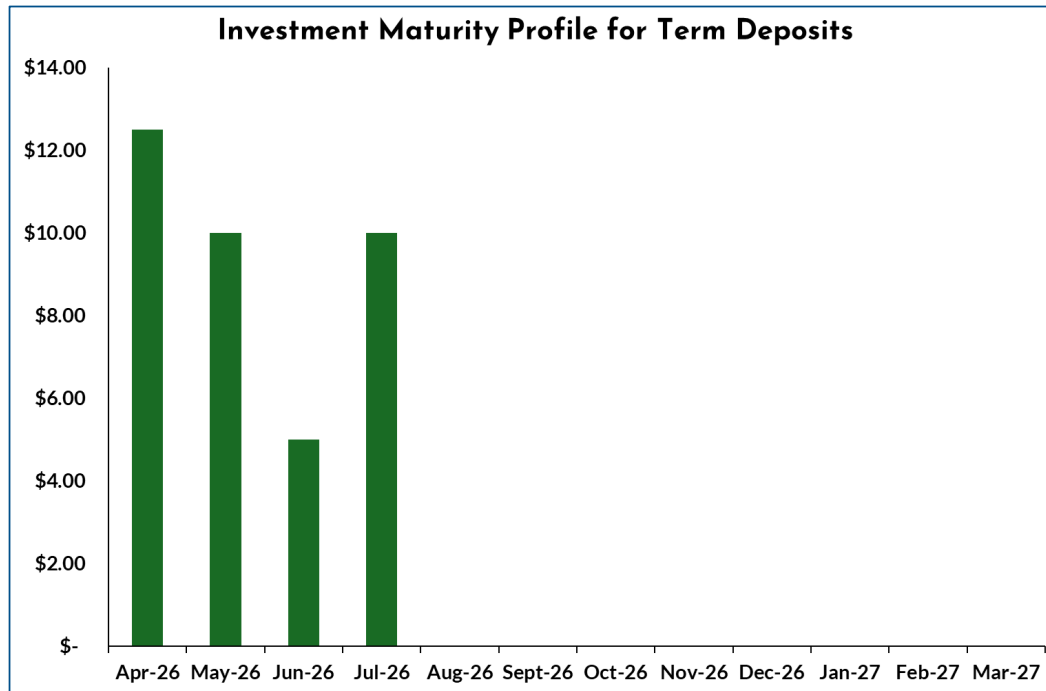
The non compliance in the Funding Maturity profile was identified and discussed with the Chair of the Audit and Risk and the GM Organisation Performance in December. It was agreed that the current parameters were not appropriate and that a policy change would be desirable.



Term Deposits

4

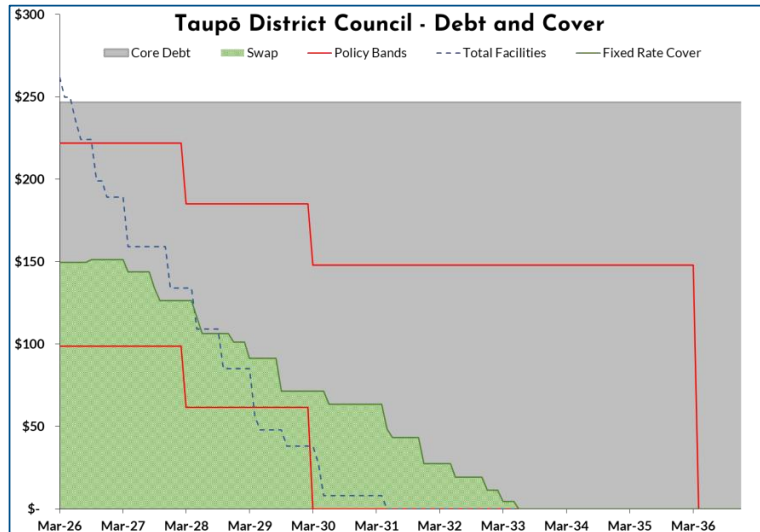
As at 31 March 2026, Taupo DC had \$37.5 million of Term Deposits in the General Fund, with a weighted average rate of 3.04%, Details of the Term Deposits are as follows:



Term Deposits		
Maturity Date	Rate	Amount
10-Apr-26	3.45%	5,000,000
1-May-26	3.30%	5,000,000
19-Jun-26	3.20%	5,000,000
20-Apr-26	2.70%	7,500,000
9-Jul-26	2.98%	5,000,000
20-Jul-26	3.09%	5,000,000
8-May-26	2.75%	5,000,000
Weighted Average Rate		3.04%
Total Current TDs		37,500,000

Interest Rate Risk Management

5

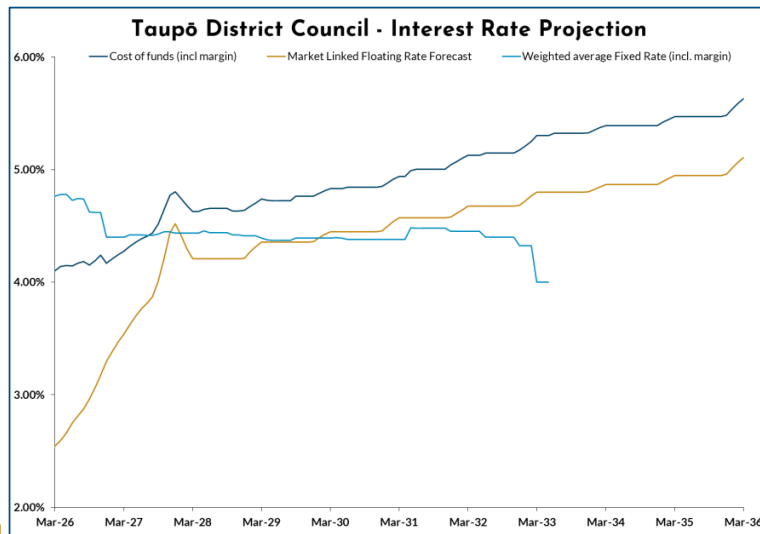


Key Metrics

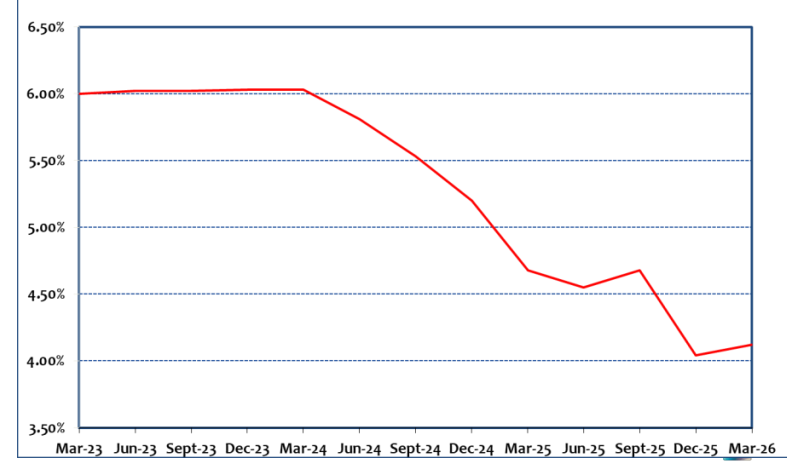
Current % of Debt Fixed	60.6%
Current % of Debt Floating	39.4%
Value of Fixed Rate (m)	\$149.4
Weighted Average Cost of Fixed Rate Instruments	4.22%
Value of Forward Starting Cover	\$30.4
Weighted Average Cost of Forward Starting Cover	3.90%
Value of Floating Rate (m)	\$97.3
Current Floating Rate	2.54%
All Up Weighted Average Cost of Funds Including Margin	4.12%
Total Facilities In Place	\$261.7

Policy Bands

Maturity (Years)	Minimum	Maximum	Average	Compliant
0 - 2	40%	90%	58.1%	Yes
2 - 4	25%	75%	38.6%	Yes
4 - 10	0%	60%	8.7%	Yes



Taupo DC - Cost of funds (currently 4.12%) back to March 2023



Interest Rate Swaps and Funding

6

As at 31March 2026, TDC had \$246.67m of drawn debt facilities and 21 interest rate swaps, 17 of which were current and 4 forward starting, as detailed below:

Swaps				
Start Date	Maturity Date	Rate	Amount	MTM
30-Dec-15	30-Jun-26	6.02%	\$4,400,000	-\$37,957.91
30-Dec-15	30-Sept-26	6.08%	\$8,100,000	-\$71,081.84
30-Dec-15	30-Dec-26	6.00%	\$16,000,000	-\$386,433.51
15-Apr-25	15-Apr-27	3.46%	\$7,500,000	\$54,722.86
28-Jun-19	30-Sept-27	3.70%	\$10,000,000	-\$70,685.08
15-Apr-25	15-Oct-27	3.50%	\$7,500,000	\$44,670.86
15-May-25	15-May-28	3.56%	\$10,000,000	-\$34,158.16
30-Mar-25	30-Jun-28	4.05%	\$10,000,000	-\$119,879.00
31-Mar-25	29-Dec-28	4.05%	\$5,000,000	-\$56,070.17
28-Jun-24	28-Mar-29	4.05%	\$10,000,000	-\$108,225.79
31-Mar-25	28-Sept-29	3.58%	\$10,000,000	\$58,739.71
28-Jun-24	28-Jun-30	3.95%	\$7,900,000	-\$29,451.11
25-Feb-26	15-May-31	3.51%	\$15,000,000	\$291,407.62
28-Jun-24	30-Jun-31	3.97%	\$5,000,000	-\$2,277.49
30-Dec-25	31-Dec-31	4.04%	\$8,000,000	-\$13,939.01
30-Dec-25	30-Jun-32	4.06%	\$8,000,000	-\$5,232.97
31-Mar-25	31-Mar-33	4.00%	\$7,000,000	\$45,389.98
Total Current Swaps			\$149,400,000	-\$440,461.01

Forward Starting Swaps				
Start Date	Maturity Date	Rate	Amount	MTM
30-Sept-26	30-Sept-29	3.95%	\$10,000,000	\$2,024.78
30-Dec-26	30-Dec-31	3.96%	\$8,000,000	\$90,593.86
30-Dec-26	30-Dec-32	3.99%	\$8,000,000	\$119,906.86
30-Jun-26	30-Jun-33	3.48%	\$4,400,000	\$190,243.75
Total Forward Starting Swaps			\$30,400,000.00	\$402,769.25

Debt Facilities				
Instrument	Maturity Date	Rate	Margin	Amount
CP	8-Apr-26	2.6150%	0.1100%	\$5,961,560
CP	8-Apr-26	2.6150%	0.1100%	\$5,961,560
CP	29-Jul-26	2.7750%	0.1800%	\$11,837,998
CP	2-Jun-26	2.5650%	0.0800%	\$10,929,340
CP	2-Jun-26	2.5550%	0.0700%	\$2,980,804
LGFA FRN	15-Apr-26	3.0900%	0.5850%	\$10,000,000
LGFA FRN	15-Oct-26	3.0750%	0.5700%	\$15,000,000
LGFA FRN	15-Oct-26	2.9900%	0.4850%	\$10,000,000
LGFA FRN	15-Apr-27	2.9925%	0.4875%	\$15,000,000
LGFA FRN	15-Apr-27	3.0750%	0.5700%	\$5,000,000
LGFA FRN	15-Apr-27	3.0250%	0.5200%	\$10,000,000
LGFA FRN	15-Dec-27	3.0940%	0.5640%	\$10,000,000
LGFA FRN	15-May-28	3.0050%	0.5000%	\$15,000,000
LGFA FRN	15-May-28	3.1750%	0.6700%	\$10,000,000
LGFA FRN	15-Oct-28	3.2720%	0.7670%	\$14,000,000
LGFA FRN	15-Oct-28	3.3030%	0.7980%	\$10,000,000
LGFA FRN	20-Apr-29	2.9375%	0.4325%	\$10,000,000
LGFA FRN	20-Apr-29	3.3350%	0.8300%	\$9,000,000
LGFA FRN	20-Apr-29	3.2750%	0.7700%	\$10,000,000
LGFA FRN	15-May-29	3.1575%	0.6525%	\$8,000,000
LGFA FRN	15-Oct-29	3.1050%	0.6000%	\$10,000,000
LGFA FRN	15-Apr-30	2.9400%	0.4350%	\$10,000,000
LGFA FRN	15-May-30	3.0750%	0.5700%	\$10,000,000
LGFA FRN	15-May-30	0.5300%	0.5300%	\$10,000,000
LGFA FRN	15-May-31	3.2025%	0.6975%	\$8,000,000
Total				\$246,671,261

LGFA Borrowing Rates

7

Listed below are the credit spreads and applicable interest rates as at the end of the March 2026 quarter for Commercial Paper ("CP"), Floating Rate Notes ("FRN") and Fixed Rate Bonds ("FRB"), at which the council could source debt from the Local Government Funding Agency ("LGFA").

Maturity	Margin	FRN (or CP Rate)	FRB
3 month CP	0.15%	2.69%	N/A
6 month CP	0.15%	2.95%	N/A
Apr-27	0.43%	3.12%	3.45%
May-28	0.58%	3.27%	4.16%
Apr-29	0.61%	3.30%	4.43%
May-30	0.70%	3.39%	4.66%
May-31	0.79%	3.48%	4.86%
May-32	0.88%	3.57%	5.04%
Apr-33	0.97%	3.66%	5.19%
May-35	1.08%	3.77%	5.43%
Apr-37	1.10%	3.79%	5.55%

Disclaimer

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www.bancorp.co.nz

Strategic Asset Allocation

Taupo District Council - 6000004

as at 31 March 2026

	Actual Allocation (NZ\$)	Actual Weight	Target Allocation (NZ\$)	Target Weight
Cash	6,537,089	8.1%	6,419,325	8.0%
Fixed Interest	27,196,817	33.9%	25,677,302	32.0%
Income Assets	33,733,907	42.0%	32,096,627	40.0%
Minimum Income Asset Exposure				30.0%
Property	3,824,376	4.8%	4,012,078	5.0%
Equity NZ	7,501,428	9.3%	8,024,157	10.0%
Equity AU	7,602,947	9.5%	8,024,157	10.0%
Equity International	27,578,910	34.4%	28,084,549	35.0%
Growth Assets	46,507,661	58.0%	48,144,941	60.0%
Maximum Growth Asset Exposure				70.0%
Total	80,241,568	100.0%	80,241,568	100.0%

Performance Summary

Taupo District Council - 6000004

1 April 2025 to 31 March 2026

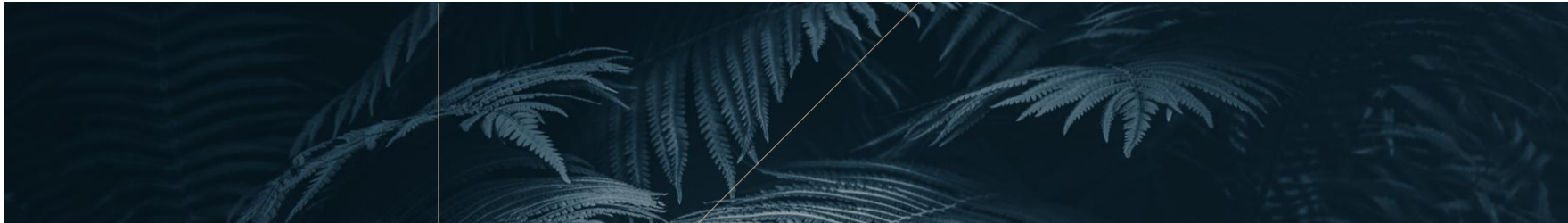
Opening Market Value	75,032,638
Transfers In	-
Transfers Out	-
Realised Gain/Loss	2,084,226
Realised FX Gain	157,702
Realised Price Gain	1,926,524
Unrealised Gain/Loss	328,511
Unrealised FX Gain	2,526,826
Unrealised Price Gain	- 2,198,315
Net Income	2,964,752
Change in Accrued Income	27,888
Portfolio Fees	- 196,446
Closing Market Value	80,241,568
Return Before Tax, After Fees	7.13%

Source: SecuritEase

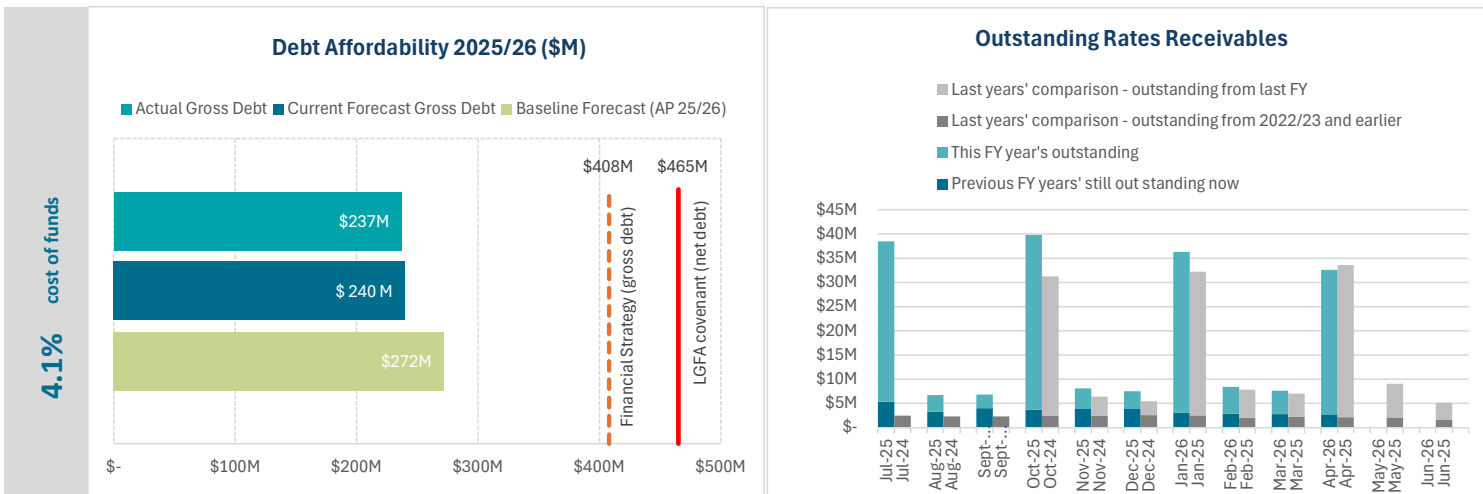
Note: This performance summary is calculated as the portfolio's internal rate of return (IRR) and is shown on a before tax but after fees basis. Asset allocation weightings are shown as at the period ended. Fixed Interest asset class performance may include NZ Fixed Interest and Global Fixed Interest securities.

Disclaimer: This report summarises and groups the main portfolio cash flows for the period specified. Whilst the return provided is a reflection of all cash flows, the report itself should not be treated as a cash flow statement, as not all cash flows may be separately listed. This report is interim only and some of the figures included may be subject to change due to some data being unprocessed at the time this report is created. The information shown in this report is obtained from various sources believed to be reliable and while every effort has been made to ensure accuracy, no liability is accepted for any errors or omissions.

Item 5.2- Attac



Financial Strategy

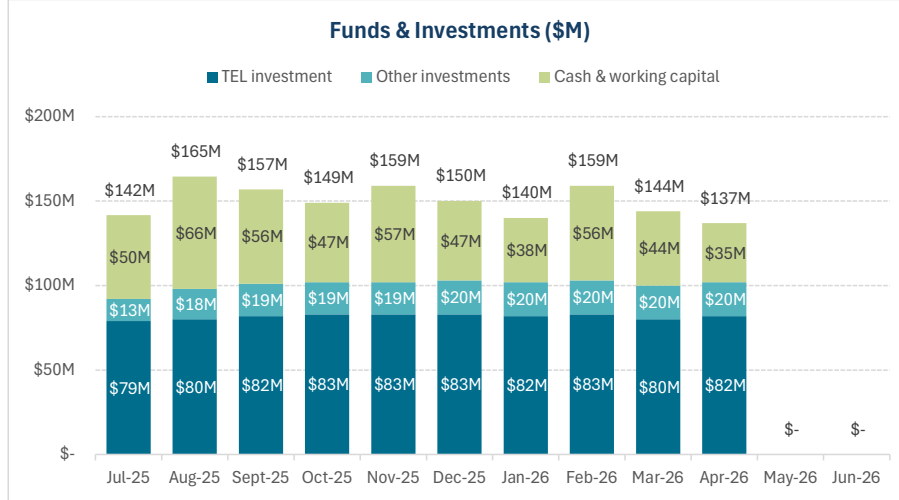


TEL investment has stabilised after a small reduction in March caused by global uncertainty.

Looking forward we are in position that sees us well within our LGFA Covenants. We are anticipating that minimal further external borrowing will be required before June and have adjusted our forecasted debt position at year end accordingly allowing for a small increase.

Councils cost of capital has also stabilised however the conflict in the Middle East will continue to affect financial markets. Council is protected to some extent from our interest rate derivatives which help to keep our cost of capital at the current levels.

Total rates debt is below the same period last year.



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31 March 2026

5.6 ANNUAL PLAN 26/27 - DRAFT FINANCIAL DIRECTION**Author:** Andrew Wilson, Policy Advisor**Authorised by:** Warrick Zander, General Manager Strategy and Environment**TE PŪTAKE | PURPOSE**

The purpose of this paper is to confirm the draft financial direction for the purpose of finalising the Annual Plan.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

The Long-term Plan 2024–34 that was approved on 30 September 2024 forecast an average rates increase of 6.7% for the 2026/27 financial year, including water services. Since the adoption of the Long-term Plan, the organisation continues to experience significant unanticipated cost increases, with a large proportion of this pressure relating to core services. Changes to operating assumptions and budgets are therefore proposed to control costs and respond to affordability concerns.

In preparing the draft financial direction, several key factors have been considered. While rates caps have been widely discussed in the media, no legislative cap is currently in place, and none applies to the 2026/27 Annual Plan. Based on current government signals, any future rates capping regime is expected to exclude water services, which face significant cost pressures due to government reforms and increased standards. Council has also considered the limited scope available through an Annual Plan to make major adjustments, compared with the greater flexibility offered through the upcoming Long-term Plan 2027–37. Without any of the proposed changes to operating assumptions and budgets, the forecast rates increase for 2026/27 would be approximately 7.7 percent. The proposed draft financial direction identifies trade-offs and cost control measures that are expected to result in an average rates increase of 6.6 percent for the 2026/27 year, including water services.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council directs officers to prepare the 2026/27 Annual Plan in accordance with option 1, with the identified project and risk-based budget trade-offs to achieve an expected 6.6% average rates increase.

TE WHAKAMAHUKI | BACKGROUND

The Long-term Plan 2024–34 (the LTP) was adopted on 30 September 2024 and outlines what Council intends to deliver for the community over the next 10 years, the cost of providing these services, what new investment is required and how it will be funded. Under the Local Government Act 2002, Council is required to prepare and adopt an Annual Plan for each of the two financial years following the adoption of the Long-term Plan. Under the Local Government Act the purpose of the Annual Plan is for Council to confirm or make limited adjustments to aspects of the Long-term Plan and to set rates for the upcoming financial year.

The proposed draft financial direction has been discussed by Council at a public workshop on 5 February and a closed workshop on 24 February. The closed workshop was held under the Local Government Official Information Act 1987 Sections 7(2) (a), (f)(i), and (h) to protect commercial and personal sensitivities and enable free and frank discussion. A range of matters were discussed across these workshops, including the Annual Plan process, consultation requirements, cost drivers, assumptions and potential trade-offs, which have informed the proposals outlined in this report.

Council also discussed the future introduction of rates capping legislation. Rates caps have not yet been implemented, and no cap applies to the 2026/27 Annual Plan. Current government signals indicate councils will be required to consider rates caps from 2027, with enforcement expected from 2029. Once draft legislation is introduced in mid-year at the earliest as a Bill, Council will have greater clarity on which services and activities would be subject to any future cap. At this stage, central government has signalled that water services are expected to be excluded from rates caps.

In considering rates capping discussions officers have produced the below table which highlights the rates increase year on year split between waters and the rest of Council. When considered collectively as part of the proposed 6.6% rates increase waters make up 44% of the cost increase or 2.9% of the 6.6% average increase. The rest of Council makes up 56% of the increase or 3.7% of the 6.6%. However, if these activities are considered as isolated activities with their own costs and revenues waters is facing a 7.1% increase and the rest of Council is facing a 5.6% rates increase.

Draft Financials at 6.6% increase	Total	Waters	Rest of Council
Rates Increase Year on Year	\$ 7,315,576	\$ 3,230,416	\$ 4,085,160
Share of Increase	100%	44%	56%
Share of the average rates increase (total cost)	6.6%	2.9%	3.7%
Rates revenue increase (each areas rates increase, if they are looked at individually)		7.1%	5.6%

Council recognises ongoing community concerns around rates affordability. Officers are working with Elected Members through the development of the Long-term Plan 2027–37, where there is greater scope to consider changes to services and levels of service to help manage future rates increases. This work is already underway, with a series of workshops focused on levels of service.

Property revaluations are currently in progress, with Council awaiting approval from the Valuer General. Revaluations will impact ratepayers in this Annual Plan due to changes in property values. This is because valuations determine the share of the rates requirement a property pays, but do not determine the total amount of rates Council is required to collect.

Following the workshop discussions officers have prepared this report that seeks the adoption of a set of trade-offs and assumptions so the Annual Plan can be prepared ahead of the legislative deadline of 30 June 2026.

NGĀ KŌRERORERO | DISCUSSION

The Annual Plan is fundamentally a budget adjustment process; it enables Council to make changes to its budgets but there are some limitations under the Local Government Act. Council through an Annual Plan cannot make changes to significant levels of service and Council could not make budgetary changes that could reasonably be expected to result in changes to those levels of service. Based on community concerns about rates affordability officers have sought guidance from Council on what risks they would be willing to accept and what trade-offs they would be willing to make to manage these affordability concerns.

Considering these limitations and the concerns about rates affordability officers have reviewed budgets and work programmes for the upcoming financial year. Initially staff identified significant year on year cost increases. These relate to essential business costs including but not limited to:

Driver	Reason	Year on Year Increase	Rating Impact
Depreciation & Amortisation	Construction costs continue to rise and therefore the replacement value of our assets does as well. \$1.9M of this increase was to correct negative 3 waters depreciation reserve balance from earlier renewals due to increased water standards. This was planned for LTP year 3 and was factored into Water Service Delivery Plan	+3,940,000	+3.2%
Staff costs	Staff costs increase primarily driven by market inflation, legislated KiwiSaver changes, new regulatory (water) roles, and reduced churn (market related).	+1,948,000	+1.57%
NZTA Engineering Charges	Expected NZTA subsidy will be less than forecast	+\$516,000	+0.42%
Financing costs and Interest income	We are forecasting a reduction in income from interest and an increase in debt servicing costs.	+\$483,000	+0.4%
Solid Waste Contract	Council signed a new contract for solid waste which	+408,000	+0.33%

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31 March 2026

	started this financial year. The contract establishment costs have been smoothed across the contract period. This means ratepayers don't have to pay all the establishment costs in the first year.		
Rates Remissions	Based on current year trends we are assuming a higher rate of remissions than usual	+\$345,000	+0.3%
Maintenance Costs	Alongside depreciation rising construction costs place pressure on maintenance costs	+\$319,000	+0.26%
Electricity	Rising cost of electricity as experienced across the market	+\$270,000	+0.22%
Operating Levies	Increase driven by Three waters regulator levies	+\$235,000	+0.20%
Other	Several smaller cost drivers such as materials and supplies (e.g. chemicals), postage, cleaning contract costs, and inflationary impacts	+\$581,000	+0.47%

To avoid a rates increase of over 7.7%, officers are proposing reductions to operational budgets of approximately \$1.7 million. These include operational budget reductions for emissions trading scheme credits, disaster relief fund contributions, and funding for Destination Great Lake Taupō (DGLT). The Long-term Plan had only sought to reduce year 1 funding for DGLT however this reduction was continued into year 2 and is now proposed to carry on into year 3. This will result in an expected average rates increase of 6.6% which is comparable (0.1% lower) to what was forecast for Year 3 of the Long-term Plan 2024-34.

The proposal is not significantly different to the direction set in the Long-term Plan. The proposed trade-offs and changes to assumptions 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 next year.

1. Budgetary Assumptions

Council operates under several budgetary assumptions for each financial year, such as the cost of insurance and emissions trading scheme credit prices. It is proposed that these assumptions are adjusted based on current more up to date trends and forecasting data.

There is a risk of Council's actual costs exceeding these budget assumptions, resulting in an under recovery of rates, however the overall level of risk is considered to be low. The proposed adjustments, reasons and risks are outlined below:

Assumption	Reason for reduction	Budget Reductions	Rating Impact
Minor cost reductions or increased revenue forecasts across a number of business units	Some areas of Council are forecasting reductions in costs or increases in revenue.	-\$116,000	-0.1%
Reduction in software costs	Reduction in forecast costs for software	-\$169,000	-0.14%
Reduction in insurance costs	Insurance premiums in some areas have come down. However, there is some risk of increased premiums, given the recent weather events and hazards.	-\$269,000	-0.22%
Reduced price for emissions trading credits	In the 2024-34 LTP for 2026/27(Y3), Council budgeted \$80 per tonne for carbon credits. Credits have since come down in price to \$45 (at the time of writing). We expect prices to be lower than the original \$80 estimate and have accordingly reduced the estimated price to \$60 per tonne. There is a risk the price could exceed our new estimate	-\$640,000	-0.51%
TOTAL		-\$1,194,000	-0.97%

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31 March 2026

Advantages	Disadvantages / Risks
An overall reduction of approximately \$1.19m.	If these assumptions are wrong, then Council may require some unbudgeted expenditure due to under collecting rates. The risk of these assumptions being significantly off is however low.

There are additional trade-offs/assumptions that are available to Council. The below table highlights these options which have been previously discussed. Officers do not recommend these trade-offs given the risks associated with them. These options are considered as part of option 3.

Assumption	Risk(s)	Budget Reductions	Rating Impact
No increase to transportation preventative maintenance budget	This option presents risk to transport asset condition and life expectancy. This is especially important in light of recent weather events which made some minor faults into larger failures.	-\$500,000	-0.42%
Staff churn assumption adjusted to 6% rather than returning to the level assumed in the LTP (5%)	Given the current economic environment, it is unlikely that there will be a high level of staff turnover making this assumption difficult to achieve. This will require holding positions open to achieve. Noting that this is already in place.	-\$445,000	-0.37%
Reduction to building maintenance budget	Reducing this budget poses a risk to asset condition and life and will require the postponement of planned demolition works.	-\$200,000	-0.17%
TOTAL		-\$1,145,000	-0.96%

2. Holding Destination Great Lake Taupō Funding at Current Levels

Council provides funding to DGLT to promote and support tourism to the district. DGLT funding was forecast to return to its previous levels in the coming 26/27 financial year, however, to manage costs for ratepayers, it is proposed to hold this funding at the current level. DGLT has had its funding at this level since the 24/25 financial year. Not increasing the budget will mean DGLT continues providing its current level of service but future planned activities that haven't begun won't be delivered or will be reduced in scope.

Advantages	Disadvantages / Risks	Rating Impact
An overall reduction of approximately \$400,000 compared to the forecast.	Reduction or loss of future planned activities that rely on the increased budget such as Business events capability building, and some demand shaping campaigns.	-0.33%

3. Holding Contributions to the Disaster Relief Fund at Current Levels

Council contributes \$500,000 per year to its own disaster recovery reserve which as of writing has a balance of \$2.7m. This is a significant increase when compared to the historic level of contributions. Council's 2024 Financial Strategy outlines that contributions are expected to reach \$600,000 per year in the 2026/27 financial year. It is proposed that reaching this contribution level is delayed by one year. This means Council will still contribute \$500,000 next year but will not hit the \$600,000 target.

This trade-off will require clear communication with the community to ensure the minimal impact of this trade-off is well understood to avoid any reputational risks.

Advantages	Disadvantages / Risks	Rating Impact
An overall reduction of \$100,000.	<ul style="list-style-type: none"> Slightly reduces available funds in the reserve. Reputational risk. 	-0.1%

Capital Programme

Item 5.6

Page 4

The capital programme is being reviewed and updated to reflect deliverability. As a result of this review, it is proposed to defer several level of service projects for one year. These projects are:

- Great Lake Shared Pathway Extension - \$4.2m
- Project Watershed Erosion Control - \$500,000 (deferral of some funds to reflect delays in starting physical works)
- Roberts Street Removable Bollards - \$168,000
- Parakiri/boat harbour parking area – \$163,000
- Community heritage space development in Taupō Library - \$150,000

Not Reasonably Practicable Options

At the workshop on 24 February Council discussed more substantial financial options related to the deferring or non-funding of depreciation to manage the rates increase. Discussion in this workshop highlighted the risk of these options and future financial strain that would be placed on the community in the medium to long-term due to either non-funding depreciation or deferring depreciation. Additionally changing levels of service was discussed. These two options are not recommended by officers due to the below impacts.

1. Defer or non-fund depreciation to reduce the average rates increase further

Council could choose to non-fund or defer depreciation. While this option is available to Council, it has been discarded due to it fundamentally conflicting with Council's current financial strategy, financial prudence measures and guidance provided from Audit NZ. Ultimately non-funding or deferring depreciation impacts the community more significantly in the future, as assets will either not be replaced due to not collecting depreciation for them or the future community will have to pay more in depreciation to catch up with deferrals. Furthermore, Council is legislatively required to account for depreciation and must therefore rate for it to achieve its balanced budget requirements.

2. Changing levels of service

Council could choose to significantly change its levels of service to reduce costs, however, this requires an LTP amendment. Section 97 of the Local Government Act 2002 states that significant level of service changes, including ceasing or commencing an activity can only be done through an LTP (or LTP amendment). Due to the requirement to audit an LTP amendment, this option has been discarded. Auditing an LTP amendment and preparing the required documentation would not be possible before the legislative deadline of 30 June which would delay striking rates. Additionally, auditing comes with a significant cost. This cost is both in Audit NZ fees as well as reprioritisation of Council resources.

Council has already begun the Long-term Plan process which provides greater flexibility for implementing changes to levels of service. Given this process has already begun, timing challenges and the unbudgeted costs of conducting an LTP amendment this option has been considered as not reasonably practical.

Fees and Charges

Council's Fees and Charges are reviewed each year to ensure they are fit for purpose and costs are recovered appropriately. The Long-term Plan's financial assumptions and forecasts were that fees would be adjusted annually for inflation (based on Local Government Cost Index (LGCI)). Additionally, it was considered that regular small annual adjustments are preferable rather than waiting a few years and having to do a large increase that shocks users.

Fees and Charges have increased based on the Long-term Plan's financial assumptions and forecasts, being approximately 3%. The revenue expected from fees and charges has been included as part of the financial modelling and changes to the proposed fees could impact the proposed rates increase for the 2026/27 financial year.

There are several fee areas that Council is legislatively required to consult on when changes are made to them. A separate paper will be prepared for these areas and presented to Council to enable consultation.

All Fees and Charges for the 2026/2027 financial year will be presented for adoption at the same time as the Annual Plan at the end of June. Noting we will be seeking early adoption of Animal Management fees to ensure legislative requirements are met and adoption of proposals for some other fees areas that require consultation.

Based on this information it is considered that there are 3 options.

Option 1: Accept the proposed trade-offs, assumptions and deferrals, and direct staff to prepare the draft Annual Plan on that basis leading to an average rates increase of 6.6%.

Option 2: Do not adjust the work programme and do not change the forecasting assumptions leading to an average rates increase of approximately 7.7%.

Option 3: Do not proceed with the transport maintenance budget increase, reduce the building maintenance budget and assume a continued higher level of staff churn to deliver a lower rate increase of 5.6%.

NGĀ KŌWHIRINGA | OPTIONS

Analysis of Options

Option 1: Accept the proposed trade-offs, assumptions and deferrals, and direct staff to prepare the final Annual Plan on that basis leading to an average rates increase of 6.6%.

Advantages	Disadvantages
<ul style="list-style-type: none"> Forecast 6.6% rates increase (0.1%) less than the LTP forecast. Delivers on the majority of what was agreed with the community through the LTP. Maintains baseline levels of service. 	<ul style="list-style-type: none"> Risk related with changes to cost assumption forecasts. DGLT services are not enhanced.

Option 2: Do not adjust the work programme and do not change the forecasting assumptions leading to an average rates increase of approximately 7.7%.

Advantages	Disadvantages
<ul style="list-style-type: none"> Requires no trade-offs or assumption changes which minimises risk. Delivers what was agreed in the LTP. Maintains levels of service and community expectations are more easily met. 	<ul style="list-style-type: none"> Higher rates increase than what is in the LTP 24-34. Material departure from the financial strategy limit of LGCI + 5% most recent figures show LGCI at 2.5% which allows for a 7.5% maximum. Would require consultation.

Option 3: Do not proceed with the maintenance budget increases and assume a continued higher level of staff churn to deliver a lower rates increase of 5.6%.

Advantages	Disadvantages
<ul style="list-style-type: none"> Lower rating impact on the community with an average rates increase of approximately 5.6%. 	<ul style="list-style-type: none"> Impact on asset condition particularly for transport due to insufficient maintenance funding. Unable to proceed with some building maintenance works, principally demolitions. High likelihood of not achieving the higher level of staff churn assumption and would require council to continue running long stand-down periods for roles. This is likely to impact levels of service and the ability to deliver what was agreed with the community through the LTP.

Analysis Conclusion:

Given the level of risk associated with option 3 and the increase in the average rates increase under option 2 officers recommend option 1 as the preferred option. This option balances risk while ensuring the average rates increase does not exceed what was set in the LTP. This option also ensures Council delivers on most of what was agreed with the community through the LTP process.

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

The Annual Plan is fundamentally a financial adjustment process. The final Annual Plan is required by law to outline the differences between the confirmed budget for that year and what was originally proposed in the LTP. In short, the impact and changes to Council's budget will be presented in the legally required tables with the Annual Plan in June.

At the time of writing this report officers cannot provide the specific impact on properties across the district as revaluations are in progress. Once revaluations are complete Officers can provide information on the sample property impacts.

Ngā Aronga Ture | Legal ConsiderationsLocal Government Act 2002

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

Additionally the Local Government Act 2002 Sections 95 and 95A – these sections outline the requirements, and the matters Council must consider when preparing the Annual Plan.

Ngā Hīraunga Kaupapa Here | Policy Implications

The proposal has been evaluated against the following plans:

- ✓ Long Term Plan 2024-2034 ✓ Annual Plan Waikato Regional Plan
 Taupō District Plan Bylaws Relevant Management Plan(s)

Te Kōrero tahi ki te Māori | Māori Engagement

Taupō District Council is committed to meeting its statutory obligations including in relation to Te Tiriti o Waitangi/Treaty of Waitangi principles, consideration of Māori interests and meaningful engagement with Māori. In meeting its statutory obligations, Council is committed to acting reasonably and in good faith and consistently with a partnership-based approach. Te Tiriti/Treaty principles include but are not limited to active protection of Māori interests, informed decision-making and enabling effective Māori participation in Council processes.

In line with these obligations and commitments, we will be communicating with iwi and hapū outlining decisions made through the Annual Plan. This will include details of any projects of interest and outlining that no further engagement or consultation will be undertaken for this Annual Plan process. Staff will be available to discuss further if requested.

Ngā Tūraru | Risks

Key Risks were identified through the closed workshop on the 24 February 2026 related to the proposed trade-offs under option 1. The relevant risks are as follows:

- Risk emissions credits could increase beyond the reduced assumption price of \$60 per tonne.
- Reputational/perception risk associated with holding disaster relief fund contributions flat – can be mitigated with clear communication.

Under option 3, there are other risks in addition to those under option 1:

- Staff turnover doesn't reach required levels, requiring council to continue running standdown periods for roles. This is likely to impact levels of service and the ability to deliver what was agreed with the community through the LTP.
- Asset maintenance deferred. This will impact asset condition and life span for council buildings and transport network assets.

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

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

Officers have undertaken an assessment of the matters in the [Significance and Engagement Policy \(2022\)](#), and are of the opinion that the proposal under consideration is of a low degree of significance. This is because collectively the proposed trade-offs under option 1 do not constitute a significant or material departure from the Long-term Plan. Below is a summary of the assessment for each option.

Option 1 Consultation Requirement: Not Required

Changes overall are minor adjustments or deferrals and are not significant or material.

Option 2 Consultation Requirement: Required

While a 1% increase doesn't sound significant this would be above the financial strategy limit of LGCI + 5%. LGCI as of the most recent BERL update is running at approximately 2.5%. This means that the upper limit for this Annual Plan would be 7.5%. Exceeding that would be a material departure from the strategy and would require consultation with the community.

Option 3 Consultation Requirement: Not Required Initially

Does not require consultation as an option directly but may require consultation later if Council needs additional unbudgeted expenditure to address budgetary short falls which may trigger the significance and engagement policy.

TE KŌRERO TAHI | ENGAGEMENT

Taking into consideration the above assessment, that the recommended option is of a low degree of significance, officers are of the opinion that no further engagement is required prior to Council making a decision and adopting an Annual Plan that meets these parameters before 30 June 2026. However, Officers will inform the community on the final decisions made and will attend Councillor connect sessions and representative groups to support communicating both the Annual Plan and the upcoming LTP.

TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA

Communication will be carried out with the wider community. A media release will be provided shortly after this meeting outlining the draft financial direction and that no consultation on the Annual Plan will be undertaken.

WHAKAKAPINGA | CONCLUSION

After reviewing and updating budgets an average rates increase of 6.6% is proposed for the 2026/27 Annual Plan. This is 0.1% less than the forecast in the Long-term Plan 2024-34. Significant increases have occurred across several areas of council, including new costs relating to the Local Water Done Well reform. To offset these increases, officers have proposed budget reductions and changes to operating assumptions. Through the proposed option, baseline levels of service will be maintained, however trade-offs will mean that some projects and services will not begin this year as originally planned. The trade-offs also present some risk to Council however the overall level of risk is low under the proposed option.

The proposal does not contain significant or material variations from what was proposed in the Long-term Plan 2024-34 and therefore requires no consultation or LTP amendment.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

Risk Register

Significant Projects Risk Register											Risk Register			Date Last Updated: 13/05/2026	
Project	Risk Title	Risk Causes	Risk Consequences	Current Likelihood	Current Consequence	Current Risk Rating	Risk Controls / Treatments	Control / Treatment Owner	Residual Likelihood	Residual Consequence	Residual Risk Rating				
Taupo Wastewater Treatment Plant Programme	Scope / Price / Time	The side stream nutrient removal and the primary tank projects have been cancelled. National wastewater standards are now released and reassessment of the treatment strategy is required.	The upgrade plan for the Taupo WWTP will need to be reviewed and significant change in the treatment strategy will be required. The cost of additional treatment processes will likely be very significant.	Almost Certain	Severe	Very High	Projects are on hold while we review the new WW standards which will be reflected in the treatment plant upgrade plan. Inlet Works upgrade continues.	Asset Manager	Almost Certain	Severe	Very High				
Broadlands Road Landfill Consent	Regulatory - failure to renew consent.	Time required for appropriate engagement is limited as available time/space left in the current consented area is coming to a close (Dec 2027).	Without support for a new consent it may impact on Council's ability to obtain Waikato Regional Council approval. There may be implications on the sorting facility, and the district will have to identify alternative landfill options.	Likely	Severe	Very High	Engagement with iwi/hapū to provide clarity of information provided and gain project buy-in. All groups affected are included in discussions. Sponsor is working through ongoing engagement and project options. Hui scheduled for 22 May	Sponsor	Possible	Severe	High				
Centennial - Treatment Compliance Upgrade	Project delay and price overrun due to Iran war	The Iran war has had an impact on the availability and cost of PE pipe products which are a needed in large quantity for successful delivery of this project.	Delay of the project due to lack of supply and/or increased cost to deliver (current PE pipe price increases are +30%)	Almost Certain	Moderate	High	Currently monitoring situation which is evolving daily. Risk treatment will be considered when project reaches ready to tender stage. Options could be to reduce some elements of scope to reduce price impacts. Material availability risk is difficult to manage at this stage.	Asset Manager	Almost Certain	Moderate	High				
Mangakino Lakefront Upgrade Project (phase 2)	Property Ownership.	The property we are working with is owned by LINZ.	Draft agreement has not been signed as there are liability concerns. This means we could be investing in a non-TDC owned property without a formal lease agreement and LINZ and/or Mercury could not agree with our proposed designs.	Possible	Major	High	The project Sponsor is pursuing the finalisation of the user agreement (lease) with LINZ and Mercury. Ultimately, these entities will still have to approve our consent applications.	Sponsor	Possible	Major	High				
204 Crown Road - subdivision earthworks & Civil	Time - Titles	A number of legal and land matters have taken longer than anticipated to resolve.	Project delays due to the projected time it will take to secure titles, leading to additional costs and staff capitalisation. Potential to impact on sales and marketing.	Likely	Moderate	High	Tasks to secure titles have been identified and are being actively managed. Now in final stages of this process with application for titles lodged. Ongoing communication of situation with impacted parties via real estate agents / lawyers.	Project Manager	Possible	Moderate	Medium				
Drinking Water Standards NZ Upgrade - Hatepe	Project delivery uncertainties	Due to challenges with land acquisition, there has been significant delays and additional challenges that the project team need to manage	The project could face additional costs due to delays and the site relocation, increased technical complexity arising from the DOC concession and geotechnical hazards, greater contract complexity resulting from significant changes to the original requirements, and overall timeline uncertainty as a consequence of these factors.	Possible	Major	High	The project team is working closely with the contractor and key consultants to understand the best way to manage these risks. The intent is to package the changes into a single variation, so we can reset the contract position and project baselines in a clear and coordinated way. Once we've got a well-informed direction, this will be presented to the project sponsor for review and to confirm the way forward. On the contractual side, we've also sought legal advice to help guide the approach.	Sponsor	Possible	Moderate	Medium				
Erosion control- Tapuaeharuru Bay	Environmental - continued erosion.	Delays and challenges around arranging stakeholder meetings.	Continued erosion without mitigation, potential impacts to the environment and surrounding infrastructure. This also produces a financial risk as delays and potential damages could increase costs.	Possible	Major	High	Monitoring is ongoing. Further key stakeholder meetings are being arranged. Town Centre water flow investigation has been commissioned.	Project Manager	Possible	Moderate	Medium				
Stormwater Discharge Consents Renewal	Regulatory - failure to renew consent.	Lack of key stakeholder support for renewing the consent.	A hearing may be required, extending the project timeline and resulting in additional costs.	Unlikely	Severe	High	Working with the consultant to understand the consenting plan. Early engagement with wider stakeholders. Iwi/hapū engagement underway.	Project Manager	Unlikely	Major	Medium				
EUL Stage 1A Lot 20 - Earthworks & Civil	Financial - Additional Costs	Additional costs incurred by external legal teams for development agreement with our build partner, and there is no allowance for staff capitalisation within the original budget. Additional costs were also spent on future stages. Political instability in the Middle East and associated cost escalation and supply chain challenges.	Additional budget may be required to complete work.	Possible	Moderate	Medium	Budget re-forecasting for stage 1b and programme level cost analysis has taken place. Current forecasts indicate that the project will be completed within budget - however contingencies are small and the full extent/impact of rising fuel and material costs as a result of the political situation in the Middle East is uncertain. Conversations have taken place with our main contractor to mitigate this risk wherever possible and whilst forecasts change weekly, we are seeing cost increases in the areas of fuel, aggregate and bitumen that will put further pressure on project contingency.	Project Manager	Possible	Moderate	Medium				
Owen Delany Park upgrade	Digital Screen Funding	We may not get enough up front capital from external funding sources, which will put risk on our budget to fund.	Additional Cost	Possible	Moderate	Medium	Evaluate budget and consider releasing some of the contingencies for the Sports Hub since we're over half way through and the riskiest of the work is behind us.	Project Manager	Possible	Moderate	Medium				
Turangi Master Plan	Time - Delays	Needing more time than anticipated to progress the project.	We don't have any necessary outputs to inform the Long Term Plan.	Possible	Moderate	Medium	The project manager is doing as much possible in the background so that tasks can start as soon as the project brief is signed off.	Project Manager	Possible	Moderate	Medium				

Risk Register

Significant Projects Risk Register												Risk Register			Date Last Updated: 13/05/2026	
Project	Risk Title	Risk Causes	Risk Consequences	Current Likelihood	Current Consequence	Current Risk Rating	Risk Controls / Treatments	Control / Treatment Owner	Residual Likelihood	Residual Consequence	Residual Risk Rating					
Turangi WW Consent	Regulatory - Resource consent application is challenged incurring time and cost.	There is a risk that the consent sought for the discharge to stay at the current site may receive submissions in opposition.	A hearing may be required, extending the project timeline and resulting in additional costs.	Almost Certain	Minor	Medium	We will continue to work with hapū to address as many issues as possible.	Project Manager	Almost Certain	Minor	Medium					
SCADA FTview Upgrade	Time - delays with project delivery	Insufficient resource to complete FT View conversion across all 3W assets.	Continued utilisation of multiple SCADA platforms which can be challenging to manage operationally.	Possible	Major	High	The project team and Sponsor are currently working with an external specialist consultant. Several high priority water sites are in the process of being upgraded to FT View. The conversion of other sites will be reviewed as part of the wider SCADA programme.	Sponsor	Possible	Minor	Low					
Waters Reform Activities	Resourcing - insufficient internal resources to complete the Water Services Delivery Plan implementation activities by the due date.	Competing priorities for resources, implementation activities are on top of BAU, Annual Plan and Long-term Plan processes.	Our ability to comply with LGWSA and Commerce Commission requirements will be impacted.	Likely	Moderate	High	Manage the components as a programme, ensure there is organisational awareness of the priority. Work with PCG to ensure adequate resourcing.	Sponsor	Unlikely	Moderate	Low					
District - Universal Smart Water Metering	Reputation - public perception of metering and transition to user pays.	Public misinterpreting the longer plan and project outcomes. This project has been included in our LTP/WSDP and is currently in the investigation phase. Rollout of this demand management system will occur incrementally, site by site.	Lack of support for overall project goals and roll out plan.	Almost Certain	Minor	Medium	The asset manager is working through communication and engagement work. Present to Waters Committee May.	Project Manager	Possible	Minor	Low					
Kinloch Low Zone Reservoir	Budget overrun.	Design development and/or tender market conditions	Forced to make design alterations to create savings. This would have reputational issues as the location is highly visible and prominent in the community.	Possible	Moderate	Medium	Continuous cost estimation, well developed drawings and tender documents.	Sponsor	Possible	Minor	Low					
View Road land disposal Stage 2	Regulatory - not adhering to resource consent for WW disposal.	Challenges with the integration of Stage 2 into SCADA has resulted in the stage 2 pivots only being able to be run manually, this may increase the risk of breaching consent conditions. Update: The hardware issue that was causing the communication issue has been resolved and commissioning has resumed.	TDC may incur penalties and/or abatement notices from Waikato Regional Council if we breach our consent conditions.	Possible	Moderate	Medium	Operators continue to operate manually and irrigation volumes are tracked. Now a path to completing commissioning.	Sponsor	Possible	Minor	Low					
Roundabouts - Taharepa/Crown & Tauhara/AC Baths	Reputational - Public Complaints	Construction noise and disruption to traffic flows.	Increased amount of service requests.	most Certain	Minor	Medium	We have a dedicated stakeholder manager	Project Manager	Possible	Minor	Low					
Omori / Kuratau Slip	Time	The design underwent an internal review, this has delayed TDC receiving the design for two months than initially planned. In the final review stages of the design and tender documentation.	This has reduced the time available for procuring a construction contractor prior to the end of financial year if there are any further delays.	Possible	Minor	Low	Working with the consultant closely, emphasised our deadlines to ensure there are no further delays.	Project Manager	Unlikely	Minor	Low					
Taupo WW Control gates bridge buffer storage tanks	Time	May not be completed by end of the financial year.	Later delivery means risks of overflow remains (however this is a low risk).	Likely	Insignificant	Low	Manage design and tender deliverables to reduce slippage.	Project Manager	Likely	Insignificant	Low					

CDEM Workplan						
Priority	Project Name	Local Actions	Due Date	GECC Status	TDC Status	Notes
Governance and Management Workstream						
1	Partnering with Māori in Emergency Management	Issue invitations to Council's known iwi contacts (including Pouārahi), to attend an IMT meeting or training session. At least one meeting with iwi from local Marae per year are requested by emergency management staff and territorial authority statutory role holders.	Jun-30	On track	On track	Bubs Smith is our Pouarrahi and is routinely engaged in our planning, training and activations. Continued work to build more relationships
1	Common LTP measures	Incorporation of agreed LTP measures into LA LTP	Jun-26	On track	On track	Through CEG
2	Delivery of CDEM across Group	Contribute to the development of a 'Group Discussion Document'	Dec-26	On track	On track	On going and dependent on legislation changes
2	Review of Group Resourcing	An analysis of identified resourcing requirements and gaps to achieve agreed work programmes is provided.	Mar-27	Not Started	Not applicable	Led by group and will be dependent on legislation changes
2	Monitoring and Assurance	Quarterly Reporting and continued involvement in Group to ensure: <ul style="list-style-type: none"> • legislative compliance • continuous improvement • policies and plans review cycle • resourcing 	Sept-26	On track	On track	Quarterly report survey completed 18/05/26 . Regular involvement in CDEM meetings
Risk Reduction						
1	Hazard and Risk Consequence Analysis	Stocktake of all hazard plans	Jun-30	On track	On track	
1		Severe Weather/Flooding event •Information gap analysis completed. •Areas requiring increased hazard and risk understanding identified. •Hazard and risk understanding increased through research and/or risk assessments. • Results reported and communicated.	Jun-27	Not Started	Not applicable	Due to start October 2026 - led by group and implemented at local level. Engagement has started to understand local hazards
1	Infrastructure Resilience	LA representation, engagement and contribution on Lifeline Utilities at WLUG	Jun-30	On track	On track	Continued engagement of our LUC managers - Roger, Jacob and Phil, in WLUG meetings and work
		Consideration of how WLUG work/findings/results is taken into council work programmes	Jun-30	On track	On track	
2	Local Government Long Term Risk Reduction Support	A framework to identify long term, region-wide strategies for the reduction of significant risks from natural hazards is developed and implemented.	Jun-28	Not Started	Not applicable	This work is due to start Oct 2026.
Community Empowerment						
1	Community Led Response Planning	Communities are engaged through workshops that ensure communities have an understanding of risks, preparedness measures and effective response strategies at their local level.	Jun-27	Not Started	Not applicable	This work will be enabled by Group. This work has not yet been started. Expected to start in next month
1	Māori Partnerships Plan	Approved Marae Preparedness work programme has been implemented	Ongoing	On track	On track	A meeting is set with Kale (Group Iwi Advisor) for the 25th May to confirm the local level plan to be implemented in partnership with Iwi Hapu
		Proactive communication with Iwi of hazardscape reports, plans and marae visits	Ongoing	On track	On track	Weekly waikato hazard report distributed to Iwi
		Implementation of co -designed CDEM-Iwi/Maori Communication plan	Ongoing	On track	On track	Working along side the Iwi Co-Governance team to enable this work
2	Public communication and education programme	Implementation of the Group public engagement programme	Jun-27	Not Started	Not Started	This work will be enabled by Group through resources and surveys. This has not yet been started.
		Targetted campaigns for disproportionately impacted communities	Jun-27	Not Started	Not Started	
Operational Readiness and Response						
	Common Operating Platform		Mar-27	On track	On track	Tool is still being developed at group level however the prototype was used during our recent activation for Vaianu
1	Operational response Plans	Input into group Operational response plans for local aspects	Sept-27	On track	On track	
1	Develop Waikato NZ Response Team Capability		Dec-27	Not Started	Not applicable	Group are currently confirming the existing long term plan business case. Direction on this will be dependant on the outcome

2	Operational Response Management Tool	Implementation of tool	Mar-28	Not Started	Not applicable	Business case has been put forward by group at a central level to implement a common tool to manage, coordinate, and respond to emergencies. Awaiting outcome of this. Nothing can be done at a local level at this stage. No quarterly reporting on this
2	Decision Support tool	AI Stocktake Sent to group Implementation of AI tool as identified by group	Mar-27	On track	On track	AI stocktake sent to group. Awaiting direction of tool
Recovery						
1	Build Group and Local Recovery Capability	Local Recovery Manager appointed and meets annual credential requirements. Reported quarterly to CEG via STRAAC.	Jun-27	On track	On track	Reported to CEG via STRAAC not to CDEM Professionals
1	Recovery Operational Resources and Training Implementation	Operational resources available, and aligned to National Operational Resources, are collated with any gaps identified.	Dec-26	On track	On track	
1	Strategic Planning for Recovery (pre planning)	Strategic plans for recovery are completed	Jun-26	On track	On track	

Facility: AC Baths
 Assessor name: Nick Warwick
 Pool manager name: Madelein Kriel
 Date: 30 Mar 2026

Supervision	
CRITERIA: All lifeguards must hold current & valid PLSA or PLPC	
HOW: Sight current & valid PLSA or PLPC qualifications for all lifeguards (can be on paper or online)	
ESSENTIAL COMPONENTS:	
<ul style="list-style-type: none"> Evidence that all staff have undergone PLSA or PLPC training and assessment 	Achieved
<ul style="list-style-type: none"> Evidence that all lifeguards have completed an induction PRIOR to working on Poolside 	Achieved
<ul style="list-style-type: none"> The PLPC assessment has taken place and credit reporting sent to Skills Active within one month of starting work on Poolside (Evidence of credit reporting is kept for 2 years) and are registered on NZRRP 	Achieved
<ul style="list-style-type: none"> NOP must clearly state that lifeguards or staff members, who do not hold a current and valid PLSA (for one month from date of starting on poolside) or PLPC will not be included in any supervision ratios. 	Achieved
<ul style="list-style-type: none"> All qualified lifeguards must have completed First aid units 26551 and 26552 (6400, 6401 & 6402) as a minimum first aid qualification 	Achieved
NOTE: Assessors must be satisfied that the correct process has occurred and an honest attempt has been made by the Facility to provide evidence of their staff qualifications.	
CRITERIA: Every body of water is supervised by a qualified lifeguard (when open for use) at all times. Qualified means holding a current PLSA (within one month of training) or PLPC.	
HOW: Review facility normal operating procedures (NOPs) relating to supervision.	
ESSENTIAL COMPONENTS:	
NOP must detail:	
<ul style="list-style-type: none"> A PLPC lifeguard must be rostered on and available at all times and able to respond to an emergency. (This is the minimum, it is recommended that a PLPC lifeguard is rostered on and POOLSIDE at all times) 	Achieved
<ul style="list-style-type: none"> All lifeguards must be able to retrieve an object from the deepest part of the pool 	Achieved
NOP must detail the way in which the pool should be supervised including reference to:	
<ul style="list-style-type: none"> The minimum number of lifeguards (including lifeguard to customer ratio and how this is managed) (It is recommended that a minimum of two staff be on duty in a facility at all times.) 	Achieved

<ul style="list-style-type: none"> The area of water and physical obstacles each lifeguard supervises (E.G glare, dead water) 	Achieved
<ul style="list-style-type: none"> Supervision techniques and supervision of different activities 	Achieved
<ul style="list-style-type: none"> How lifeguards communicate 	Achieved
<ul style="list-style-type: none"> Leaving poolside procedures 	Achieved
<ul style="list-style-type: none"> After-hours groups must be lifeguarded within supervision ratios by a facility employed PLPC lifeguard 	Achieved
Solo lifeguard supervision procedures if applicable	Achieved
A facility schematic/s should be included detailing:	
<ul style="list-style-type: none"> Recommended Static Positions 	Achieved
<ul style="list-style-type: none"> Patrolling routes 	Achieved
The NOP should give poolside lifeguards as much information as they need to make informed minute-by-minute decisions on supervising the pool without being over prescriptive and too lengthy. The following are some useful headings:	
<ul style="list-style-type: none"> Personal appearance and conduct of lifeguards (talking, grooming, uniform etc) 	Achieved
<ul style="list-style-type: none"> Identification of hazards/risks 	Achieved
<ul style="list-style-type: none"> Poolside first aid <p>Comments: Unable to locate information on how LGs are to apply First aid on poolside. Include a section on minor first aid - eg: how a LG responds using bumbags, and getting cover if it interrupts supervision.</p>	Not achieved
<ul style="list-style-type: none"> Customer Behaviour 	Achieved
<ul style="list-style-type: none"> Supervision of different customer groups, (children, youth, disabled people, cultural groups etc) 	Achieved
<ul style="list-style-type: none"> Supervision of different activities, (lane swimming, diving boards etc) 	Achieved
It is desirable that the normal operating procedures be cross referenced to any other similar procedures, EG:	
<ul style="list-style-type: none"> EAP 	Achieved

<ul style="list-style-type: none"> • Health and Safety policies 	Achieved
<p>NOTE: Evidence will be required to back up the written policies in the NOP - eg training schedule showing induction. How the pool determines its supervision policies and sets out its plan are the domain of that particular pool. The assessors' task is to verify that the essential components are present. Some pools do not publish detailed supervision policies. If this is the case an oral description backed up with poolside observations and lifeguard questioning will suffice.</p>	
<p>Spas, saunas, steam rooms and private pools within and Aquatic Facility</p>	
<ul style="list-style-type: none"> • NOP must clearly state procedures for dealing with the spa and sauna/steam rooms and private pools relative to the facility, including (but not limited to) 	Achieved
<ul style="list-style-type: none"> • Time restriction advice 	Achieved
<ul style="list-style-type: none"> • Hydration advice 	Achieved
<ul style="list-style-type: none"> • How these are monitored (eg, alarms, regular checks) 	Achieved
<ul style="list-style-type: none"> • Minimum age for use (i applicable) 	Achieved
<ul style="list-style-type: none"> • Minimum number of people (if applicable e.g. private spa) 	Achieved
<p>Learn to Swim Pools within an Aquatic Facility (only when being used for Learn to Swim)</p>	
<ul style="list-style-type: none"> • Learn to Swim Pools must have signage clearly visible to say the area of water is not supervised by a lifeguard 	Achieved
<ul style="list-style-type: none"> • NOP must clearly state procedures for dealing with the Learn to Swim Pool relative to the facility, including (but not limited to) 	Achieved
<ul style="list-style-type: none"> • Who is in charge in an emergency 	Achieved
<ul style="list-style-type: none"> • How staff communicate with each other (E.G Teachers from the LTS pool communicate to the lifeguards in the main pool) 	Achieved
<p>Stand Alone Learn to Swim Facilities</p>	
<ul style="list-style-type: none"> • NOP must clearly state either qualified lifeguards are on pool deck OR LTS instructors are qualified lifeguards, in the water teaching but within the supervision ratios 	Not applicable
<ul style="list-style-type: none"> • Signage to say the area is not actively supervised by a lifeguard 	Not applicable
<ul style="list-style-type: none"> • NOP must clearly state procedures for the facility, including (but not limited to) 	Not applicable

• What happens if an instructor has to leave the water	Not applicable
• Who is in charge of an emergency situation	Not applicable
• How staff communicate with each other	Not applicable
<i>The above list is a guide only - the detail is the domain of that particular pool.</i>	
Emergency Action Plan	
CRITERIA: Existence of an Emergency Action Plan	
HOW: Site current EAP at facility (can be on paper or online)	
ESSENTIAL COMPONENTS	
EAP must succinctly specify the actions to be taken in every reasonably foreseeable emergency. In most cases this will be limited to pool and facility emergencies. It should include reference to the following:	
• Who is in charge	Achieved
• Nature and location of emergency equipment	Achieved
• Key steps in dealing with an emergency	Achieved
• Pool rescue	Achieved
• Medical alert, (choking, asthma, angina/heart attack, serious cuts, fractures and dislocations etc)	Achieved
• Building evacuation	Achieved
• Major first aid	Achieved
• Spinals for minimum number of lifeguards	Achieved
Solo lifeguard emergency procedures if applicable	Achieved
• Aftercare for victims and staff	Achieved
• A flowchart summary of the key steps in dealing with an emergency should be available to lifeguards	Achieved
• Evidence that regular (minimum quarterly) staff training occurs including:	
• Staff training plans	Achieved

<ul style="list-style-type: none"> Signed staff training records 	Achieved
<ul style="list-style-type: none"> Guidelines on what occurs if staff regularly do not attend training 	Achieved
Pool Alone	
CRITERIA: Existence of a policy relating to child supervision	
HOW: Review facility NOPs relating to child supervision	
ESSENTIAL COMPONENTS:	
<ul style="list-style-type: none"> NOP must set an age below which a child may not swim unaccompanied and thus becomes a pool alone. Minimum age is under 8 years 	Achieved
<ul style="list-style-type: none"> NOP must detail supervision of under 5's in the pool 	Achieved
<ul style="list-style-type: none"> NOP must include provision for ratios of adult to children, for your facility. (If the facility does not have ratios there needs to be a statement on why they have chosen not to have them and how they manage the risk). 	Achieved
<ul style="list-style-type: none"> NOP must set a minimum age for a caregiver to supervise a child who is unable to swim alone. Minimum age is 16 years 	Achieved
<ul style="list-style-type: none"> NOP must give some guidelines on effective enforcement <p>Comments: NOP explains policy and what to do if a pool alone case is identified, however there are no guidelines around effective enforcement for the LGs - eg: how to approach, and enforce this policy with parents</p> <p>Update NOP and upload to IMS</p>	Not achieved
Pool Water Risk Management Plan	
CRITERIA: Existence of a pool water risk management plan.	
HOW: Site current PRMP at facility (can be on paper or online)	
ESSENTIAL COMPONENTS:	
<ul style="list-style-type: none"> PRMP has been reviewed annually & updated where necessary. Evidence of the completed review including changes made (if any) and date reviewed to be documented on the PRMP. 	Achieved
<ul style="list-style-type: none"> PRMP identifies all of the significant risks for each element of the pool system. 	Achieved
<ul style="list-style-type: none"> PRMP identifies the critical points of the pool system. 	Achieved

<ul style="list-style-type: none"> PRMP identifies the barriers to contamination (this could include and is not limited to, staff training and/or qualifications, staffing levels, sampling programmes, calibration of analysers). 	Achieved
<ul style="list-style-type: none"> PRMP quantifies the risks. 	Achieved
<ul style="list-style-type: none"> PRMP identifies measures to prevent, reduce or eliminate the risks. 	Achieved
<ul style="list-style-type: none"> PRMP identifies necessary improvements to the pool to manage the risk. Improvements are prioritised & there is a timetable for implementing the improvements. (eg. Staff training in water treatment). 	Achieved
Health and Safety	
CRITERIA: Confirm the operation of a health and safety management process	
HOW: Review facility NOPS relating to health and safety	
ESSENTIAL COMPONENTS:	
<ul style="list-style-type: none"> Documented process whereby hazards/risks are identified and recorded, they are managed by being minimised or eliminated 	Achieved
<ul style="list-style-type: none"> Documented process for recording and investigating employee accidents and notifiable death, injury, illness and incident 	Achieved
<ul style="list-style-type: none"> Documented process for recording customer accidents and/or incidents (these can include mental health and discrimination/harassment incidents) 	Achieved
<ul style="list-style-type: none"> Documented process for recording customer notifiable death, injury, illness and incident 	Achieved
<ul style="list-style-type: none"> Documented process for wet and dry rescues 	Achieved
<ul style="list-style-type: none"> Documented process for reporting notifiable incidents to Poolsafe Recreation Aotearoa 	Achieved
<ul style="list-style-type: none"> A record is kept of all customer accidents requiring further medical attention 	Achieved
<ul style="list-style-type: none"> There is documented evidence that the information gathered from the above reporting procedures is scrutinised and used to make changes (if necessary) designed to improve safety for example facility or organisation Health and Safety Meeting minutes or minutes of staff meetings where Health and Safety matters are discussed. Evidence sighted of last four meetings. 	Achieved

<ul style="list-style-type: none"> • Provide up to date chemical inventory for all chemicals on site as per Health & Safety at Work Act (Hazardous Substance Regulation 2017) 	Achieved
<ul style="list-style-type: none"> • Annual Incident Review has been uploaded to the PoolSafe IMS 	Achieved
<p>NOTE: This section is not designed to supersede any more thorough HEALTH AND SAFETY PROCESS a pool may have. It is not designed to fulfil legislative or contractual obligations under the HSE Act or OSH. It is a few fundamental pointers to assist the pool manager in providing a safe environment for employees and customers.</p>	
<p>Water Quality</p>	
<p>CRITERIA: Water testing programme compliant with NZS 5826:2010. HOW: Review facility NOPs relating to water quality.</p>	
<p>ESSENTIAL COMPONENTS: NOP must specify:</p>	
<ul style="list-style-type: none"> • Lowest and highest values for the relevant chemical constituents within the parameters contained in NZS 5826:2010 	Achieved
<ul style="list-style-type: none"> • A frequency of testing that meets the minimum set in NZS 5826:2010 	Achieved
Microbiological tests must be scheduled a minimum of monthly	Achieved
<p>Microbiological tests must include:</p> <ul style="list-style-type: none"> • Faecal Coliforms or E. coli • Staphylococcus aureus • Pseudomonas aeruginosa • Standard plate count 	Achieved

<ul style="list-style-type: none"> • Four weeks water chemical value tests as specified by the assessor must confirm the presence of chemicals between the lowest and highest values set in NZS 5826:2010 <p>Comments:</p> <ul style="list-style-type: none"> - TDS levels are frequently high across pools-up to 3000 in the Leisure Pool and typically between 1000-2000 in other pools. It appears corrective action is only taken when TDS readings are approximately 1000 above the printed standard in the PRMP and NOP. The PRMP includes procedures for high TDS readings and states that these steps should be followed whenever TDS exceeds the listed limit. However, readings are routinely more than 1000 above this limit, indicating that the documented thresholds do not reflect current operating practice. - The Leisure Pool is classified in all operational documentation as a swimming pool and is therefore tested at three-hourly intervals. However, temperature records show the pool regularly exceeds 35deg, meaning it frequently meets the criteria of a spa pool. - Increase the PRMP and NOP listed TDS standard by 1000 to align with actual processes, where action is only initiated once readings exceed the existing limit by 1000. Alternatively, dilute the pools enough to fall within the acceptable TDS ranges as per NZS5826:2010 and your current PRMP & NOP. - confirm the leisure pool temperature is holding below 35deg, and is therefore correctly classed as a 'swimming pool'. 	<p>Not achieved</p>
<ul style="list-style-type: none"> • Four separate sets of microbiological tests as specified by the assessor must confirm the absence of pathogens of the time above the highest value set in NZS 5826:2010 	<p>Achieved</p>
<ul style="list-style-type: none"> • Must detail the water treatment qualifications held by the relevant staff in accordance with NZS5826:2010 Role and qualification to be detailed. 	<p>Achieved</p>
<ul style="list-style-type: none"> • Procedure must cover actions in response to - faecal solids, vomit, diarrhoea, blood and an incident in a confirmed cryptosporidium outbreak and notifiable disease outbreak and reporting requirements.. 	<p>Achieved</p>
<ul style="list-style-type: none"> • Procedure must specify - type of contamination and response, removal of solids and semi-solids (Vacuuming), filtration and turnover, evacuation times, disinfection for each pool. 	<p>Achieved</p>
<ul style="list-style-type: none"> • That faecal accident, especially those involving diarrhoea, are recorded. 	<p>Achieved</p>
<p>Water Quality (On site)</p>	

Water Quality Including Pool Contamination	
CRITERIA: Confirmation that staff understand and apply the faecal accident procedure. HOW: Questioning to verify that staff understand the faecal accident procedure.	
ESSENTIAL COMPONENTS:	Achieved
<ul style="list-style-type: none"> • A visual check of records and equipment. • Questioning of frontline staff to determine that if a faecal accident occurred it would be dealt with in accordance with the procedure • Visual check of records, testing procedures and pool laboratory to confirm that written evidence does correspond to what actually does occur at the facility. 	
NOTE: <i>Every lifeguard is not expected to know the entire procedure. They must be able to perform the first response to avoid contamination of pool customers and then know where to access further information or advice.</i>	
<ul style="list-style-type: none"> • PRMP is onsite and easily accessible to staff 	Achieved
<ul style="list-style-type: none"> • Visual check of certificate of water treatment qualifications held by staff. 	Achieved
Supervision (On site)	
CRITERIA: Confirmation that all pools are supervised according to NOP. HOW: Visual check and questioning to verify that staff understand and apply pool supervision policy.	

<p>ESSENTIAL COMPONENTS:</p> <ul style="list-style-type: none"> • All water open for use is supervised by a lifeguard • Any closed water is closed with a barrier or its access is supervised by a lifeguard • Lifeguards must have an understanding of the rationale behind the individual pools procedures and a grasp of the information contained in the procedures; at a level whereby they are able to make sound decisions on how they supervise the pool on a minute by minute, second by second basis • Lifeguards are not required to know or even recognise the technical terms or even names of procedures • Lifeguards should be asked to quote actual examples of the application of pool supervision procedure (unless they just do not happen) • Lifeguards should be given hypothetical situations and asked for their response. The response should mirror the rationale behind procedures. These should cover a range of user groups. • Lifeguard in charge must have an understanding of the rationale behind the procedures and a grasp of the information contained in the procedures • Lifeguard in charge should be asked to quote pool supervision ratios • Lifeguard to customer ratios. How are these managed. (give scenarios) • PLSA Lifeguards will be asked to confirm a PLPC staff member is always rostered on with them • Lifeguards should be asked about after-hours bookings and who is rostered on. 	<p>Achieved</p>
<p>Spas, saunas, steam rooms and private pools within an Aquatic Facility</p>	
<ul style="list-style-type: none"> • Private pools/spas must have signage clearly visible to say the area of water is not supervised • Lifeguards should be familiar with the guidelines of use as per the NOP 	<p>Not applicable</p>
<p>Learn to Swim Pools within an Aquatic Facility</p>	
<ul style="list-style-type: none"> • Lifeguards and/or instructors should be familiar with the guidelines of use as per the NOP • Signage clearly visible to say that the facility is not supervised by a lifeguard 	<p>Achieved</p>

Stand Alone Learn to Swim Facilities	
<ul style="list-style-type: none"> • Signage clearly visible to say that the facility is not supervised by a lifeguard • Instructors/staff should be familiar with the guidelines of use as per the NOP 	Not applicable
Emergency Action Plan (On site)	
CRITERIA: Confirmation that staff understand and apply the pools EAP. HOW: Visual check and questioning to verify that staff understand EAP.	
ESSENTIAL COMPONENTS: <ul style="list-style-type: none"> • Lifeguards must be able to outline the essential elements of the appropriate response to every reasonably foreseeable emergency. • All lifeguards must have easy access to a current EAP. • EAP must be accessible to staff with poolside emergency signage to compliment procedures. • That the assessor is satisfied a victim would receive care expected from an entry level lifeguard using Pool Lifeguard Practising Certificate as the benchmark. • Lifeguards are not required to know or even recognise the technical terms or even names of procedures. • Lifeguards should be asked to quote actual examples of the application of the pool EAP (unless they just do not happen). • Lifeguards should be given hypothetical situations and asked for their response. The response should mirror the rationale behind procedures. These should cover a range of user groups. • Senior lifeguards should know the plan backwards and be able to adapt it to cater to the more unlikely situations, e.g. multiple casualties. • If accessibility equipment such as hoists or aquatic wheelchairs are present at the pool are the lifeguards trained in how to use them? • Formal training is given regularly and what is covered within the training (minimum quarterly) and any consequences for not attending training • For specialist emergency equipment such as oxygen, AED and spinal boards are lifeguards trained in their use, and familiar with the specific model. 	Achieved
<ul style="list-style-type: none"> • All lifeguards must have easy access to a current EAP 	Achieved

<ul style="list-style-type: none">• EAP must be in manual format with poolside emergency signage to compliment procedures	Achieved
<ul style="list-style-type: none">• The health and safety manual, Normal Operating Procedures and Emergency Action Plan should be available to lifeguards giving them one-stop-shop access to the "big picture"	Achieved

Pool Alone (On site)

CRITERIA: Confirmation that staff understand and apply the pools child supervision policy.

HOW: Visual check and questioning to verify that staff understand child supervision policy.

Appendix - Photos

Section: Supervision (On site)

Question:

- Lifeguards and/or instructors should be familiar with the guidelines of use as per the NOP
- Signage clearly visible to say that the facility is not supervised by a lifeguard



Facility: Turangi Turtle Pools
 Assessor name: Kendall Gray
 Pool manager name: Madelein Kriel
 Date: 16 Feb 2026

Supervision	
CRITERIA: All lifeguards must hold current & valid PLSA or PLPC	
HOW: Sight current & valid PLSA or PLPC qualifications for all lifeguards (can be on paper or online)	
ESSENTIAL COMPONENTS:	
<ul style="list-style-type: none"> Evidence that all staff have undergone PLSA or PLPC training and assessment 	Achieved
<ul style="list-style-type: none"> Evidence that all lifeguards have completed an induction PRIOR to working on Poolside 	Achieved
<ul style="list-style-type: none"> The PLPC assessment has taken place and credit reporting sent to Skills Active within one month of starting work on Poolside (Evidence of credit reporting is kept for 2 years) and are registered on NZRRP 	Achieved
<ul style="list-style-type: none"> NOP must clearly state that lifeguards or staff members, who do not hold a current and valid PLSA (for one month from date of starting on poolside) or PLPC will not be included in any supervision ratios. 	Achieved
<ul style="list-style-type: none"> All qualified lifeguards must have completed First aid units 26551 and 26552 (6400, 6401 & 6402) as a minimum first aid qualification 	Achieved
NOTE: Assessors must be satisfied that the correct process has occurred and an honest attempt has been made by the Facility to provide evidence of their staff qualifications.	
CRITERIA: Every body of water is supervised by a qualified lifeguard (when open for use) at all times. Qualified means holding a current PLSA (within one month of training) or PLPC.	
HOW: Review facility normal operating procedures (NOPs) relating to supervision.	
ESSENTIAL COMPONENTS:	
NOP must detail:	
<ul style="list-style-type: none"> A PLPC lifeguard must be rostered on and available at all times and able to respond to an emergency. (This is the minimum, it is recommended that a PLPC lifeguard is rostered on and POOLSIDE at all times) 	Achieved
<ul style="list-style-type: none"> All lifeguards must be able to retrieve an object from the deepest part of the pool 	Achieved
NOP must detail the way in which the pool should be supervised including reference to:	
<ul style="list-style-type: none"> The minimum number of lifeguards (including lifeguard to customer ratio and how this is managed) (It is recommended that a minimum of two staff be on duty in a facility at all times.) 	Achieved

<ul style="list-style-type: none"> The area of water and physical obstacles each lifeguard supervises (E.G glare, dead water) 	Achieved
<ul style="list-style-type: none"> Supervision techniques and supervision of different activities <p>Comments: Rock wall rules included rules on Hydrotherapy. As it is used as both hydrotherapy and rock wall need to add how supervision of activities differ.</p> <p>Please add in supervision of rock wall and rules for customers. Upload updated NOP to Other</p>	Not achieved
<ul style="list-style-type: none"> How lifeguards communicate 	Achieved
<ul style="list-style-type: none"> Leaving poolside procedures 	Achieved
<ul style="list-style-type: none"> After-hours groups must be lifeguarded within supervision ratios by a facility employed PLPC lifeguard 	Achieved
Solo lifeguard supervision procedures if applicable	Not applicable
A facility schematic/s should be included detailing:	
<ul style="list-style-type: none"> Recommended Static Positions 	Achieved
<ul style="list-style-type: none"> Patrolling routes 	Achieved
The NOP should give poolside lifeguards as much information as they need to make informed minute-by-minute decisions on supervising the pool without being over prescriptive and too lengthy. The following are some useful headings:	
<ul style="list-style-type: none"> Personal appearance and conduct of lifeguards (talking, grooming, uniform etc) 	Achieved
<ul style="list-style-type: none"> Identification of hazards/risks 	Achieved
<ul style="list-style-type: none"> Poolside first aid <p>Comments: No real detail on how minor first aid is applied or managed on poolside. Ie from bumbags and given to customers or parents. If will interrupt supervision, get cover etc</p> <p>Include a section on minor first aid. Upload updated NOP to Other</p>	Not achieved
<ul style="list-style-type: none"> Customer Behaviour 	Achieved

<ul style="list-style-type: none"> Supervision of different customer groups, (children, youth, disabled people, cultural groups etc) <p>Comments: Has the types of customer groups however no detail on how you lifeguards may need to supervise depending on the groups</p> <p>Please add detail on how you supervise the customer groups stated in NOP. Upload updated NOP to Other</p>	Not achieved
<ul style="list-style-type: none"> Supervision of different activities, (lane swimming, diving boards etc) 	Achieved
It is desirable that the normal operating procedures be cross referenced to any other similar procedures, EG:	
<ul style="list-style-type: none"> EAP 	Achieved
<ul style="list-style-type: none"> Health and Safety policies 	Achieved
NOTE: Evidence will be required to back up the written policies in the NOP - eg training schedule showing induction. How the pool determines its supervision policies and sets out its plan are the domain of that particular pool. The assessors' task is to verify that the essential components are present. Some pools do not publish detailed supervision policies. If this is the case an oral description backed up with poolside observations and lifeguard questioning will suffice.	
Spas, saunas, steam rooms and private pools within and Aquatic Facility	
<ul style="list-style-type: none"> NOP must clearly state procedures for dealing with the spa and sauna/steam rooms and private pools relative to the facility, including (but not limited to) 	Not applicable
<ul style="list-style-type: none"> Time restriction advice 	Not applicable
<ul style="list-style-type: none"> Hydration advice 	Not applicable
<ul style="list-style-type: none"> How these are monitored (eg, alarms, regular checks) 	Not applicable
<ul style="list-style-type: none"> Minimum age for use (i applicable) 	Not applicable
<ul style="list-style-type: none"> Minimum number of people (if applicable e.g. private spa) 	Not applicable
Learn to Swim Pools within an Aquatic Facility (only when being used for Learn to Swim)	
<ul style="list-style-type: none"> Learn to Swim Pools must have signage clearly visible to say the area of water is not supervised by a lifeguard 	Not applicable
<ul style="list-style-type: none"> NOP must clearly state procedures for dealing with the Learn to Swim Pool relative to the facility, including (but not limited to) 	Not applicable
<ul style="list-style-type: none"> Who is in charge in an emergency 	Not applicable

<ul style="list-style-type: none"> How staff communicate with each other (E.G Teachers from the LTS pool communicate to the lifeguards in the main pool) 	Not applicable
Stand Alone Learn to Swim Facilities	
<ul style="list-style-type: none"> NOP must clearly state either qualified lifeguards are on pool deck OR LTS instructors are qualified lifeguards, in the water teaching but within the supervision ratios 	Not applicable
<ul style="list-style-type: none"> Signage to say the area is not actively supervised by a lifeguard 	Not applicable
<ul style="list-style-type: none"> NOP must clearly state procedures for the facility, including (but not limited to) 	Not applicable
<ul style="list-style-type: none"> What happens if an instructor has to leave the water 	Not applicable
<ul style="list-style-type: none"> Who is in charge of an emergency situation 	Not applicable
<ul style="list-style-type: none"> How staff communicate with each other 	Not applicable
<i>The above list is a guide only - the detail is the domain of that particular pool.</i>	
Emergency Action Plan	
CRITERIA: Existence of an Emergency Action Plan	
HOW: Site current EAP at facility (can be on paper or online)	
ESSENTIAL COMPONENTS	
EAP must succinctly specify the actions to be taken in every reasonably foreseeable emergency. In most cases this will be limited to pool and facility emergencies. It should include reference to the following:	
<ul style="list-style-type: none"> Who is in charge 	Achieved
<ul style="list-style-type: none"> Nature and location of emergency equipment 	Achieved
<ul style="list-style-type: none"> Key steps in dealing with an emergency 	Achieved
<ul style="list-style-type: none"> Pool rescue 	Achieved
<ul style="list-style-type: none"> Medical alert, (choking, asthma, angina/heart attack, serious cuts, fractures and dislocations etc) 	Achieved

<ul style="list-style-type: none"> • Building evacuation <p>Comments: No Evacuation point stated for Turangi Pools</p> <p>Please add evacuation point to Map or input fire evacuation map. Upload updated EAP to Other</p>	Not achieved
<ul style="list-style-type: none"> • Major first aid 	Achieved
<ul style="list-style-type: none"> • Spinals for minimum number of lifeguards 	Achieved
Solo lifeguard emergency procedures if applicable	Not applicable
<ul style="list-style-type: none"> • Aftercare for victims and staff 	Achieved
<ul style="list-style-type: none"> • A flowchart summary of the key steps in dealing with an emergency should be available to lifeguards 	Achieved
<ul style="list-style-type: none"> • Evidence that regular (minimum quarterly) staff training occurs including: 	
<ul style="list-style-type: none"> • Staff training plans 	Achieved
<ul style="list-style-type: none"> • Signed staff training records 	Achieved
<ul style="list-style-type: none"> • Guidelines on what occurs if staff regularly do not attend training 	Achieved
Pool Alone	
CRITERIA: Existence of a policy relating to child supervision	
HOW: Review facility NOPs relating to child supervision	
ESSENTIAL COMPONENTS:	
<ul style="list-style-type: none"> • NOP must set an age below which a child may not swim unaccompanied and thus becomes a pool alone. Minimum age is under 8 years 	Achieved
<ul style="list-style-type: none"> • NOP must detail supervision of under 5's in the pool 	Achieved
<ul style="list-style-type: none"> • NOP must include provision for ratios of adult to children, for your facility. (If the facility does not have ratios there needs to be a statement on why they have chosen not to have them and how they manage the risk). 	Achieved
<ul style="list-style-type: none"> • NOP must set a minimum age for a caregiver to supervise a child who is unable to swim alone. Minimum age is 16 years 	Achieved

<ul style="list-style-type: none"> • NOP must give some guidelines on effective enforcement <p>Comments: No detail on guidelines for enforcement. Knew process however not in NOP</p> <p>Please include guidelines on effective enforcement of Pool Alone and steps taken when a child is left in facility. Upload updated NOP to Other</p>	Not achieved
Pool Water Risk Management Plan	
CRITERIA: Existence of a pool water risk management plan.	
HOW: Site current PRMP at facility (can be on paper or online)	
ESSENTIAL COMPONENTS:	
<ul style="list-style-type: none"> • PRMP has been reviewed annually & updated where necessary. Evidence of the completed review including changes made (if any) and date reviewed to be documented on the PRMP. <p>Comments: No line added to say reviewed.</p> <p>Please add a line to table with review date and next review date. In table add see pg .. for review report. Upload updated PRMP to Other</p>	Not achieved
<ul style="list-style-type: none"> • PRMP identifies all of the significant risks for each element of the pool system. 	Achieved
<ul style="list-style-type: none"> • PRMP identifies the critical points of the pool system. 	Achieved
<ul style="list-style-type: none"> • PRMP identifies the barriers to contamination (this could include and is not limited to, staff training and/or qualifications, staffing levels, sampling programmes, calibration of analysers). 	Achieved
<ul style="list-style-type: none"> • PRMP quantifies the risks. 	Achieved
<ul style="list-style-type: none"> • PRMP identifies measures to prevent, reduce or eliminate the risks. 	Achieved
<ul style="list-style-type: none"> • PRMP identifies necessary improvements to the pool to manage the risk. Improvements are prioritised & there is a timetable for implementing the improvements. (eg. Staff training in water treatment). 	Achieved
Health and Safety	
CRITERIA: Confirm the operation of a health and safety management process	
HOW: Review facility NOPS relating to health and safety	
ESSENTIAL COMPONENTS:	
<ul style="list-style-type: none"> • Documented process whereby hazards/risks are identified and recorded, they are managed by being minimised or eliminated 	Achieved

<ul style="list-style-type: none"> Documented process for recording and investigating employee accidents and notifiable death, injury, illness and incident 	Achieved
<ul style="list-style-type: none"> Documented process for recording customer accidents and/or incidents (these can include mental health and discrimination/harassment incidents) 	Achieved
<ul style="list-style-type: none"> Documented process for recording customer notifiable death, injury, illness and incident 	Achieved
<ul style="list-style-type: none"> Documented process for wet and dry rescues 	Achieved
<ul style="list-style-type: none"> Documented process for reporting notifiable incidents to Poolsafe Recreation Aotearoa <p>Comments: Not in NOP but could show me latest email from Rhiann that has been shared with Managers</p> <p>Add into NOP that any notifiable incident will be reported to Poolsafe by a manager through the incident reporting process. Upload updated NOP to Other</p>	Not achieved
<ul style="list-style-type: none"> A record is kept of all customer accidents requiring further medical attention 	Achieved
<ul style="list-style-type: none"> There is documented evidence that the information gathered from the above reporting procedures is scrutinised and used to make changes (if necessary) designed to improve safety for example facility or organisation Health and Safety Meeting minutes or minutes of staff meetings where Health and Safety matters are discussed. Evidence sighted of last four meetings. 	Achieved
<ul style="list-style-type: none"> Provide up to date chemical inventory for all chemicals on site as per Health & Safety at Work Act (Hazardous Substance Regulation 2017) <p>Comments: No Chemical inventory uploaded.</p> <p>Please upload your latest Chemical Inventory.</p>	Not achieved
<ul style="list-style-type: none"> Annual Incident Review has been uploaded to the PoolSafe IMS 	Achieved
<p>NOTE: This section is not designed to supersede any more thorough HEALTH AND SAFETY PROCESS a pool may have. It is not designed to fulfil legislative or contractual obligations under the HSE Act or OSH. It is a few fundamental pointers to assist the pool manager in providing a safe environment for employees and customers.</p>	
<p>Water Quality</p>	
<p>CRITERIA: Water testing programme compliant with NZS 5826:2010. HOW: Review facility NOPs relating to water quality.</p>	

ESSENTIAL COMPONENTS: NOP must specify:	
<ul style="list-style-type: none"> • Lowest and highest values for the relevant chemical constituents within the parameters contained in NZS 5826:2010 	Achieved
<ul style="list-style-type: none"> • A frequency of testing that meets the minimum set in NZS 5826:2010 	Achieved
Microbiological tests must be scheduled a minimum of monthly	Achieved
Microbiological tests must include: <ul style="list-style-type: none"> • Faecal Coliforms or E. coli • Staphylococcus aureus • Pseudomonas aeruginosa • Standard plate count 	Achieved
<ul style="list-style-type: none"> • Four weeks water chemical value tests as specified by the assessor must confirm the presence of chemicals between the lowest and highest values set in NZS 5826:2010 	Achieved
<ul style="list-style-type: none"> • Four separate sets of microbiological tests as specified by the assessor must confirm the absence of pathogens of the time above the highest value set in NZS 5826:2010 	Achieved
<ul style="list-style-type: none"> • Must detail the water treatment qualifications held by the relevant staff in accordance with NZS5826:2010 Role and qualification to be detailed. 	Achieved
<ul style="list-style-type: none"> • Procedure must cover actions in response to - faecal solids, vomit, diarrhoea, blood and an incident in a confirmed cryptosporidium outbreak and notifiable disease outbreak and reporting requirements.. 	Achieved
<ul style="list-style-type: none"> • Procedure must specify - type of contamination and response, removal of solids and semi-solids (Vacuuming), filtration and turnover, evacuation times, disinfection for each pool. 	Achieved
<ul style="list-style-type: none"> • That faecal accident, especially those involving diarrhoea, are recorded. 	Achieved
Water Quality (On site)	
Water Quality Including Pool Contamination	
CRITERIA: Confirmation that staff understand and apply the faecal accident procedure. HOW: Questioning to verify that staff understand the faecal accident procedure.	

<p>ESSENTIAL COMPONENTS:</p> <ul style="list-style-type: none"> • A visual check of records and equipment. • Questioning of frontline staff to determine that if a faecal accident occurred it would be dealt with in accordance with the procedure • Visual check of records, testing procedures and pool laboratory to confirm that written evidence does correspond to what actually does occur at the facility. 	<p>Achieved</p>
<p>NOTE: Every lifeguard is not expected to know the entire procedure. They must be able to perform the first response to avoid contamination of pool customers and then know where to access further information or advice.</p>	
<ul style="list-style-type: none"> • PRMP is onsite and easily accessible to staff 	<p>Achieved</p>
<ul style="list-style-type: none"> • Visual check of certificate of water treatment qualifications held by staff. 	<p>Achieved</p>
<p>Supervision (On site)</p>	
<p>CRITERIA: Confirmation that all pools are supervised according to NOP. HOW: Visual check and questioning to verify that staff understand and apply pool supervision policy.</p>	

<p>ESSENTIAL COMPONENTS:</p> <ul style="list-style-type: none"> • All water open for use is supervised by a lifeguard • Any closed water is closed with a barrier or its access is supervised by a lifeguard • Lifeguards must have an understanding of the rationale behind the individual pools procedures and a grasp of the information contained in the procedures; at a level whereby they are able to make sound decisions on how they supervise the pool on a minute by minute, second by second basis • Lifeguards are not required to know or even recognise the technical terms or even names of procedures • Lifeguards should be asked to quote actual examples of the application of pool supervision procedure (unless they just do not happen) • Lifeguards should be given hypothetical situations and asked for their response. The response should mirror the rationale behind procedures. These should cover a range of user groups. • Lifeguard in charge must have an understanding of the rationale behind the procedures and a grasp of the information contained in the procedures • Lifeguard in charge should be asked to quote pool supervision ratios • Lifeguard to customer ratios. How are these managed. (give scenarios) • PLSA Lifeguards will be asked to confirm a PLPC staff member is always rostered on with them • Lifeguards should be asked about after-hours bookings and who is rostered on. 	<p>Achieved</p>
<p>Spas, saunas, steam rooms and private pools within an Aquatic Facility</p>	
<ul style="list-style-type: none"> • Private pools/spas must have signage clearly visible to say the area of water is not supervised • Lifeguards should be familiar with the guidelines of use as per the NOP 	<p>Not applicable</p>
<p>Learn to Swim Pools within an Aquatic Facility</p>	
<ul style="list-style-type: none"> • Lifeguards and/or instructors should be familiar with the guidelines of use as per the NOP • Signage clearly visible to say that the facility is not supervised by a lifeguard 	<p>Not applicable</p>

Stand Alone Learn to Swim Facilities	
<ul style="list-style-type: none"> • Signage clearly visible to say that the facility is not supervised by a lifeguard • Instructors/staff should be familiar with the guidelines of use as per the NOP 	Not applicable
Emergency Action Plan (On site)	
CRITERIA: Confirmation that staff understand and apply the pools EAP. HOW: Visual check and questioning to verify that staff understand EAP.	
<p>ESSENTIAL COMPONENTS:</p> <ul style="list-style-type: none"> • Lifeguards must be able to outline the essential elements of the appropriate response to every reasonably foreseeable emergency. • All lifeguards must have easy access to a current EAP. • EAP must be accessible to staff with poolside emergency signage to compliment procedures. • That the assessor is satisfied a victim would receive care expected from an entry level lifeguard using Pool Lifeguard Practising Certificate as the benchmark. • Lifeguards are not required to know or even recognise the technical terms or even names of procedures. • Lifeguards should be asked to quote actual examples of the application of the pool EAP (unless they just do not happen). • Lifeguards should be given hypothetical situations and asked for their response. The response should mirror the rationale behind procedures. These should cover a range of user groups. • Senior lifeguards should know the plan backwards and be able to adapt it to cater to the more unlikely situations, e.g. multiple casualties. • If accessibility equipment such as hoists or aquatic wheelchairs are present at the pool are the lifeguards trained in how to use them? • Formal training is given regularly and what is covered within the training (minimum quarterly) and any consequences for not attending training • For specialist emergency equipment such as oxygen, AED and spinal boards are lifeguards trained in their use, and familiar with the specific model. 	Achieved
<ul style="list-style-type: none"> • All lifeguards must have easy access to a current EAP 	Achieved

<ul style="list-style-type: none"> • EAP must be in manual format with poolside emergency signage to compliment procedures 	<p>Achieved</p>
<ul style="list-style-type: none"> • The health and safety manual, Normal Operating Procedures and Emergency Action Plan should be available to lifeguards giving them one-stop-shop access to the "big picture" 	<p>Achieved</p>

Pool Alone (On site)

CRITERIA: Confirmation that staff understand and apply the pools child supervision policy.

HOW: Visual check and questioning to verify that staff understand child supervision policy.

Appendix - Photos

Section: Supervision

Question:

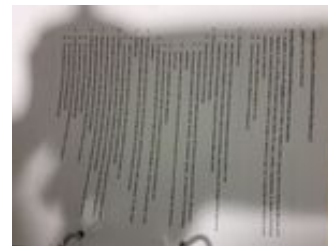
- All qualified lifeguards must have completed First aid units 26551 and 26552 (6400, 6401 & 6402) as a minimum first aid qualification



Section: Supervision

Question:

- Evidence that all lifeguards have completed an induction PRIOR to working on Poolside



Section: Supervision

Question:

- Evidence that all staff have undergone PLSA or PLPC training and assessment



Section: Emergency Action Plan

Question:

- Signed staff training records

**Section: Health and Safety**

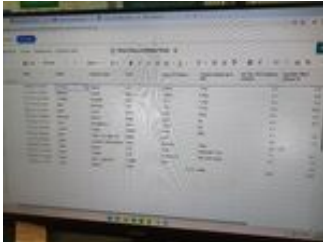
Question:

- A record is kept of all customer accidents requiring further medical attention

**Section: Water Quality**

Question:

- That faecal accident, especially those involving diarrhoea, are recorded.

**Section: Water Quality (On site)**

Question: **ESSENTIAL COMPONENTS:**

- A visual check of records and equipment.
- Questioning of frontline staff to determine that if a faecal accident occurred it would be dealt with in accordance with the procedure
- Visual check of records, testing procedures and pool laboratory to confirm that written evidence does correspond to what actually does occur at the facility.



Section: Pool Alone (On site)



INVESTMENT AUDIT REPORT

Procedural Audit of Taupō District Council

Monitoring Investment Performance

Report of the investment audit carried out under Section 95(1)(j)(ii)(iii) of the Land Transport Management Act 2003

Robert Woods

25 May 2026

FINAL

Report Number: RARWOI-2578

Audit: Taupō District Council

Approved Organisation (AO):	Taupō District Council
Waka Kotahi NZ Transport Agency Investment (2024 – 2027 NLTP):	\$20,563,726 (budgeted programme value)
Date of Investment Audit:	2 nd – 4 th March 2026
Auditor:	Robert Woods, Senior Investment Auditor
Report No:	RARWOI-2578

AUTHORITY SIGNATURES

Prepared by:



Robert Woods, Senior Investment Auditor

Approved by:



Vanessa Deleat, Manager Audit & Assurance

25/05/26

Date

DISCLAIMER

WHILE EVERY EFFORT HAS BEEN MADE TO ENSURE THE ACCURACY OF THIS REPORT, THE FINDINGS, OPINIONS, AND RECOMMENDATIONS ARE BASED ON AN EXAMINATION OF A SAMPLE ONLY AND MAY NOT ADDRESS ALL ISSUES EXISTING AT THE TIME OF THE AUDIT. THE REPORT IS MADE AVAILABLE STRICTLY ON THE BASIS THAT ANYONE RELYING ON IT DOES SO AT THEIR OWN RISK, THEREFORE READERS ARE ADVISED TO SEEK ADVICE ON SPECIFIC CONTENT.

EXECUTIVE SUMMARY

New Zealand Transport Agency Waka Kotahi (NZTA) funds Taupō District Council's (Council, TDC) land transport activity through its National Land Transport Programme (NLTP). The Council is responsible for the management of the land transport activity, excluding the state highways, within the Taupō District Council boundaries. This procedural investment audit was completed for the period 1st of July 2021 to 30th of June 2025.

Claims for funding assistance for the four financial years were reconciled against Council's General Ledger. Two overclaims were noted for the 2024/25 financial year and Council should ensure this is balanced by future claiming for the remainder of the 2025/26 financial year in the corresponding activity classes.

Two retentions held in the retentions account were found to have expired some time ago. The NZTA share of these retentions (\$22,652.21) should be returned to NZTA in the current financial year or else returned to the suppliers.

Taupō District Council has not been complying with NZTA's conditions of funding for Low-Cost Low Risk programme management, whereby Council is required to annually upload to TIO an updated spreadsheet template of actual project expenditure and cash flows.

NZTA's endorsement of Council's Procurement Strategy expired in December 2025 and this needs to be rectified as soon as possible, since it is a significant breach of the NZTA Procurement Manual and a condition of continued NZTA co-investment in Council's transport activities. Council has received a number of extensions from NZTA since December 2025 to complete and submit a final Procurement Strategy, however at the time of audit this remained outstanding.

Twelve contracts were reviewed during the audit for compliance with NZTA procurement manual procedures, representing over \$92 million of tendered investment. Key findings from the procurement review identified poor record keeping, deficiencies in the management of the conflict of interest and confidentiality process, and a number of other minor but consistent departures from approved procurement procedures.

Deviation from the NZTA Procurement Manual requirements constitutes a breach of Section 25 of the Land Transport Management Act (LTMA). From an audit perspective, the absence of comprehensive documentation presents a risk of perceived non-compliance. It is essential that all procurement decisions, particularly those involving departures from standard procedures, are clearly and transparently recorded to ensure accountability and legal conformity. Council must strengthen its quality assurance processes to ensure full compliance with NZTA procurement requirements and improve transparency in tender evaluations.

The term maintenance contracts appear to be managed effectively with good documentation of meetings and sound management practises in place to ensure Council is getting value for money from these contracts. It is clear relationships are being actively managed and fostered to ensure effective outcomes on the network. Good systems are in place to agree plans, verify works and approve payments. There is also a good degree of innovation in evidence, with the use of AI tools to detect, record and manage defects across the network.

Council's management of the safe system audit process remains a concern, first highlighted in 2022. Record keeping appears inconsistent with many of the audits viewed remaining open, with limited if any response from the Client team. Council does however appear to be making effective use of safe system audit exemptions where appropriate.

Council does not include the cost of in-house professional services, overheads or administration in its claims to NZTA, as is its entitlement under NZTA policy. If Council wishes to do this it should first document its methodology for how it intends to calculate and charge for in-house professional services, overhead and administration and then seek NZTA endorsement before doing so.

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AUDIT RATING ASSESSMENT

Subject Areas		Rating Assessment*
1	Previous Audit Issues	N/A
2	Financial Processes	Some Improvement Needed
3	Procurement Procedures	Significant Improvement Needed
4	Contract Management	Some Improvement Needed
6	Professional Services and administration	Effective
Overall Rating		Some Improvement Needed

* Please see Introduction for Rating Assessment Classification Definitions

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RECOMMENDATIONS

The table below captures the audit recommendations. Agreed dates are provided for the implementation of recommendations by the approved organisation.

We recommend that Taupō District Council:		Implementation Date
R2.1	Ensures \$7,176 (total expenditure) in the Walking and Cycling activity class, and \$3,950 (total expenditure) in the Safety activity class is deducted from total expenditure claimed in the 2025/26 financial year.	1 July 2026
R2.2	Reviews the claim validation process to ensure that claims submitted are fully reviewed.	From 1 July 2026
R2.3	Releases expired retentions on contracts CN438 and CN440, or make arrangements for the return of the NZTA share of these expired retentions (being 51% of \$21,748.34 = \$11,091.65 and 51% of \$22,667.76 = \$11,560.56) in the 2025/26 financial year, to a suitable NZTA subsidised account.	1 July 2026
R2.4	Updates the LCLR template in TIO by 31 st of August annually to meet funding conditions.	By 31 August 2026
R3.1	Submits a proposed Council Transport Procurement Strategy 2026-2029 to the NZTA Procurement team as soon as possible, for endorsement.	End of April 2026
R3.2	Ensures it fully documents and stores all required procurement information to enable effective future audits by NZTA required under 95(1)(j)(ii)(iii) of the Land Transport Management Act 2003, per <i>Rule 10.6 Documentation and publication requirements</i> of the NZTA Procurement Manual.	New filing system to be implemented in 2027, date to be confirmed.
R3.3	Ensures it consistently complies with <i>Government Procurement Rule 2: Integrity, NZTA Procurement Manual Rule 10.3 Compliance with general legal requirements and Taupō District Council Procurement Strategy 4.5 Risk Identification</i> when identifying, notifying, managing and recording conflicts of interest on all procurement activities.	In place effective immediately.
R3.4	Ensures it consistently complies with NZTA Procurement Manual <i>Rule 10.12 RFP contents and conformity</i> , especially as it relates to Councils policy on late proposals.	In place effective immediately.
R3.5	Ensures it consistently complies with NZTA Procurement Manual <i>Rule 10.14 Non-price proposal evaluation attributes</i> , especially as it relates to use of mandatory non-price attributes and the scoring range.	In place effective immediately.
R3.6	Ensures it consistently complies with NZTA Procurement Manual <i>Rule 10.19 Qualifications of proposal evaluators</i> .	In place effective immediately.
R4.1	Applies NZTA Safe System Audit Guidelines to all improvements and renewals in line with the NZTA Safe System Audit Policy and ensures audits are fully responded to, signed off and held on file for future Audit.	Ongoing

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1. INTRODUCTION

1.1. Audit Objective

The objective of this audit is to provide assurance that NZ Transport NZTA Waka Kotahi (hereafter NZTA) investment in Council's land transport programme is being effectively managed and delivering value for money. We also seek assurance that the Council is appropriately managing risk associated with NZTA investment. We recommend improvements where appropriate.

1.2. Assessment Ratings Definitions

	Effective	Some Improvement Needed	Significant Improvement Needed	Unsatisfactory
Investment management	Effective systems, processes and management practices used.	Acceptable systems, processes, and management practices but opportunities for improvement.	Systems, processes, and management practices require improvement.	Inadequate systems, processes, and management practices.
Compliance	NZ Transport Agency and legislative requirements met.	Some omissions with NZ Transport Agency requirements. No known breaches of legislative requirements.	Significant breaches of NZ Transport Agency and/or legislative requirements.	Multiple and/or serious breaches of NZ Transport Agency or legislative requirements.
Findings/ deficiencies	Opportunities for improvement may be identified for consideration.	Error and omission issues identified which need to be addressed.	Issues and/or breaches must be addressed, or on-going NZ Transport Agency funding may be at risk.	Systemic and/or serious issues must be urgently addressed, or on-going NZ Transport Agency funding will be at risk.

1.3. Council Comments

Council has provided responses to each of the audit recommendations, as indicated in the sections below.

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2. ASSESSMENT FINDINGS

Our findings relating to each subject area are presented in the sections and tables below. Where necessary, we have included recommendations and/or suggestions.

1. Previous Audit Issues

There were five recommendations from the previous procedural audit completed in February 2022.

We recommend that Taupō District Council:		Implementation Date
R2.1	Implements a process for ensuring the Job Ledger and General Ledger are reconciled on a regular basis.	1 July 2022
R2.2	Provides Waka Kotahi with reconciliation documentation to support its final claim for 2021/22.	30 July 2023
R3.1	Advertises its tenders through GETS as defined in section 10.6A of the Procurement Manual and Government Rule 56.	From July 2022
R4.1	Ensures all required documentation is filed for contracts including road safety audits and exemption declarations.	From July 2022
FR4.2	Implements a process for ensuring all procurement and contract management documentation is retained on the Council's files.	30 August 2022

Recommendations R2.1, R2.2 and R3.1 have largely been satisfied.

The current audit found that recommendations R4.1 and (F)R4.2 remain areas of focus for Council. These and other findings from the audit are discussed in the following sections.

2. Financial Processes	Some Improvement Needed
<p>Claims for the four financial years to 30th of June 2025 were reconciled against Council’s General Ledger (GL). The reconciliation process was straightforward using tabs from excel reports extracted directly from the GL, along with supporting working sheets. Sampled transactions were eligible for funding and correctly claimed under the relevant work categories.</p> <p>It was not possible however to clearly differentiate the 30/70 split for street cleaning for the four years. Council staff advised that they claim in full up to a pre-determined amount within the 113 work category and then claim no more for the remainder of the year. Council was advised that is not the correct approach for claiming this expenditure and that in future claiming must be split 30/70 throughout the year to avoid the potential for under or over claiming, as well as to allow future auditing. It was not possible to determine whether any overclaiming had occurred, however since significant eligible unclaimed expenditure was present for the years in question within the same activity class, no recovery action would have been necessary in any case. Council staff have recognised this error and will make arrangements for this expenditure to be split appropriately on a monthly basis, so that it is clear in the GL to facilitate future auditing.</p> <p>It is also noted that for the 2024/25 financial year Council overclaimed by \$7,176 (total expenditure) in the Walking and Cycling activity class, and by \$3,950 (total expenditure) in the Safety activity class. This expenditure was not supported by corresponding transactions in the GL and should be deducted from the allocations for these activity classes in the 2025/26 financial year. This raises concerns around the validation and checking of the claim that allowed this error to go undetected for the financial year.</p> <p><u>Retentions</u></p> <p>As of February 2026, three retentions were held. Two of these are considerably older than 52 weeks since project completion. Council advised that these relate to contracts CN438 with TR Construction (\$21,748.34) and contract CN440 with Camex Civil (\$22,667.76) and are being withheld pending the correction of defects to the completed works. Given the timeframes that have passed since expiry of the 52 weeks defects correction period, it is no longer practicable to anticipate these defects will be rectified. Accordingly, Council should release these retentions to the suppliers or notify them that these retentions will not be returned and then make arrangements with NZTA for the return of its share of the funds at the applicable FAR.</p> <p><u>Low-Cost Low-Risk (LCLR)</u></p> <p>Expenditure claimed under the Low-Cost Low-Risk programme totalled approximately \$2.9 million during the audited period and covered walking and cycling initiatives, local road improvements, and Road to Zero projects. A condition of funding within LCLR requires that the template list be updated by 31st of August each year to reflect actual project expenditure. This condition has not been met, as was also evident from the previous audit for the 2018/19 to 2021/22 period. Council staff uploaded a spreadsheet for the 2021-24 period following the audit however this does not match the claimed totals for those years. Council needs to ensure that they are meeting the conditions of funding for LCLR, and any subsequent activities that follow the LCLR funding conditions and spreadsheet.</p>	
<p>Recommendations</p>	<p>That Taupō District Council:</p> <p>R2.1 Ensures \$7,176 (total expenditure) in the Walking and Cycling activity class and \$3,950 (total expenditure) in the Safety activity class are deducted from total expenditure claimed in the 2025/26 financial year.</p> <p>R2.2 Reviews the claim validation process to ensure that claims submitted are fully reviewed.</p>

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	<p>R2.3 Releases expired retentions on contracts CN438 and CN440 or makes arrangements for the return of the NZTA share of these expired retentions (being 51% of \$21,748.34 = \$11,091.65 and 51% of \$22,667.76 = \$11,560.56) in the 2025/26 financial year, to a suitable NZTA subsidised account.</p> <p>R2.4 Updates the LCLR template in TIO by 31st of August annually to meet funding conditions.</p>
<p>Taupō District Council's comment</p>	<p>R2.1 Taupō District Council acknowledges the overclaimed expenditure of \$7,176 in the Walking and Cycling activity class and \$3,950 in the Safety activity class for the 2024/25 financial year. These amounts will be deducted from the respective activity class allocations in the next 2025/26 claim. Council notified NZTA of the discrepancy on 25 September 2025 and requested guidance. A reconciliation of the general ledger against the 30 June claim was completed in September, once most FY2024/25 transactions had been entered into the ledger. This allowed variances to be identified and the required correcting journals to be processed before the financial year was finalised. Council notes that a reconciliation between the general ledger and each NZTA claim is undertaken every time a claim is submitted, and any errors identified during this routine process are corrected in the following period. This issue arose specifically because it related to year-end, when the ledger is still being finalised, but the NZTA claim must be submitted within the required timeframes.</p> <p>R2.2 The overclaim resulted from the need to submit claims shortly after year-end, when accruals must be estimated as not all invoices have been received, verified, or processed. NZTA (Rob Bullock) advised on 29 September 2025 that resolution could occur during the March audit visit, acknowledging the timing challenges associated with year-end processes. To strengthen the accuracy of future claims, Council will implement the following measures:</p> <ul style="list-style-type: none"> • All accruals will be reviewed and processed through the general ledger, with manual accrual requests no longer accepted. • Earlier invoice submission deadlines will be requested at year end, particularly from major contractors, to reduce reliance on estimated accruals. <p>R2.3 Practical completion of CN438 issued 30/09/25 so the final retention release of \$21,829.82 after defect liability period is 01/10/26, therefore not currently overdue. CN440 is still open as some defects are still being worked on with the contractor. Once these are completed retentions will be released.</p> <p>R2.4 Noted. This will be updated as part of the annual achievement report each year.</p> <p>Other The 30/70 split for street sweeping has been future-proofed by apportioning each payment claim across two separate work orders: 30% of the investment is claimed under a subsidised work order, with the remaining 70% claimed under an unsubsidised work order.</p>

3. Procurement Procedures**Significant Improvement Needed**

Council does not have a current NZTA endorsed Procurement Strategy. Endorsement of the present strategy expired on 23rd of December 2025. Council has received a number of extensions from NZTA since December 2025 to complete and submit a final Procurement Strategy, however at the time of audit this remained outstanding. As such Council is in breach of *rule 10.4 Procurement strategies* of the NZTA Procurement Manual. Council have advised that a new strategy is in progress, and this should be provided to the NZTA procurement team for review and endorsement as soon as possible. The NZTA Procurement team are aware.

Twelve NZTA co-funded contracts let in the four years to 2024/25 were reviewed for compliance with NZTA procurement manual requirements (see Appendix B below). These were selected some three weeks prior to the audit from a long list of 22 contracts, in order to give Council time to ensure all relevant documentation (per Appendix C of the planning letter to Council dated 8th of October 2025) was available for audit.

It was thus unfortunate that Council did not take up this opportunity, with the resulting supply of contract documentation, via a sharepoint site being intermittent and piecemeal throughout the audit week of 2nd to 4th March 2026. This delay proved to be indicative (and subsequently confirmed by Council staff) of the difficulty retrieving procurement documentation from a range of different repositories, especially for the early years covered by the audit. It is believed a number of documents were saved in desktop email folders by former staff which were subsequently lost upon their departure.

The procurement review revealed some examples of good procurement practise, however some persistent and concerning themes emerged, as outlined below. NZTA Procurement Manual Rules and Government Procurement Rules are referenced as applicable.

Rule 10.6 Documentation and publication requirements (documentation of procurement activity)

The review of the contracts sampled often encountered missing information such conflict of interest declarations, tender evaluation reports, tender scoring and calculation sheets, tender approvals and signed contracts. This was also a finding from the 2022 report which does not appear to have been addressed. A number of these documents also relate to specific requirements elsewhere in the NZTA Procurement Manual and wider Government Procurement Rules, such as documenting that supplier selection methods have been followed correctly (Procurement Manual Appendix C.5) and that conflicts of interest are identified, notified, managed and recorded (NZTA Procurement Manual Rule 10.3 Compliance with general legal requirements and Government Procurement Rule 2: Integrity).

Rule 10.6A Supplier selection process requirements (Publication of opportunities to supply)

The review found that some contracts let used Tenderlink rather than GETS. This was also a finding from the 2022 report which does not appear to have been immediately addressed; however it does appear to have been in more recent tenders.

Rule 10.12 RFP contents and conformity

The review found only occasional inclusion of Councils policy on late proposals in RFT documents.

Rule 10.14 Non-price proposal evaluation attributes

For all supplier selection methods Council must evaluate proposals against relevant experience, relevant skills and methodology. In a number of contracts reviewed, the relevant skills attribute was not used. Additionally, non-price attributes must be scored on a range from 0 to 100, whereas in a number of contracts reviewed a range of 0 to 10 was used.

Rule 10.19 Qualifications of proposal evaluators

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For contracts over \$200,000 Council must ensure at least one member of the proposal evaluation team holds a relevant qualification or is approved by NZTA as a proposal evaluator. In our review we were only able to identify a documented qualified proposal evaluator in one of the twelve contracts.

Deviation from the NZTA Procurement Manual requirements constitutes a breach of Section 25 of the Land Transport Management Act (LTMA). From an audit perspective, the absence of comprehensive documentation presents a risk of perceived non-compliance. It is essential that all procurement decisions, particularly those involving departures from standard procedures, are clearly and transparently recorded to ensure accountability and legal conformity. Council must strengthen its quality assurance processes to ensure full compliance with NZTA procurement requirements and improve transparency in tender evaluations.

<p>Recommendations</p>	<p>We recommend that Council:</p> <p>R3.1 Submits a proposed Council Transport Procurement Strategy 2026-2029 to the NZTA Procurement team as soon as possible, for endorsement.</p> <p>R3.2 Ensures it fully documents and stores all required procurement information to enable effective future audits by NZTA required under 95(1)(j)(ii)(iii) of the Land Transport Management Act 2003, per <i>Rule 10.6 Documentation and publication requirements</i> of the NZTA Procurement Manual.</p> <p>R3.3 Ensures it consistently complies with <i>Government Procurement Rule 2: Integrity</i>, <i>NZTA Procurement Manual Rule 10.3 Compliance with general legal requirements</i> and <i>Taupō District Council Procurement Strategy 4.5 Risk Identification</i> when identifying, notifying, managing and recording conflicts of interest on all procurement activities.</p> <p>R3.4 Ensures it consistently complies with NZTA Procurement Manual <i>Rule 10.12 RFP contents and conformity</i>, especially as it relates to Councils policy on late proposals.</p> <p>R3.5 Ensures it consistently complies with NZTA Procurement Manual <i>Rule 10.14 Non-price proposal evaluation attributes</i>, especially as it relates to use of mandatory non-price attributes and the scoring range.</p> <p>R3.6 Ensures it consistently complies with NZTA Procurement Manual <i>Rule 10.19 Qualifications of proposal evaluators</i>.</p>
<p>Taupō District Council's comment</p>	<p>R3.1 Currently we are in the process of updating the strategy in line with the national procurement guidelines. This should be with NZTA early April 2026, Steph to confirm date.</p> <p>R3.2 Council currently use Objective as their corporate document filing system however we need to ensure we have proper naming convention, so it is easy to search contracts and projects. It should be noted we are moving from Objective filing to ECM in 2027 so will need to consider how these files are moved across.</p> <p>R3.3 COI declarations are completed, reviewed and filed for all procurement before the evaluators are given access to the responses. Tenderlink is no longer used at TDC all open tenders and responses are via GETS.</p>

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	<p>R3.4 All RFx are checked by the Procurement Manager to ensure contents and conformity contains the requirements as per the Procurement Manual rule 10.12.</p> <p>R3.5 As above, the check will include compliance with 10.14 non-price evaluation attributes.</p> <p>R3.6 We are considering training one of our staff for the NZTA qualification for evaluators for future contracts over \$200,000. Note, while out of this current audit period we did bring in a qualified evaluator for those contracts over \$200,000. As part of the procurement plan the qualified evaluator will be identified, this could be an internal staff member or a consultant who meets the requirements to the satisfaction of NZTA.</p>
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4. Contract Management	Some Improvement Needed
<p>This audit focussed on contract management of the Maintenance, Renewals and Network Management contract with HEB. This began in October 2024. Council has available a three year contract extension from October 2029, subject to reaching agreement with HEB and receiving NZTA approval.</p> <p>Governance and management structures to deliver the contract are robust and have been effective in ensuring the Council gets what it requires from HEB in terms of delivery. A contract Governance Board meets quarterly, complemented by monthly contract meetings, weekly update meetings and occasional asset management forums where the HEB corporate asset management team provides guidance to Council on the further development of Council's Asset Management Plan.</p> <p>Council operates an effective process for the planning, verification and approval of works delivered under the contract using RAMM. All works have before and after photos, where the location and quantity of works are verified before payment. Holds are placed on approvals where more information is required from the contractor. Larger works and dayworks are verified on site by Council staff before payment. A robust system is in place for emergency response in and out of hours between HEB, Council and Tauranga City Council, who provide an out of hours call centre on behalf of Taupō District Council.</p> <p>Council's in-house team is well resourced to manage the contract, with an Operations Manager and three Network Managers responsible for geographical areas as well as specific asset types. This is complemented by video recordings of driven network inspections by HEB, providing time stamped data on the network in visual format, as well as offering AI functionality that collates network defects; and to some extent also detection functionality, such as missing street signs. Council staff also spend time in the HEB depot offices a number of days each week that further enhances communication and relationships.</p> <p>Safe System Audits</p> <p>Council supplied ten Safe System Audit Exemption Forms covering a range of maintenance, renewal, pedestrian enhancement and minor safety improvement activities. These all provided a sound rationale for the exemption and were signed off appropriately.</p> <p>Council also supplied seven safe system audits covering four projects (including one that was already covered by an exemption), comprising five design stage audits and two post-construction audits. Of these, only one had complete responses and was fully signed off. Of the remainder, four had not been responded to or signed off and two had been responded to but not signed off. Whilst Council is making suitable and effective use of the exemption declaration option for improvements and renewals, it needs to fully respond to and close out any safe system audits it does initiate. Failure to do this could potentially expose Council to unnecessary risk, if for example its inaction is determined by an inquest to have led to a serious injury or fatality. Additionally, it is a condition of funding that safe system audits must be undertaken at key stages of a project's development and implementation, or else exemption declarations completed. It is also noted that two of the projects received no post-construction audit.</p>	
<p>Recommendation</p>	<p>We recommend that Council:</p> <p>R4.1 Applies NZTA Safe System Audit Guidelines to all improvements and renewals in line with the NZTA Safe System Audit Policy and ensures audits are fully responded to, signed off and held on file for future Audit.</p>
<p>Taupō District Council's comment</p>	<p>R4.1 Transport team were very under-resourced during the last audit period but have filled vacancies and now have a full complement. This under resourcing meant some gaps did continue to appear in our documentation e.g. signatures and responses of safety audits. To overcome this we have started to develop guidelines to provide consultants and project managers</p>

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	<p>(externally and internally) with what our requirements are for safety audits and to ensure there is either an exemption form or signed completed safety audit. A draft document of this was added to the sharepoint folder as part of the review. We have also modified the LCLR spreadsheet in order to keep track of all 4 stage audits.</p>
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* * *

5. Professional Services and administration	Effective
<p>Council does not currently claim for in-house professional services, associated overheads or administration, as is its entitlement under the NZTA Professional Services and Administration Funding Policy.</p> <p>Should Council in the future wish to claim for these costs then it should first document the methodology it proposes to use for calculating and allocating these costs to NZTA claims and then seek NZTA advice prior to including such costs in future claims.</p>	
<p>Taupō District Council's comment</p>	<p>Noted. We are in the process of recording staff time now we have a dedicated financial person within the Transport team and a dedicated finance business partner.</p>

* * *

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APPENDIX A**Audit Programme**

Previous audit outcomes – from last procedural audit dated 15 March 2022	
Land Transport Disbursement Account	
Final claims 2021/22, 2022/23, 2023/24, and 2024/25	
Transactions (accounts payable)	
Retentions Account	
Procurement Procedures	
Contract Variations	
Contract Management	
Road Safety Audits	
Professional Services and administration	
Transport Investment On-line (TIO) Reporting	
Other issues that may be raised during the audit	
Close out meeting	

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APPENDIX B

Contracts Audited

Contract Number	Tenders Received	Date Let	Description	Contractor	Estimate Let Price Final Cost
CN349	3	16/11/22	Poihipi & Oruanui Rd Rehabilitation 2022	Camex Civil	\$0.969m \$0.953m \$0.988m
CN393	3	15/10/21	Kiddle Drive Roundabout	Fulton Hogan	\$1.650m \$1.187m \$1.330m
CN438	3	09/08/23	Pedestrian Refuge Islands & Minor Safety Improvements	TR Construction	\$0.700m \$0.453m \$0.453m
CN440	4	22/02/23	Crown Rd & Lake Terrace Rd Footpath Extensions	Camex Civil	\$0.780m \$0.754m \$0.802m
CN442	4	19/10/22	AC Resurfacing 2022-23	Downer	\$0.785m \$0.928m \$0.862m
CN458	1	16/11/22	Structures Asset management Services	Beca	\$0.271m \$0.205m (base cost for 3 years) ongoing
CN475	2	30/06/23	Street Light Maintenance 2023-26	Horizon Networks	\$0.794m \$0.999m ongoing
CN479	1	30/06/23	Road Marking Maintenance	Roadrunner Markers	undisclosed \$0.820m ongoing
CN518	5	21/11/23	Broadlands Rd Area Wide Treatment	Camex Civil	\$0.314m \$0.333m \$0.323m
CN521	2	12/10/23	Lake Terrace Pavement Intervention	Downer	\$2.958m
CN527	3	10/6/24	Road Maintenance, Renewal and Network Management	HEB	\$79.932m ongoing
CN532	7	24/01/24	Wairakei Dr. & Huka Falls Rd Roundabout	Advanced Civil	\$2.450m \$1.530m \$1.897m

STRATEGIC RISK SUMMARY - MAY 2026

Council has identified ten strategic risks and has undertaken risk workshops to develop a detailed understanding of nine of these, in particular what is driving the risk and what else can be done to mitigate or control it. The outputs of this analysis are captured in Strategic Risk Profiles which are summarised below.

#	Risk Description	Risk Sponsor	Date Last Review	Next Review Due Date	Current Plausible Risk Rating	Risk Trend	Within Risk Appetite?	Responsible for ensuring adequate management of risks and what actions are required
Risk 1	Attracting and retaining a competent workforce. <i>If the Council is unable to attract and retain competent workers at the required levels, then it would be unable to achieve the required outcomes and objectives.</i>	GM People and Community Partnerships	Feb 26	May 26	Medium		Yes	Enterprise Leaders
Risk 2	Ineffective relationships. <i>If effective relationships with partners, stakeholders, and the community are not developed and maintained then this could result in missed opportunities to benefit from connections, delays the delivery of projects and services, community mistrust, or damage to TDC reputation.</i>	GM People and Community Partnerships	Apr 26	Jul 26	Low		Yes	Manager / Team Leader / Project Manager
Risk 3	Financial Strategy. <i>If Council does not have sufficient liquidity and/or funding, then delivery of service levels and ability to fund key projects may be significantly impacted. This could include not having adequate headroom, growth being different to projections and modelling, planned asset sales being delayed, funding required for unforeseen event such as a disaster.</i>	GM Organisation Performance	Feb 26	May 26	Medium		Yes	Enterprise Leaders
Risk 4	Critical infrastructure failure. <i>If any infrastructure essential for ensuring the safety and wellbeing of the community fails, then there could be adverse effects on public health and environmental outcomes.</i>	GM Community Infrastructure and Services	Mar 26	Jun 26	Medium		Yes	Enterprise Leaders

Risk 5	<p>Zero Harm. Significant harm is caused to workers, or others, due to poor or inactive health and safety systems, non-compliance with legislative requirements, or inadequate governance/management of shared health and safety responsibilities with other PCBUs.</p>	GM Organisation Performance	Feb 26	May 26	High	↔	No	GM Organisation Performance.
Risk 6	<p>Non-delivery of projects. If the Council does not deliver the projects, it has funded for within the planned timeframes then this has a negative flow on effect for future planning and funding for the organisation and delivery for the community.</p>	GM Community Infrastructure and Services	Feb 26	May 26	Low	↓	Yes	Manager / Team Leader / Project Manager
Risk 7	<p>Compliance and legal liabilities. If the Council does not meet its broad range of legislative and compliance responsibilities, either intentionally or unintentionally, then it may be subject to legal action or suffer other damage.</p>	GM Organisation Performance	Feb 26	May 26	Medium	↓	Yes	Enterprise Leaders
Risk 8	<p>Maintaining ICT systems and secure records. IT systems and council data are vulnerable to system failures and cyberattacks impacting councils' operations and reputation.</p>	GM Organisation Performance	Apr 26	Jul 26	Medium	↔	Yes	Enterprise Leaders
Risk 9	<p>Effects of Climate Change. If the current and future effects of climate change are not adequately addressed in the Council's planning and delivery of services, then the impacts of climate change may have significant effects on the community and require additional unbudgeted resources to manage.</p>	GM Strategy & Environment	Apr 26	Jul 26	Low	↔	Yes	Manager / Team Leader / Project Manager
Risk 10	<p>Underperforming Council. If the Council fails to function as a cohesive team, then its ability to provide the governance required can be compromised and creating high levels of uncertainty it its ability to achieve its strategic objectives.</p>	Chief Executive						The Underperforming Council risk profile has not yet been developed.

STRATEGIC RISK PROFILE.



Strategic Risk	Zero Harm	
Description	Harm is caused to workers, or others, due to poor or inactive health and safety systems, non-compliance with legislative requirements, or inadequate governance / management of shared health and safety responsibilities with other PCBUs.	
Owner	GM Organisation Performance	
Last reviewed	February 2026	
Next review	June 2026	
Risk Rating		
Within TDC Risk appetite?		N
Risk trend		↑
		↔
		↓

Commentary and Emerging issues.
<p>This strategic risk has been evaluated against the updated framework. However, the plausible risk articulated above remains high and is therefore still tracking above Councils risk appetite.</p> <p>Progress has been made in the short-term on initiating health and safety improvements across Council, with a focus on management of critical risks. The broader organisation is supportive of, and committed to, improving health and safety in TDC and has recently adopted a Critical Risk Management Framework which is in the process of being implemented for the following critical risks: Aggressive and threatening behaviour; Working with Animals; Asbestos; and Working at Heights Improvements have also been made with contractor management through the adoption of Council’s <i>Overlapping Duties Framework</i> which provides a proportionate, risk based framework to help contract managers achieve good H&S outcomes with suppliers. This has also been instrumental in helping Council transition from the prescriptive <i>Code of Practice for Temporary Traffic Management</i> to the risk-based <i>NZ Guidelines for Temporary Traffic Management</i>.</p> <p>In December 2025 KPMG was engaged to undertake a desk-top review of Council progress towards addressing recommendations arising from their 2023 audit of Council’s H&S practices. The review recognised that TDC has made strong and sustained progress since the 2023 audit, embedding health and safety improvements into core governance and operational practices rather than relying on short-term fixes. They recognised the significant sector-wide pressures facing local government and noted that some tasks planned in the <i>H&S Improvement Plan</i> may be extended based on Council’s assessment of available resourcing and the wider work programme.</p>
Risk drivers / causes.
<ol style="list-style-type: none"> Increasing levels of threatening and abusive behaviour are impacting on staff safety and wellbeing. Antisocial behaviour, fuelled by a range of community factors (for example; cost of living, mistrust of government, changes to regularly requirements, increased expectations, and unwillingness to comply with regulatory requirements) triggers more micro-aggressions by the public that become ‘normalised’. People leaders do not clearly understand their health and safety responsibilities and accountabilities. Uptake of Health and Safety (H&S) ownership and its application across teams is inconsistent. Baseline expectations for all people leaders has not been well articulated. Limited Health, Safety and Wellbeing capacity across the business: in the absence of a ‘business partner’ approach to steward Health, Safety and Wellbeing (HSW) practices across Council the technical expertise and advice to teams is provided by a limited centralised resource. Unstructured H&S Management System documentation. Council’s Health & Safety Management System lacks consistent structure and alignment with national standards. Key documentation—such as policies, guidelines, SOPs, and controls is fragmented across multiple software platforms, inconsistently applied, and not sufficiently measurable. This undermines system accessibility, governance oversight, and assurance of effective risk management.

STRATEGIC RISK PROFILE.

<p>5. Lack of consistent training for people leaders and staff covering both generic H&S requirements and / or more technical H&S training for more high-risk environments.</p> <p>6. Monitoring and reporting. The current H&S incident reporting tool (DAMSTRA) is arduous to use and consequently, despite training having been provided, could be missing key data. There is also a reluctance to report incidents / near misses. A review of requirements and the capability / capacity of DAMSTRA to meet Councils needs is being undertaken.</p>	
Possible key impacts to TDC should the risk materialise.	
Plausible scenario	Worst case scenario
<ul style="list-style-type: none"> Physical / psychological harm to staff or the public as a result of exposure to aggressive behaviour or a series of events that become normalised over time. Ongoing wellbeing impacts for exposed staff. Internal H&S investigations following incidents shift focus to reacting to incidents rather than reducing risk. Disruptions to team culture arising from investigations. Service level impacts arising from staff absent from the workforce. Staff workload increases and burnout potential arising from backfilling of roles. Lower engagement by staff or increase staff churn. Media interest or reputational impacts for Council. Financial implications arising from regulatory actions or compensation. Temporary reduction of key services due to inability to secure staff. 	<ul style="list-style-type: none"> Staff or member of the public loss of life. Significant impact to staff wellbeing resulting from an unsafe working environment, leading to decreased staff engagement, resignations, inability to return to work, or difficulty recruiting in key roles. Significant incident investigation - executive stewardship required. Prosecution under H&S Act, either against the organisation or at Officer level as recently experienced by Ports of Auckland CEO. Regulator intervention. System review required. Sustained media coverage, reputational damage and reduced public perception of Council. Increased requests for information. Financial implications arising from regulatory actions or compensation. Long term reduction of key services due to inability to secure staff.
How we are addressing this risk now.	
<ul style="list-style-type: none"> <u>Training</u> – providing H&S risk-based training through inhouse and external providers. Executive review of H&S incidents and trends to inform the development of strategic interventions. <u>Critical H&S risk management</u>– we have developed a framework which has been approved by the Executive. <u>Team level procedures</u> – SOPs to provide guidance on effective and safe operating practices. H&S discussions in team meetings. Operational staff “toolbox” sessions. <u>Monitoring</u> - staff health monitoring programme. 	
Future actions to manage the risk more effectively.	
<ul style="list-style-type: none"> Perform risk assessments for H&S critical risks which will inform the development of critical risk control procedures that prescribe minimum mandatory controls. Perform a training needs analysis and develop a H&S training programme for people leaders and job specific training for staff. This will be rolled out in line with the H&S improvement plan over FY 25/26. Develop an incident management procedure which encompasses investigation requirements and provides guidance on the development of corrective / preventive action plans. Evaluate the capacity of the DAMSTRA H&S software to meet our requirements or investigate options to replace it with an alternative system. Review worker engagement, participation and representation protocols to empower H&S Representatives to contribute to H&S initiatives. Contractor management – conduct training and implement the recently approved contractor management framework. Building proactive safety culture whereby team engagement is done with an intention of reducing risks instead of reacting to accidents / issues / events. 	

STRATEGIC RISK PROFILE.



Connection to other Risks?	
Strategic risk 1	Attracting and retaining a competent workforce (staff time off work through injury / stress, increased workload to cover absent staff, disengaged workforce, difficulty filling key front line roles).
Strategic Risk 2	Ineffective Relationships (impacts to loss of social licence, reputation damage, community or stakeholder relationship breakdown).
Strategic Risk 3	Financial Strategy (propensity to impact financial strategy through regulatory fines and / or reparation costs or compensation).
Strategic Risk 7	Compliance and legal liabilities (breaches of the Health and Safety at Work Act 2015).

Plausible and Worst Case Scenario – **Zero Harm**

	Almost Certain	Low	Medium	High	Very High	Very High
Likelihood	Likely	Low	Medium	Plausible scenario	High	Worst Case scenario
	Possible	Low	Low	Medium	High	High
	Unlikely	Very Low	Low	Low	Medium	High
	Rare	Very Low	Very Low	Low	Medium	Medium
			Insignificant	Minor	Moderate	Major
		Consequence				



Procurement Strategy for Taupō District Council

May 2026

www.taupodc.govt.nz

Strategy 2026-2029

DOCUMENT CONTROL

VERSION	DATE	COMMENTS	DOC REFERENCE
DRAFT Version	April 2026	First draft for review to R&A and NZTA	
Final Version	May 2026		

DOCUMENT APPROVALS

	NAME	SIGNATURE	DATE
REVIEWER	General Manager Organisational Performance Sarah Matthews		
ENDORSED	Endorsement by Waka Kotahi NZ Transport Agency		
APPROVER	Taupō District Council Julie Gardyne, Chief Executive		

DOCUMENT CUSTODIAN AND REVIEW DATE

	NAME	REVIEW PERIOD	NEXT REVIEW DATE
CUSTODIAN	Stephanie Rugg, Procurement Manager	Every 3 years unless required earlier	June 2029

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1. INTRODUCTION

This Procurement Strategy (Strategy) sets the overall direction and intent for procurement at Taupō District Council (“TDC” or “Council”) for goods, services and works to support Council to deliver its objectives while ensuring compliance with legislation and best practice.

It focuses on the long-term goals for procurement at TDC and covers all procurement activities including those financially assisted by Waka Kotahi the New Zealand Transport Agency (“Waka Kotahi” or “NZTA”) under the *Land Transport Management Act 2003 (LTMA)* and aims to support business priorities, deliver public value, manage risk and improve procurement efficiency.

This Procurement Strategy 2026-2029 has been endorsed by NZTA under Rule 10.4. of the *NZTA Procurement Manual (“NZTA Manual”)* for procurement of land transport activities and will be reviewed at least every three years, or as otherwise agreed with NZTA as required prior to any funding being released from NZTA, to support the delivery of the transport programme. Therefore, some elements of this Strategy have been included specifically to meet NZTA requirements.

The Strategy has also been adopted by Council’s Risk and Assurance Committee.

TDC follows the *Government Procurement Rules - 5th edition* (the Rules), the *Principles of Government Procurement*, and the *Government Procurement Charter* as the foundation for its procurement approach. While the rules are not mandatory for local government, Council adopts their principles and relevant provisions, applying them in a way that is proportionate and tailored to TDC’s context, value, risk, and procurement complexity.

2. PURPOSE

The purpose of this Strategy is to set Council’s strategic approach to procurement for all business groups, over the next three years, to:

- Support the delivery of Council’s strategic priorities.
- Improve public value for money.
- Improve the efficiency and effectiveness of procurement procedures and processes, including increasing capability.
- Continuation of effective relationships with suppliers.
- Manage procurement risk and reputation.
- Ensures fair competition, opportunity and treatment of potential suppliers.
- Improve strategic procurement planning.

The Auditor General states that if a public organisation is reliant on external providers to deliver its organisational strategy, it should prepare a procurement strategy to demonstrate:

- A knowledge of the type, value and risk associated with the goods and services it procures; and
- That policies and procedures are in place to ensure that staff who are involved in the procurement activity use good procurement principles and practices.

TDC, like other Local Authorities, relies on NZTA funding to support delivery of its transport programme, and requires NZTA endorsement of the procurement strategy to secure funding for the transport sector. This ensures that all procurement processes meet the requirements set by NZTA under the National Land Transport Programme (NLTP) and maintain compliance with national standards.

This Strategy has been prepared in accordance with section 25 of the *Land Transport Management Act 2003* and the *NZTA Manual*. For procurement relating to NZTA-funded projects, the *NZTA Manual* takes precedence over Council’s [Procurement Policy](#) and Procedures where there is any inconsistency.

3. CONTEXT

TAUPŌ DISTRICT DEMOGRAPHIC PROFILE

Taupō District is a large, predominantly rural district centred on the Taupō, Tūrangi and Mangakino urban areas. The district covers approximately 6,333 km² of land (plus around 610 km² of lake area). Stats NZ’s estimated resident population (ERP) as of 30 June 2025 (provisional) was 42,700 people. During peak holiday periods the district population can swell to approximately 80,000 people, meaning transport services, roads and supporting infrastructure must be resilient and scaled to manage seasonal demand.

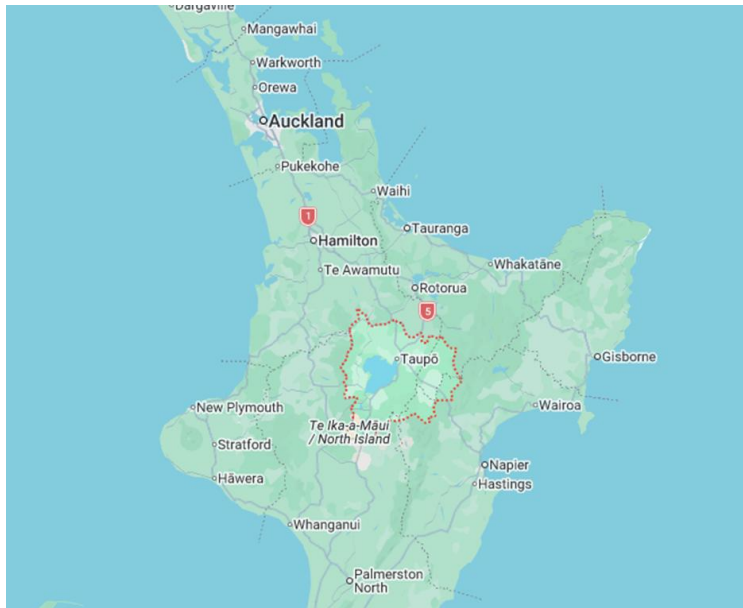


Figure 1. Taupō District location map

LOCAL SUPPLY MARKET AND CAPABILITY

The Taupō supply market includes a small number of locally based contractors and professional services providers (e.g., civil construction, maintenance operations, traffic management, surveying and engineering support) who contribute important local knowledge and responsiveness. However, as a smaller regional market, specialist skills and surge capacity can be constrained - particularly for complex bridge/structures works, specialised pavement treatments, major renewals and multi-disciplinary design and supervision.

To deliver the capital programme reliably (including periods of peak seasonal demand), TDC may need to attract capability from the wider Central North Island (e.g., Waikato/Bay of Plenty) and structure procurements to support this through clear forward pipelines, right-sized packaging, realistic programming, and contract models that enable suppliers to commit skilled resources while maintaining healthy competition.

COMPETITIVE LANDSCAPE

Council is currently experiencing a high level of market activity and interest in tender opportunities, supporting effective competitive tension. If market conditions change, such as through an economic upturn, reduced supplier capacity, or supply scarcity similar to the COVID period, TDC may respond by:

- issuing advance procurement notices to improve market visibility
- repackaging or deferring work to better align with market capacity and support competitive pricing
- increasing proactive supplier engagement to identify risks early, and
- considering open-book costing and appropriate price adjustment mechanisms where these support continuity of supply, fair risk allocation, and sustainable delivery outcomes.

NATIONAL AND LOCAL CONTEXT

National context:

- NZ's local government sector is currently experiencing significant change and reform; TDC and suppliers having to pivot and be flexible.
- On 1 December 2025 NZ's Ministry of Business, Innovation and Employment (MBIE) adopted version 5 Government Procurement Rules. Key changes to the rules include:
 - Economic Benefits - For example, making better use of New Zealand resources such as increasing workforce participation, providing training or apprenticeships, using New Zealand businesses, considering the sustainability and or environmental benefit or contributing to positive social and cultural outcomes in New Zealand communities.

- Transparency of suppliers.
- Proportionate and right-size the procurement.
- Changes in NZTA Procurement Manual and Rules for transport related projects.
- The government’s structural reform programme introduces uncertainty that may influence contract term decisions, associated risks, and impact assessments and will be considered in procurement planning and contract setting.

Local context:

- Rates-cap environment – Central government has signalled the introduction of a rates-capping framework. While legislation is still being developed, future procurement decisions must emphasise value for money, cost control, and long-term affordability.
- Need to maintain long term market diversity and competitiveness to drive value.
- Desire to maximise and support the use of local (Taupo District) suppliers whilst balancing value for money and the skills available.
- Smaller local suppliers who may have varying levels of familiarity with public-sector procurement processes, may benefit from additional support to engage in TDC procurements.
- Close proximity to other local government authorities with similar procurement demands and programmes.

A balance is needed to support and grow local suppliers’ knowledge and skills to support our community while continuing to deliver the best value for money.

4. CURRENT STATE OF PROCUREMENT & DESIRED FUTURE OUTCOMES

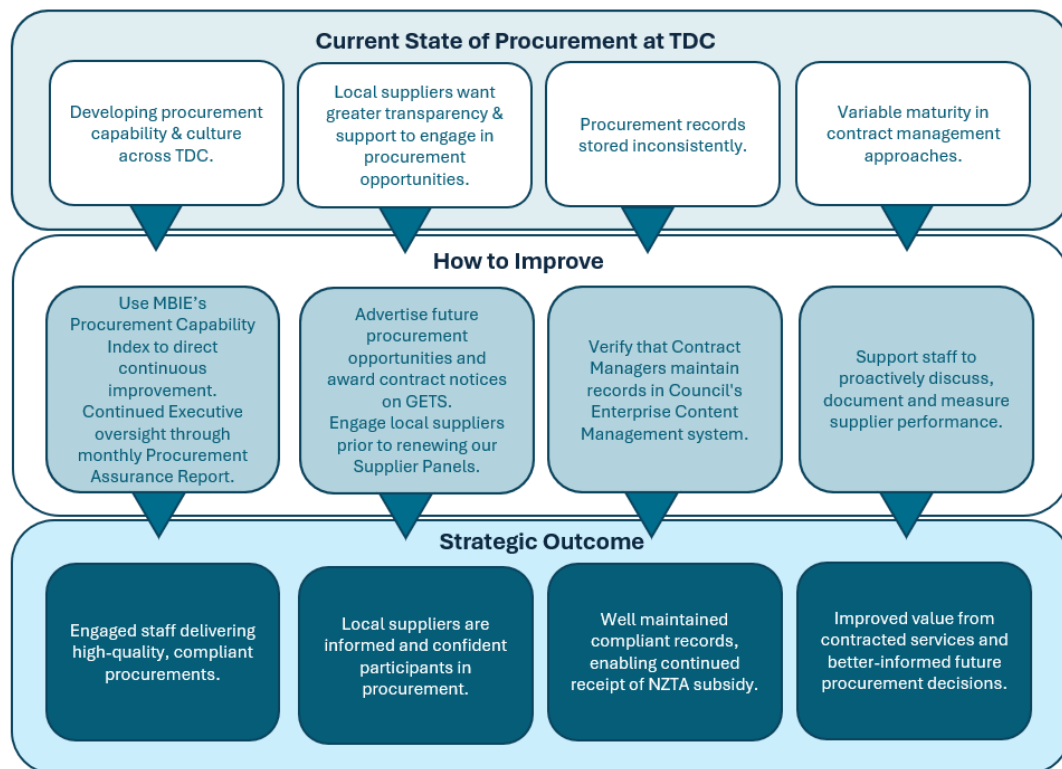


Figure 2 – Summary approach to improve current procurement to achieve Council’s strategic procurement outcomes.

In its [Long-term Plan 2024-34](#) Council made some hard calls on what to deliver, thought carefully about the challenges faced and agreed we must prioritise our core services - providing safe drinking water, protecting our environment and looking after infrastructure so our children and their children aren't unnecessarily burdened in the future. This approach is expected to be echoed in the upcoming 2027-2037 Long-term Plan.

Our number one responsibility is do the essentials well with a focus on:

- Delivering Economic Benefits, noting not all economic benefits will be applicable to each procurement.
- Transparency – Improving transparency and giving suppliers early visibility of upcoming work by advertising Future procurement opportunities and open tenders on the Government Electronic Tender System (GETS) along with contract award notices.
- Maximising NZTA funding opportunities – working alongside NZTA to ensure deep understanding of all recoverable cost types.
- Contract management – further refinement of contract management approaches to deliver improved value and better-informed future procurements.
- Demonstrate improvements using Procurement Assurance Reports and actively working on improving our procurement capability index (PCI).

STRATEGIC APPROACH

The approach taken by TDC for the procurement and contract are determined on a case-by-case basis depending on the size and complexity of the project and incorporates the below:

- Standard templates for planning and advertising tenders are used for consistency and familiarity with supplies.
- Where possible, flexibility in timing is allowed in contract start dates, to ensure best tender prices and better utilisation of resources.
- New Zealand Standard contracts or Government Model Contract are the preferred contract forms.

TDC SUPPLIER PANELS

The current TDC supplier panels were implemented by Council in 2024 to provide an efficient way to engage suppliers used on a recurring basis. The Suppliers are required to hold valid H&S pre-qualifications and appropriate insurance, these records are kept on file and updated annually, reducing the need for suppliers to submit each time they tender.

This streamlines the process for engaging the supplier and is particularly helpful for emergency works following an unanticipated event.

The panels were advertised publicly via the Government Tender System (GETS) and are due to be retendered in 2027.

5. IN HOUSE PROFESSIONAL SERVICES

The Council has an experienced Project Management team that supports internal business units in project procurement and delivery (e.g., Transport). This provides adequate capacity and capability to procure the services and works described in this document.

Using in-house professional services often delivers best value for money, supports the retention of institutional knowledge, and provides flexibility in project delivery. The decision to use in-house resources is based on:

- The need to retain and develop specialist skills and institutional knowledge.
- Limited availability or competitiveness in the external supplier market for specific services.
- The ability to respond flexibly to project requirements and changing priorities.

Any significant changes in market conditions, organisational capability, or procurement objectives will be reflected and updated, when necessary, in the Procurement Strategy.

Where additional capacity or specialist expertise is required, the Council engages external resources (consultants) to:

- Address short-term capacity constraints.
- Undertake MSQA roles.
- Provide specific qualifications or expertise not available internally.

Value for Money is considered at the planning stage and built into the procurement process for all projects.

TDC’s in-house professional services methodology capitalises internal staff time when it is directly attributable to delivering an approved activity and where budget allows.

The Finance team prescribes standard labour rates to ensure consistent and uniform application across all business units.

NZTA PROJECTS

For NZTA funded projects, TDC will follow the Implementation and Compliance guidance for NZTA projects to ensure all processes for managing, recording, and claiming financial assistance for in-house services will follow the detailed policy and procedures set out in the NZTA Manual.

Council’s financial processing and claims process:

- Finance prepares and posts journal entries each period to recognise capitalised costs.
- These values are included in NZTA claim for the month.

6. DELIVERY MODELS AND EVALUATION METHODS

Guidance on applying these delivery models and evaluation methods is set out in Council’s Procurement Procedure.

The Procurement Manager will support teams to build their understanding and capability in selecting and applying each model effectively.

DELIVERY MODELS

Selecting the right delivery model is central to risk allocation. Council will use a variety of delivery models, depending on the nature, scale and complexity of each project. Delivery models will be selected to achieve best value for money by setting clear delivery terms and allocating risk and control to the parties best placed to manage and mitigate those risks.

This approach supports efficient delivery, appropriate risk management and encourages innovation and collaboration where it delivers value.

Some common delivery models that are applied and approved in this strategy include:

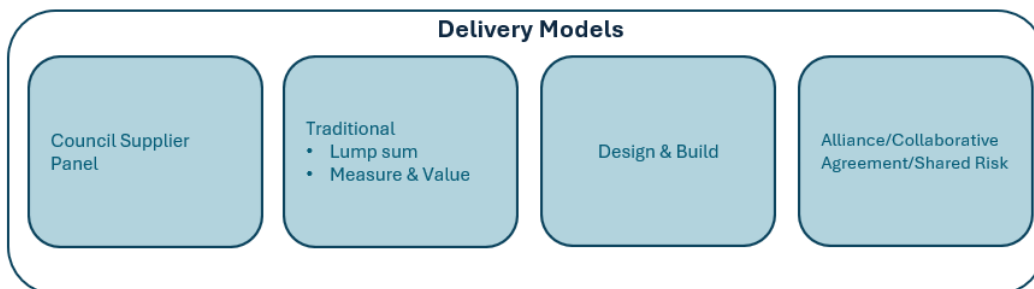


Figure 3 – Delivery Models to be applied in delivering Council procurements

EVALUATION METHODS

The following evaluation methods could be used depending on the procurement. Each place a different emphasis on price and quality:

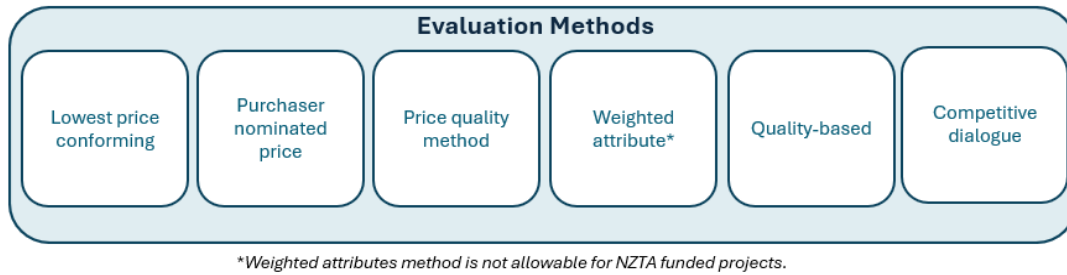


Figure 4 – Evaluation Methods to be applied in delivering Council procurements

Value for money is achieved by ensuring the selected supplier provides the optimal whole of life solution, taking into account cost, quality, risk, and performance, rather than focusing solely on the lowest initial price. A fit for purpose evaluation methodology, most commonly Lowest price conforming or Price quality method is applied. Open competition fosters competitive tension, which is realised through the price ultimately paid for the services.

Open competition supports the local supply market by creating opportunities for our local suppliers to bid for tenders.

7. EMERGENCY PROCUREMENT

Under the Government Procurement Rules, Council may use emergency procurement where delay would cause unacceptable harm. This applies only to urgent works or services needed to protect safety, restore access, or provide effective relief.

Emergency procurement risks include:

- reduced competition
- higher costs
- limited time to assess supplier capability
- incomplete documentation; and
- scope expanding beyond what is immediately necessary.

If not well managed, these can create compliance, health and safety, audit, cost, and reputational risks.

Council will document the justification for emergency procurement and obtain approval from the appropriate manager with delegated financial authority before engaging a supplier.

For transport-funded projects, Council will follow the NZTA Manual and, where time is critical, use panel suppliers where this is the fastest reasonable way to deliver relief.

SUPPLY CHAIN DISRUPTIONS

Supply chain disruption remains a key procurement risk and may affect the cost, availability, and timing of goods and services.

Council will respond with a flexible procurement approach that supports continuity of supply, fairness, transparency, and balanced risk sharing.

RISK MANAGEMENT

Council will allocate risk to the party best able to manage it.

This requires early risk identification, supplier engagement, and documented mitigation measures to maintain service delivery and value for money.

8. HEALTH AND SAFETY

TDC is committed to protecting the health and safety of workers and the public across all contracted activities. Contractors are required to meet their duties under the *Health and Safety at Work Act 2015* and demonstrate appropriate systems, competency and supervision for the work. For higher-risk activities, TDC will require contractor prequalification (where appropriate), robust site-specific safety planning, and completion of site inductions before work starts. Contractors must

promptly report incidents, near misses and hazards, cooperate with TDC monitoring and audits, and maintain effective controls to minimise impacts on the community (e.g., safe public access, clear communications, and management of dust/noise). Council reserves the right to intervene, including stopping work where serious risk to workers or the public is identified.

For an overview of Council's risk-based approach and what suppliers can expect when working with Council, refer to the [Working Alongside Taupō District Council](#) guide.

9. TRANSPORT

WHAT WE DO AND WHY WE DO IT

TDC provides a comprehensive local transport network which includes local roads, footpaths, streetlights, cycle paths, bridges, bus shelters, traffic signals, carparking and signage with a focus on improving road safety and ensuring people enjoy easy access to different modes of transport, such as walking and cycling.

Public transport in the district is operated by Waikato Regional Transport; however, TDC provides funding towards this service to make it more accessible for our residents.

New Zealand Transport Agency is responsible for managing the state highways within the Taupō District.

Our transport network provides for the efficient movement of people and goods which is essential for the economic and social well-being of the community.

HOW TDC HAS CONTRACTED KEY TRANSPORT EXPENDITURE

Maintenance operation & renewal have been included in one contract to gain efficiencies in network management (2024 to 2029 with the option of a + 3 renewal). This results in reduced overhead costs associated with multiple contracts and is managed by Councils transport team. This contract is not restricted to NZ Transport Agency subsidised activities.

Street light renewal & maintenance is a 3 + 1 +1-year duration, the contract will be renewed with the current supplier in 2026 and has a second right to renew in 2027 before going to an open tender.

The current road marking contract is a 3 + 1 +1-year duration but the contract will not be renewed by mutual agreement of both parties, and an annual contract will be implemented for the roadmarking programme.

NZTA APPROVALS SOUGHT DURING THE TERM OF THIS STRATEGY (2026–2029)

- Endorses the Procurement Strategy May 2026 – May 2029 for Taupō District Council.
- Approves TDC to directly engage suppliers (within the NZTA financial threshold) on its Professional Services Panel (Panel suppliers were originally sourced via an open tender on GETS); and approves TDC to renew the panel in 2027.
- Approves the use of in-house professional services and project management services under s.26 of the *Land Transport Management Act 2003*, enabling in-house costs to be recovered for NZTA funded projects.
- Approves the procurement procedures for NLTP funded land transport activities in Table 2.
- Approves any advanced, customised or varied procurement procedures required during the Strategy period for major events under work categories 141 emergency works.

NZTA has previously endorsed:

- Existing term contracts and supplier arrangements for NZTA funded projects.

10. CURRENT CATEGORIES AND SUPPLY/CONTRACT ARRANGEMENTS

NZTA require visibility of current transport contracts to continue subsidising Council transport projects.

For other projects, refer to the [Annual Plans at the Council website](#).

Table 1- Summary of Council significant transport sector contracts and procurement activities for the term of the Strategy.

Category	Scope	Forecast average annual spend over the term of the Strategy	Current supply arrangement/ contract(s)	How procured	Contract term (base contract term + renewal)	Supplier name
Maintenance operation & renewal	Maintenance operations & renewal of the roading network.	Depends on renewal quantities and optioneering. Planned Opex of \$1.5 million funding, but is subject to approvals	NZS3917: Term contract (approval was given for an 8-year contract term)	Open tender	5+3 years Contract started 1 Aug 2024	HEB Construction
Professional Services	Design, supervision, and investigations where in-house staff do not have the required technical skills.	\$100,000 - \$200,000 per annum	TDC supplier Panel if under \$120,000 or open advertised	Panel was open tendered on GETS.	Aug 2024 - 2027	Multiple
In-house Professional Services	Project management	Variable	In-house professional services	Council recruitment	On going (internal)	Various TDC Project Managers
Traffic signal management	Traffic signals management & maintenance	\$70,000 per annum	Professional Service Agreement	Direct source (no competition in the industry)	Varies	Tauranga Transport Operations Centre (TTOC)
Streetlight maintenance	Maintenance and renewal of streetlight network	\$450,000 per annum	Term contract	Open tender	3+1+1 years Contract started 31 July 2023	Horizon
Road marking	Road marking	\$240,000 per annum	Term contract	Open tender	3+1+1 years Contract started 31 July 2023	Road runner

SAMS contract	Structure and Asset Management	\$766,000	Term Contract	Via Colab	3+3 Contract started 1 October 2022	Beca
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11. SIGNIFICANT PROCUREMENT ACTIVITIES TABLE

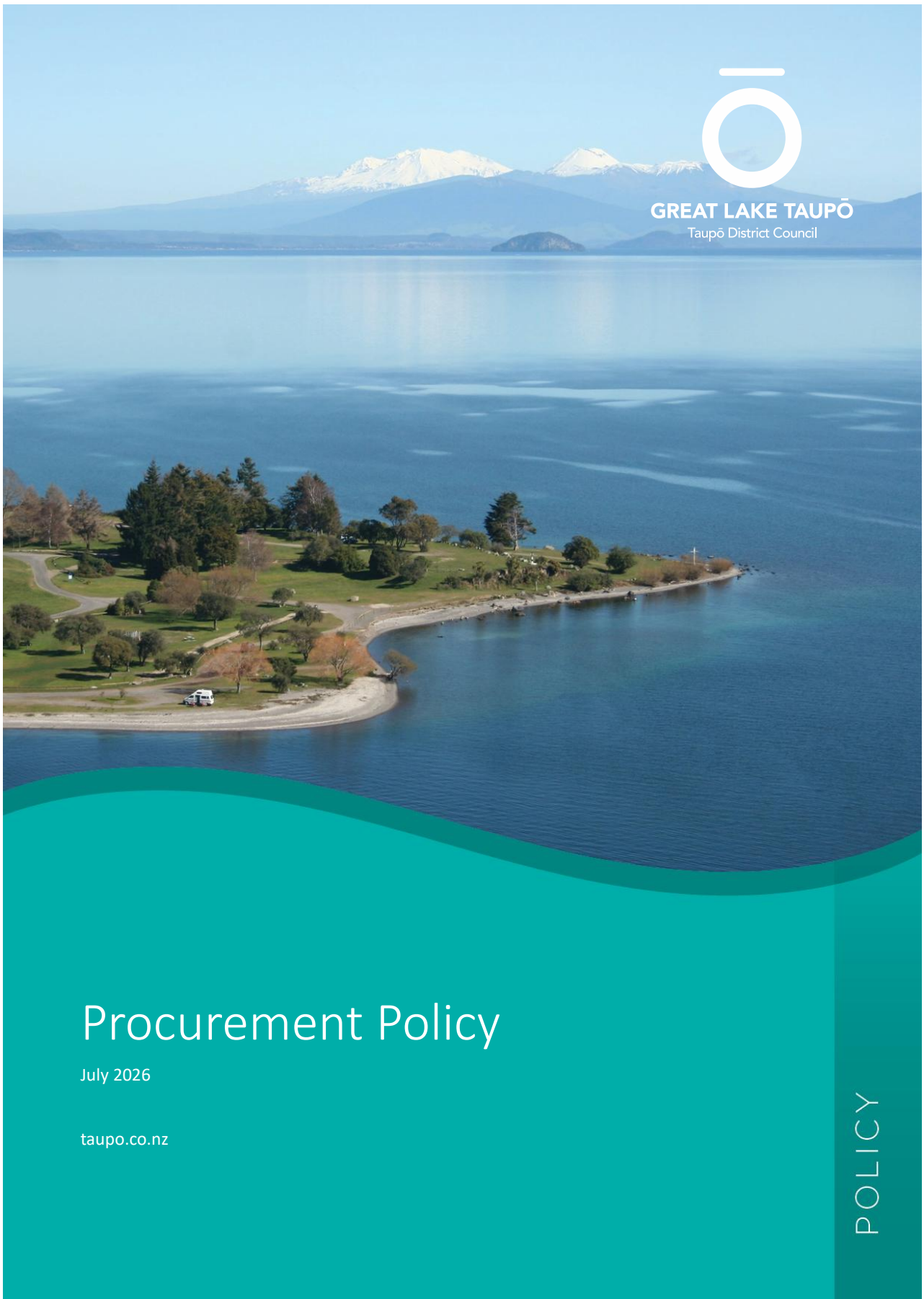
NZTA require visibility of future transport projects in order to continue to subsidise these.

Table 2 below summarises significant transport procurement activities to be undertaken during the term of the Strategy (including re-tendering of supply arrangements/contracts that expire during the term of the Strategy).

Table 2- Summary of Council's planned, significant procurement activities of the term of the Strategy

Category /Contract	Scope	Contract value*	Tender date	Procurement Procedure	Contract term
Professional Services	Council Supplier Panel for design, supervision, investigations	Unknown	February 2027	Open tender	July 2027 – 2030
Improvements (number may vary depending on weather events & Council direction)	Capital works and renewals (non-roading)	Under \$2M per annum	Project specific contracts/dates	Open tender	Project based
Streetlights	Maintenance and renewal of streetlight network	\$450,000 per annum	February 2028 (contract start date July 28)	Open tender for a panel of 2-3 suppliers to improve time/cost for maintenance	2 years
Road marking	Annual road marking programme	\$287,000 per annum	July 2027 (contract start date July 28)	Open tender for a panel of 2-3 suppliers	1 year
New bridge/capital works	Second Bridge Crossing	TBC (Over \$10M)	2027 (Month TBC)	Open tender	Project based
Renewal of bridge deck and/or piers	Wairakei Steam Pipe Bridge	TBC (Over \$10M)	2026/27	Investigation to clarify scope currently being investigated followed by open tender	Project based

*Maximum potential estimated value over the life of the contract.




GREAT LAKE TAUPŌ
Taupō District Council

Procurement Policy

July 2026

taupo.co.nz

POLICY

Document Control, Approvals, Custodian and Review Date

Document Control

VERSION	DATE	COMMENTS	DOC REFERENCE
DRAFT	Feb 2024	For issue to GM Organisational Improvement	Final
Version 1	July 2024	Approved and published.	Final
Version 2	May 2025	Updated to reflect the new government procurement rules.	DRAFT

Document Approvals

	NAME	SIGNATURE	DATE
REVIEWER	Group Manager – Organisational Performance Sarah Matthews		
APPROVER	Chief Executive Julie Gardyne		

Document Custodian and Review Date

	NAME	REVIEW PERIOD	NEXT REVIEW DATE
CUSTODIAN	Procurement Manager Stephanie Rugg	Every 3 years unless required earlier	July 2027

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1. PURPOSE

The purpose of this policy is to formalise Taupō District Council’s (TDC) expectations of all employees, contractors, and consultants, when procuring goods and services on behalf of TDC, including council-controlled organisations (CCOs) and council-controlled trading organisations (CCTOs).

This Policy is based on the Government Procurement Rules, 5th edition, (the Rules), the Principles of Government Procurement, and the Government Procurement Charter. Local Councils are encouraged to follow the rules and deliver on our obligations under the Local Government Act. TDC is committing to do so in our Procurement Policy and the Procedures, however, TDC does not fully apply every aspect of the Rules, instead, we have adopted the principles and relevant provisions of the Rules, tailoring their application to suit TDC’s specific context, value, risk, and complexity of our procurement activities.

This policy is supported by TDC’s Procurement Procedures which provides guidance on the factors that must be considered throughout the procurement process, ensuring consistent application of best practices. They outline the steps to be followed and specify the appropriate methods of procurement for different scenarios, all with the objective of achieving public value.

The Procedures achieve this through consideration of economic benefits and ensuring value for money and fit for purpose products, services and works whilst complying with legislation governing Local Authorities.

To ensure procurement delivers best value it starts with identifying needs over the life of the asset, plans the best way to meet them through the sourcing of the goods/services/works, manages the contract, and ends with the expiry of the contract.

2. PUBLIC VALUE

Public value means getting the best possible result from your procurement, using resources effectively, economically and without waste, and taking into account the total costs and benefits of a procurement (total cost of ownership), and its contribution to the results you are trying to achieve.

Delivering better public value through procurement should include securing economic benefits to New Zealand. TDC should consider what is most appropriate for each procurement and likely to deliver the benefits sought. Selecting the most appropriate procurement process that is proportionate to the value, risk and complexity of the procurement will also help achieve public value. Good procurement is about being risk aware, not risk averse.

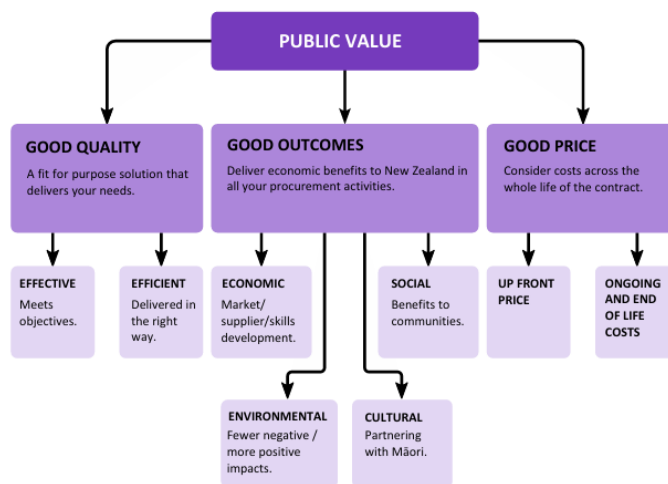


FIGURE 1 – PUBLIC VALUE

3. SCOPE

This Policy applies to all procurement of any value, for products, services, or works.

The Policy does not cover:

- Employment (excluding the engagement of contractors and consultants to supply employment related services).
- The acquisition, disposal or lease of land or buildings (except the design, construction, or refurbishment of buildings).
- Disposals or sales of Council assets.
- Investments, loans, guarantees, or other financial instruments.
- Gifts or donations, refer to [Sensitive Expenditure and Gift Policy](#).
- Grants or partnerships.
- Acquisition of art and similar unique items of interest.
- Non-contractual agreements such as memorandums of understanding.

4. PROCUREMENT PRINCIPLES

TDC adopts the six Principles of Government Procurement and the Government Procurement Charter. Council's Procurement processes, as detailed in its [Procurement Procedures](#) are proportionate to value, risk and complexity and will be run fairly, transparently and with integrity.

The six Principles of Government Procurement are:

1. Plan and manage for great results
 - Identify what you need and then plan how to get it.
 - Set up a team with the right mix of skills and experience.
 - Involve suppliers early – let them know what you want and keep talking.
 - Take the time to understand the market and your effect on it. Be open to new ideas and solutions.
 - Encourage e-business.
2. Be proportionate and right-size the procurement
 - Make it easy to do business with government.
 - Design and run an efficient end-to-end process that is proportional to the value, complexity and risk.
 - Reduce the time, cost and complexity for suppliers participating in procurement processes.
 - Make documentation and communication clear and concise to minimise impacts on resources and only ask for information from suppliers that is essential and relevant.
3. Be fair to all suppliers
 - Create competition and encourage capable suppliers to respond.
 - Treat all suppliers equally – we don't discriminate (this is part of our international obligations).
 - Seek opportunities to involve New Zealand businesses.
 - Be open to subcontracting opportunities in big projects.
 - Clearly explain how you will assess proposals – so suppliers know what to focus on.
 - Talk to unsuccessful suppliers so they can learn and know how to improve next time.
4. Get the right supplier
 - Be clear about what you need and fair in how you assess suppliers – don't string suppliers along.
 - Choose the right supplier who can deliver what you need, at a fair price and on time.
 - Choose suppliers that comply with the Government's Supplier Code of Conduct.
 - Build demanding, but fair and productive, relationships with suppliers.
 - Make it worthwhile for suppliers – encourage and reward them to deliver great results.
 - Identify relevant risks and get the right person to manage them.
5. Get the best deal for everyone
 - Get best public value – account for all costs and benefits over the lifetime of the goods or services.
 - Make balanced decisions – consider the possible economic benefits to New Zealand.

- Encourage and be receptive to new ideas and ways of doing things – don't be too prescriptive.
- Take calculated risks and reward new ideas.
- Have clear performance measures – monitor and manage to make sure you get great results.
- Work together with suppliers to make ongoing savings and improvements.
- It's more than just agreeing to the deal – be accountable for the results.

6. Play by the rules

- Be accountable, transparent and reasonable.
- Make sure everyone involved in the process acts responsibly, lawfully and with integrity.
- Stay impartial – identify and manage conflicts of interest.
- Protect suppliers' commercially sensitive information and intellectual property.

5. ROLES AND RESPONSIBILITIES

Role	Description	Responsibility
All Staff	Any TDC Council, CCO or CCTO staff member.	Remain up to date with and adhere to Council Procurement Policy and Procedure. Responsible for the provision of accurate and timely information required by the Procurement Team to enable them to advise on tailored commercial and contracting approaches. Responsible for the day-to-day management of their contract.
Transport team	NZTA tender mediator for evaluations.	NZTA requires someone who is NZTA L6 qualified to be on the panel for tenders over \$200,000.
Procurement Manager	Function in TDC responsible for providing guidance on procurement activities undertaken.	Responsible for designing & developing the Procurement Policy, Procedures, and related documents, advising on tailored procurement approaches.
Delegated Financial Authorities (DFA)	Individual with the required delegation to approve expenditure at Council.	Approves procurement activities, including contracts and variations, in line with the Financial Delegation Policy .
Legal and Governance Team	Function in TDC responsible for legal advice and associated activities.	Responsible for the day-to-day legal advice and guidance for Council, including contract advice and development, bespoke terms development, legal risk guidance and variations.
Health & Safety	Function in TDC responsible for Health & Safety and associated activities.	Responsible for the day-to-day operational and strategic Health and Safety advice for TDC. Support the procurement process through provision of specialist advice where requested and able to do so.

6. NON-COMPLIANCE

The Executive Team members across the Council are ultimately accountable for ensuring that all procurement activity is carried out in accordance with this policy.

The Executives rely heavily on the Procurement Manager's recommendations and expertise to ensure procurement activities are compliant and effective when making decisions. In addition to this, the Procurement Manager is responsible for regularly reporting on compliance with procurement policies and procedures, keeping the Executive Team informed of any issues or trends. Any procurement exceptions from the policy must be documented as an [exemption request](#), endorsed by the Procurement Manager and signed off by the Chief Executive.

Procurement must not be structured, divided or valued to avoid applying the Rules.

Even if you have a valid exemption from the need to openly advertise a procurement and have received an approved procurement exemption, **you must publish a Contract Award Notice on the Government Electronic Tender Service (GETS).**

7. EMERGENCY PROCUREMENT

Council may depart from this policy to undertake emergency procurement; an emergency can include:

- natural or manmade disasters, such as earthquakes, cyclones, tsunamis, volcanic eruptions, flooding, fires or contamination
- failures of critical infrastructure or equipment, such as prison security systems or hospital infrastructure
- critical health or environmental emergencies, such as a pandemic or food safety incident
- political emergencies such as a war, coup, or a civil insurrection in New Zealand or in countries where the New Zealand government offers support
- critical security emergencies such as a terrorist attack, serious crime or major cyber security emergency
- unanticipated events that make it impossible for an agency to perform a statutory or critical function in the necessary timeframe; for example, the destruction of critical election supplies immediately prior to an election would be an emergency for the Electoral Commission.

Any departure from this policy due to an emergency must be fully justified and documented during or after the event.

Where emergency procurement is used, TDC will still publish a Contract Award Notice on GETS.

A lack of planning does not constitute an emergency for the purpose of this policy.

8. EXISTING PURCHASE AGREEMENTS OR ARRANGEMENTS?

TDC has existing purchase agreements in place which can be supplier accounts, All of Government (AoG), or TDC Supplier Panels. Members of Supplier Panels have been selected via an open competitive process to supply goods, services or works. Where the scope of work is covered by an existing panel, wherever possible choose a supplier from that panel using a secondary procurement method. For more information refer to the [Procurement Procedures](#).

TDC has the following supplier panels either in place:

- Facilities – for the procurement of services and supplies such as plumbers, electricians.
- Open Spaces – for the procurement of services and supplies such as arborists, tree trimming or gardening services.
- Professional Services – for the procurement of services from consultants.
- Transport - for the procurement of services such as maintenance, road signage or traffic management.
- Water Reticulation Construction - for the procurement of civil construction services
- Construction/building - for the procurement of services or construction suppliers.

Supplier panels are not to be used for Waka Kotahi (NZTA) funded work in excess of the limit for that criterion (See section 9. Waka Kotahi).

P-Cards are not to be used for purchasing goods or services when a supplier is set up that can supply the same or similar goods and/or service.

For more information see the **procurement page** on Tui.

9. WAKA KOTAHI

In order for Council expenditure to qualify for Waka Kotahi (New Zealand Transport Agency) for activities funded through the National Land Transport Programme, it requires Council to follow the Waka Kotahi [Procurement Manual](#). This outlines detailed guidelines and rules governing procurement activities. When there is a conflict or overlap

between the provisions of this Manual and the Council's own procurement policy and procedures, the Manual takes precedence. This approach ensures that all procurement processes adhere strictly to the requirements established by Waka Kotahi, maintaining compliance with national standards.

Staff must therefore adhere to this policy and follow the Waka Kotahi Procurement Manual, both for physical works and professional services that relate to Waka Kotahi funded works.

10. PROCUREMENT VALUE THRESHOLDS

All Procurement Plans and Procurement Approval Memos must be approved by the Procurement Manager and authorised by the person with the delegated financial authority for the contract value. The Financial Threshold table (page 9) shows the process to follow for each value.

Procurement Oversight Measures

For all procurement processes where the total value exceeds \$20,000, it is a requirement that, once a preferred supplier has been selected, a [Procurement Approval Memo](#) must be completed. This memo serves to document the decision-making process and the rationale for selecting the preferred supplier.

The Procurement Approval Memo must be signed by both the Manager who holds the delegated financial authority for the relevant contract value, as well as by the Procurement Manager. These signatures confirm that the procurement has been conducted in accordance with organisational policies and that the necessary approvals have been obtained before proceeding with the purchase or engagement of services.

Procurement Plans

The Procurement Procedures outline the requirements for a Procurement Plan based on value and risk:

Lite Procurement Plan – for Low-risk procurements with spend more than \$100,000 and less than \$500,000 (excluding GST).

Detailed Procurement Plan – for Medium/High Risk procurements of any value, or for Low-risk procurements of value \$500,000 or more.

The plans, if needed must be approved (signed) by the following people, in the following order:

1. The Procurement Manager
2. The Manager with correct delegated financial authority (DFA) for the expected whole-of-life sum (Objective Ref: A2931287)
3. If the procurement proposes a Procurement Exemption from TDC's Procurement Policy and Procurement Procedures, then it will also need Chief Executive sign off.

The Procurement Plan must be signed before market engagement can proceed.

Contract Award Notices

For any procurement that exceeds a value of \$100,000 and involves a single supplier, it is mandatory to post a contract award notice on GETS (Government Electronic Tender Service).

Contract values must not be structured or divided at any stage to fall under thresholds to avoid tendering.

Financial Thresholds Guide

Stage 1 - Plan the Procurement										
Value	Plan	Procure								
Up to \$20,000	N/A	Direct procurement preferably from TDC panel supplier. Engage using a purchase order 1 - 2 quotes required.								N/A
\$20,000-\$100,000		Direct procurement preferably from TDC panel supplier, if not using panel supplier provide justification in Procurement Approval Memo. Engage using either a purchase order or a contract. 2 - 3 quotes required.								Procurement Approval Memo
	Non-Panel	Open Spaces	Professional Services	Facilities	Transport - NZTA	Transport non NZTA	Water	Building		
100,000-120,000	Lite Procurement Plan - low risk	2 - 3 quotes from the TDC supplier panel or open competition								
120,000-200,000										
200,000-500,000										
>\$500,000 Or any med/high-risk contract regardless of value	Detailed Procurement Plan	Open competitive RFX process unless exemption approved by the Chief Executive.								

11. ECONOMIC BENEFIT

The Government emphasises the need to consider the economic benefits to New Zealand in procurement. This involves evaluating value for money flexibly, including assessing the economic benefit to New Zealand for procurements over \$100,000 for goods, services, and refurbishment works, and over \$9 million for new construction projects.

TDC should consider opportunities to deliver economic benefit to New Zealand, such as:

- a. making better use of New Zealand resources, such as increasing workforce participation, providing training or apprenticeships or using spare industrial capacity
- b. using New Zealand businesses, including SMEs, regional and local businesses in delivering goods and services, either which places a strong emphasis on supporting local and regional suppliers, workforce, and communities directly or as a subcontractor or in the supply chain

- c. creating export opportunities, boosting a businesses' domestic supply chain and/or international competitiveness
- d. developing New Zealand industry capabilities or capacity
- e. developing and adopting innovative products or practices that benefit New Zealand communities
- f. considering the sustainability and or environmental benefit of the proposed solution
- g. contributing to positive social and cultural outcomes in New Zealand communities.

A minimum 10% weighting on economic benefits should be used when evaluating a procurement depending on the nature and desired outcome of the procurement, guidance is provided to help select which economic benefits may be applicable to your procurement and how to evaluate them, placing a strong emphasis on supporting local suppliers, workforce, and communities.

When determining what weighting to apply, consider the length and the whole-of-life cost of the contract as detailed in the guidance on Tui.

12. HEALTH AND SAFETY

TDC requires all contractors including their sub-contractors and employees, carrying out any work on behalf of Council, to comply with all legislative health and safety requirements under the Health and Safety at Work Act 2015 (HSWA), regulations and industry best practices.

Health and safety must be considered at the planning stage and throughout the delivery process. All Procurement should consider the following:

All Contractors undertaking med or high-risk work, as defined in the [Overlapping Duties Framework](#) will be required to provide required evidence (e.g. certificates) from one of the following recognised providers. Where using a pre-qualification body, the certificate is expected to meet or exceed their minimum pass mark.

- Prequal Tōtika
- Qualify365
- SHE Prequal
- SiteWise
- ISO45001
- Or equivalent certification from another recognised provider.

All Contractors need to comply with required H&S requirements as agreed via the procurement process prior to work commencing, and ongoing risk assessments depending on the nature of the work.

More information for the suppliers is available here [Working Alongside Taupo District Council](#).

13. TEMPLATES AND FORMS

TDC has standard procurement forms and contract templates that are based on Government Model forms and Contracts. Where a standard TDC template exists, this must be used as the default for low-value, low-risk common goods/services Completed documents for each procurement are to be stored in TDC's Enterprise Content Manager (ECM), currently Objective including the responses from unsuccessful applicants.

14. CONTRACT MANAGEMENT SYSTEM & PLAN

TDC will maintain a dedicated contract management system. For material contracts, the contract manager will develop a contract management plan that reflects the relative value, risk, and complexity associated with each contract. This ensures that higher-risk or higher-value contracts receive the necessary level of management attention and planning.

15. MAINTAINING THE CONTRACT REGISTER

The contract register on CiA must be kept up to date at every stage of the procurement process. If a contract manager leaves the organisation or transitions to a new role, the responsibility for any contracts they manage must be

reassigned to another staff member before their departure. This approach ensures continuity and accountability throughout the contract lifecycle.

16. VARIATIONS

All variations to agreed supply arrangements must meet the criteria outlined in the Procurement Procedures.

17. BREACHES OF POLICY

When there is evidence of a breach of this policy, the Procurement Manager will investigate to determine the circumstances and extent of the breach. Any breaches of this policy must be reported to the Procurement Manager for further investigation.

18. RELATED DOCUMENTS AND LEGISLATION

The following documents should be read in conjunction with the Guidelines.

- Government Procurement Rules (5th edition, 2025)
- Principles of Government Procurement.
- Contract and Commercial Law Act 2017
- Health and Safety at Work Act 2015
- Public Records Act 2005
- Construction Contracts Act 2002
- Electronic Transactions Act 2002
- Local Government Act 2002
- Public Audit Act 2001
- The 10-year budget (Long Term Plan).

Taupō District Council Audit Improvement Items- Recently Closed

Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Events and Venues	PoolSafe	Monique Hands	Mar-26		AC Baths 1. Unable to locate information on how Lifeguards are to apply first aid on poolside in NOPS.	Observation	Outstanding audit items have all been addressed, with updates made across the SOP, EAP and PRMP, along with supporting documentation uploaded. Staff received confirmation of closure of these items by Recreation Aotearoa in early May 2026.	Closed by Audit - June 2026
Events and Venues	PoolSafe	Monique Hands	Mar-26		AC Baths 2.NOP does not include guidelines on effective enforcement of pool alone with parents.	Observation	Outstanding audit items have all been addressed, with updates made across the SOP, EAP and PRMP, along with supporting documentation uploaded. Staff received confirmation of closure of these items by Recreation Aotearoa in early May 2026.	Closed by Audit - June 2026
Events and Venues	PoolSafe	Monique Hands	Mar-26		AC Baths 3.Water quality – Pool Risk Management Plan, NOP or water quality processes need updating.	Observation	Outstanding audit items have all been addressed, with updates made across the SOP, EAP and PRMP, along with supporting documentation uploaded. Staff received confirmation of closure of these items by Recreation Aotearoa in early May 2026.	Closed by Audit - June 2026
Events and Venues	PoolSafe	Monique Hands	Mar-26		Tūrangi Turtle Pools 1. NOP needs to include supervision of rock wall and rules for customers.	Observation	Outstanding audit items have all been addressed, with updates made across the SOP, EAP and PRMP, along with supporting documentation uploaded. Staff received confirmation of closure of these items by Recreation Aotearoa in early May 2026.	Closed by Audit - June 2026
Events and Venues	PoolSafe	Monique Hands	Mar-26		Tūrangi Turtle Pools 2. No real detail on how minor first aid is applied or managed at the poolside in NOPS.	Observation	Outstanding audit items have all been addressed, with updates made across the SOP, EAP and PRMP, along with supporting documentation uploaded. Staff received confirmation of closure of these items by Recreation Aotearoa in early May 2026.	Closed by Audit - June 2026
Events and Venues	PoolSafe	Monique Hands	Mar-26		Tūrangi Turtle Pools 3. NOP needs to include details the supervision of customer groups.	Observation	Outstanding audit items have all been addressed, with updates made across the SOP, EAP and PRMP, along with supporting documentation uploaded. Staff received confirmation of closure of these items by Recreation Aotearoa in early May 2026.	Closed by Audit - June 2026
Events and Venues	PoolSafe	Monique Hands	Mar-26		Tūrangi Turtle Pools 4. No Evacuation point stated for Tūrangi Pools in the Emergency Action Plan.	Observation	Outstanding audit items have all been addressed, with updates made across the SOP, EAP and PRMP, along with supporting documentation uploaded. Staff received confirmation of closure of these items by Recreation Aotearoa in early May 2026.	Closed by Audit - June 2026

Taupō District Council Audit Improvement Items- Recently Closed

Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Events and Venues	PoolSafe	Monique Hands	Mar-26		Tūrangi Turtle Pools 5. NOP do not include guidelines on effective enforcement of Pool Alone and steps taken when a child is left in facility.	Observation	Outstanding audit items have all been addressed, with updates made across the SOP, EAP and PRMP, along with supporting documentation uploaded. Staff received confirmation of closure of these items by Recreation Aotearoa in early May 2026.	Closed by Audit - June 2026
Events and Venues	PoolSafe	Monique Hands	Mar-26		Tūrangi Turtle Pools 6. Pool Water Risk Management Plan needs additional details to confirm it has been reviewed.	Observation	Outstanding audit items have all been addressed, with updates made across the SOP, EAP and PRMP, along with supporting documentation uploaded. Staff received confirmation of closure of these items by Recreation Aotearoa in early May 2026.	Closed by Audit - June 2026
Events and Venues	PoolSafe	Monique Hands	Mar-26		Tūrangi Turtle Pools 7. NOP does not state that any notifiable incident will be reported to PoolSafe by a manager through the incident reporting process.	Observation	Outstanding audit items have all been addressed, with updates made across the SOP, EAP and PRMP, along with supporting documentation uploaded. Staff received confirmation of closure of these items by Recreation Aotearoa in early May 2026.	Closed by Audit - June 2026
Events and Venues	PoolSafe	Monique Hands	Mar-26		Tūrangi Turtle Pools 8. No Chemical inventory uploaded as required by the Health & Safety at Work Act (Hazardous Substance Regulation 2017).	Observation	Outstanding audit items have all been addressed, with updates made across the SOP, EAP and PRMP, along with supporting documentation uploaded. Staff received confirmation of closure of these items by Recreation Aotearoa in early May 2026.	Closed by Audit - June 2026
Business Excellence	Audit NZ - Annual Report	Louise Chick	2020/21		Sensitive Expenditure Policy improvement From our review of the Sensitive Expenditure Policy, we have identified opportunities to further strengthen the Policy and to ensure the Policy is in line with the updated good practice guideline from the Office of the Auditor General. From our review of the updated sensitive expenditure policy, we have identified recommendations to further strengthen the Policy and to ensure the policy is in line with good practice. We recommend Council further update their policy with the following points: <ul style="list-style-type: none"> •Policies specify the monitoring and reporting regime and, where applicable, any internal audit checks that may be applied. •Credit card policies and procedures need to set out the process for cancelling and destroying cards •Credit card policies and procedures need to set out the consequences of unauthorised use, and who is responsible in the case of misuse of the card. 	Medium		Closed - Dec 25

Taupō District Council Audit Improvement Items- Recently Closed

Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Transport	NZTA	Jeanette Paenga	Mar-22		R2.1 Implements a process for ensuring the Job Ledger and General Ledger are reconciled on a regular basis.	Significant improvement needed	Closed by audit April 2026	Closed by Audit - June 2026
Transport	NZTA	Jeanette Paenga	Mar-22		R2.2 Provides Waka Kotahi with reconciliation documentation to support its final claim for 2021/22.	Significant improvement needed	Closed by audit April 2026	Closed by Audit - June 2026
Transport	NZTA	Claire Sharland	Mar-22		R3.1 Advertises its tenders through GETS as defined in section 10.6A of the Procurement Manual and Government Rule 56.	Some improvement needed	Closed by audit April 2026	Closed by Audit - June 2026
Transport	NZTA	Steph Rugg	2025/26	Jun-26	R3.2: Ensures it fully documents and stores all required procurement information to enable effective future audits by NZTA required under 95(a)(i)(ii)(iii) of the Land Transport Management Act 2003, per Rule 10.6 Documentation and publication requirements of the NZTA Procurement Manual.		Complete. The relevant processes were already established, and the documentation reviewed predates the appointment of the current Procurement Manager.	Closed pending audit approval - June 2026
Transport	NZTA	Steph Rugg	2025/26	Jun-26	R3.3: Ensures it consistently complies with Government Procurement Rule 2 when identifying, notifying, managing and recording conflicts of interest on all procurement activities.		Complete. The relevant processes were already established, and the documentation reviewed predates the appointment of the current Procurement Manager.	Closed pending audit approval - June 2026
Transport	NZTA	Steph Rugg	2025/26	Jun-26	R3.4: Ensures it consistently complies with the NZTA Procurement manual Rule 10.12 RFP contents and conformity, especially as it relates to Council's policy on late proposals.		Complete. The relevant processes were already established, and the documentation reviewed predates the appointment of the current Procurement Manager.	Closed pending audit approval - June 2026
Transport	NZTA	Steph Rugg	2025/26	Jun-26	R3.5: Ensures it consistently complies with NZTA procurement manual rule 10.14 Non-Price Proposal Evaluation Attributes, especially as it relates to use of mandatory non-price attributes and the scoring range.		Complete. The relevant processes were already established, and the documentation reviewed predates the appointment of the current Procurement Manager.	Closed pending audit approval - June 2026
Transport	NZTA	Steph Rugg	2025/26	Jun-26	R3.6: Ensures it consistently complies with NZTA procurement manual rule 10.19 Qualifications of proposal evaluators.		Complete. The relevant processes were already established, and the documentation reviewed predates the appointment of the current Procurement Manager.	Closed pending audit approval - June 2026
Finance	Audit NZ - Annual Report	Jeanette Paenga	2019/20	Dec-25	Long service leave calculation (actuarial) Implement a reporting function within the payroll system to generate data to be able to confirm the long service leave calculation.	Low		Closed - Dec 25

Taupō District Council Audit Improvement Items- Recently Closed

Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Digital Solutions/Three Waters	Audit NZ - Annual Report	Tracey May/Sarah Lealand	2023/24	Nov-25	DIA performance measure - response and resolution time measures We recommend that processes used to capture and report on requests for service, both standard and after-hours, be complete and accurate. This includes ensuring that response and resolution times are supported by documentation. Additionally, we suggest enhancing controls and review processes to ensure that request for service times are recorded accurately in the customer service request system and that the data is valid and complete.	High	Three Waters have accurate records of reporting for response and resolution times for performance measures. Council's work request system (Univerus/Asset Finda) is now integrated with our network contract (Downers) system. Complete	Closed pending audit approval - June 2026
Community Infrastructure and Services	Audit NZ - Annual Report	Ivan Nikitin	2023/24	Dec-25	Review process of data inputs into RAMM for roading renewals performance measure We recommend that management implement enhanced measures in the quality review process for reseal inputs. Additionally, it is crucial to further improve the current system for reviewing the data captured in the Road Asset Maintenance Management (RAMM) system concerning road renewals. These improvements will help ensure the accuracy and reliability of the recorded information.	Medium		Closed - Dec 25
Finance	Audit NZ - Annual Report	Jeanette Paenga	2023/24	Dec-25	Work in progress assets that are complete but not capitalised in the fixed assets register We recommend that all work in progress (WIP) be frequently reviewed for any changes in project or asset conditions. This review should include assessing whether any capitalisations into additions or impairments should occur. Regular reviews will help ensure that the WIP balance accurately reflects the current status of projects and assets, and the correct depreciations are charged for the relevant period.	Medium		Closed - Dec 25
People & Culture	Audit NZ - Annual Report	Lindsay Nienhuser	2023/24	Dec-25	Late review of termination of Council staff in the Council human resource system We recommend that a periodic review of staff movements be conducted to ensure all terminations are processed in a timely manner. Regular reviews will help identify any delays and ensure that termination information is promptly communicated to the relevant teams, thereby maintaining accurate and up-to-date personnel records.	Low		Closed - Dec 25

Taupō District Council Audit Improvement Items- Recently Closed

Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Digital Solutions	KPMG	Tracey May	2025/26	Jun-26	Block device code flow in the Conditional Access policies to prevent staff from being tricked into authorising a third party's computer to access their accounts.	Low	Completed- Staff consider closed pending audit approval	Closed pending audit approval - June 2026
Digital Solutions	KPMG	Tracey May	2025/26	Jun-26	Require multi-factor authentication for device registration in the Conditional Access policies to prevent staff from being tricked into authorising the joining of a third party's computer to the Windows domain.	Low	Completed- Staff consider closed pending audit approval	Closed pending audit approval - June 2026
Business Excellence	KPMG	Louise Chick	Aug-23	Jun-26	5.5 Finalise the draft Contractor Health and Safety Handbook and communicate the requirements to stakeholders.	Medium	TDC has developed its framework for managing contractors: Working alongside TDC (external focus); TDC Overlapping Duties Framework (internal focus); TDC Supplier H&S Management Guide (internal focus).	Closed pending audit approval - June 2026
Business Excellence	KPMG	Louise Chick	Aug-23	Jun-26	R4.2 Establish independent assurance processes.	Medium	KPMG engaged as external audit partner and 3-year audit programme approved by R&A Committee in March 2026. Desktop H&S review completed in Dec 2025. Completed.	Closed pending audit approval - June 2026

Taupō District Council Audit Improvement Items- Recently Closed

Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Three Waters	WaiComply	Sarah Lealand	Nov-23		Ensure continuous monitoring and data quality is protected during maintenance work.	N/A	The 3W team and contractors recognise the importance of data integrity during maintenance work. Our Ops team implement additional checks, monitoring and document any activity, primarily in Water Outlook. For the 2025/26 year to date, we have no instances where maintenance activities have resulted in data loss that haven't been supported in this way. Staff consider this item closed.	Closed pending audit approval - June 2026
	WaiComply	Nicola Hancock	Apr-24	Jun-26	RIVER RD REPOROA WATER SUPPLY ASSESSMENT - undertake a source water assessment for this level 2 supply to meet the requirements of rule T3.22 and to ensure the most appropriate protozoa log credit. (Findings of results up until 31 Dec 2023).	N/A	Source water class assessment undertaken by Wai Comply, completed 13/04/20206	Closed pending audit approval - June 2026
Environmental Health	JASANZ	Jess Sparks	Feb-24	Jun-26	Obs2. Updating Council's in house competency framework.	Observation	Completed- Staff consider closed pending audit approval	Closed pending audit approval - June 2026
Property	The Property Group	Louise Chick	Jun-24	Jun-26	TDC's engagement of officers with experience and knowledge aligned with the property role and provided with training and ongoing risk and H&S management will assist with informing and maintaining competency of those potentially involved in asbestos identification and management thereof.	N/A	Relevant Property and Development staff have attended Asbestos Awareness Training and ongoing courses are offered on a regular basis for new staff.	Closed pending audit approval - June 2026
Property	The Property Group	Louise Chick	Jun-24	Jun-26	Complete a review and update of the Supplier Panel. Have the review include the conveyance to suppliers of the requirements and expectations of TDC in all regards; H&S, scope, fees, contract and performance. These to be in accordance with TDC's Procurement Policy 2024.	N/A	Requested update 13/4/26	Closed pending audit approval - June 2026

Taupō District Council Audit Improvement Items- Recently Closed

Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Finance	Audit NZ - Annual Report	Jeanette Paenga	2024/25		Documentation of roading quality assurance (QA) supporting evidence We recommend that the Council ensure all roading QA stages are well documented with supporting evidence (e.g., photographs, signed checklists, and key document signoffs) and retained with job records. This will strengthen the process and provide assurance that final contractor claims are accurate and supported by completed work.	Medium	The team are continuing with the improved process and are considering way to further advance our QA system in respect of roading	Oct-26
Finance	Audit NZ - Annual Report	Jeanette Paenga	2024/25		Completeness of journal entries We recommend that management implement a formal process to ensure the completeness of journal entries, including the timely incorporation of all agreed audit and other relevant adjustments into the financial reporting system.	Medium	Issue refers to reporting adjustments/reclassification only. Management disagree with the recommendation as the bulk of the suggested entries are not appropriate for representation in the ledger as it distorts operational reporting for budget managers. We will ensure all relevant adjustments are made in the ledger with exclusion of the items mentioned above	N/A
Finance	Audit NZ - Annual Report	Jeanette Paenga	2024/25		Update to fixed asset register (FAR) for vested assets We recommend that management ensure the fixed asset register (FAR) and asset management system is updated on a timely basis for all vested asset capitalisations. As a longer-term project basis, we recommend incorporating assets at the same granular level in to the FAR as what is currently in the asset management system to enable data such as useful lives and depreciation rates to be incorporated into the FAR.	Medium	We have reinforced the entry of vested assets with the asset management teams. Mirroring the asset management systems in the Financial Asset register has been added to the Digital Prioritisation Plan	Oct-26
Finance	Audit NZ - Annual Report	Jeanette Paenga	2024/25		Land Work-in-Progress (WIP) We recommend that the Council continue to monitor its Land WIP balance closely.	Medium	We will continue to monitor the WIP Land balance – Audit need to understand that this is a valid WIP category for us as developers of the EUL	Oct-26
Business Excellence	Audit NZ - Annual Report	Mark Hill	2018/19		Develop and test organisational business continuity (BCP) Develop and test organisational business continuity plans with each of its departments to ensure that services continue to be provided after an event.	Medium	This matter remains on hold per a Executive Team direction that was endorsed by the Risk and Assurance Committee in September 2025.	On hold

Taupō District Council Audit Improvement Items- Recently Closed

Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Finance	Audit NZ - Annual Report	Lindsay Nienhuser	2019/20		Review of payroll masterfile changes Payroll masterfile maintenance reports are independently reviewed by individuals who are unable to make changes in the payroll system.	Medium	I'm sure the team does review them. We are a small team, it would essentially mean that every time they are reviewing the maintenance files, we have to shut off their access payroll. It would be an administrative nightmare as the team switches between the roles in order to get payroll done. I guess leave it open.	Outstanding
Transport	NZTA	Claire Sharland	2025/26		R2.1: Ensures \$7,176 (total expenditure) in the walking and cycling activity class, and \$3,950 (total expenditure) in the safety activities class is deducted from total expenditure claimed in the 2025/26 financial year.		New item- changes have not been implemented as staff had just received the final report in April 2026.	Jul-26
Transport	NZTA	Claire Sharland	2025/26		R2.2: Reviews the claim validation process to ensure that claims submitted are fully reviewed.		New item- changes have not been implemented as staff had just received the final report in April 2026.	Jul-26
Transport	NZTA	Claire Sharland/Kirstin Fear	2025/26		R2.3: Releases expired retentions on contracts CN438 and CN440, or make arrangements for the return of the NZTA share of these expired retentions in the 2025/26 financial year, to a suitable NZTA subsidised account.		Practical completion of CN438 issued 30/09/25 - final retention release of \$21,829.82 after defect liability period is 01/10/26, therefore not currently overdue. CN440 is still open as some defects are still being worked on with the contractor. Once these are completed retentions will be released.	Oct-26
Transport	NZTA	Claire Sharland	Mar-22		R4.1 Ensures all required documentation is filed for contracts including road safety audits and exemption declarations.	Some improvement needed	To remain open according to audit in April 2026. Staff recently received report.	Open
Transport	NZTA	Claire Sharland	Mar-22		R4.2 Implements a process for ensuring all procurement and contract management documentation is retained on the Council's files.	Some improvement needed	To remain open according to audit in April 2026. Staff recently received report.	Open

Taupō District Council Audit Improvement Items- Recently Closed

Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Transport	NZTA	Claire Sharland	2025/26		R2.4: Updates the LCLR template in TIO by 31st of August annually to meet funding conditions.		New item- changes have not been implemented as staff had just received the final report in April 2026. To be completed 31 August 2026 and annually thereafter.	Aug-26
Transport	NZTA	Steph Rugg	2025/26		R3.1: Submits a proposed Council Transport Procurement Strategy 2026-2029 to the NZTA Procurement team as soon as possible for endorsement.		The strategy is currently being reviewed by NZTA. Following that, it will be sent to Risk and Assurance in June 2026.	Jun-26
Transport	NZTA	Claire Sharland	2025/26		R4.1:Applies NZTA Safe System Audit Guidelines to all improvements and renewals in line with the NZTA Safe System Audit Policy and ensures audits are fully responded to, signed off and held on file for future audit.		New item- changes have not been implemented as staff had just received the final report in April 2026.This item to remain open/ongoing.	Ongoing
Transport	Audit NZ - Annual Report	Claire Sharland	2019/20	Dec-26	<p>Valuer’s recommended improvements – roading assets</p> <p>Review WSPs’ recommendations and consider implementing these improvements to the overall completeness and accuracy of data used for valuations.</p> <ul style="list-style-type: none"> • consider running future valuations within the RAMM asset register using the RAMM Valuation Module; • where culvert components are partly wooden, identify these components separately from other materials to give more accuracy to culvert remaining lives; • continue to maintain and develop the asset component register, obtain and utilise information on construction and renewal dates where available to improve the reliability of the valuation; • assessment of the condition information to be provided when it is available to improve expected and remaining lives of assets, as well as the accuracy of valuation; and • continue to update construction costs to provide up to date information for future valuation updates. 	Necessary	Transport transitioned to the Asset Management Data Standard (AMDS) in July 2025. 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	Dec-26

Taupō District Council Audit Improvement Items- Recently Closed

Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Finance	Audit NZ - Annual Report	Jeanette Paenga	2020/21	Jun-26	<p>Implement a policy regarding capitalisation of internally generated cost</p> <p>We recommend the District Council incorporates a formal capitalisation policy to provide clear guidance on the circumstances where internally generated employee costs can be capitalised.</p>	Medium	Being reviewed again as part of the wider asset capitalisation process	Jun-26
People & Culture	Audit NZ - Annual Report	Lindsay Nienhuser	2020/21		<p>High annual leave balances</p> <p>We recommend the District Council to encourages employees to use their annual leave and maintain individual leave balances of less than six weeks .</p>	Medium	This remains ongoing until we make some much needed policy changes. We are monitoring 42 staff with 6 or more weeks of leave.	Ongoing
Finance	Audit NZ - Annual Report	Jeanette Paenga	2020/21		<p>Depreciation rates not consistent with policy</p> <p>Complete a review to ensure all depreciation rates are in line with Council's policy, or that the policy is updated to reflect appropriate depreciation rates.</p>	Medium	We will perform a review as part of our year end processes	Oct-26

Taupō District Council Audit Improvement Items- Recently Closed

Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Finance	Audit NZ - Annual Report	Philip Caruana	2022/23		<p>Inaccuracies and non-compliance identified in the draft service performance reporting provided for audit</p> <p>We recommend that the District Council implement enhanced quality control and oversight processes before the draft service performance information is provided for audit.</p>	High	<p>Council has taken several steps to resolve issues on customer response and resolution times for water and wastewater service areas, and expect to resolve them in the next Annual Report. Similar steps are being taken on roading response times.</p> <p>Additionally, Council has initiated an Internal Control Process to prevent or detect material misstatements in the statement of service performance.</p>	Outstanding

Taupō District Council Audit Improvement Items- Recently Closed

Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Finance	Audit NZ - Annual Report	Ferlisa Valentine	2022/23		<p>Completeness and accuracy of vested assets We recommend that the District Council implements a robust process to ensure all vested assets are recognised in the correct financial year.</p>	Medium	Council staff have developed a list of vested assets currently on the radar for Three Waters. There is no backlog at present, as the established process is working effectively. Once the team receives the as-built documentation, the assets will be entered into AssetFinda.	Outstanding
Finance	Audit NZ - Annual Report	Jeanette Paenga	2022/23	Oct-26	<p>Incorrect accounting treatment for non-current assets held for sale The District Council should design and implement clear policies and procedures to guide the accounting of assets as held for sale to ensure alignment with the accounting standards to avoid potential errors in the future.</p>	Medium	The Finance team assess the NCAHFS annually before balance date, this can be verified by council annual plan and council minutes. We presently have no assets in this class but will verify at balance and ensure audit view our assessment documentation.	Oct-26

Taupō District Council Audit Improvement Items- Recently Closed

Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Operations and Delivery	Audit NZ - Annual Report	Jeanette Paenga	2022/23	Oct-26	Inadequate processes in place for the physical verification of operational property, plant and equipment We recommend that a periodic physical verification exercise be performed for all classes of operational property, plant and equipment.	Necessary	A programme of verification work has been set and we have commenced with vehicles and plan to do one other before year end	Oct-26
Finance	Audit NZ - Annual Report	Jeanette Paenga	2022/23	Oct-26	Fully written down assets included in the fixed asset register The District Council should periodically review all assets with a zero net book value to inform their assessment of useful lives. Assets no longer in use should be removed from the fixed asset register based on the approved policies and procedures.	Medium	Zero value and non-identifiable assets have been listed for disposal and is with Senior Financial Accountant for review	Oct-26

Taupō District Council Audit Improvement Items- Recently Closed

Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Finance	Audit NZ - Annual Report	Jeanette Paenga Pernille Fletcher	2023/24		<p>Improvements to asset capitalisation and documentation processes.</p> <p>We recommend that the District Council establish a formalised process to ensure effective communication between asset engineers and the finance team for the timely capitalisation of significant capital projects from work in progress to commissioned assets. This process should include the timely capitalisation of assets based on their entry into service. Additionally, the District Council should retain formal and properly evidenced approval documents for all PPE purchases before the assets are acquired.</p>	Medium	<p>June 2026: 3Waters Maintenance and 3W Asset Management system are now in sync. There are a series of regular meetings between finance and the asset management team to ensure communication and status updates, this focusses on quality of asset data coming in from projects, time to capitalise (i.e. outstanding WIP balances) and . There has been a reorganisation within the asset management team to ensure more capability and experience throughout the team to ensure capitalisation. Internally, the finance team is developing a process in partnership with the asset management teams.</p> <p>Transport: The recently appointed Financial Asset Data Specialist – Transport, is currently developing the activity’s capitalisation and documentation process. The role includes the monitoring and closeout of Transport projects for capitalisation availability to ensure assets are capitalised in a timely manner where possible. The Asset Information Officer – Transport, is also currently developing a handover checklist in relation to as-built quality and asset information/acceptance to support this process.</p>	TBD Q1 2026
Various	Audit NZ - Annual Report	Elena Erasmus	2023/24	Jun-27	<p>Significant improvements required to the asset management process</p> <p>We recommend that the District Council implement robust and effective processes for asset management to enhance financial reporting.</p>	High	<p>New staff have stepped into different roles in finance and they are optimistic that there will be real progress soon. There’s continuous improvement, but they think they’ll need more time before they reach the desired level.</p>	Jun-27

Taupō District Council Audit Improvement Items- Recently Closed

Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Finance	Audit NZ - Annual Report	Jeanette Paenga	2023/24		Improvements to fixed asset register asset data We recommend that all assets be recognized and recorded within the Fixed Asset Register (FAR) with a sufficient level of detailed information. This detailed information should include specifics that allow for the accurate assessment of each asset's useful life.	Medium	Please see comments in the report to governors, this item should be combined with the issue raised in 2024/25	Outstanding
Finance	Audit NZ - Annual Report	Jeanette Paenga	2023/24	Oct-26	Review of financial reconciliations We recommend that the Council consistently complete and review reconciliations. This practice will enable the Council to detect and correct any errors that could result in material misstatements in a timely manner. Ensuring these reconciliations are regularly performed and reviewed is crucial for maintaining accurate financial records and preventing potential discrepancies.	Medium	Completed reconciliations are reviewed, however there are still some complexities around some key accounts which are still being overcome	Oct-26
Transport/Three Waters	Audit NZ - Annual Report	Roger Stokes/Sarah Lealand	2023/24	Jul-27 Dec-26	Revaluation of infrastructural assets – valuer's recommendations We recommend that the Council thoroughly review the recommendations made in the roading and three waters valuation reports. It is crucial to address these recommendations in a timely manner to ensure they are implemented before the next valuation. This proactive approach will help enhance the accuracy and reliability of future valuations.	Medium	The valuations for Transport and Waters assets have been deferred, with the target completion date now set for July 2027. Transportation: Transport transitioned to the Asset Management Data Standard (AMDS) in July 2025. 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.	Jul-27 Dec-26

Taupō District Council Audit Improvement Items- Recently Closed

Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Finance	Audit NZ - Annual Report	Jeanette Paenga	2023/24	Dec-26	Infrastructure asset valuations – unit rates for future asset valuations Council needs to develop reasonable and supportable unit rates for future valuations and fair value assessments, council should maintain a unit rate database updated annually with reference to recent contract data and other cost indicators.	Medium	This will be done in the lead up to the next revaluation cycle	Dec-26
Digital Solutions	KPMG	Tracey May	2025/26	Jun-26	Perform an assessment of the cyber security areas that present a higher level of inherent risk to identify any significant weaknesses that should be addressed in the short-term.	High	Underway with Spotica. Options paper being created for all audit points and presented to Exec for approval.	Jun-26
Digital Solutions	KPMG	Tracey May	2025/26	Jun-26	Restrict access to Microsoft 365 to Council controlled computers and phones. In conjunction with this, use certificate-based authentication for multi-factor authentication to prevent the interception of multi factor authentication credentials	High	Interim measures in place. Long term options being investigated	Jun-26
Digital Solutions	KPMG	Tracey May	2025/26	Jun-26	Extend security monitoring to include Microsoft 365 and any other areas not currently covered.	Medium-High	Options being investigated.	Jun-26
Digital Solutions	KPMG	Tracey May	2025/26	Jun-26	Develop a formal strategy to increase the cyber security capability within the Council. Ensure that there are sufficient resources available to deliver upon the strategy.	Medium-High	Underway.	Jun-26
Digital Solutions	KPMG	Tracey May	2025/26	May-26	Establish alternative mechanisms to communicate with staff when the primary mechanisms have been compromised or are not available.	Medium-High	Corporate extet solution being implemented.	May-26
Digital Solutions	KPMG	Tracey May	2025/26	Jul-26	Develop a structured threat management process to help ensure the organisation is aware of and mitigates new or changing cyber security threats.	Medium-High	Options being investigated.	Jul-26
Digital Solutions	KPMG	Tracey May	2025/26	Jun-26	Finalise the Cyber Security Incident Response Plan and broaden the run books in it to ensure that they include all common incident types. Ensure that all relevant staff are familiar with the plan and can access it during a cyber security incident. Test the plan and continue to do so on a regular basis.	Medium	Contractor engaged to complete this.	Jun-26
Digital Solutions	KPMG	Tracey May	2025/26	Sept-26	Implement detective controls to provide increased visibility of suspicious activity within Microsoft 365	Medium	Upgrade Microsoft E5 security being investigated to complement current security suite.	Sept-26
Digital Solutions	KPMG	Tracey May	2025/26	Aug-26	Restrict users from creating or modifying inbox rules from remote locations	Medium	Options being investigated.	Aug-26
Digital Solutions	KPMG	Tracey May	2025/26	Aug-26	Prevent users from setting up inbox rules to automatically forward email to non-Council systems.	Medium	Options being investigated.	Aug-26

Taupō District Council Audit Improvement Items- Recently Closed

Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Digital Solutions	KPMG	Tracey May	2025/26	Aug-26	Restrict the public sharing of files from SharePoint.	Medium	Options being investigated.	Aug-26
Digital Solutions	KPMG	Tracey May	2025/26	Aug-26	Block the upload of executable and script files in OneDrive and SharePoint.	Medium	Options being investigated.	Aug-26
Digital Solutions	KPMG	Tracey May	2025/26	Oct-26	Develop a business continuity management framework, integrating the emergency management, business continuity planning, disaster recovery planning and cyber security incident response processes together.	Medium	Options being investigated.	Oct-26
Digital Solutions	KPMG	Tracey May	2025/26	Dec-26	Ensure that there are up-to-date Business Continuity Plans for all key business functions, and that these include a scenario relating to loss of access to IT systems.	Medium	In partnership with Risk and business teams.	Dec-26
Digital Solutions	KPMG	Tracey May	2025/26	Dec-26	Strengthen the segregation of the Three Waters environment so that single sign-on doesn't exist between the Council's corporate environment and the Three Waters environment.	Medium	Options being investigated in partnership with Three Waters teams alongside their improvement programme.	Dec-26
Digital Solutions	KPMG	Tracey May	2025/26	Jun-26	Reduce the maximum lifespan of authentication session tokens to reduce the time that someone can use stolen authentication tokens.	Low	Testing underway	Jun-26
Digital Solutions	KPMG	Tracey May	2025/26	Jun-26	Implement Continuous Access Evaluation in the Conditional Access policies to help detect and mitigate suspicious authentication activity.	Low	Testing underway	Jun-26
Business Excellence	KPMG	Louise Chick	2025/26		1.1 Develop BU risk registers Consider creating BU risk registers, in parallel with critical risk assessments, using simple interim template to capture operational risks early.		Establishment of business unit risk registers has commenced, with risk workshops for the Organisation Performance Group underway.	New
Business Excellence	KPMG	Louise Chick	2025/26		1.2 Validate and update regularly Establish a process to review and update the eleven critical risks against BU registers on an ongoing basis to keep the enterprise risk profile current and relevant.		Council will continually review its critical risks in response to risks identified in Business Unit Risk Registers as they develop, and in response to events lodged on Council's incident management system (Damstra)	New
Business Excellence	KPMG	Louise Chick	2025/26		1.3 Set clear ownership deadlines Assign accountable owners and define firm timelines for completing both BU registers and critical risk assessments, with progress tracked through a simple dashboard.		Initial meetings held with Tier 3 managers to discuss approach to both business unit risk and critical risk assessments. Completion of critical risk assessments will be completed over coming years (4 or 11 planned for 2025/26, with the remainder to follow). Detailed resource planning will continue throughout this period.	New

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Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Business Excellence	KPMG	Louise Chick	Aug-23	Jun-26	10.2 Implement mechanisms, such as a dashboard, where managers can access departmental information and be held accountable for meeting health and safety outcomes.	Low	Current Health and Safety focus is to establish minimum mandatory controls for Council's critical risks. These are currently being baselined for Council's Aggressive & Threatening Behaviour risks, and progress against implementing these controls will be reported to the Executive from July 2026. Reporting will continue to develop as other critical risks are progressed. Lag H&S metrics are available on Council's Incident Management System (Damstra).	Jun-26
Business Excellence	KPMG	Louise Chick	Aug-23	Jun-26	11.1 Improve the mana associated with being a HSR, by celebrating the success of the Health and Safety Committee by communicating across the organisation how they have made improvements.	Low	On hold while H&S Manager position is vacant.	Jun-26
Business Excellence	KPMG	Louise Chick	Aug-23	Jun-26	13.1 Encourage reporting of incidents across the organisation. Consider the use of positive feedback mechanisms such as how an incident reported has been actioned or using key performance indicators.	Low	Council is encouraging incident and near-miss reporting through the rollout of critical risk management activities, which reinforce why reporting matters, how reports are used to strengthen controls, and how learnings are fed back to teams, supporting a more open reporting culture while formal metrics and feedback mechanisms continue to mature.	Jun-26

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Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Business Excellence	KPMG	Louise Chick	Aug-23	Apr-26	13.2 Roll out refresher training to departments that may not see the benefits of reporting incident and near misses. Define what should be reported and the expected timelines that reports are to be entered into the system.	Low	Refer to R13.1 - This will be progressed through the Event Reporting and Management Procedure which has been drafted.	Apr-26
Business Excellence	KPMG	Louise Chick	Aug-23	Jun-26	15.1 Establish and commence the plan for regular review of all procedures across the Council. The review process should also be consistent across all teams to create standardised procedures.	Low	Council is reviewing and enhancing procedures as part of its critical risk programme of work. As each procedure is refined/developed, it is given a review date. This work will continue over the coming years as Council refines its approach to critical risk management.	Jun-26
Business Excellence	KPMG	Louise Chick	2025/26		2.1 Standardise reporting across functions The Executive Team should define and implement a minimum reporting standard for all critical risks to ensure consistent updates and visibility.		This recommendation is being addressed through the operationalisation of critical risk management (initially Aggressive and Threatening Behaviour), which is establishing consistent reporting expectations across functions, and will be further supported by the forthcoming Event Reporting and Management Procedure to standardise how incidents, learnings, and risk insights are reported and escalated organisation-wide.	New
Business Excellence	KPMG	Louise Chick	2025/26		2.2 Create a consolidated dashboard Develop a one-page dashboard summarizing each critical risk, its Executive Sponsor, lead function, key milestones, current status, and significant issues.		Refer to 2.1	New

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Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Business Excellence	KPMG	Louise Chick	2025/26		2.3 Integrate into existing governance Embed the consolidated dashboard into monthly Improvement Plan and Audit updates for Risk and Assurance Committee review to strengthen oversight and accountability.		Refer to 2.1	New
Business Excellence	KPMG	Louise Chick	2025/26		3.1 Prepare a Resourcing Overview Estimate the effort required for each workstream and compare it with current capacity across H&S, BET, and business units. Highlight gaps and pressure points.		Council's key focus is to enhance its management of critical risks. This involves establishing industry best practice, understanding specific risk circumstances faced by Council, and then undertaking a gap analysis between the expected level of control (against industry best practice) and that currently in place. Detailed resource planning can be done as gap analysis is undertaken on a critical risk, by critical risk basis.	New
Business Excellence	KPMG	Louise Chick	2025/26		3.2 Use resourcing analysis to guide decisions Share the resourcing overview with the Executive Team to make informed decisions on timing, phasing, or additional support for high-risk areas.		Refer to above item.	New
Business Excellence	KPMG	Louise Chick	2025/26		3.3 Plan for system integration Define specific tasks to link ERM, critical risks, BU registers, HSMS documents, training, incident management, and assurance activities. Assign clear owners and timelines to ensure integration is delivered.		Council's risk management system is currently undergoing significant review through new processes to manage critical H&S risks and introduction of new Enterprise Risk Management processes and business unit risk registers. First step is to develop good foundational practices, after which the focus will turn to integration.	New
Business Excellence	KPMG	Louise Chick	Aug-23	Feb-26	5.2 Train contract managers on their responsibility to understand how the work will be done safely and complete due diligence on contractor safety plans. Where required, train contract managers on how to inspect sites and audit process.	Medium	External provider delivering NZQA Contractor H&S Management course through May and June. TDC specific processes will be referred to and used in examples when training is delivered.	Feb-26
Business Excellence	KPMG	Louise Chick	Aug-23		5.4 Monitor and report on the number and type of site inspection and audits being completed by Taupō District Council on contactors. Hold departmental managers to account when inspections and audits are not completed as required.	Medium	Will follow once contractor management training delivered. Delayed from May 2026.	Aug-26

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Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Business Excellence	KPMG	Louise Chick	Aug-23	Jun-26	6.1 Establish an emergency plan for all plausible scenarios that the Council may face. Include Taupō District Council expectations for the emergency management of workers and workplaces that are not involved in civil defence activities in the emergency plans.	Medium	Location-specific Emergency Response Plans for all fixed, field, and mobile work settings, which clearly define emergency scenarios are being developed alongside the Aggressive and Threatening Behaviour Critical risk. It is now a minimum mandatory control (i.e. compulsory) for each location use emergency plan templates developed by H&S to define roles, actions, and escalation steps. Team leaders/managers at those locations have responsibility to ensure plans are reviewed and exercised periodically to ensure staff know what to do in an emergency. Delayed from May 2026	Jun-26
Business Excellence	KPMG	Louise Chick	Aug-23	Jun-26	6.2 Train workers in what to do in an event of each emergency scenario relevant to their location and work.	Medium	Refer to R6.1 above.	Jun-26
Business Excellence	KPMG	Louise Chick	Aug-23	Jun-26	6.3 Create a schedule to test and review emergency procedures based on risk or legal and other requirements to ensure emergency plans are effective and workers know what to do.	Medium	Refer to R6.1 above.	Jun-26
Business Excellence	KPMG	Louise Chick	Aug-23	Aug-26	7.1 Implement mechanisms that allow the Council to know which visitors and contractors are in the offices at any given time. Consider requiring visitors or contractors to have some form of visible identification for the duration of their visit.	Medium	Council has developed organisation-wide Visitor Management and Site Security Protocols , aligned with Protective Security Requirements (PHYSEC) and Government Health and Safety Lead guidance for Zones 1 and 2, requiring all visitors and contractors to sign in and out, wear visible identification for the duration of their visit, and remain under host supervision so Council can confirm who is on site at any given time. These are in place for Council's primary office, and ongoing implementation for other sites will be managed through rollout of the Aggressive & Threatening Behaviour critical risk. Delayed from May 2026.	Aug-26

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Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Business Excellence	KPMG	Louise Chick	Aug-23	Jun-26	7.2 Implement physical security protocols that align to the New Zealand Government Protective Security Requirements.	Medium	Council has developed organisation-wide Site Security Protocols , informed by the Protective Security Requirements (PHYSEC) and Government Health and Safety Lead guidance, which set minimum physical security requirements for public-facing and staff-only areas and establish a consistent, risk-based approach to physical security across all Council sites. These are in place for Council's primary office, and ongoing implementation for other	Jun-26
Business Excellence	KPMG	Louise Chick	Aug-23	Jun-26	7.3 Conduct physical security training and scheduled refresher training about security protocols within the Council. Additional reminders to workers to ensure they close the door behind them may be required until the culture changes.	Medium	Staff have received training regarding security protocols through H&S building induction, which now forms part of the new starter online elearning package. This is also supported by the establishment of organisation-wide Site Security and Visitor Management Protocols—aligned with Protective Security Requirements (PHYSEC) and Government Health and Safety Lead guidance—which clearly communicate physical security requirements and expected behaviours to all staff, replacing previously inconsistent site-by-site practices and reinforcing day-to-day security awareness (including secure access and door control).	Jun-26
Business Excellence	KPMG	Louise Chick	Aug-23	Jun-26	R1.3 Based on the revalidation, identify the controls and mitigations to manage the identified critical risks.	High	Please refer to update for R1.4. Ongoing until Jun-26.	Jun-26
Business Excellence	KPMG	Louise Chick	Aug-23		R1.4 Implement a plan to evaluate that controls that manage critical risks are in place and working as intended.	High	Council has approved the Critical Risk Control Framework and is progressing reviews across risks scheduled in the Health and Safety Improvement Plan (Aggressive and Threatening Behaviour, Driving, and Asbestos) —to confirm minimum mandatory controls, implement improvements, and undertake assurance of control implementation and effectiveness. Establishment of controls across all 11 critical risks is expected to take a further 18-24 months to implement. Extended from Dec-25.	Ongoing

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Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Business Excellence	KPMG	Louise Chick	Aug-23		R2.1 Conduct job specific or departmental risk assessments in all areas of Council.	High	Council's H&S team's primary focus is the effective management of critical risks. Departmental and job-specific risk assessments are progressing on a critical-risk by critical-risk basis. Extended from Dec-25.	Ongoing
Business Excellence	KPMG	Louise Chick	Aug-23		R2.2 Increase awareness at the management level of the importance in managing health and safety risks to prevent harm to workers and how practical solutions and processes can support work being done safely.	High	Critical Risk Management Framework introduced to ELT. Engagement on critical risk controls at Manager/Team Leader level has kicked off with ATB. This will be an ongoing process over years, as we work through each critical risk in turn. Extended from Feb-26.	Ongoing
Business Excellence	KPMG	Louise Chick	Aug-23	Jul-26	R2.3 Review how work is done and what controls are in place to reduce risk as low as reasonably practicable. As per the examples in the findings, take into consideration (without limitation): – Review the level of control needed to manage the risk, such as testing and tagging, – Define what are the minimum requirements or expectations set by Council, such as SDS required for domestic quantities of chemicals, and – Understand how work is done and identify where to make changes to reduce risk, such as changes to managing upset customers on call.	High	Primary focus is on critical risks. Review of risks controls that don't related to critical risks, will progress once all critical risks controls are established (likely late 2027/early 2028).	Jul-26
Business Excellence	KPMG	Louise Chick	Aug-23		R4.1 Develop and implement an internal inspection and audit plan based on risk. Consult and communicate the roles and responsibilities to those who are responsible for first- and second-line assurance tasks.	Medium	Initial work to develop a formal H&S assurance structure has been undertaken, but progress has not advanced further during the period due to a vacancy in the H&S Manager position. The next phase—establishing internal audit programmes followed by second-party audits—will recommence once resourcing is stabilised, recognising that consistent organisation-wide adoption will take time. On hold while H&S Manager role is vacant.	On hold

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Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Policy	Audit NZ - LTP (A3755988)	Nick Carroll	Jul-24	Jun-27	Performance management framework We recommend that for the next LTP Council include additional measures for this activity.	N/A	Consideration of how best to respond to this recommendation will be part of the process to develop the long-term plan.	Jun-27
Policy	Audit NZ - LTP (A3755988)	Nick Carroll	Jul-24	Jun-27	Climate Change We recommend the Council incorporate the recommendations (stated in the report) in the climate change section of the next LTP. These recommendations are crucial for addressing the pressing issue of climate change and ensuring sustainable development for the District. We believe that their inclusion will significantly enhance the effectiveness and comprehensiveness of the LTP.	N/A	Consideration of how best to respond to this recommendation will be part of the process to develop the long-term plan.	Jun-27
Three Waters	WaiComply	Tom Swindells	Nov-23	Jun-27 Sept-26	Reduce protozoal failures by installing at protozoal barrier or treatments at the following schemes: - Ātiamuri Village - Bonshaw Park - Centennial Drive - Hatepe Village - Kinloch - Motuoapa - Motutere - Omori - Tirohanga - Waihaha - Whakamoenga - Whareroa	N/A	Reduce protozoal failures by installing protozoal barrier or treatments at the following schemes: Ātiamuri Village Complete , Bonshaw Park Complete , Centennial Drive Complete , Hatepe Village Complete although barrier not currently 100% effective. New WTP build will resolve over next 2 years , Kinloch Complete , Motuoapa In Progress , Motutere Complete , Omori Complete , Tirohanga Complete , Waihaha Complete although barrier not currently 100% effective. Further investigation underway for permanent solution , Whakamoenga Complete , Whareroa Complete	Various as below: Hatepe – Jun 27, Motuoapa – Sep 26, Waihaha TBC
Three Waters	WaiComply	Tom Swindells	Nov-23		Implement membrane filtration system or automated shutdown to manage turbidity events.	N/A	The pending protozoal treatment upgrades will also eliminate turbidity issues. Matter progressing.	Ongoing
Three Waters	WaiComply	Tom Swindells	Nov-23		Ensure new treatment plant process allows adequate retention times.	N/A	Being addressed through treatment plant upgrades. Matter progressing.	Ongoing

Taupō District Council Audit Improvement Items- Recently Closed

Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Council	Council MARK	Mark Hill	Apr-22	Dec-26	Develop stronger ownership of strategic and operational risk by elected members and executive management respectively. A whole-of-organisation risk register is needed, using appropriate risk management tools that allow for constant evaluation, rating and mitigation of risks.	N/A	The Risk appetite workshop for Elected Members was completed in June 2025. Following on from the workshop the Risk Appetite statement, Risk Management Framework was updated and approved by the Sept RAC. Now the foundations are in place, we are rolling out an Enterprise Risk Management (ERM) system, with initial workshops held with the Organisation Performance tier 3 managers.	Dec-26
Council	Council MARK	Jess Sparks	Apr-22		Establishing a Regulatory Strategy that better prioritises compliance work in a manner that considers public safety and cost-effectiveness.	N/A	Under review pending regulatory reform outcomes.	Ongoing
Council	Council MARK	Jeanette Paenga	Apr-22	Dec-26	Undertaking better operational analysis of Council's community facilities – patronage, cost of operations etc	N/A	Date changed to reflect plan of working on this for the next annual plan.	Dec-26
Property	The Property Group	Louise Chick	Jun-24	May-26	The 2024 Asbestos Management Plan (AMP) review is underway and which when completed is to have content align with industry best practice. Land, as well as buildings, to be addressed within the AMP.	N/A	Council's corporate level Asbestos Management Plan is undergoing further review to align with WorkSafe Guidance issued in April 2026. Extended from March 2025.	May-26
Property	The Property Group	Louise Chick	Jun-24		Key Performance Indicators (KPIs) to be used to encourage currency and competency, and measure adherence.	N/A	Council's approach to enhancing its H&S system and capability is to focus upon refining critical risk controls on a critical risk by critical risk basis, and this alone will require a further 18-24 months of work. Assurance practices will be developed as part of this, after which the development of KPIs can be considered. Extended from March 2025.	Ongoing

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Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target
Property	The Property Group	Louise Chick	Jun-24		Implement KPIs to encourage processes and role responsibilities adherence and measure through internal checks and audit.	N/A	Council's approach to enhancing its H&S system and capability is to focus upon refining critical risk controls on a critical risk by critical risk basis, and this alone will require a further 18-24 months of work. Assurance practices will be developed as part of this, after which the development of KPIs can be considered. Extended from March 2025.	Ongoing
Property	The Property Group	Chris Haskell	Jun-24	Jul-26	Property Strategy. This will categorise TDC's strategic and non-strategic properties, provide a masterplan for the Property Team to work to and give direction and understanding of wider property expectations and outcomes sought.	N/A	The brief has been droughted and currently sits with the Exec for approval to move to the next stage.	Jul-26
Property	The Property Group	Chris Haskell	Jun-24	Oct-26	Acquisition and Disposal Policy. To provide guidance to TDC officers when acquiring and disposing of properties, derisking and enabling clear due process steps to be followed.	N/A	No progress has been made due to other priorities. This is scheduled to start mid May 2026.	Oct-26
Property	The Property Group	Chris Haskell	Jun-24	Jul-27	Housing for the Elderly Policy. Provide clarity on the basis of the provision of TDC's elder housing and qualifying criteria for tenants.	N/A	No progress has been made due to other priorities.	Jul-27
Property	The Property Group	Chris Haskell	Jun-24	Jul-26	Concessional Lease Policy. Provide clarity, consistency and ease of application for use of TDC's non-commercial properties.	N/A	No progress has been made due to other priorities.	Jul-26
Finance	Audit NZ - Annual Report	Jeanette Paenga	2023/24	Oct-26	Property, plant and equipment disposal forms with approvals We recommend implementing a disposal process where assets being written off or disposed of are supported by an approved disposal form. This form should be signed by relevant personnel, such as an asset manager, and independently reviewed in a timely manner. This will ensure proper documentation and oversight of asset disposals.	Medium	All asset disposals are to have approvals – we will reiterate this with the asset management teams again this year	Oct-26
Environmental Health	JASANZ	Bryan Brett	May-25	Jun-26	Working through directed importer verification scenarios with Wanganui Council	Observation	Under consideration and likely to be addressed in May 2026.	Jun-26
Department	Audit Source	TDC Responsible Party	Audit Date		Audit/review recommendation	Priority given by auditor		

Taupō District Council Audit Improvement Items- Recently Closed

Department	Audit Source	TDC Responsible	Audit	Date	Audit/review recommendation	Priority given by	June 2026 Management Status Update	Target

R & A Committee Work Stream	1 10 March 2026	2 2 June 2026	3 15 September 2026	3 17 November 2026
Risk Management				
Financial Strategy Treasury report, reform impacts on financial viability etc.	●	●	●	●
Reform Programme and Long-term Plan Council's response to suite of reforms and impacts on long-term planning	●	● Audit arrangements	● Audit arrangements	●
Risk Management Strategic risk, Enterprise Risk Management, horizon scanning	●	●	●	●
Health and Safety Strategy & Improvement Plan implementation, incident reporting, critical risk updates	●	●	●	●
Assurance	● Audit Plan, H&S	● Food safety, IANZ building, PoolSafe	● Ad hoc as required	● Ad hoc as required
Insurance Update	●		●	
Natural Hazard Risks & Emergency Management	●	●	●	●
Digital Improvement Programme		●		●
Audit arrangement/Annual Report		●	●	
Outstanding Audit Improvements		●		●
Significant Projects Risk Register Note: Monthly Performance Report to be emailed separately to independent Risk and Assurance members.	●	●	●	●
Business Continuity Planning				●
Procurement Strategy and Policy		●		
Asset Capitalisation Policy				●
Other				
Risk and Assurance Committee Workplan	●			
Review of Performance and Effectiveness of Risk and Assurance Committee				●
Confidential Items (Public Excluded)				
Litigation Matters Update	●	●	●	●
Cyber Security Review	●			