

TE KAUNIHERA Ā-ROHE O
ŌTOROHANGA
DISTRICT COUNCIL

Open Agenda

RISK AND ASSURANCE COMMITTEE

18 May 2026

Notice is hereby given that an ordinary meeting of the Ōtorohanga District Council's Risk and Assurance Committee will be held in Waikōwhitiwhiti (Council Chambers), Ōtorohanga District Council, 17 Maniapoto Street, Ōtorohanga on Monday, 18 May 2026 commencing at 10.00am.

Tanya Winter, Chief Executive

12 May 2026

OPEN TO THE PUBLIC AGENDA

Risk and Assurance Committee membership

Independent Chairperson	Peter Stubbs
Deputy Chairperson and Kāwhia-Tihiroa Councillor	Kit Jeffries
Kio Kio / Korakonui Councillor	Andrew Barker
Ōtorohanga Councillor	Jo Butcher
Wharepūhunga Councillor	Shane Carr
Ex-officio Member	Mayor Rodney Dow

All attendees at this meeting are advised that the meeting will be electronically recorded (audio and video) for the purpose of webcasting to the ŌDC's YouTube channel. Every care will be taken to maintain individuals' privacy however attendees are advised they may be recorded as part of the general meeting proceedings.

This Open Agenda was prepared by Manager Governance, Kaia Penwarden and approved for distribution by Group Manager Business Enablement, Graham Bunn on 12 May 2026.

Opening formalities		Ngā tikanga mihimihi	
Apologies			4
Late items			4
Declaration of conflict of interest			4
Confirmation of minutes	30 March 2026		4

Decision reports		Ngā pūrongo whakatau	
Item 8	Debt Recovery Policy		17
Item 9	Fair Value vs Carrying Value Assessment		33

Information only reports		Ngā pūrongo mōhiohio anake	
Item 10	Health, Safety and Wellbeing quarterly report		40
Item 11	Outstanding Debtors report		44
Item 12	Outstanding Management Letter points from 2024/25 Annual Report		48
Item 13	Mayoral Disaster Relief Fund		53
Item 14	Capital Projects Report for the Month Ending 30 April 2026		55

Closing formalities		Ngā tikanga whakakapi	
Meeting closure		Katinga o te hui	60

Workshops		Hui awheawhe	
RiskPool update		Open to the public	
Risk Management Report with David Robson		Open to the public	
Quarterly discussion with the Chief Executive		Public not permitted	

Commencement of meeting**Te tīmatanga o te hui**

The Chairperson will confirm the livestream to YouTube is active then declare the meeting open.

Apologies**Ngā hōnea**

A Member who does not have leave of absence may tender an apology should they be absent from all or part of a meeting. The meeting may accept or decline any apologies. For clarification, the acceptance of a Member's apology constitutes a grant of 'leave of absence' for that specific meeting(s).

That the Risk and Assurance Committee receive and accept the apologies for non-attendance from Councillors Shane Carr and Kit Jeffries.

Late items**Ngā take tōmuri**

Items not on the agenda for the meeting require a resolution under section 46A of the Local Government Official Information and Meetings Act 1987 stating the reasons why the item was not on the agenda and why it cannot be dealt with at a subsequent meeting on the basis of a full agenda item. It is important to note that late items can only be dealt with when special circumstances exist and not as a means of avoiding or frustrating the requirements in the Act relating to notice, agendas, agenda format and content.

Should a late item be raised, the following recommendation is made: *That the Risk and Assurance Committee accept the late item due to to be heard*

Declaration of conflict of interest**Te whakapuakanga pānga taharua**

Members are reminded to stand aside from decision making when a conflict arises between their role as an elected member and any private or external interest they may have.

A conflict can exist where:

- The interest or relationship means you are biased; and/or
- Someone looking in from the outside could have reasonable grounds to think you might be biased.

Should any conflicts be declared, the following recommendation is made: *That the Risk and Assurance Committee receive the declaration of a conflict of interest from for item ... and direct the conflict to be recorded in Ōtorohanga District Council's Conflicts of Interest Register.*

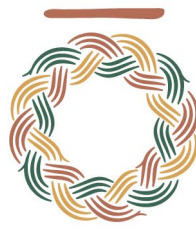
Confirmation of minutes

Te whakaū i ngā meneti

The unconfirmed Minutes of the previous ordinary meeting are on the following pages.

Staff recommendation

That the Risk and Assurance Committee confirm as a true and correct record, the open Minutes of the meeting held on 30 March 2026.



TE KAUNIHERA Ā-ROHE O
ŌTOROHANGA
DISTRICT COUNCIL

Open Minutes

RISK AND ASSURANCE COMMITTEE

30 March 2026

Open Minutes of an ordinary meeting of the Ōtorohanga District Council's Risk and Assurance Committee held in Waikōwhitiwhiti (Council Chambers), Ōtorohanga District Council, 17 Maniapoto Street, Ōtorohanga on Monday, 30 March 2026 commencing at 10.00am.

Graham Bunn, GM Business Enablement

9 April 2026

Risk and Assurance Committee attendance

Independent Chairperson	Peter Stubbs	Attended
Deputy Chairperson and Kāwhia-Tihiroa Councillor	Kit Jeffries	Attended
Kio Kio / Korakonui Councillor	Andrew Barker	Attended
Ōtorohanga Councillor	Jo Butcher	Attended
Wharepūhunga Councillor	Shane Carr	Attended
Ex-officio Member	Mayor Rodney Dow	Attended

ŌDC Senior Staff in attendance

Chief Executive	Tanya Winte	Attended
Group Manager Business Enablement	Graham Bunn	Attended
Group Manager Engineering and Assets	Mark Lewis	Attended
Group Manager Regulatory and Growth	Tony Quickfall	Attended
Group Manager Strategy and Community	Nardia Gower	Attended

Opening formalities**Ngā tikanga mihimihi**

Apologies	Ngā hōnea	4
Late items	Ngā take tōmuri	4
Declaration of conflict of interest	Te whakapuakanga pānga taharua	4

Decision reports**Ngā pūrongo whakatau**

Item 1	Annual Report audit engagement	4
--------	--------------------------------	---

Information only reports**Ngā pūrongo mōhiohio anake**

Item 2	Health, Safety and Wellbeing quarterly report	5
Item 3	Outstanding Debtors report	5
Item 4	Outstanding Management Letter points from 2024/25 Annual Report	6
Item 5	Mayoral Disaster Relief Fund	7
Item 6	Capital Projects Report for the Month Ending 28 February 2026	7
Item 7	Quarterly Risk Report	9

Closing formalities**Ngā tikanga whakakapi**

Meeting closure	Katinga o te hui	9
-----------------	------------------	---

Workshops**Hui awheawhe**

Strategic risks review	Open to the public
Quarterly discussion with the Chief Executive	Public not permitted

Commencement of meeting**Te tīmatanga o te hui**

Chairperson Stubbs declared the meeting open at 10.00am.

Apologies**Ngā hōnea**

There were no apologies.

Late items**Ngā take tōmuri**

There were no late items.

Declaration of conflict of interest**Te whakapuakanga pānga taharua**

There were no Declarations made.

Decision reports**Ngā pūrongo whakatau****Item 1: Annual Report audit engagement**

ŌDC's Brendan O'Callaghan, Manager Finance, spoke to the Audit Engagement Letter and noted the audit fees had previously been set and adopted by the former Council. Mr O'Callaghan advised the engagement letter covered three years (rather than being issued annually as previously) and that the Trustee Reporting Engagement Letter would continue to be issued yearly and approved by staff under delegation.

Discussion covered the scope of the audit (including the estimated hours) and the audit approach, including probity and public assurance considerations. Clarifications were also sought in relation to references within the engagement documentation and aspects of trustee services.

Members also considered asset valuation matters (including the valuation approach, review layers, and timing of revaluations), and noted comments raised with the auditor regarding ESG/climate-related considerations and the materiality level applied for the audit.

Councillor Andrew Barker arrived at 10.16am.

Resolved R1: That the Risk and Assurance Committee:

- a) **RECEIVES** the Audit Engagement Letter for the financial years ending 30 June 2026 through to 30 June 2028 and the ŌDC Trustee Reporting Engagement Letter for the financial year ending 30 June 2026.
- b) **RECOMMEND** Mayor Rodney Dow sign these letters on behalf of ŌDC.

Chairperson Stubbs | Deputy Chairperson Jeffries

Information only reports

Ngā pūrongo mōhiohio anake

Item 2: Health, Safety and Wellbeing quarterly report

ŌDC's Noah Lockett-Turton, Manager People and Capability, presented the Health, Safety and Wellbeing quarterly report.

The Committee noted current training compliance had reduced from 100% to 86%. Mr Lockett-Turton advised the reduction was due to normal workforce movements (e.g., new starters) and that there had been no material change in organisational risk since the February reporting period.

Members considered the recent severe weather event, and Mr Lockett-Turton noted no additional risks had been identified at this stage. The Chief Executive advised staff feedback indicated some staff needed an opportunity to decompress; four facilitated sessions were held, with approximately 30 staff attending.

Discussion then turned to staff wellbeing supports, including the Employee Assistance Programme (EAP). It was noted facilitated workshops had identified themes, and that staff valued the EAP and flexibility regarding the number of sessions; however, some staff were not aware they could access the EAP again. Mr Lockett-Turton noted reporting from the EAP provider is received quarterly, with information kept at a high level due to low staffing numbers.

The Committee also noted the overall target referenced in the report had been achieved.

Resolved R2: That the Risk and Assurance Committee receive the report titled 'Health, Safety and Wellbeing quarterly report' from Noah Lockett-Turton, Manager People and Capability.

Chairperson Stubbs | Councillor Carr

Item 3: Outstanding Debtors Report

ŌDC's Brendan O'Callaghan, Manager Finance, and Theresa Goulding, Rates Officer presented the Outstanding Debtors Report.

The Committee noted debt collection was a critical component of ŌDC's financial management and sought further context on several long-standing debtor items. Staff advised a small amount on one outstanding debtor had been written off and that the current balance was approximately \$150,000, with further work underway to assess the position, including whether amounts were owed or subject to genuine dispute. It was noted this related to legacy arrangements and some loss of historical knowledge due to staff changes, and management agreed an update could be provided at the next meeting. Members also raised the value of providing arrears reporting by area (e.g., rural, Ōtorohanga and Kāwhia) to help identify any hotspots. Discussion covered ŌDC's debt recovery tools under legislation (including mortgagee notification processes and rating sale) and noted limitations in relation to Māori land.

Members reviewed water debt movements year-on-year, noting prior-year figures were considered abnormal and that current trends were more consistent with other years. The Committee also noted due dates for water charges and rates are set by ŌDC resolution and can be adjusted. They also discussed penalties and staff commented that penalties on water charges are included in our Rates Resolution but have not been implemented). The Committee considered debt collection implications as water billing transitions to Waikato Water Limited (WWL), noting any debt would remain with ŌDC, and that the intent of WWL was to stand up a billing system by 1 July 2027.

Discussion covered the collections environment following the recent severe weather event. It was noted no dramatic change in collection difficulty was reported, with the key issue being timing rather than materiality. The Committee noted two "sovereign" (non-payment) cases on freehold land, and management advised legal advice had been obtained and the standard debt recovery process would continue. The Chairperson noted the fairness issue for the wider community when payments are not made on time.

Resolved R3: That the Risk & Assurance Committee **RECEIVE** the report titled 'Outstanding Debtors Report' by Brendan O'Callaghan, Manager Finance.

Chairperson Stubbs | Councillor Barker

Item 4: Outstanding Management Letter Points from 2024/25 Annual Report

ŌDC's Brendan O'Callaghan, Manager Finance, presented the report Outstanding Management Letter Points from the 2024/25 Annual Report audit. The Chairperson noted progress had been made, with three items now remaining to be finalised. Mr O'Callaghan confirmed this position and advised staff were satisfied the remaining items should be able to be completed in time for this year's audit. They discussed next steps and staff advised the debt policy would be presented to the Committee's next meeting.

The Committee considered the loan receivable for Ōtorohanga Kiwi House Limited (ŌKH). It was noted the loan term had been extended, and the Committee discussed the level of reporting required in relation to recoverability. Mr O'Callaghan advised auditors had previously reviewed ŌKH's books, and management indicated that ŌKH may be in a position to commence repayments in the future.

Chairperson Stubbs emphasized that the auditors' perspective is an opinion and that ŌDC staff should prioritize realistic and practical financial management over a "counsel of perfection."

Resolved R4: That the Risk and Assurance Committee receive the report titled 'Outstanding Management Letter Points from 2024/25 Annual Report' from Brendan O'Callaghan, Manager Finance.

Chairperson Stubbs | Councillor Butcher

Chairperson Stubbs adjourned the meeting at 11.02am for a short break and reconvened the meeting at 11.11am.

Item 5: Mayoral Disaster Relief Fund

ŌDC's Kaia Penwarden, Manager Governance, presented the Mayoral Disaster Relief Fund report noting the Fund Panel had met weekly with now over \$80,000 in relief granted, compared with the \$50,000 stated in the report. The Committee was advised the relief granted had complied with both ŌDC policy and Government expectations.

Resolved R5: That the Risk and Assurance Committee RECEIVE the report titled 'Mayoral Disaster Relief Fund'.

Chairperson Stubbs | Mayor Dow

Item 6: Capital Projects Report for the Month Ending 28 February 2026

ŌDC's Mark Lewis, Group Manager Engineering and Assets, and Robbie Whiteman, Manager Projects, presented the Capital Projects Report for the month ending 28 February 2026.

The Chairperson sought assurance on the overall position, including where deferrals were likely to occur, the associated trade-offs, and the dollar implications. Mr Lewis advised that the primary area of impact was the roading programme, in particular the reseals programme. He noted that while crews were due to return to the district, it was increasingly likely that approximately 40% of the remaining reseals programme would not be completed within the current financial year and would be deferred to the following year. Other capital project areas remained largely unaffected. Mr Lewis advised that delivery risks related primarily to timing rather than cost or quality, and that there were no matters of significant concern at this stage.

Mr Lewis noted that business-as-usual activity had temporarily taken a back step due to emergency works following recent weather events, with an external consultant engaged and focused on programme completion. He further advised that funding was required to be spent by the end of the financial year, with a strong focus therefore placed on progressing the reseals programme where practicable.

In response to questions from the Chairperson, Mr Lewis advised that weather constraints were not limited to rainfall, with overnight temperatures below 11 degrees Celsius also impacting resealing viability. From a risk perspective, he advised it was preferable to defer works rather than proceed under unsuitable conditions, which could compromise asset performance and value.

The Committee considered the financial implications of deferral. Mr Lewis advised there was no material short-term financial risk; however, the key issue related to impacts on the following year's work programme and risks associated with NZTA funding. He noted that as ŌDC was approaching the end of the current Long-Term Plan (LTP) cycle, there was a risk that unspent funding could not be carried forward, potentially resulting in loss of funding and increased future backlogs. Mr Lewis advised that roading activity represented a high-risk area in this respect, and that work was underway on the roading Asset Management Plan to assess implications and balance cost, timing, and delivery risks.

In response to questions regarding cost absorption, Mr Lewis advised that roading works were delivered under a three-year contract, and that as delivery costs increased, the overall size of the programme would need to reduce in order to remain within budget.

The Committee acknowledged positive feedback received in relation to recent works, including timely access restoration on Mangati Road and rapid completion of bridge replacement works. Mr Lewis confirmed that the Mangati Bridge works constituted a permanent repair and were not related to the SH39 temporary bridge installation. He advised that further onsite meetings were scheduled to confirm timeframes for additional bridge works and associated intersection improvements.

Emergency works funding arrangements were also discussed. Mr Lewis advised that emergency works were funded at a higher rate than standard works, with current funding at 83% for works arising from the February weather event, and remaining works relating to the October event. He noted he had not encountered instances of landowners submitting invoices for self-cleared slips during his tenure.

Members noted river movement and bridge replacement matters. Mr Lewis advised proposed solutions would not involve altering river alignments, and that replacement works constituted like-for-like replacements, therefore not requiring resource consent.

Discussion then turned to Kāwhia Wharf, including issues raised regarding damage, maintenance responsibilities, and long-term ownership and funding. Mr Lewis advised the wharf was a legacy asset dating back to the early 1900s, predominantly used for commercial and recreational fishing, and owned by ŌDC. He noted one component of recent damage was expected to be covered by insurance, and that a condition assessment was scheduled and anticipated to identify further structural issues. Mr Lewis advised the asset had been flagged in strategy documents, and that if it reached end of life, options would need to be consulted on through the Long Term Plan process.

The Committee discussed community fairness considerations for coastal assets, including berthage fees and long-term sustainability. It was noted berthage fees did not cover anticipated future maintenance costs and the level and structure of fees required further consideration. The Committee acknowledged decisions

would need to balance economic, recreational, and amenity values, with elected member consideration and community consultation.

Coastal protection works were also considered, including seawalls, and the need for a sustainable approach to coastal asset management. Mr Lewis advised a workshop was scheduled to explore options and that reactive maintenance was not sustainable. The Committee also noted the increasing complexity of building consent decisions in coastal hazard areas, including balancing development, risk, and ŌDC's liability.

Resolved R6: That the Risk and Assurance Committee RECEIVE the report titled 'Capital Projects Report for the Month Ending 28 February 2026 (document number 743584) from Mark Lewis, Group Manager Engineering and Assets.

Chairperson Stubbs | Deputy Chairperson Jeffries

Item 7: Quarterly Risk Report

ŌDC's Graham Bunn, Group Manager Business Enablement, presented the Quarterly Risk Report. Mr Bunn advised that ŌDC did not currently have a designated risk management role within Council. He noted that risk administration functions were being carried out by himself and Rebecca Griffin, Business Improvement Analyst, with a designated external advisor from AON supporting the process. Mr Bunn further advised that Aon was now producing Emerging risk reports across the local government sector, providing broader sector-wide context and benchmarking.

The Chairperson advised that he attended regular meetings in Wellington of Audit and Risk Committee Chairpersons convened by Aon and noted the value of sector-level insights and shared risk discussions. He then queried whether the organisation had an artificial intelligence (AI) policy in place. Mr Bunn confirmed that ŌDC did have an AI policy.

Resolved K7: That the Risk and Assurance Committee RECEIVE the report titled 'Quarterly Risk Report' from Graham Bunn, Group Manager Business Enablement.

Chairperson Stubbs | Councillor Carr

Public excluded

Take matatapu

There were no reports.

Meeting closure

Katinga o te hui

Chairperson Stubbs declared the meeting closed at 11.54am.

Workshops

Hui awheawhe

The following workshops were held:

Strategic risks review

Open to the public

Monthly discussion with the Chief Executive

Public not permitted

Decision reports**Ngā pūrongo whakatau**

DISCLAIMER: The reports attached to this Open Agenda set out recommendations and suggested resolutions only. Those recommendations and suggested resolutions DO NOT represent Ōtorohanga District Council policy until such time as they might be adopted by formal resolution. This Open Agenda may be subject to amendment either by the addition or withdrawal of items contained therein.

Item 8 Debt Recovery Policy

To Risk and Assurance Committee

From Brendan O’Callaghan, Manager Finance

Type **DECISION REPORT**

Date 18 May 2026



1. Purpose | Te kaupapa

1.1. To review and update Ōtorohanga District Council’s policy on the recovery of Council debt.

2. Executive summary | Whakarāpopoto matua

2.1. The attached Debt Recovery Policy formalises the current processes and procedures for recovery of outstanding debt. The policy also defines what debts are classified as doubtful debts, as well as the process for writing off bad debts.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk & Assurance Committee **APPROVE** the updated Debt Recovery Policy

4. Context | Horopaki

4.1. In 2023, after a recommendation from Deloitte as part of the previous year’s audit, Ōtorohanga District Council (ŌDC) adopted a Debt Recovery Policy. This policy covers the processes and procedures to be used in the recovery of outstanding debts owing to ŌDC. It also includes flowcharts to make it easy to follow for ŌDC staff and the general public.

4.2. The policy also defines which debts are included in the provision for doubtful debts calculation, as well as defines the processes that need to be followed before a debt is written off as a bad debt.

5. Discussion | He kōrerorero

5.1. This policy was adopted in April 2023 and has since become due for review. ŌDC staff have reviewed the policy to ensure that the existing policy is still fit for purpose, and made some minor amendments where noted.

5.2. Given the nature of this policy and the risks that can be associated with some of the processes within the policy, particularly as it relates to the use of powers under the Local Government (Rating) Act 2002, such as rating sales and abandoned land sales, this policy is deemed to be significant enough to be bought before governance for review and approval, rather than just being an internal Finance policy.

6. Strategic Considerations | Ngā whai whakaarotanga

Significance and engagement

6.1. This policy is documenting existing processes, so there is no requirement to undertake any consultation or engagement around the policy.

Mana whenua / Māori

6.2. Staff consider the matters set out in this report do not have a direct impact on cultural wellbeing, sites of significance or waterways.

Strategic alignment

6.3. The other policies and plans that this policy interacts with are identified within the attached policy document.

Legal

6.4. There are no legal considerations in the adoption of the policy. Legal considerations will come about as the policy is implemented and potential sales are undertaken.

Financial

6.5. There are no additional costs that are associated with the adoption of this policy.

Risk analysis

6.6. The policy itself is of a low risk. However, items within the policy, such as Rating Sales and Abandoned Land sales may themselves have some risk associated with them. This is covered in the policy by the fact that prior to these processes beginning, a confidential report will be provided to the Committee of the properties where these legal processes will be undertaken. This will allow the Committee to review the risks prior to the processes commencing.

7. Options analysis | Tātari Kōwhiringa

Options summary of considerations

	Option 1	Option 2
Summary	Approve the updated policy	Do not approve the updated policy
Advantages	This will update the existing policy to better reflect current practices, as well as legislative changes. Minimal changes identified, so no practical difference from existing policy.	No real advantages, as the review has already been done and minimal changes identified
Disadvantages	No real disadvantages as minimal changes from the existing policy.	Continue to use the existing policy, which does contain some incorrect legislative references now that may cause issues in the future if the policy is challenged.

Recommended option and rationale

- 7.1. The recommendation is to approve the updated Debt Recovery Policy.
- 7.2. This policy provides a documented structure and surety for both ŌDC staff and the general public about the processes will be used for recovery of outstanding debts. Adopting the updated policy also ensures that we are up to date with any legislation or best practice changes.

8. Appendices | Ngā āpitihanga

Number	Title
1	Debt Recovery Policy 2026



DEBT RECOVERY POLICY

ŌTOROHANGA DISTRICT COUNCIL

Approval authority	Risk & Assurance Committee
Administrator	GM Business Enablement
Effective date	18 May 2026
Next review date	18 May 2028



VERSION HISTORY

Date	Changes	By	Date Adopted
17 April 2023	Policy created	Manager Finance	17 April 2023
1 May 2026	Policy reviewed and amended as required	Manager Finance	18 May 2026

PURPOSE

This policy will formalise a consistent approach for Ōtorohanga District Council to manage the collection of revenue in a legally compliant manner.

This policy was developed to outline Council's approach to debt recovery. Council is committed to providing an equitable and transparent approach when debt is owed to Council.

SCOPE

This policy applies to all revenue streams including:

- Rates and water rates
- Other revenues, including but not limited to:
 - Property licences and leases
 - Rent payments
 - Resource Management Fees
 - Building Consent Fees
 - Animal Impound Fees
 - Hall Hire
 - Interment fees
 - Library fines.

Exceptions

Infringements are covered under the Summary Proceedings Act 1957 and are excluded from this policy. Collection of infringement revenue is managed by the District Court.





Other

While this policy provides guidance for recovery of debt according to the scope above, it is important to distinguish between debts within General and Water rates and other debt. The Local Government (Rating) Act 2002 provide specific measures to recover unpaid rates that are not available for recovery of other debts to Council.

In accordance with section 221 of the Building Act 2004, Council may seek to recover costs from a property owner for remedial work Council carries out when there is a default, in relation to a dangerous/insanitary building. Where a cost remains unpaid after debt recovery processes have occurred, Council may place a charge on the land and/or a lien or caveat may be added to the certificate of title.

It is also important to note the Building Act 2004 allows Council to transfer debt in relation to a Code of Compliance, to another party (i.e., from a contractor to the property owner).

Who this applies to

While this policy is intended primarily for Finance staff, this policy also provides other Council employees and the public with an understanding of the purpose and principles to be applied in recovering debt.

POLICY STATEMENT

In the process of managing debt in accordance with this policy, Council employees and contractors will, at all times, respect the privacy of individuals and communicate in a courteous and professional manner.

At the same time, staff have the right to terminate conversations with any ratepayer or customer who becomes abusive or threatening.

The key principle of this policy is that where legally possible, Council will seek to recover any costs associated with the collection of arrears from the relevant customer/ratepayer.

Set-off

In circumstances where a person makes an overpayment to Council or is due a refund, and that same person also owes money to the Council, settlement of the outstanding debt may be by set off where the debtor had agreed so in writing.

Application of interest charges

Other Debt

Council reserves the right to charge interest on overdue amounts.





Application of penalties

Rates/Water Rates (including metered water)

In accordance with section 57 and 58 of the Act, Council can apply penalties to rates and water rates that are not paid by the due date. A Council resolution is made in June each year establishing the penalties and due dates.

Restriction of Supply

Water Rates (metered water only)

Council may restrict water supply to customers with outstanding arrears in accordance with section [193-214](#) of the Local Government ([Water Services](#)) Act ~~2002~~2025, section 25(7)(a) of the Water Services Act 2021 and Council's Water Supply Bylaw 2013.

Other debt

Council may restrict provision of services to customers with outstanding arrears where it is not restricted by legislation.

Collection via demand on mortgagee

Rates/Water rates (including metered water)

Where an owner defaults in paying rates and/or water rates (including metered water charges if applicable) on a property with a mortgage, Council may recover the arrears from the first mortgagee in accordance with section 62(1) of the Local Government (Rating) Act 2002.

Council staff will notify both the owner and the mortgagee of Council's intention to issue a formal demand to the mortgagee for payment of rates and/or water rates arrears, which typically occurs in August.

Formal demand for payment from the mortgagee will be issued no earlier than legislatively possible (currently 1 November of the financial year following the year in which the rates were first assessed).

A flowchart outlining the rates recovery process is included as [Appendix A – Rates Arrears Recovery Process](#).

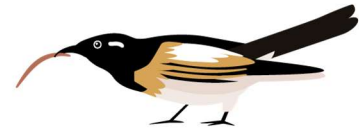
Collection via rating sale or lease

Rates/Water rates (including metered water)

If Council or a recovery agency have no success in recovering the rates and/or water rates arrears on properties without a mortgage, then legal action will commence, and a rating sale or lease is possible under section 67(1) of the Local Government (Rating) Act 2002.

Council may proceed with legal action to collect rates and/or water rates arrears no earlier than 30 June of the year following when the rates became overdue. The first steps in the legal process are to lodge a statement of claim, followed by seeking a judgement from the Court for rates and/or water rates arrears.





Where judgement does not result in payment of rates and/or water rates arrears, Council officers will notify the Risk & Assurance Committee via a confidential report for their information, of the intention to progress to rating sale. Generally, this will occur approximately 24 months after first commencing legal action.

Where a property is sold via rating sale or lease, and the proceeds received are insufficient to cover the full arrears and associated costs, as prescribed in section 75 of the Local Government (Rating) Act 2002, any outstanding arrears will be written off.

A flowchart outlining the rating sale process is included as [Appendix B – Rating Sale Process](#).

Collection via abandoned land or lease

Rates/Water rates (including metered water)

With regard to unpaid rates (including unpaid water rates and metered water charges as applicable), Section 77(1) of the Local Government (Rating) Act 2002 permits Council to progress an abandoned land claim where:

1. Council or its representative have had no success in locating a property owner; and
2. No rates and/or water rates payments have been received for at least three years.

In these instances, Council may apply to the Court to have the land/property declared as abandoned. Alternatively, property owners may give written notice to Council that they intend to abandon the land/property (voluntary abandonment).

Council officers will notify the Risk and Assurance Committee via a confidential report, of the intention to pursue declaration as abandoned land.

Where a property is sold via abandoned land sale or lease, and the proceeds received are insufficient to cover the full rates arrears and the associated costs, as prescribed in section 82 of the Local Government (Rating) Act 2002, any outstanding arrears will be written off.

A flowchart outlining the abandoned land process is included as [Appendix C – Abandoned Land Rating Sale Process](#).

Doubtful Debts Identification

Rates/Water rates (including metered water)

Rates and/or water arrears that are not able to be pursued under any of the previous processes for recovery in this policy will be reviewed on an annual basis for inclusion in the provision for doubtful debts.

Other debts

Aged debts over 120 days shall be reviewed and provided for as a doubtful debt, following advice from the initiating Council department, according to an assessment which has regard to:

- The size and nature of the sundry debt
- The debtor in question.





Aged debts less than 120 days may be provided for as a doubtful debt if the recovery of the debt is known to be unlikely. Any adjustments to the provision for doubtful debts shall be made annually.

Bad Debt write-off

Rates/Water rates (including metered water)

Where a property is sold via rating or abandoned land sale or lease, and the proceeds received are insufficient to cover the full rates arrears and the associated costs as prescribed in section 75 and 82 of the Local Government (Rating) Act 2002, any outstanding arrears will be written off.

Council officers will also consider write-off of rates/water rates arrears in accordance with the Rates Remission Policy.

Other debt

Debts will only be written off when all reasonable attempts to recover the outstanding amounts have been made (both by Council and external recovery agencies), or the costs of recovery are likely to equal or exceed the amount to be recovered. The named officers and the financial delegations contained in the Delegations Manual will be applied when approving the write-off of an existing debt.

All debt under \$50 in excess of 120 days past due will be written off without progressing to external recovery agencies.

The writing off of a debt and any associated debt recovery or legal costs will be charged to the activity where the invoice was originally raised.

Process to recover Non-Rates debt

Note that this section does not apply to collection of rates debts (including water charges) as these are largely controlled by the provisions of the Local Government (Rating) Act 2002 and described in the preceding sections.

The policy principle is that overdue debts are collected promptly, efficiently and consistently while allowing some flexibility within the policy to allow for differing circumstances of debtors.

The key steps in the process to recover these debts are summarised as follows. A flowchart outlining the debt recovery process is included as [Appendix D – Non-Rates Arrears Recovery Process](#).

- Follow up of overdue debt should commence within 28 days of the debt becoming overdue. This will be by telephone, email, letter, or any other form of communication considered appropriate to the circumstances.
- If payment is not received in response to an initial approach by Council officers, further communication may take place except that once the debt remains unpaid for two months after the end of the month in which the debt is incurred, a formal letter advising legal or other action will take place must be sent within 14 days. (This letter should allow seven **working** days for payment before the stated action is taken).
- Management at their discretion may use any method legally available to Council to collect overdue debt and can include the use of agencies such as solicitors, debt collection companies, and Tribunals.



- Council officers with the appropriate delegated authority from the Chief executive as authorised in the Delegations Manual may enter into “arrangement to pay” with any debtor at their discretion if this becomes the preferred method of ensuring payment and avoids unnecessary hardship to the debtor.
- Any debts of a non-regulatory nature may be written off by an officer with delegated authority if, in their view, the costs of collection outweigh the value of the debt.
- The Chief Executive only, may authorise mediation, if the value of the debt and the complexity of the issues are considered large enough to warrant the cost involved.
- Council officers will at all times respect the privacy of individuals and communicate in a courteous and professional manner. At the same time, staff have the right to terminate conversations with any debtors who become abusive or threatening.

Payment Arrangements

Rates/Water rates (including metered water)

Payment arrangements for rates and water rates arrears are at the discretion of Council and are typically cleared by 30 June of the current rating year in which the arrangement is made. However, if a ratepayer includes the current year’s rates within their rates arrears when making a payment arrangement, Council may extend the payment arrangement for up to 24 months.

Sundry debts

Payment arrangements for sundry debtors are at the discretion of Council and should be fully repaid within 120 days of the invoice date.

General

Payment arrangements more than the periods set in this policy require approval in accordance with the delegations in the Delegations Manual.

Debt Recovery Costs

Where legally possible, Council will seek to recover any costs associated with the collection of arrears from the relevant customer/ratepayer.

RESPONSIBILITIES

COMPLIANCE, MONITORING AND REVIEW

The Group Manager Business Enablement is responsible for:

- Developing and maintaining the governance and strategy aspects of this policy.





- Overall ownership of this policy.

The Manager Finance is responsible for:

- Developing, maintaining and implementing this policy.
- Overall administration of this policy.
- Oversight and review of the debt recovery agency and contract and debt recovery process.

The Rates Officer/Finance Officer is responsible for:

- Applying this policy.
- Collecting arrears from ratepayers and customers.
- Establishing, monitoring and following up payment arrangements in accordance with this policy.
- Maintaining the debtor's ledger and associated records.
- Liaising with Council's Debt Recovery agency.
- Ensuring Council's debt management records are accurate and up to date.
- Providing reports on debt recovery as required.
- Keeping the Manager Finance advised of any significant issues with Council debtors.
- Communicating established debt recovery policies and procedures.
- Following up with customers/ratepayers.

REPORTING

No additional reporting is required over and above those identified in this policy.

RECORDS MANAGEMENT

Staff must retain all records relevant to administering this policy in a recognised Council recordkeeping system.

DEFINITIONS

Terms and definitions

Debt:	The amount of money owed by a debtor as a result of a transaction with Council.
Debtor:	Any individual, corporation, or organisation or other entity owing money to Council.
Write-off:	The accounting process for cancelling debt that is no longer collectable is a cost to Council.





Doubtful debt:	A debt that is considered uncollectable.
Provision for doubtful debt:	The accounting procedure for recognising the estimated value of debts that may end up being uncollectable.
Default:	Where a Council approved payment arrangement is in place and payments are not made as agreed by the ratepayer or debtor.
Payment arrangement:	A requested alternative arrangement for payment of the debt, outside the terms on the invoice. Council provides written acceptance of the arrangement.
Recovery agency:	An external party appointed by Council to recover funds that are past due or in default. Council may elect to use an internal resource to fulfil these duties if appropriate.

RELATED LEGISLATION AND DOCUMENTS

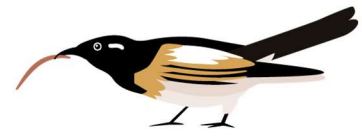
Relevant legislation and other resources include (but are not limited to):

- Local Government Act 2002 and the Local Government Act Amendment Act 2014
- Local Government (Rating) Act 2002
- Building Act 2004
- Summary Proceedings Act 1957

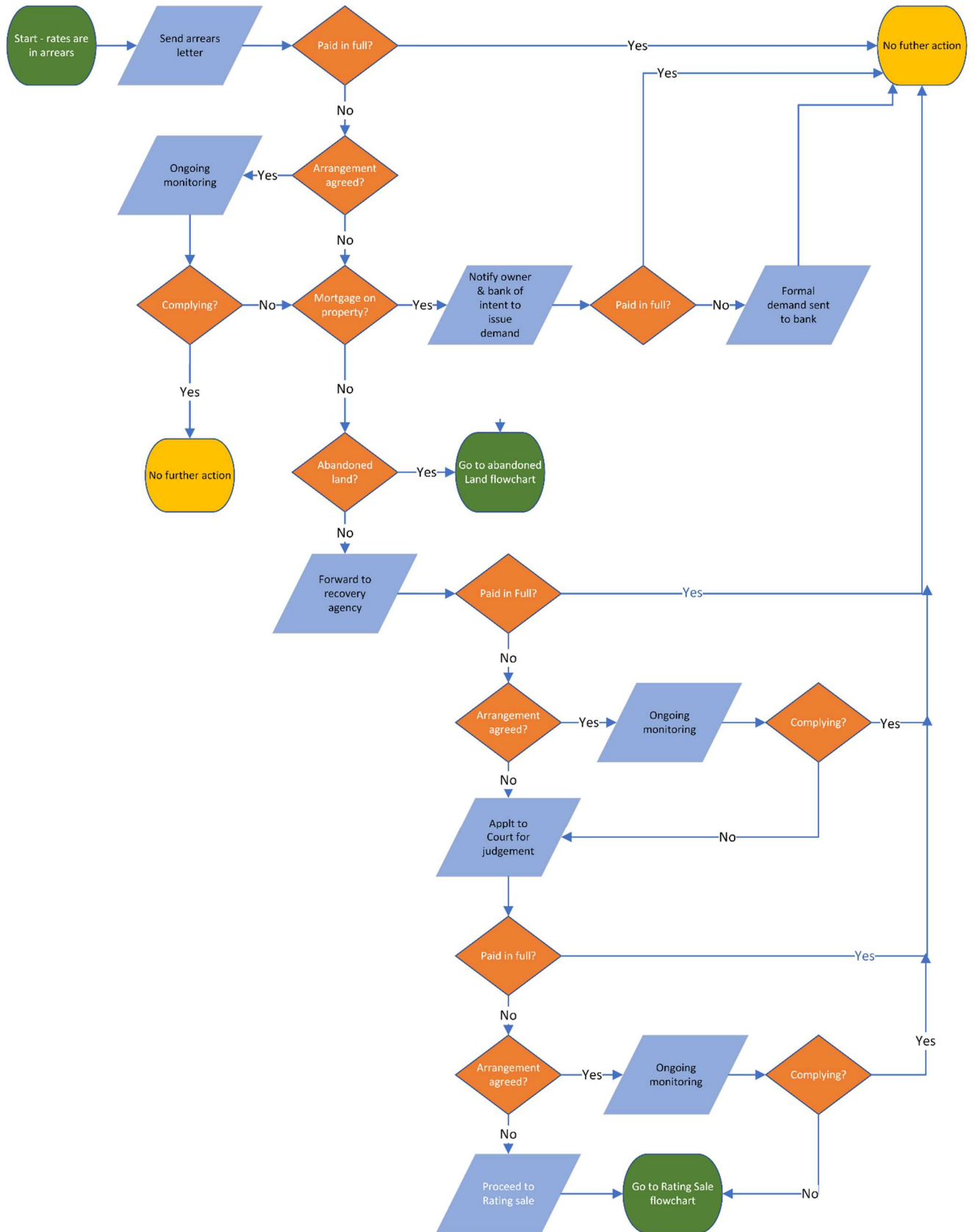
Related Council policies and document include (but are not limited to):

- Rates Remission Policy
- Confidentiality and Privacy Policy
- Schedule of Fees and Charged
- Council Bylaws





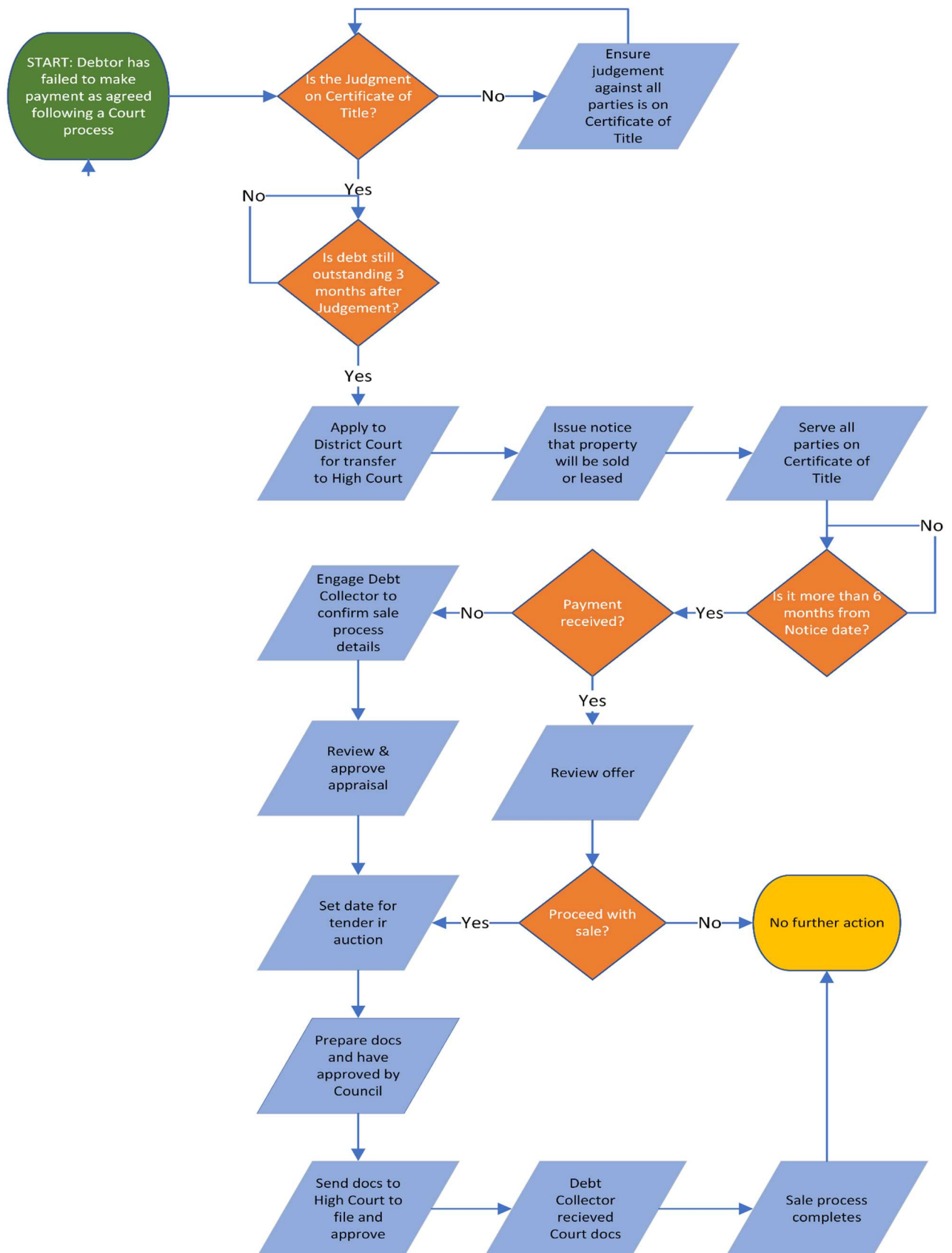
Appendix A – Rates Arrears Recovery Process





Appendix B – Rating Sale Process

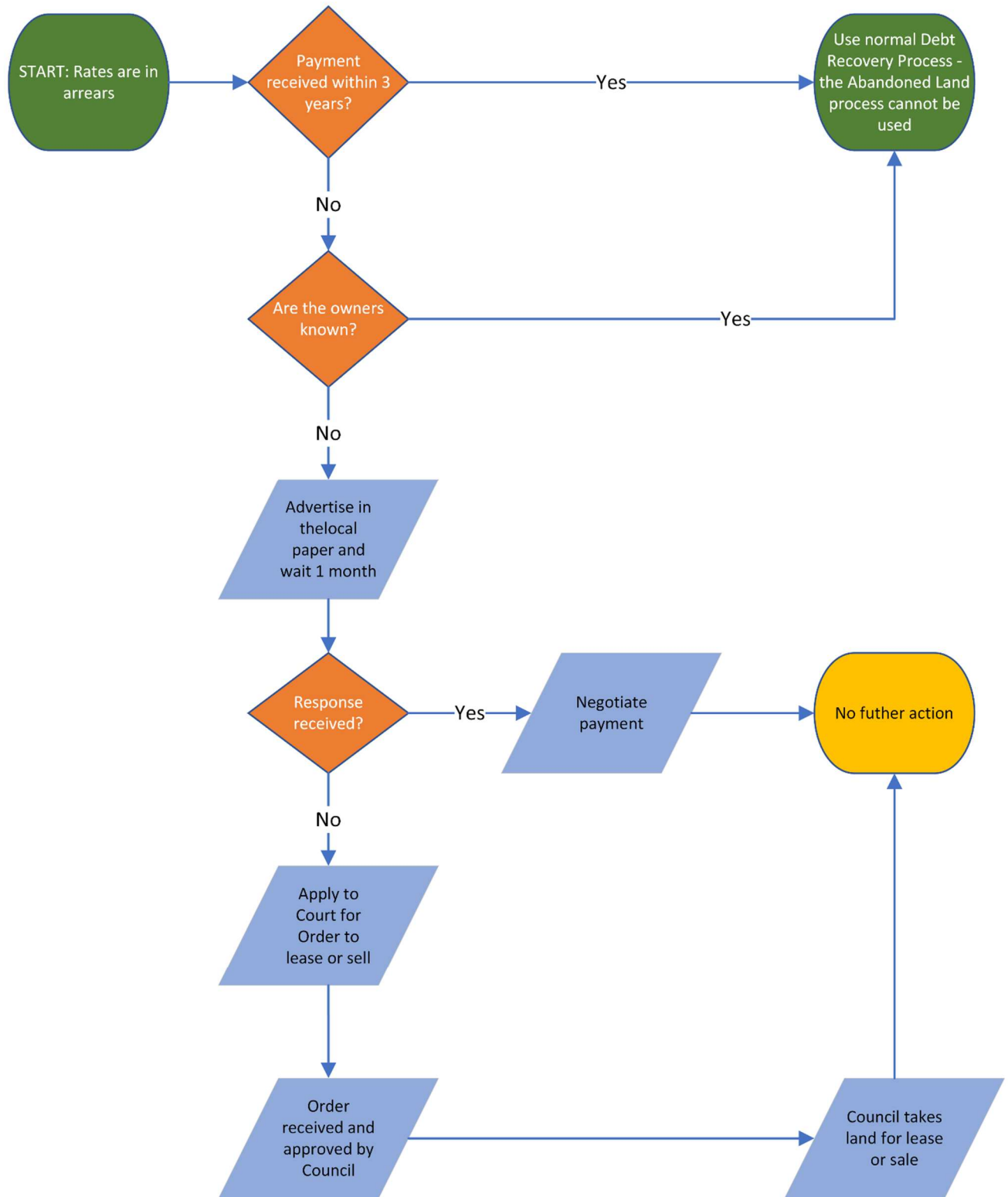
The following flow chart diagram summarises the process to sell a property if the rates debtor has failed to make payment as agreed, following a court process.





Appendix C – Abandoned Land Rating Sale Process

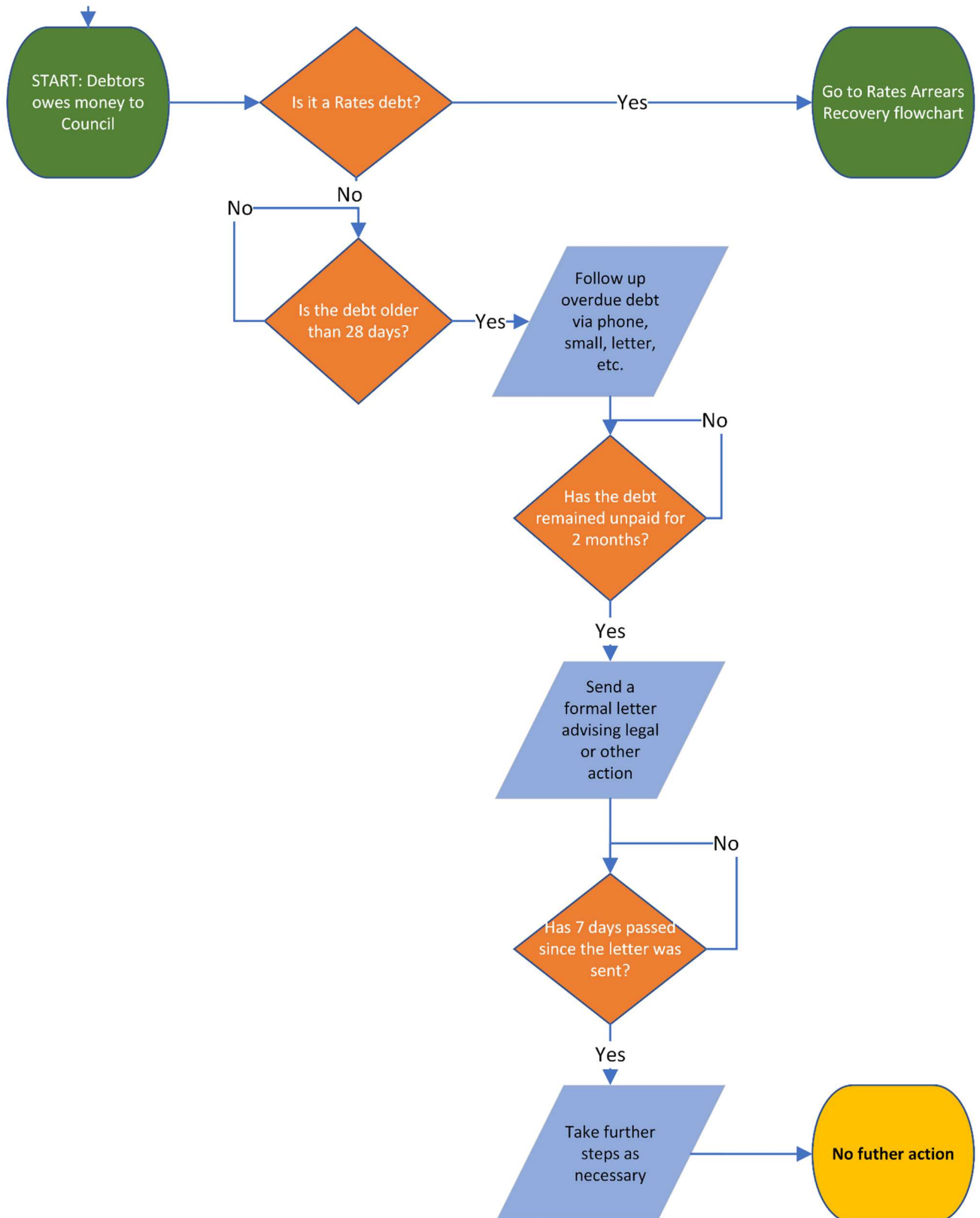
The following flowchart diagram summarises the process to sell a property if the rates debtor has failed to make payment for over three years, and the property owner(s) is unknown.





Appendix D – Non-Rates Arrears Recovery Process

The following flowchart diagram summarises the process to recover unpaid debts other than rates debts.



Item 9 Fair Value vs Carrying Value Assessment

To Risk and Assurance Committee

From Brendan O’Callaghan, Manager Finance

Type **DECISION REPORT**

Date 18 May 2026



1. Purpose | Te kaupapa

1.1. To provide the Committee with the rationale and assessment of fair value vs carrying value of Ōtorohanga District Council’s assets.

2. Executive summary | Whakarāpopoto matua

- 2.1. The variance in the Roding class of assets between fair value and carrying value is not material enough to warrant a revaluation.
- 2.2. The variance in the Land and Building classes of assets between fair value and carrying value is not material enough to warrant a revaluation.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk and Assurance Committee **CONFIRM** that the carrying values of the Council’s Land and Buildings, and Roding assets are not materially different from the fair value of those assets.

4. Context | Horopaki

- 4.1. This report seeks the Committee’s level of comfort around whether Ōtorohanga District Council’s (ŌDC) assets, particularly those assets that are subject to revaluation, have a carrying value at year end that is not materially different from the fair value for those assets, based on market conditions.
- 4.2. The report looks at each individual asset class, as presented in the Annual Report, which is revalued and performs an assessment of the likely impact of the market movement on the value of the asset class. Where this impact is deemed material, then ŌDC will need to consider undertaking a revaluation of that asset class.
- 4.3. There are three main categories of assets requiring revaluation, being Roding, 3 Waters and Land and Buildings. ŌDC has put these assets on a three yearly revaluation cycle, with the intention that one group is revalued each year.

- 4.4. For the 2025/26 financial year, 3 Waters assets are due to be revalued. Staff are currently in the process of considering whether this should be done internally with a peer review or completed independently and have asked from some quotes for both options at this time.
- 4.5. While there is capability in-house to undertake the work, there is an expectation from the Office of the Auditor General that an independent expert valuer be involved in a peer review for any in-house valuation. This is due to the fact that in-house staff are not registered valuers, and ŌDC’s auditors are also not valuation experts. Given this requirement, consideration is being given to whether the difference in cost of getting it done independently vs peer review may work better in terms of freeing staff up to focus on other things while the valuation is being done.
- 4.6. A high level review of the 3 Waters assets was undertaken and suggested a difference in the region of 6% for these assets, which could be considered a judgment call. Given the Water and Wastewater assets are being transferred to Waikato Water Ltd (WWL) on 1 July 2027, consideration was given to not revaluing this year, However, the issue with this is that with a movement of 6%, it is likely that they would need to be revalued at 30 June 2027, at a time when a lot of additional work from the transition to WWL will be required leading up to and post 1 July 2027.
- 4.7. At a previous meeting, discussion was had around the potential of using cost less depreciation versus fair value for the asset classes. Bruno Dente at Deloitte had commented how it was interesting that the public sector in New Zealand has decided to go down a fair value path, and also how it appears that the new Water Entities are likely to go with a cost less depreciation model. A discussion was had about the potential ability to move back to cost less depreciation for ŌDC, however per Mr Dente, the accounting standards would make this virtually impossible to do now.

5. Discussion | He kōrerorero

Asset Class: Land and Buildings

- 5.1. Land and Buildings are made up of four different asset classes: Operational Land, Operational Buildings, Restricted Land and Restricted Buildings. Each of these asset classes represent different types of land and building assets, but the methodology for valuation of these different classes is the same.
- 5.2. In assessing whether this asset class is held at a carrying value materially different from the fair value of these assets, there is a need to first determine the fair value of the assets. As some of these assets are not saleable and therefore have no market to use for comparison, the fair value will need to be determined using either indices indicating movement within the construction costs, or through the use of unit cost movements.
- 5.3. The last revaluation of all land and building assets was the financial year ended 30 June 2024. At the time of this valuation, the valuations were:

a. Operational Land	\$11,443,200	c. Restricted Land	\$9,254,900
b. Operational Buildings	\$10,536,200	d. Restricted Buildings	\$8,645,400
- 5.4. For the review of the valuation of land, a good indicator of movement to use is movement in capital values as determined by Quotable Value. These values are derived based on sales data that they are

provided, as well as subdivision data within the Ōtorohanga district. As at the time of this report, capital values in the district have decreased by 4.02% since 1 July 2024, while sales data shows a movement in the average house value in the district of a 0.17% increase over the same period.

- 5.5. Using these two adjustors, a range in the movement is noted in the values of land assets of between:
 - a. Operational Land \$460,017 decrease to \$16,020 increase
 - b. Restricted Land \$372,047 decrease to \$15,682 increase
- 5.6. Given that there is no depreciation on land, those movements would represent the likely adjustment to the values of both land classes of assets.
- 5.7. Generally, a movement of less than 5% is considered not material, over 10% is material and anything between 5-10% is a judgement call to determine materiality.
- 5.8. Given that the movement in the land would appear to be up to a 4.02% decrease or a 0.17% increase, and the values are small, particularly at the lower end of the range, it is not believed that the carrying value of the land classes of assets are likely to be materially misstated.
- 5.9. For the building classes of assets, the use of construction cost indices is considered a valid adjustor to use for determining the likely movement in building assets. The following construction indices were used. Dwelling units was used as within the Operational Buildings are the Pensioner Housing properties.

	June 2024	December 2025	Movement June 24 to December 25
Dwelling units	1085	1106	1.94%
Commercial buildings	1096	1132	3.28%

- 5.10. Using these adjustors, we get a movement in the Building Classes of:
 - a. Operational Buildings \$308,548
 - b. Restricted Buildings \$283,569
- 5.11. Based on those increases, and considering depreciation, the estimated fair value as at 30 June 2026 is \$9,817,695 for Operational Buildings and \$8,091,065 for Restricted Buildings. The carrying value at 30 June 2026 of existing assets is likely to be \$9,630,155 for Operational Buildings and \$7,854,823 for Restricted Buildings. This gives a difference of \$187,540 and \$236,242 or 1.94%% and 3.00% for Operational and Restricted Buildings respectively.
- 5.12. Generally, a movement of less than 5% is considered not material, over 10% is material and anything between 5-10% is a judgement call to determine materiality.
- 5.13. Given the low increase figures in both dollar terms and percentage, it is unlikely that these asset classes are materially misstated.

Asset Class: Roading

- 5.14. Roading makes up the biggest asset class, having a carrying value at 30 June 2025 of \$332,808,969. As such, a small percentage movement in this asset class could still be a large amount dollar wise.
- 5.15. In assessing whether this asset class is held at a carrying value materially different from the fair value of these assets, we need to first determine the fair value of the assets. As these assets are not saleable and therefore have no market to use for comparison, the fair value will need to be determined using either indices indicating movement within the construction costs, or through the use of unit cost movements.
- 5.16. The last revaluation of roading assets was the financial year ended 30 June 2025. The value at this time is the same as the carrying value at that time, \$332,808,969.
- 5.17. Finding indices information, we looked at NZTA’s adjustors, which are generated quarterly by NZTA for use in contract inflation calculations. The adjustor used was released on 28 April 2026, and the following shows the adjustment from 30 June 2022 to 31 December 2025.

	June 2025	December 2025	Movement
Reseals	2063	2089	1.26%
Network Outcomes	1431	1445	0.97%
Structures	1326	1330	0.30%
Construction	1336	1349	0.97%
Professional Services	1284	1296	0.93%

- 5.18. Based on the above adjustors, staff have done a high level fair value assessment of the value of the existing roading assets at 30 June 2026. Staff have ignored capital additions in the 2025/26 financial year as the cost of these should approximate fair value based on contract adjustments or new tender prices for new contracts.
- 5.19. Based on the above indices, and adjusting using the relevant adjustor, the estimated fair value as at 30 June 2026 is \$335,829,568. The carrying value at 30 June 2026 of existing assets is likely to be \$327,542,224. This gives a difference of \$8,287,344, which is 2.53% of the total value of the roading assets.
- 5.20. Generally, a movement of less than 5% is considered not material, over 10% is material and anything between 5-10% is a judgement call to determine materiality. As this figure is 2.53%, it fits into that not material range. This high-level calculation is also done without taking into account changes in useful lives for the year since the prior revaluation, which would likely reduce the fair value figure under the optimised depreciated replacement cost methodology for valuations.

6. Strategic Considerations | Ngā whai whakaarotanga

Significance and engagement

6.1. This item has been assessed as of low significance in accordance with our significance and engagement policy, and so therefore no engagement is required.

Mana whenua / Māori

6.2. Staff consider the matters set out in this report do not have a direct impact on cultural wellbeing, sites of significance or waterways.

Strategic alignment

6.3. Staff confirm that the recommendation in this report complies with ŌDC’s Policies and Plans.

Legal

6.4. There are no legal considerations around this matter.

Financial

6.5. As this is a financial decision, all the financial considerations are included in the discussion in the report.

Risk analysis

6.6. The risk associated with this decision with regards to ŌDC’s top risks is deemed to be low.

7. Options analysis | Tātari Kōwhiringa

	Option 1	Option 2
Summary	Agree with the fair value assessments	Do not agree with the fair value assessments
Advantages	This would mean that Council staff can leave the identified asset classes at their current carrying values, without requiring a revaluation	Revaluation of all classes of assets would mean a more accurate balance sheet in terms of valuations.
Disadvantages	Potential for understatement of fixed asset balance sheet values, if significant adjustor movement towards the end of the financial year.	This will require either staff to do further work on the fair value assessments to address any concerns or it may mean revaluation of some or all of the identified asset classes.

	Option 3
Summary	Agree with some of the assessments
Advantages	Allows for adopting those assessments without any concerns, while requiring staff to do further work on any areas of concern
Disadvantages	Does require additional work to bring back to the committee, causing possible delays if revaluation is required.

Recommended option and rationale

7.1. The recommendation is to agree with the fair value assessments that staff have undertaken. The assessments have taken into account the same adjusters that would be used for a revaluation, so the fact that they are showing that the movement is not significant suggests that a revaluation for this year would not be warranted.

8. Appendices | Ngā āpiti hanga

Number	Title
No appendices.	

Information only reports**Ngā pūrongo mōhiohio anake**

DISCLAIMER: The reports attached to this Open Agenda set out recommendations and suggested resolutions only. Those recommendations and suggested resolutions DO NOT represent Ōtorohanga District Council policy until such time as they might be adopted by formal resolution. This Open Agenda may be subject to amendment either by the addition or withdrawal of items contained therein.

Item 10 Health, Safety and Wellbeing quarterly report

To Risk and Assurance Committee

From Noah Lockett-Turton, Manager People and Capability

Type **INFORMATION REPORT**

Date 18 May 2026



1. Purpose | Te kaupapa

1.1. To provide an update on progress being made to improve health, safety and wellbeing covering 9 February to 9 May 2026.

2. Executive summary | Whakarāpopoto matua

2.1. In summary, the report outlines the progress to improve health, safety and wellbeing at Ōtorohanga District Council (ŌDC).

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk and Assurance Committee receive the report titled ‘Health, Safety and Wellbeing quarterly report’ from Noah Lockett-Turton, Manager People and Capability.

4. Discussion | He kōrerorero

Lead Indicators

- 4.1. *Health, Safety and Wellbeing Committee Meetings*: This quarter 2 out of 3 compared to the previous quarter 3 out of 3.
- 4.2. *Health, Safety and Wellbeing representatives compared to number of staff members*: 1:11
- 4.3. *Annual leave over 5 weeks accumulated*: 4 people with over 5 weeks accumulated.
- 4.4. *Employee assistance programme sessions*: This quarter 2 compared to the previous quarter 0.

Lag Indicators

- 4.5. *Incidents or near misses*: This quarter 7 (6 incidents and 1 near miss which comprised of 2 serious, 5 moderate and 1 low) compared to the previous quarter of 4 (3 incidents and 1 near miss which comprised of 3 moderate and 1 low).
- 4.6. *Overspeeds*: This quarter 8 overspeed events across 6 drivers compared to the previous quarter of 2 overspeed events across 2 drivers.

4.7. *Health, safety and wellbeing investigations* This quarter 1 compared to the previous quarter 1.

Notable Risks

4.8. Work needs to be done to redefine our critical risks given the change in time since they were last completed. The below section outlines some of the highest risks currently facing Ōtorohanga District Council and the controls that are in place to assure the Risk and Assurance Committee that the risks are being adequately managed.

Contractors

- 4.9. Oversight of contractor health and safety has been identified as a key risk area as pre-qualification requirements have not been applied consistently.
- 4.10. This has limited the organisation's ability to consistently confirm that all contractors engaged by Council have appropriate health and safety policies, procedures, and controls in place.
- 4.11. Managers are continuing to oversee contractor activity at an operational level; however, a more robust and standardised assurance approach is being implemented to strengthen consistency across Council.
- 4.12. Council has now defined when contractor pre-qualification is required and is using a recognised pre-qualification pathway to support accessibility for smaller local contractors while maintaining required standards.
- 4.13. The new health and safety system is currently being rolled out and will be used to monitor contractor onboarding and documentation requirements. Once fully implemented, expected by the end of June, this will provide a clearer verification process and enable follow-up where contractor records are incomplete.

Driving

- 4.14. Driving remains a significant operational risk due to the amount of travel undertaken by roading, waters, and other staff across the district.
- 4.15. This risk is actively monitored through driver policies, GPS monitoring system, and regular reporting. The system provides visibility of vehicle use and highlights events such as speeding, harsh braking, and other driving behaviours requiring attention.
- 4.16. Where driving performance falls below expectations, managers follow up directly with staff to address behaviour and reinforce safe driving requirements.
- 4.17. Additional controls include good driving recognition at all staff meetings and regular licence checks, supporting ongoing assurance that drivers remain appropriately authorised and that unsafe behaviour is identified and addressed.
- 4.18. With the current fuel situation, more elected members are using fleet vehicles. We are implementing driver checks with those elected members who wish to use the fleet so that the same policies apply to them as apply to staff.

Chlorine Gas

4.19. Chlorine gas remains one of the highest-consequence hazards managed by Council.

- 4.20. Controls are well established and include documented handling procedures, trained staff, breathing apparatus, leak detection during cylinder changes, automatic shut-off systems, and two-person changeover requirements.
- 4.21. Staff involved in transporting chlorine are also trained and appropriately endorsed, providing assurance that this risk is being actively managed and monitored.

Lone Worker

- 4.22. Lone worker risk remains a focus area for staff operating by themselves, including in locations outside normal cellular coverage.
- 4.23. Council has reviewed lone worker arrangements, introduced additional devices for relevant field staff, and implemented supporting policy requirements.
- 4.24. Device functionality includes duress and person-down alerts linked to escalation processes and GPS location support.
- 4.25. Monitoring has identified that device use is not yet fully consistent across all relevant roles, and so next steps are to follow-up with staff to strengthen compliance and confirm any ongoing gaps.

Working in Live Lanes

- 4.26. Work is continuing to strengthen controls for activities undertaken in live lanes.
- 4.27. Our dedicated Traffic Management Coordinator is supporting documentation, planning, and implementation of traffic management requirements so that appropriate controls are in place before work begins.
- 4.28. Where non-compliance or resourcing issues have been identified, these have been followed up with staff and management. This focus has contributed to a noticeable reduction in concern in this area, although ongoing oversight remains necessary.

Other Activities

- 4.29. Council is currently pilot testing a health, safety and wellbeing system, with full rollout planned by the end of June. This is expected to strengthen reporting capability, improve visibility of health and safety data, and support increased staff engagement in reporting.
- 4.30. Recent central government announcements regarding local government amalgamation may have an impact on staff wellbeing. In response, the Chief Executive held an all-staff meeting immediately following the announcement to provide available information, reinforce organisational support, and reminded staff of the Employee Assistant Programme available.
- 4.31. The human resources information system has now been launched and is being used to store training records, including compulsory health and safety training. The system automates reminders for refresher training and qualification expiry dates, improving monitoring and supporting a more consistent approach to compliance management.

Summary

4.32. In the true spirit of health, safety and wellbeing, Ōtorohanga District Council is on a journey of continuous improvement. As the saying goes, 'Rome wasn't built in a day' and so too is the Council having a gold-plated health, safety and wellbeing system, but we are on a positive trajectory. Overall, I am comfortable with where we are at as a Council in the health, safety and wellbeing space.

Item 11 Outstanding Debtors Report
To Risk and Assurance Committee
From Brendan O’Callaghan, Manager Finance
Type **INFORMATION REPORT**
Date 18 May 2026



1. Purpose | Te kaupapa

1.1. To advise the Committee of the value of outstanding rates, water and sundry debtors at 30 April 2026.

2. Executive summary | Whakarāpopoto matua

- 2.1. Overall outstanding debts at the end of April 2026 is \$2.9M. This compares to \$3.9M at the end of February 2026, and \$2.4M at the end of April 2025.
- 2.2. Some longstanding rates issues are being progressed well, with progress made in collecting older debts, particularly in the rating area.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk & Assurance Committee **RECEIVE** the report titled ‘Outstanding Debtors Report’ by Brendan O’Callaghan, Manager Finance.

4. Discussion | He kōrerorero

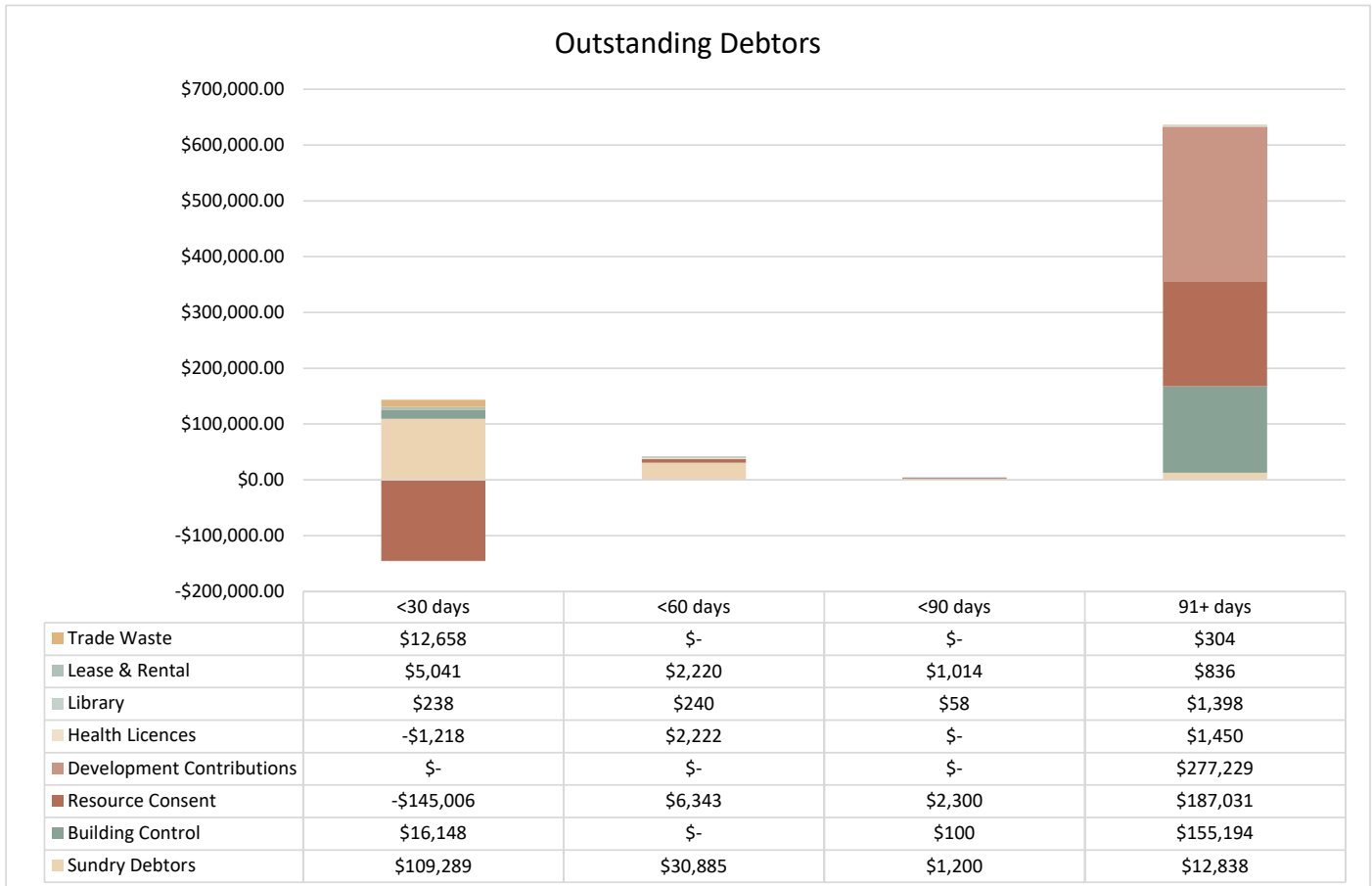
Overall Debtors Information

4.1. Overall debtors across the three debtor types (Debtors, Water and Rates) at the end of April is \$2.9M. This compares to the same period the previous year of \$2.4M. A large portion of this increase relates to rates and water debtors.

Debtors

4.2. This report details the level of debt relating to the following revenue streams:

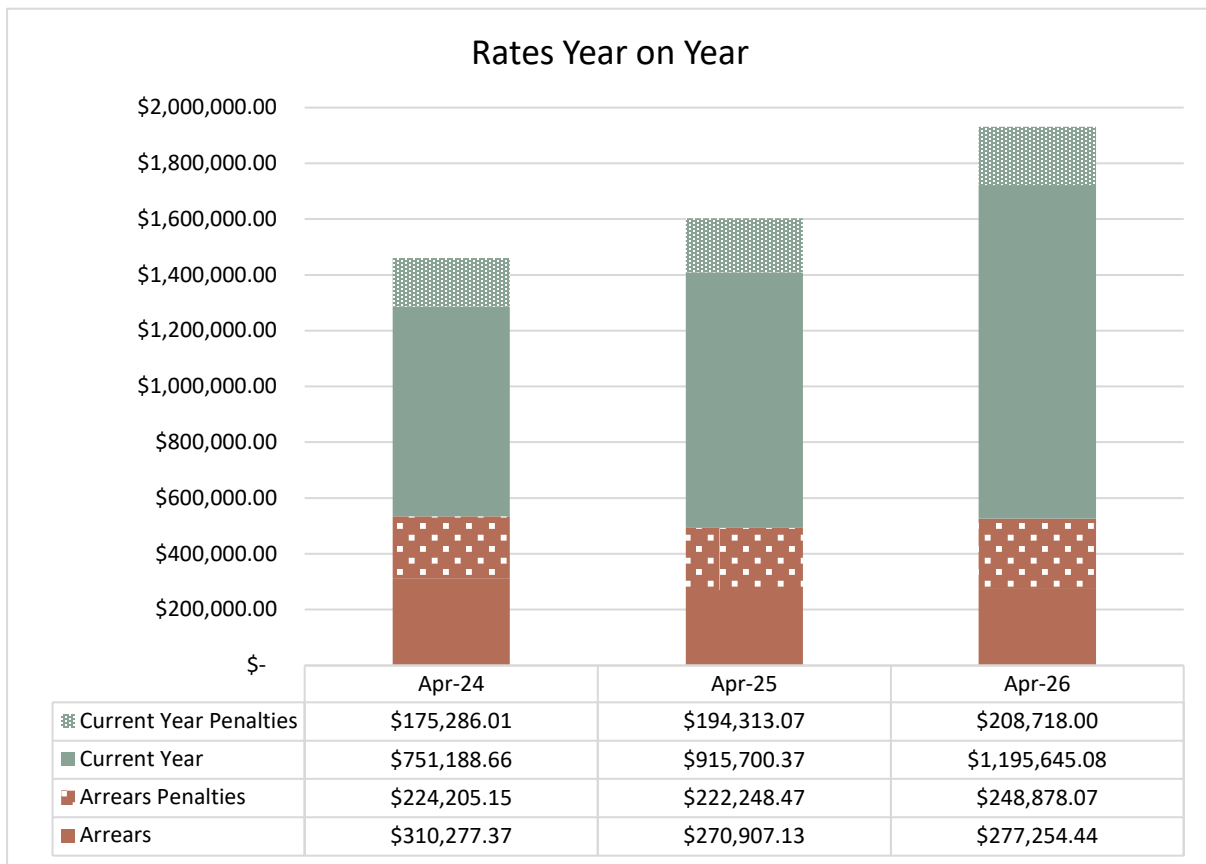
- | | |
|----------------------|-----------------------------|
| • Trade Waste | • Development Contributions |
| • Leases and Rentals | • Resource Consents |
| • Library Charges | • Building Consents |
| • Health Licences | • Other Sundry Debtors |



- 4.3. Overall outstanding debtors to the end of April are \$636k. As seen in the graph above, a large portion of these relate to three areas, Development Contributions, Resource Consents and Building Consents, which make up about 77% of the amount owing (when removing the credit balances above).
- 4.4. The large amount in Building Consents relates to the Waikeria Prison work for stage 1. This relates to the costs of additional inspections and staff time, as all consents have been paid. The additional charges have been disputed and work has been undertaken to review these.
- 4.5. The Development Contributions and Resource Consent figures relate to the Westridge development. At the time of writing a settlement has been agreed in principle.
- 4.6. The large credit balance for Resource Consents relates to deposits paid for consent where the invoicing is either not yet done (due to the stage of the consent) or any invoicing done to date has not yet reached the level of the deposit paid. These credit balances will in most cases be used by the time the consent invoicing is finalised.

Rates

- 4.7. Overall rates debt has increased from the same time in the prior two years, as can be seen in the graph below.

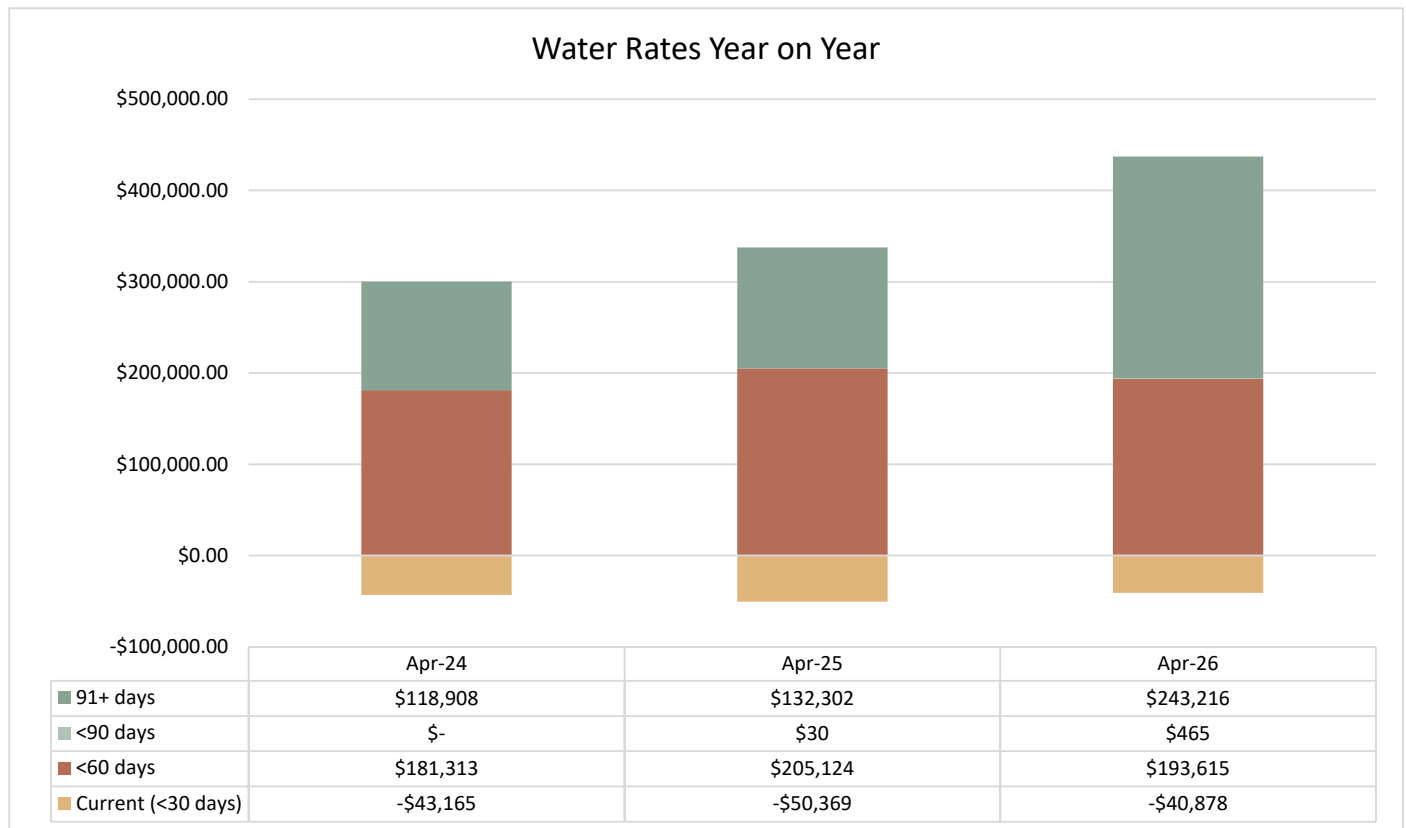


- 4.8. Arrears continue to be an area of focus with the rates debtors, with the completion of the abandoned land sale happening during April. This money is still to be received and is still reflected in the balance above, as settlement had not been fully completed by 30 April.
- 4.9. Analysing the current year figure a bit closer, there are a total of 1,591 properties included in that balance, out of a total of 5,245 rateable properties, or 30% of total properties. Of these 1,591, direct debit payers represent 1,112 of them (70% of total outstanding properties). These payers should, for the most part, fully pay their rates before the end of the year. Those who don't will be ones we have put on a payment plan but are being actively managed. These direct debit payers represent approx. \$430k of the current years rates figures.
- 4.10. This leaves a balance of 397 properties that are included in the current rates that are not on direct debit. Of these, 82 properties are those that have prior year balances as well, so their current balances will not be cleared without clearing those older debts first, as money is applied to the oldest debt first. They represent \$223k of the current year balance and all the arrears' balances.
- 4.11. The remaining 397 properties are people without a direct debit that have only missed this year's rates payments. Of these, 76 have missed both the first and second instalments (or part of these), and the remaining 321 have only missed part or all the second instalment. Reminder letters have been sent to these ratepayers advising them of the potential consequences if these balances remain unpaid. Between them, they make up the balance of \$542k.

Water

4.12. Overall water debtors at the end of April total \$396k, compared to \$287k at the same time the previous year. A large portion of this increase relates to the <90 days figures. This relates to a number of predominately rural properties that have not paid their November water rates, as well as a small number of longer-term debts.

4.13. Work is currently on-going to contact those rural customers to ensure that payment is made. In a number of cases, staff have been advised that invoices have not been received, so copies of invoices are being sent, and in most cases, these are paid relatively quickly. Staff are also taking the opportunity to suggest getting invoices emailed as opposed to posted where necessary to prevent these issues going forward.



Item 12 Outstanding Management Letter Points from 2024/25 Annual Report

To Risk and Assurance Committee

From Brendan O’Callaghan, Manager Finance

Type **INFORMATION REPORT**

Date 18 May 2026



1. Purpose | Te kaupapa

1.1. To update the Committee on the actions and their status, arising from the 2024/25 Annual Report audit.

2. Executive summary | Whakarāpopoto matua

2.1. Seven items were identified during the 2024/25 Annual Report audit. Of these, four have been addressed with a further one action still being finalised. The remaining two items were identified as not going to be addressed at this time.

3. Staff recommendation | Tūtohutanga a ngā kaimahi


That the Risk and Assurance Committee **RECEIVE** the report titled ‘Outstanding Management Letter Points from 2024/25 Annual Report’ from Brendan O’Callaghan, Manager Finance.


4. Discussion | He kōrerorero


4.1. As part of the audit of the 30 June 2025 Annual Report, our auditors issue an opinion and raised management report recommendations on items that require further action. This report provides management’s response to those recommendations and the latest update on the status of the follow up action. This report breaks the management recommendations down into three categories using a traffic light system. Green items are those that have been addressed since the previous report and should be removed, subject to approval from Deloitte as part of the 2025/26 Annual Report audit. Orange items are those that are currently being addressed and should be completed in time for the next audit.


4.2. Overall, a total of seven items were identified by Deloitte. Of these, staff believe that four have been addressed, one is in the process of being addressed and two are not likely to be addressed.

4.3. The items not likely to be addressed relate to payments through online banking and found assets in the roading valuation.

Matter	Observation	Recommendation	Ōtorohanga Response	Progress
<p> Items Completed Since last report (subject to Deloitte sign-off)</p>				
<p>Sensitive Expenditure</p>	<p>During our review of sensitive expenditure and credit card testing, we identified some instances where expenses of the process of submitting them was outside of Council’s policy and not in line with our expectation.</p> <p>These related to the following:</p> <ul style="list-style-type: none"> • An expense claim submitted in the financial year related to the 2024 financial year. • A single expense for a night’s accommodation in Queenstown that may have been perceived as excessive • The late submission of expenses for one of the councillors 	<p>We recommend that a timeframe for expense claim submission is established within Council’s policies. It would generally be expected for an expense claim to be submitted no later than one month after that expense has been incurred.</p> <p>For accommodation spend whilst we understand that there may be mitigating circumstances to the spend being incurred but is important that Council ensure that the principles of the sensitive expenditure policy are adhered to.</p>	<p>We agree with the finding. There is mention of timeframes for claiming in the sensitive expenditure policy. We will reiterate to staff and elected members to ensure they are all aware of their requirements.</p> <p>For accommodation, our policy does outline the need to be mindful of spend, however for last minute things sometimes this is not always possible, but staff should endeavour to do their best to keep spending to the minimum possible.</p>	<p>Staff and elected members have been reminded of the sensitive expenditure policies through staff meetings and induction training respectively. Policies have also been loaded onto the intranet for staff to refer to as required.</p>
<p>Maintenance of the Fixed Asset Register</p>	<p>During our testing of the fixed asset controls, the fixed asset register was not maintained and reviewed on a regular basis. The fixed asset systems which consist</p>	<p>We recommend that the fixed asset register is reconciled to the general ledger on a regular basis to ensure it is appropriately maintained as well as evidence of</p>	<p>We agree with the recommendation and are currently working with our software provider and other contractors to establish the</p>	<p>We have been working with a contractor to get the GL controls updated within MagiQ and have done some testing on it. This is now allowing us to easily run reconciliation</p>

Matter	Observation	Recommendation	Ōtorohanga Response	Progress
<p> Items Completed Since last report (subject to Deloitte sign-off)</p>				
	<p>of AssetFinda and RAMM are only reconciled into MagiQ at year end. It was also identified that MagiQ’s functions are not being fully utilised.</p> <p>When our interim audit was completed prior to year end, the fixed asset register was last reviewed and updated in December 2024. Meaning the FAR was six months behind schedule of monthly reviews.</p>	<p>review of the reconciliation being retained. We also recommend management use MagiQ’s functions where possible.</p>	<p>correct GL controls within the assets system to enable this regular review to be undertaken.</p>	<p>reports and update general ledgers as assets are added/disposed of.</p>
<p>Errors identified within liability testing</p>	<p>As part of our audit procedures on year-end recorded liabilities and unrecorded liabilities (including testing payments made after year-end), we identified several issues. These primarily involved invoices received before year-end that pertained to future periods. Accordingly, recognising these amounts in FY25 is not appropriate. Additionally, we observed that, for one such transaction, a prepayment was</p>	<p>Deloitte recommends that management closely monitors transactions occurring around year end to ensure that liabilities are recorded in the appropriate accounting period. We also suggest that the prepayment account is used only after a payment has been made.</p>	<p>We agree with the recommendation and will work on improving year end processes around identifying invoices that cover different periods.</p>	<p>We now have a process in place for identifying prepayments throughout the year to ensure that they are correctly recorded.</p>

Matter	Observation	Recommendation	Ōtorohanga Response	Progress
 Items Completed Since last report (subject to Deloitte sign-off)				
	<p>recorded at year-end despite the invoice remaining unpaid and classified as a payable.</p>			
<p>Policies Overdue Review</p>	<p>During review of policies, it was noted three policies have not been reviewed and approved by the scheduled review date as outlined on each policy.</p> <p>The policies are:</p> <ul style="list-style-type: none"> -Debt Policy: This policy was due for a review in April 2025. -Fraud Policy: This policy was due for review in October 2021 (we note that this has now been reviewed as at the 29 September 2025 meeting). -Procurement Policy: This policy was due for a review in October 2021 (we note that this has now been reviewed as at the 29 July 2025 meeting). 	<p>It is recommended management ensures they are reviewing and adopting policies on a frequent basis, and if any policies exceed the predetermined review date they are updated and amended in a timely manner.</p>	<p>We agree with the finding. This policy was overlooked and will be reviewed in the near future. Processes are also being developed to ensure this issue does not occur with future policy reviews.</p>	<p>May Update: The Debt Recovery Policy has been included in this agenda for review.</p>

Matter	Observation	Recommendation	Ōtorohanga Response	Progress
 Items in progress				
Loan Receivable Recoverability	Based on our assessment of the recoverability of the loan to Ōtorohanga Kiwi House, we have observed that the Kiwi House is currently operating as a loss, and there are indications of impairment relating to the loan receivable balance.	Deloitte recommends that management complete a thorough assessment on the recoverability of the loan receivable based on the current economic conditions to appropriately determine if the loan is impaired.	We acknowledge the recommendation, and Council will work on undertaking an assessment of the recoverability of the loan.	Council resolved at their February meeting to extend the Term of the Loan and Interest Free period by a year to allow OKH to slowly improve their financial position. May Update: Discussions are on-going with the Kiwi House.

Item 13 Mayoral Disaster Relief Fund Update

To Risk and Assurance Committee

From Rebecca Griffin – Recovery Office Co-Ordinator

Type **INFORMATION REPORT**

Date 18 May 2026



1. Purpose | Te kaupapa

1.1. To provide an update of grants made under the Mayoral Disaster Relief Fund Policy.

2. Executive summary | Whakarāpopoto matua

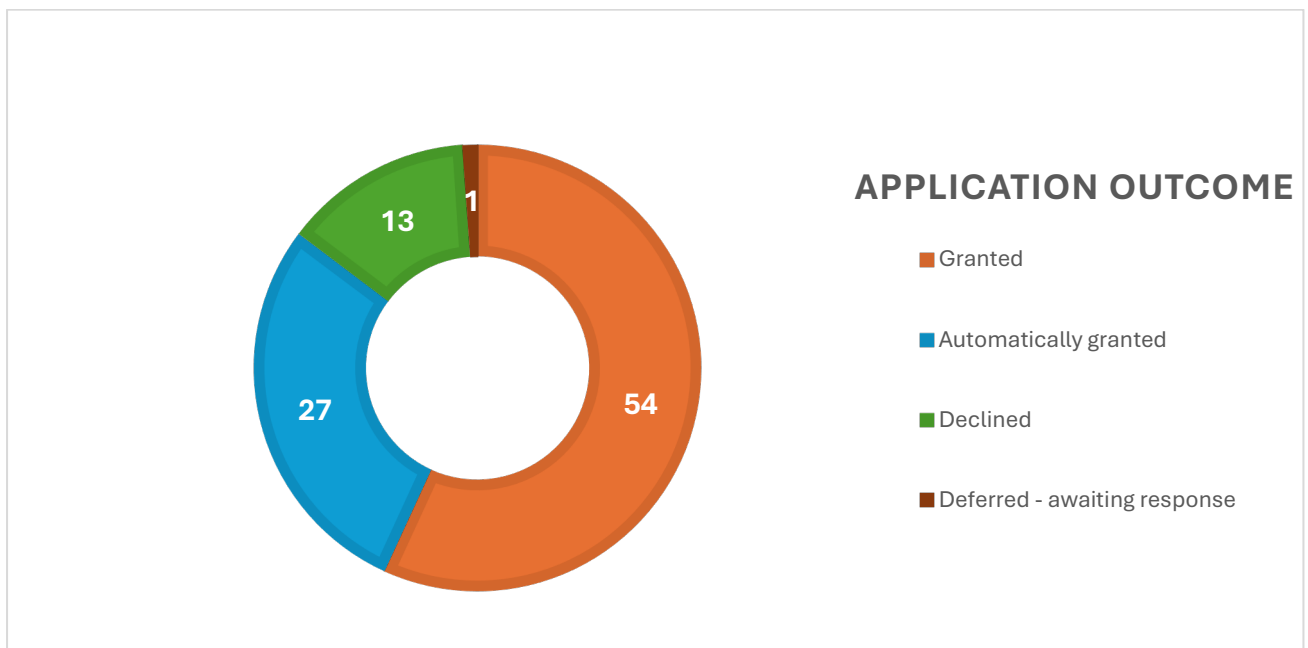
2.1. This report is an update to the Mayoral Disaster Relief Fund report delivered to the Risk and Assurance Committee at the 30 March 2026 meeting.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk and Assurance Committee **RECEIVE** the report titled ‘Mayoral Disaster Relief Fund Update’.

4. Applications Summary

4.1. As at 7 May 2026 the Panel have considered 95 applications:



4.2. Total amount granted as at 7 May 2026 is \$165,466.00, leaving a balance of \$92,704.

Total amount granted by Category	Sum of Amount approved
Yellow stickered	\$32,000.00
Farming operation	\$28,000.00
Debris removal	\$23,030.00
Household item replacement	\$12,772.79
Insurance excess	\$11,518.00
Replacement of uninsured structures	\$10,000.00
Red stickered	\$10,000.00
Marae	\$10,000.00
Clearing debris and replacement of uninsured structures	\$10,000.00
School	\$5,000.00
Community organisation	\$4,000.00
Establishment of permanent water supply	\$2,000.00
Driveway repairs	\$2,000.00
Lifestyle Block	\$2,000.00
Small business experiencing financial hardship	\$1,000.00
Basic needs, household goods and personal items	\$1,000.00
Repair of uninsured structures	\$500.00
Household / business goods	\$500.00
Household item repairs	\$145.31
Grand Total	\$165,466.10

Item 14 Capital Projects report

To Risk and Assurance Committee
From Mark Lewis, Group Manager Engineering & Assets
Type **INFORMATION REPORT**
Date 18 May 2026



1. Purpose | Te kaupapa

1.1. To provide assurance on the delivery of the capital projects programme, outline any material risks that may affect the programme and how the risks are mitigated for the 25/26 financial year.

2. Executive summary | Whakarāpopoto matua

- 2.1. This update follows the previous report presented on 30 March 2026. Given the limited time since that reporting period, there has been minimal change across the capital programme. This report therefore provides a brief status update, confirming delivery progress and noting any key risks requiring ongoing monitoring.
- 2.2. The capital programme is currently assessed as Amber, reflecting moderate delivery risk but overall confidence in achieving a successful year. Delivery is broadly tracking to plan, with most programme areas demonstrating stable performance and no material change since the previous reporting period.
- 2.3. The primary pressures on delivery continue to arise from external cost drivers and the impact of unplanned works, particularly fuel price increases affecting material costs and contractor pricing. In addition, the requirement to deliver emergency works alongside business-as-usual activity is placing ongoing pressure on programme capacity and resource allocation.
- 2.4. The Land Transport programme remains a key area of delivery risk, with \$800k of reseal works deferred into the 2026/27 financial year. This creates a compounded forward programme of approximately \$3 million in reseals to be delivered within a single season, increasing the risk of delivery constraints in the final year. Early contractor mobilisation and prioritisation of a larger contract package are planned to mitigate this risk.
- 2.5. The Three Waters and Wastewater Treatment programmes are performing well, with post-weather event work ongoing and operational improvements delivering compliance outcomes. These areas continue to provide strong delivery confidence, supported by ongoing monitoring, maintenance, and regulatory engagement.
- 2.6. The Coastal Structures programme remains the most significant area of concern (Red). While Council has provided direction to proceed with repairs to the remaining 100m of seawall, there remains uncertainty around the final cost until market pricing is confirmed through tender. This creates a

potential financial exposure, with mitigation focused on progressing procurement to enable construction and inform longer-term strategic decisions.

- 2.7. Other programme areas, including Contracts, Community Facilities, and Resource Consents, are generally stable, with only minor delivery impacts noted. Some projects affected by earlier weather events will carry forward into the next financial year, however these are expected to be limited in number and manageable.
- 2.8. Overall, the programme remains deliverable, however key risks to monitor include:
 - Ongoing cost escalation (particularly fuel and materials)
 - Delivery pressure from overlapping emergency and planned works
 - Forward programme constraints within Land Transport
 - Financial and strategic uncertainty relating to coastal assets
 - Continued focus on contractor management, programme prioritisation, and timely decision-making will be critical to maintaining delivery confidence over the remainder of the financial year.
- 2.9. The \$14 million capital programme is on track, with approximately \$12 million (86%) forecast to be delivered this year. Minor deferrals of around \$1 million are expected, primarily due to reseal timing, along with \$0.4 million of works no longer required. Overall delivery remains aligned with plan.

3. Staff recommendation | Tūtohutanga a ngā kaimahi









That the Risk and Assurance Committee **RECEIVE** the report titled ‘Capital Projects Report for the Month Ending 18 May 2026 (document number 743584) from Mark Lewis, Group Manager Engineering and Assets.

4. Risk Summary and Programme Financial Overview

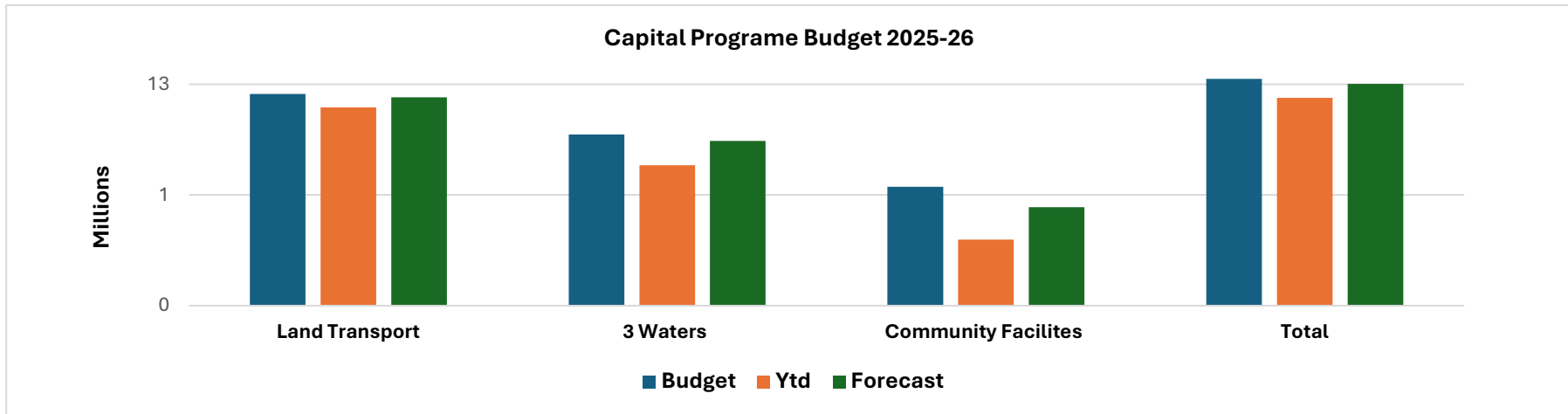
- 4.1. The following table provides a summary of the current key risks across the capital programme and the actions in place to manage them.
- 4.2. To support this, the accompanying graph and table presents the 2025/26 capital budgets alongside year-to-date expenditure and forecast spend to 30 June 2026. This provides a clear view of current delivery performance against plan and highlights areas where expenditure is tracking above or below forecast.
- 4.3. For reporting purposes, the Land Transport budget includes a combination of operational and capital expenditure to provide a consolidated view of delivery. This does not materially change the overall programme position, with Three Waters and Community Facilities budgets comprising capital expenditure only.
- 4.4. The capital programme for 2025/26 totals approximately \$14 million, of which around \$12 million (approximately 86%) is forecast to be delivered within the financial year. A further \$1 million of expenditure is expected to carry forward into 2026/27, primarily due to timing of works, along with

approximately \$0.4 million of projects that are no longer required and have been removed from the programme.

- 4.5. The cancelled budgets relate to \$300K project not going ahead at the wastewater treatment plant and the remaining 100K is for pipework renewals in Arohena.
- 4.6. The carryover is largely driven by the reseal programme, with approximately 80% of deferred works relating to reseals. The remaining balance comprises a number of smaller community facilities projects that will be completed in the following financial year. There are also expected savings within the community programme, including circa \$100k associated with solar works. More detailed financial positions will be confirmed as the programme approaches the end of the financial year.
- 4.7. Overall, the programme remains on track to deliver as planned, with the majority of investment progressing within the intended timeframe and only limited, manageable deferrals into the following year.

Area	Status	What has changed (since last update)	Current key issue / risk	Mitigations / actions underway
Overall Programme		No material change, delivery of programme on track for successful year.	Fuel prices affecting price of materials and price of work. Emergency works to be completed on top of BAU.	Increased contractors to maintain levels of service, apply contract agreements where possible to variations on materials
Land Transport		Reseals were not completed and \$800k worth of work to be moved to 26/27.	Compounds next year's reseals, \$3 million to do in one season, puts pressure on completion in final year.	Clear expectations to contractor that work needs to start early in season. Larger size contract will be priority to contractor
3 Waters		No material change, remedial works ongoing	Performing well post-weather event	Continue post-event inspections and preventative maintenance
Water Treatment Plant (Weir)		No material change	Confirmed weir is part of the flood protection assets, as well as water asset	Storm event remedial work is completed, budget in next LTP for permanent repair
Wastewater Treatment		No material change	Improvements delivering compliance	Maintain compliance monitoring and reporting, WRC have visited plant and seen improvements. Abatement notice removal pending.
3 Waters Contract		Project still ongoing, pipe prices have increased	Fuel prices driving pipe prices up and availability of materials	Continue contract governance.
Coastal Structures		Council direction to repair remaining 100m of wall, to provide time for more long-term discussions	Finite budget available to complete work will not know true cost until tender is out to market.	Prioritise getting tender out to market ready for construction in spring
Community Facilities		No material change.	Completion of certain projects were affected by February event and will see a portion of carryovers into 26/27	Keep pushing for completion before 30 June, only a small number of projects to carry forward into next year.
Resource Consents		No material change	Operating under existing conditions, not a high priority currently while waiting on final reports to be completed	Will refocus on consents once final reports are in, no risk to council at this time. Prepare for increased cost of improvements, too early to know the extent of them.

Activity	Budget 25/26	YTD March 26	Forecast 30 June 2026	Expected Carryovers 26/27	Projects Cancelled
Land Transport	10,016,982	7,152,392	9,210,049	806,933	
3 Waters	3,627,626	1,684,346	3,106,024		400,000
Community Facilities	981,082	261,008	589,622	276,500	0
Total	14,625,690	9,097,746	12,905,695	1,083,433	400,000



Public excluded

Take matatapu

There are no reports.

Meeting closure

Katinga o te hui

The Chairperson will declare the meeting closed.

Workshops

Hui awheawhe

RiskPool update

Open to the public

Risk Management Report with David Robson

Open to the public

Quarterly discussion with the Chief Executive

Public not permitted